



# **ANNUAL REPORT**

## **2022 - 23**



## **OUR VISION**

To become the Premier Company in the country's Surface Logistics Industry and emerges as the torchbearer of less than truck load business in India

## **OUR MISSION**

To provide the highest quality service to our customers by continuously increasing cost efficiency 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 and the like.

## COMPANY INFORMATION

### BOARD OF DIRECTORS

**Dr. Vijay Sankeshwar**  
Chairman and Managing Director

**Dr. Anand Sankeshwar**  
Managing Director

**Mr. K. N. Umesh**  
Executive Director

**Mr. L R Bhat**  
Executive Director

**Dr. Prabhakar Kore**  
Independent Director

**Mr. Gurudas Narekuli**  
Independent Director

**Mrs. Medha Pawar**  
Independent Director

**Mrs. Smriti Bellad**  
Independent Director

**Dr. Anand Pandurangi**  
Independent Director

**Mr. Shankarasa Ladwa**  
Independent Director

**Dr. Raghottam Akamanchi**  
Non-executive Director

**Dr. Ashok Shettar**  
Non-executive Director

**Sunil Nalavadi**  
Chief Financial Officer

**Aniruddha Phadnavis**  
Company Secretary & Compliance Officer

### BOARD COMMITTEES

#### AUDIT COMMITTEE

Mr. Shankarasa Ladwa - Chairman  
Mrs. Medha Pawar  
Mr. Gurudas Narekuli

#### FINANCE COMMITTEE

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

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Shankarasa Ladwa - Chairman  
Dr. Raghottam Akamanchi  
Mrs. Medha Pawar

#### NOMINATION & REMUNERATION COMMITTEE

Mr. Shankarasa Ladwa - Chairman  
Dr. Anand Pandurangi  
Dr. Ashok Shettar  
Mrs. Medha Pawar

#### CSR COMMITTEE

Dr. Vijay Sankeshwar - Chairman  
Dr. Prabhakar Kore  
Dr. Anand Sankeshwar  
Mrs. Medha Pawar  
Dr. Raghottam Akamanchi

#### ADMINISTRATION COMMITTEE

Dr. Vijay Sankeshwar - Chairman  
Dr. Anand Sankeshwar  
Mrs. Medha Pawar  
Dr. Raghottam Akamanchi

#### RISK MANAGEMENT COMMITTEE

Dr. Vijay Sankeshwar - Chairman  
Mr. Shankarasa Ladwa  
Mrs. Medha Pawar  
Mr. K. N. Umesh  
Mr. L R Bhat  
Mr. Sunil Nalavadi  
Mr. Raghavendra Malgi - Vice President (Accounts)

#### BUYBACK COMMITTEE

Dr. Vijay Sankeshwar - Chairman  
Mr. L R Bhat  
Dr. Anand Pandurangi  
Mr. Gurudas Narekuli  
Dr. Raghottam Akamanchi

### 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

### STATUTORY AUDITORS

M/s Kalyaniwalla & Mistry, LLP  
Chartered Accountants  
Mumbai

### COST AUDITOR

M/s S K Tikare & Co,  
Cost Accountants, Belagavi

### SECRETARIAL AUDITOR

Mr. R Parthasarathy  
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.  
The Federal Bank Ltd.  
HDFC Bank Ltd.  
State Bank of India  
Bank of Baroda

### LEGAL ADVISOR

Mr. R B Gadagkar  
Advocate

### CORPORATE OFFICE

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



## CHAIRMAN'S MESSAGE



Dear Members,

I take pride in presenting to you the 40th Annual Report of VRL Logistics Limited for the fiscal year 2022-23. It is satisfying to write to you at the completion of the fourth decade of your Company's existence and highlight the key developments for the past year and my vision for the Company's future.

At the very outset I would like to express my gratitude to our valued stakeholders, including our shareholders, customers, employees, and partners, for their unwavering support and trust in VRL Logistics Limited. It is your continued commitment that has propelled us towards new heights and made this year a remarkable success.

I am pleased to announce that your company has achieved yet another year of robust profitability. Despite the challenging market conditions, VRL has delivered good financial results, demonstrating not only the resilience and adaptability of its business model but also the strong potential it presents. The management's focus on operational efficiency, cost optimization and strategic branch expansion has allowed the Company to navigate several challenges and emerge stronger.

During the past year, VRL has made significant progress in enhancing service offerings and expanding branch network, enabling us to meet the evolving needs of our customers. The most significant development during the year gone by was the rapid branch expansion done by us, especially in the eastern part of our Country.

The rapid reduction in the e-invoicing thresholds being imposed by the Government has benefited organized players like us at the cost of the smaller and unorganized transporters. Customers have shifted to us in large numbers and have retained their confidence after experiencing our services. Addition of newer geographies has further ensured that such new branches get access to our wide network and vice-versa. I take pride in stating that our new branch contribution to the overall volume was around 8%, which is significant and is expected to further increase in the years to come.

We have focused our efforts on expanding our footprint across the country and the Northern, Eastern and North Eastern states have been a key area of strategic expansion for us. I am delighted to report that our newly established branches in this region have yielded substantial business volumes and have exceeded our expectations. By establishing a strong presence in the North East, we have not only tapped into new markets but also facilitated trade and economic development in these regions. We remain committed to further strengthening our presence in these states and unlocking their immense potential.

During the past year, we embarked on a strategic initiative to enhance our fleet and strengthen our logistical capabilities. I am pleased to announce that we have successfully added more than 1000 new vehicles to our fleet. This substantial investment allows us to meet the ever-growing demands of our customers, while also ensuring greater operational efficiency and timely deliveries. These new vehicles will undoubtedly reinforce our position as the market leader in the surface logistics industry. At the same time we are also phasing out our older vehicles as a proactive measure. The vehicles being scrapped are lower capacity vehicles and these are gradually being replaced with new higher capacity vehicles which adds to the overall fleet capacity despite the older vehicles moving out.

We implemented an ambitious Bar code / QR mechanism for the consignments being handled by us our large size and scale of operations as also the varying consignment sizes presented a unique challenge and demanded that the people on the ground let go of status quo and embrace newer technology. I am happy to state that the transition time this project took was much lower than what we anticipated and our employees rose to the occasion and have overcome the initial hiccups, which also impacted our service for a short duration.

As a responsible corporate entity, we have proactively embraced the government's vehicle scrappage policy. By replacing older vehicles with newer, more fuel-efficient, and environmentally friendly models, we have not only reduced emissions but also improved the overall efficiency of our fleet. This initiative aligns with our commitment to sustainability and reinforces our dedication to preserving the environment for future generations.

On a prudent note, considering our imminent vehicle scrappage year on year in the future and the potential that the vehicle scrapping compulsion entails, we are gearing up to establish a vehicle scrappage unit at our centralized vehicle facility at Varur in Hubballi, Karnataka. This would be the best of its kind unit in Northern Karnataka and would cater not only to our in-house vehicles but outside vehicles would be also procured and scrapped. Though not significant in quantum, I am sure that this business would yield positive cash flows. The imminent implementation of the vehicle scrappage policy will provide us with opportunities to leverage government incentives and optimize our operations.

The year gone by also witnessed significant internal restructuring in alignment with our long term goal to position your Company as an entity focusing solely on Goods Transportation business, which is its core competency. We hived off the Wind Power business and Bus Operations Undertaking was also sold as a going concern. The Bus division did not find any takers as a going concern and we roped in the best of external consultants to ensure that pricing related modalities were transacted in a transparent manner and ensured that the Board did an independent evaluation prior to placing the proposal forth to the shareholders for their approval. These two transactions resulted in an exceptional profitability addition for the year as also significant cash inflows to your Company. The bigger objective of ensuring that the Company now solely focuses on its core competency was also achieved. Your Board of Directors at their recently concluded meeting has also approved the in-principle disposal of the lone aircraft owned by the Company and this would ensure that the Company shall continue only with the Goods Transportation business going ahead. These measures were being contemplated by the Company's management over the last few years and the implementation of these measures have resulted in a very positive feedback from the investor community.

To ensure that our shareholders do benefit from the improved financial position, your Company transacted a buyback during the last quarter of the financial year. The buyback was concluded during the initial part of April 2023. As a part of the said buy back, the Company bought back 8,75,000 equity shares from the shareholders at a price of ₹ 700/- per share. Your Board of Directors have also recommended a final dividend of ₹ 5 per share and the shareholders are expected to approve the same at the ensuing Annual General Meeting.

While we celebrate the achievements of the past year, we remain focused on the road ahead. Our commitment to technological innovation, customer satisfaction, and sustainable growth will continue to drive us forward. We will seek to invest in latest technologies, expand our service offerings, and explore newer geographies for volume growth. With an unwavering dedication to excellence, I am confident that VRL Logistics Limited will continue to set new benchmarks in the industry. We remain enthusiastic and optimistic about the future. While we anticipate ongoing market uncertainties, we are confident in our ability to negate challenges and capitalize on opportunities. We will continue to focus on branch expansion and focusing on further optimizing our consignment delivery model to add more and more stations being directly serviced from our larger transshipment hubs so as to reduce material handling and also improve on the service levels.

As the world becomes more environmentally conscious, sustainability has emerged as a key priority for businesses across all sectors. VRL Logistics Limited is deeply committed to minimizing our environmental footprint and promoting sustainable practices throughout our operations. We are actively exploring alternative fuels, electric vehicles, and renewable energy sources to reduce emissions and promote greener logistics.

I would like to extend my heartfelt gratitude to our shareholders for their unwavering trust and confidence in VRL Logistics. Your support has been instrumental in our growth journey, and we are committed to creating long-term value for you.

I would also like to express my appreciation to our customers for their continued loyalty. Your trust in our services has motivated us to go above and beyond to meet your expectations. We are dedicated to further enhancing our offerings and delivering unparalleled value to you.

To our employees, I am immensely proud of your hard work and commitment. Your dedication and resilience have been the very basis for our success, and I express my heartfelt gratitude to each one of you.

Lastly, I would like to thank our partners and stakeholders for their collaboration and support. Your contributions have been invaluable in our journey towards excellence.

Lastly, I wish to assure that myself and the entire management team of your Company will continue to strive and create sustainable value, drive innovation, and foster strong relationships with all our stakeholders in the days to come.

Warm regards,

Sincerely,

**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

(18<sup>th</sup> KM, NH-4, Bengaluru Road, Varur)

Tel: 0836 2237613, Fax: 0836 2237614, Email: [investors@vrllogistics.com](mailto:investors@vrllogistics.com)

CIN: L60210KA1983PLC005247, Website: [www.vrlgroup.in](http://www.vrlgroup.in)

### NOTICE

**NOTICE** is hereby given that the Fortieth Annual General Meeting of **VRL Logistics Limited** will be held on Monday, August 7, 2023 at 12:30 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 (18th KM, NH-4, Bengaluru Road, Varur, Hubballi – 581207), Karnataka to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial accounts as at 31st March 2023 and the reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend of ₹ 5/- per equity share for the year ended on 31st March 2023.
3. To appoint Director in the place of Mr. L R Bhat (DIN: 01875068) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in the place of Dr. Ashok Shettar (DIN: 07038714) who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS

5. **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 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) & 17 and other applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, Clause 104 of Articles of Association of the Company, as recommended by the Nomination and Remuneration Committee and Board of Directors and a notice having been received from a member U/s 160(1) of the Companies Act 2013, Shri Shantilal Dhanraj Jain (DIN: 00571902), be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years, with effect from August 7, 2023 and that his period of office shall not be subject to retirement by rotation;

**RESOLVED FURTHER THAT** any of the Directors of the Company and/or Mr. Aniruddha Phadnavis, Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution and matters incidental thereto."

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

**“RESOLVED THAT** pursuant to Section 196, 197 & 198, read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, including any statutory modification(s) or re-enactment(s) thereof, Reg. 17(6)(e) of the SEBI (Listing obligation & Disclosure Requirements) Regulations 2015, based

on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and subject to such other approvals as may be necessary, the consent of the members be and is hereby accorded for payment of the existing remuneration to Dr. Anand Sankeshwar, Managing Director for the period of his remaining tenure (01.04.2023 to 31.03.2024) as detailed hereunder:

Remuneration: (Including Salary & Perquisites)	₹ 25 lakhs per month (the total salary indicated above would include all allowances / perquisites and exclude Provident Fund contribution, Gratuity and Leave Encashment & reimbursement)
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**RESOLVED FURTHER THAT** the aforesaid remuneration be construed as minimum remuneration in the absence of profits/inadequate profits, in compliance with Schedule V.”

**RESOLVED FURTHER THAT** Mr. Aniruddha Phadnavis Company Secretary & Compliance Officer of the Company be and is hereby authorised to take all steps necessary for giving effect to this resolution.”

**By order of the Board of Directors**  
For VRL Logistics Limited

**Aniruddha Phadnavis**

Company Secretary & Compliance Officer

Date: 10<sup>th</sup> July 2023

**Registered Office:**

RS No. 351/1, Varur, Post Chabbi, Taluk  
Hubballi, District Dharwad, Hubballi - 581 207  
(18<sup>th</sup> KM, NH-4 Bengaluru Road, Varur,  
Hubballi - 581 207)

**KARNATAKA**

CIN:L60210KA1983PLC005247

e-mail: investors@vrllogistics.com



## NOTES

1. An explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 and extant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with respect to the special business to be transacted at the Annual General Meeting ('AGM') set out in the notice is annexed hereto.
2. 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.
3. 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 fixed for holding the meeting. Proxies submitted on behalf of the companies & other entities, must be supported by appropriate resolution/ authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of 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.
4. 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.
5. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules, 2015, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all members. The complete instructions on e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to the voting that may take place at the Meeting on August 7, 2023.
6. Corporate Members intending to send their authorised representative to attend the meeting are requested to send to the Company a duly certified true copy of the Board Resolutions/authority, authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. Any member proposing to seek any clarification on the accounts is requested to send the queries to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
8. 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 will be available for inspection by the members during the Annual General Meeting of the Company.
9. The said Notice of AGM along with Annual Report, the Attendance Slip and Proxy Form have been sent to Members whose names are recorded in the Register of Members / Register of Beneficial owners as on June 30, 2023, by permitted / requisitioned mode individually at their registered postal address / sent electronically at their e-mail address available with the Company or with the Depository Participant(s).
10. The Notice calling the 40th AGM has been uploaded on the website of the Company in the Investor Desk Section under Notice, Forms & Voting result tab. The Annual Report is also available under the Financial Results under the Annual Report 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
11. 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 folio number/ demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
12. 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.

13. Relevant documents referred to in the accompanying Notice, are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
14. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the meeting.

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 Company's Registrar and Transfer Agent, KFin Technologies Limited ("KFin"), in respect of shares held in physical form.

15. The Members are requested to:

- (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, KFin in respect of their holdings in physical form.
- (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
- (c) Non-Resident Indian Members are requested to inform KFin immediately of the change in residential status on return to India for permanent settlement.
- (d) Register their email address/bank details/mobile number and changes therein from time to time with KFin for shares held in physical form and with their respective Depository Participants for shares held in demat form.
- (e) Quote their DPID & Client ID or Folio details respectively in all correspondences, including dividend matters to the Registrar and Share Transfer Agents, KFin Technologies Limited. (Unit: VRL Logistics Ltd.), Plot 31-32, Selenium Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.
- (f) 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 31, 2023 may obtain the login id and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com).

16. 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, in physical form. Members desirous of specifying nominations may procure the prescribed form (Form SH 13) from the Registrar & Share Transfer Agents KFin Technologies Limited and have it duly filled and sent back to them.
17. 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 unless any member has requested for a hard copy of the same. For members, who have not registered their email address, physical copies of the Annual Report are being sent to them in the permitted / requisitioned mode.
18. Members are requested to note that as per Section 124(5) of the Companies Act, 2013, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account, is liable to be transferred by the Company to the "Investor Education Protection Fund" (IEPF) established by the Central Government under the provisions of Section 125 of the Companies Act, 2013.
19. In terms of Clause 100 of the Articles of Association of the Company, Mr. L R Bhat, Whole-time Director and Dr. Ashok Shettar, Non-Executive Director retire by rotation and being eligible & offer themselves for re-appointment.
20. Information's required under Regulation 36 of SEBI Listing Regulations, Directors seeking Appointment/ Reappointment at the AGM are furnished as annexure to this Notice. The Directors have furnished consent/ declarations for their appointment/re-appointment as required under Act and rules made thereunder.
21. 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. Members holding shares in physical form can submit their PAN to the Company / KFin.

22. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also 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.
23. The Board of Directors of the Company vide its Resolution passed on May 20, 2023 has appointed Mr. Akshay Pachlag, Practicing Company Secretary (Membership No.30741, COP No: 11710) 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 same purpose.
24. 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 31, 2023.
25. As per the recommendation of the Board, the Company has proposed a Final Dividend of ₹ 5/- per equity share for the Financial Year 2022-23. The Dividend, if any declared, shall be payable to those Shareholders whose name(s) stand registered:
  - a. as Beneficial Owner as at the end of business hours on July 31, 2023 as per the lists to be furnished by National Securities Depositories Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
  - b. as Member in the Register of Members of the Company/Registrar & Share Transfer Agent after giving effect to valid share transmissions, if any, in physical form lodged with the Company as at the end of business hours on July 31, 2023 shall be entitled to avail the facility of remote e-voting / Insta Poll.
26. 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 31, 2023 only shall be entitled to avail the facility of remote e-voting/Insta-Poll.
27. 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 4, 2023.

End of remote e-voting: At 5.00 p.m. (IST) on August 6, 2023.

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 the aforesaid period.
28. The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta-Poll) 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](http://www.vrlgroup.in) and on the website of KFin <https://evoting.kfintech.com>. The results shall simultaneously be communicated to the Stock Exchanges.
29. 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 account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

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

<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<b>Individual Shareholders holding securities in demat mode with CDSL</b>
<p><b>1. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>Click on the e-Voting service provider name KFin and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> <p><b>2. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Select “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https:// eservices.nsdl.com/ Secure Web/ IdeasDirectReg.jsp</a></li> <li>Proceed with completing the required fields.</li> <li>Follow steps given in point 1.</li> </ol> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>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.</li> <li>Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e.KFin.</li> <li>On successful selection, you will be redirected to KFin e-Voting page for casting your vote during the remote e-Voting period.</li> </ol>	<p><b>1.Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Click on New System Myeasi</li> <li>Login with your registered user id and \ password.</li> <li>The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFin e-Voting portal.</li> <li>Click on e-Voting service provider name to cast your vote.</li> </ol> <p><b>2. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Proceed with completing the required fields.</li> <li>Follow the steps given in point 1</li> </ol> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Provide your demat Account Number and PAN.</li> <li>System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>After successful authentication, user will be provided links for the respective ESP, i.e KFin where the e-Voting is in progress.</li> </ol>

### 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43.

Further pursuant to the amendments introduced in the Income-tax Act, 1961 ('the Act') vide Finance Act, 2020, w.e.f. 1st April, 2020, dividend declared, paid or distributed by a Company on or after 1st April, 2020, 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 Tax ("TDS") under Section 194 of the Income Tax Act, 1961 will be deducted on payment of dividend to the Resident Individual/HUF Shareholder if the total dividend, paid during financial year ('FY'), does not exceed ₹ 5,000/- (Five Thousand Only).

TDS for the Resident Shareholder other than Resident Individual/HUF Shareholder receiving Dividend not exceeding ₹ 5,000/- (Five Thousand Only) during the Financial 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 197 of the Income Tax Act, 1961	Rates specified in Lower Tax withholding certificate obtained from the Income Tax Department	<ul style="list-style-type: none"> <li>• Copy of PAN Card; and</li> <li>• Copy of lower tax withholding certificate obtained from the Income Tax Dept.</li> </ul>
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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	In case of an Individual furnishing Form 15G/ 15H	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Declaration in Form No 15G (applicable to an individual who is less than 60 years)/ Form 15H (applicable to an Individual who is 60 years and above), fulfilling the prescribed conditions.</li> </ul>
2	Shareholders/Members to whom section 194 of the Act does not apply such as LIC, GIC, etc.	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• 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 194 of the Act.</li> </ul>
3	Shareholder covered u/s 196 of the IT Act, 1961 such as Government, RBI, Mutual Funds specified under section 10(23D), corporations established by Central Act and exempt from Income Tax.	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration* along with adequate documentary evidence (substantiating applicability of u/s 196 of the IT Act, 1961).</li> </ul>
4	Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration* that AIF's income is exempt under Section 10(23FBA) of the Act and they are governed by SEBI regulations as applicable to Category I or Category II AIFs, along with copy of registration certificate.</li> </ul>
5	Any other entity exempt from withholding tax under the provisions of section 197A of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	<ul style="list-style-type: none"> <li>• Copy of PAN card</li> <li>• Self-declaration* along with adequate documentary evidence, substantiating the nature of the entity.</li> <li>• Copy of the lower tax withholding certificate obtained from Income Tax Department (except those covered by Circular 18/2017)</li> </ul>



## 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	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	<ul style="list-style-type: none"> <li>• Copy of PAN card (if available)</li> <li>• Self-declaration* along with adequate documentary evidence substantiating the nature of the entity</li> <li>• To get the beneficial rate of tax treaty, tax documents as mentioned in Point. No. 3 below would be required to be submitted.</li> </ul>
2	Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)#	<ul style="list-style-type: none"> <li>• Copy of PAN card (if available)</li> <li>• Self-declaration* along with adequate documentary evidence substantiating the nature of the entity</li> </ul>
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	<p>To get the beneficial rate of tax treaty following tax documents would be required:</p> <ul style="list-style-type: none"> <li>• Copy of PAN card (if available)</li> <li>• Copy of Tax Residency certificate(TRC) issued by revenue authority of country of residence of shareholder for the financial year 2022-23 (covering the period from April 1, 2022 to March 31, 2023)</li> <li>• Self-declaration* in Form 10F</li> <li>• 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]</li> </ul> <p>(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).</p>
4	Non - Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the IT Act, 1961	30%	Not Applicable
5	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the IT Act, 1961	NIL	<ul style="list-style-type: none"> <li>• Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India.</li> <li>• Self-declaration* that the conditions specified in section 10(23FE) have been complied with.</li> </ul>
6	Availability of Lower/ NIL tax deduction certificate issued by Income Tax Department u/s 195 or 197 of the IT Act, 1961	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](mailto: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 as per section 206AA shall be applied. The above mentioned rates will be subject to applicability of Section 206AB of the IT Act, 1961.

\$ In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D 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 15G/ 15H/10F, documents under sections 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be emailed to [investors@vrllogistics.com](mailto:investors@vrllogistics.com) on or before Monday, July 31, 2023 to enable the Company to determine the applicable TDS rate. Members can also upload the above said documents on the website of the KFin. Any communication in relation to tax rate determination/ deduction received post Monday, July 31, 2023 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 refund. 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 e-mailed directly to the investors. You will also be able to view the credit of TDS in Form 26AS, 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 who are required to link their Aadhar number with their PAN in terms of the provisions of Section 139 AA (2) read with Rule 114AAA of the Act, should link the same by June 30, 2023 or any further extension if any provided. Subject to further extension, if any PAN is found to be unlinked with Aadhar by June 30, 2023, such PAN will be deemed invalid and tax at source will be deducted at higher rates u/s 206AA of the Act.

10. Income Tax Act, 1961 has inserted section 206AB w.e.f July 1, 2021 wherein if the shareholder has not submitted the PAN as well as not filed the return; tax will be deducted at higher of the two rates prescribed in these sections and provisions of the Income Tax Act, 1961.

11. 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.

12. In case of any query in the matter please reach out at [investors@vrllogistics.com](mailto:investors@vrllogistics.com).

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

### ITEM-5

#### APPOINTMENT OF MR. SHANTILAL DHANRAJ JAIN (DIN:00571902) AS INDEPENDENT DIRECTOR OF THE COMPANY

The Board of Directors at its meeting held on May 20, 2023 based on the recommendation of the Nomination & Remuneration Committee has recommended the appointment of Mr. Shantilal Jain as an Independent Director for a term of five years with effect from the date of this AGM i.e., August 7, 2023 and pursuant to the requirements of the Act, it is proposed to seek approval of the members in this regard. Further, Mr. Shantilal Jain shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

#### BRIEF PROFILE OF MR. SHANTILAL JAIN:

Mr. Shantilal Jain is a Practicing Chartered Accountant with an experience of more than 3+ decades in the field of Taxation, Accounting, Audit etc. with a reputed well established firm in Hubballi in the name of M/s. D.Shantilal Jain & Co. He was also a past chairman of Hubballi Branch of SIRC in the year 1992-93 and was an ex-director of Institute of Business Management & Research (IBMR) educational institutions at Hubballi, Bengaluru, Ahmedabad and Gurgaon. He has several other achievements and accolades. The requisite Security Clearance from MHA in accordance with Civil Aviation Requirements had been received by the Company in respect of Mr. Shantilal Jain during January 2020 and the same is valid for a period of 5 years. Mr. Shantilal Jain has completed his Independent Directors Examination conducted by Indian Institute of Corporate Affairs and holds a certificate with lifetime validity.

His achievements, work experience and his tenure in various position in different institutes are mentioned herein below:

- Chairman of Hubballi Branch of Southern India Regional Council of Institute of Chartered Accountants 1992-93.
- Founder member of Karnataka Marwari Youth Federation, Bengaluru
- President Jain Navayuvak Mandal, Hubballi for 10 Years,
- Ex-Trustee, Sri Jain Marudhar Sangh, Hubballi ( 15 Years)
- Ex-Director; Institute of Business Management and Research, Hubballi, Bengaluru, Chennai, Ahmedabad, and Gurgaon (Delhi)
- Director; Dhanashree Realtors (Hubli) Ltd., Bengaluru
- Director, Lions Club of Hubballi for 1996-97 and 1998.
- Ex-Director, Oxford College, Hubballi
- Ex- Director, Oxford Polytechnic, Hubballi.
- President, Bharat Vikas Parishad, Hubballi (3 terms)

Mr. Shantilal Jain has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received his consent in writing to act as an Independent Director, and an intimation that he is not disqualified under section 164(2) of the Companies Act, 2013. In terms of proviso to sub-section (5) of Section 152, the Board of Directors are of the opinion that Mr. Shantilal Jain fulfils the conditions specified in the Act, for his appointment as an Independent Director.

The Company has received a notice in writing from a member, pursuant to Section 160(1) of the Companies Act, 2013, proposing the candidature of Mr. Shantilal Jain for his appointment to the office of Independent Director.

Pursuant to Secretarial Standards-2 issued by the Institute of Company Secretaries of India, additional information about Mr. Shantilal Jain is annexed in Annexure B to this Notice.

Mr. Shantilal Jain does not hold any shares/securities in the Company, either in his individual capacity or on a beneficial basis for any other person.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, are concerned or interested, financially or otherwise in this resolution.

The Board recommends the Special Resolution at Item No. 5 for approval of the members.

#### ITEM - 6

#### APPROVAL OF CONTINUATION OF EXISTING REMUNERATION OF DR. ANAND SANKESHWAR, MANAGING DIRECTOR FOR HIS BALANCE PERIOD OF HIS TENURE

Dr. Anand Sankeshwar, was re-appointed as Managing director of the Company w.e.f. April 1, 2019 for a period of five years at the 36th Annual General Meeting of the Company. Considering the adverse Covid-19 impact on the financial results of the Company, the Company took the approval of the shareholders for the payment of remuneration to Dr. Anand Sankeshwar for a period of three years i.e., April 1, 2023 to March 31, 2023 at the 37th Annual General Meeting of the Company.

Dr. Anand Sankeshwar has sought that the existing remuneration be continued for the balance period of his tenure.

Dr. Anand Sankeshwar's tenure as a Managing Director is valid upto March 31, 2024 and in this regard, the Nomination & Remuneration Committee and Board of Directors of the Company at their respective meetings held on May 20, 2023 have approved remuneration paid/payable to the Managing Director for his balance tenure of one year and the same is placed before the shareholders for their approval.

The details of remuneration of Managing Director is mentioned herein below:

#### Remuneration

(Amount in ₹)

S I . No.	Name of the Director	Designation	Remuneration per month inclusive of perquisites
1	Dr. Anand Sankeshwar	Managing Director	25,00,000/-

Additional disclosure as mandated under Schedule V of the Companies Act, 2013 for payment of remuneration in excess of the limits prescribed therein in the event of inadequate profits/ absence of profits for Item No 6 is included in the Notice as Annexure B hereto.

The following additional information as required under Schedule V of the Companies Act, 2013 for Item No 6 is as given below:

Except Dr. Anand Sankeshwar and Dr. Vijay Sankeshwar (by virtue of his being related to Dr. Anand Sankeshwar), none of the other Directors and Key Managerial Personnel of the Company are concerned or interested, financially or otherwise, in this Resolution.

By order of the Board of Directors

Aniruddha Phadnavis  
Company Secretary & Compliance Officer

Date: July 10, 2023  
Place: Hubballi

# 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
Date of Birth	January 27, 1959
Date of Initial Appointment	August 4, 2017
Tenure of appointment	Retire by Rotation
Qualification	Diploma in Mechanical engineering & Certified member of 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 member of the Institute of Engineers in tool design. He has been associated with the Company since 1st July, 1995 and instrumental in developing in house IT which has resulted in enormous growth coupled with cost saving. He has more than 2 decades of experience in the IT field. He also heads the vehicle maintenance function in the Company.
Directorship held in other Listed Companies	None
Membership of Committee in other Listed Companies	None
Category	Executive Director – Whole-time director
Relationship with other directors	Not related to any directors
Shareholding in the Company as on 31 <sup>st</sup> March 2023	2097 shares held jointly with spouse Mrs. Usha Ramanand Bhat (name of the latter appears as the first holder)

Name of Director: Dr. Ashok Shettar	
DIN	07038714
Date of Birth	June 6, 1958
Date of Initial Appointment	August 8, 2015
Tenure of appointment	Retire by rotation
Qualification	B.E. (Civil.) & Ph.D. in civil engineering
Expertise in Specific functional area	Dr. Ashok Shettar is B.E. in Civil Engineering from Karnatak University, Dharwad and Ph.D. in Civil Engineering from Indian Institute of Science, Bengaluru. He was former member, Executive Council, Visvesvaraya Technological University, Belgaum and Former Member of Higher Education Council, Government of Karnataka. Presently he is a member of the Indian Society for Technical Education as also the Vice Chancellor of KLE Technological University. In 2005 he received “Rotary Centennial” award for Professional Excellence in Administrative and Teaching Experience. He has more than 3 decades of teaching experience at undergraduate and Post graduate Levels.
Directorship held in other Listed Companies	None
Membership of Committee in other Listed Companies	None
Category	Non-Executive Director
Relationship with other directors	Not related to any directors
Shareholding in the Company as on 31st March 2023	Nil

Name of Director: Mr. Shantilal Jain	
DIN	00571902
Date of Birth	August 18, 1954
Date of Initial Appointment (Proposed)	August 7, 2023
Tenure of appointment	Five years
Qualification	B.Com, FCA, DISA
Expertise in Specific functional area	He holds a Bachelor's Degree in Commerce from St Joseph's College of Commerce Bengaluru since 1976-77. He completed Chartered Accountancy in the year 1981. He started his practice since 1982 at Hubballi and his firm has multiple branches at Bengaluru, Ranebennur and Hungund, Karnataka.
Directorship held in other Listed Companies	None
Membership of Committee in other Listed Companies	None
Category	Independent Director
Relationship with other directors	Not related to any directors
Shareholding in the Company as on 31st March 2023	Nil

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 is a part of this Annual Report.

**By order of the Board of Directors**

**Aniruddha Phadnavis**  
**Company Secretary & Compliance Officer**  
Date: July 10, 2023  
Place: Hubballi



## ANNEXURE B

### INFORMATION PURSUANT TO CLAUSE 1.2.5 OF SECRETARIAL STANDARD 2 (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA AND REGULATIONS 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

<b>Name of the Director</b>	<b>Mr. Shantilal Jain</b>
<b>Age</b>	<b>69 Years</b>
<b>Qualifications</b>	<b>Bcom, FCA, DISA. (Chartered Accountant)</b>
<b>Experience</b>	<p>He holds a Bachelor's Degree in Commerce from St Joseph's College of Commerce Bengaluru since 1976-77. He completed Chartered Accountancy in the year 1981. He started his practice since 1982 at Hubballi and his firm has multiple branches at Bengaluru, Ranebennur and Hungund, Karnataka.</p> <p>He was a Chairman of Hubballi Branch of Southern India Regional Council of Institute of Chartered Accountants 1992-93 and Ex-Director; Institute of Business Management and Research, Hubballi, Bengaluru, Chennai, Ahmedabad, and Gurgaon and Founder member of Karnataka Marwari Youth Federation, Bengaluru.</p>
<b>Terms of Conditions of appointment</b>	Once appointed as an Independent Director he will be paid sitting fees for attending Board and Committee meetings of the Company during his tenure. No other remuneration would be payable to him.
<b>Details of Remuneration sought to be paid</b>	NIL except sitting fees
<b>Last Remuneration drawn including Sitting fees from the Company</b>	NIL
<b>Shareholding</b>	NIL
<b>Relationship with other Director / KMPs</b>	None
<b>Number of meetings of the Board attended during the year</b>	Not applicable
<b>Other directorships</b>	Companies in which he is a Director as of date of this Notice: 1. Dhanashree Realtors (Hubli) Limited
<b>Membership / Chairmanship of committees of other Boards</b>	NIL

## ANNEXURE C

### INFORMATION PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013.

#### I GENERAL INFORMATION

##### 1. Nature of industry:

The Company is engaged in the business of Goods Transportation and Passenger Transportation by Air.

##### 2. Date of commencement of commercial production:

The Company carries on Goods Transportation since its incorporation. The other business verticals that the company is engaged into since over the last decade are Bus Operations, Wind Power generation and Passenger Transportation by Air. However the company has discontinued Bus operations business and Wind power generation by way of slump sale during FY 2022-23.

##### 3. Financial performance based on given indicators:

Standalone Financial Results for the last three years:

₹ (in Lakhs)

Particulars	2022-23	2021-22	2020-21
Profit (Loss) after Tax	32,320.06	16,011.26	4,506.79
Net Worth (including balance in Profit and Loss Account)	97,584.15	65,163.07	59,714.01
Earnings Per Share	36.58	18.12	4.99
Turnover	2,66,286.66	2,41,046.54	1,77,578.73

##### 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, 2023, the Shareholding of Foreign Institutional Investors, Foreign Nationals and Foreign Companies, in the Company is as under:

Sl.	Description	Shares	% Equity
1	Foreign Portfolio - Corp	20,73,149	8.11
2	Non Resident Indians	1,99,231	0.23
3	NRI Non-Repatriation	1,10,594	0.13
	<b>Total</b>	<b>23,82,974</b>	<b>3.38</b>

#### II INFORMATION ABOUT THE APPOINTEES

##### 1. Background details:

###### ➤ Dr. Anand Sankeshwar

Dr. Anand Sankeshwar holds a Bachelor's Degree in commerce from Karnataka University, He joined his father at an early age and is involved in the day-to-day monitoring of operations of the Company also determining its strategic direction. He has 29 years of rich experience in the Logistics industry. He has been awarded with several awards and accolades.

##### 2. Past remuneration:

The remuneration paid to Dr. Anand Sankeshwar for financial year 2022-23 and 2021-22 was as follows:

(Amount in lakhs)

Name of the Directors	2022-23	2021-22
Dr. Anand Sankeshwar	310.00*	300.00

\*Remuneration includes leave encashment which is not considered as a part of his remuneration.

### 3. Recognition or Awards

Dr. Anand Sankeshwar has been conferred numerous awards, accolades and recognitions, a few of which include:

- “Brand Builder of the Year Award” at the “Global Brand Excellence Awards”, Singapore
- ‘Inspirational Leader of New India’, in USA
- Honored by TiE as the “Best 2nd Generation Entrepreneur”
- The prestigious “Youth Icon” award by ABCI of Mumbai.
- ‘Marketing Professional of the year by ‘The Indira Group of Institutes’ Pune.
- Honored as the ‘South Indian Business Achiever’ organized at Singapore.
- ‘The Most Admired Entrepreneur of the Year’ at the Rising Leadership Awards
- “The Rising Leader of New India” as an event organized by APS Research Council
- Felicitated as an “Extraordinaire” for his business achievements as a part of the Brand Vision event organized by Nex Brands Inc
- The prestigious “GAME CHANGER AWARD” award by Media News 4u.com.
- Honorary Doctorate awarded by Karnataka State Open University, Mysuru for his excellence and outstanding performance in the field of surface logistics industry in the year 2022.

Dr. Anand Sankeshwar had also been appointed as a member on the Board of Governors of the prestigious National Institute of Industrial Engineering (NITIE) by the Ministry of Human Resources & Development, Government of India.

In the year 2022, Dr. Anand Sankeshwar was nominated as member of the Trade Council of India, operating under the aegis of Director General of Foreign Trade, Ministry of Commerce & Industry, Government of India. The said council advises the Central Government on policy matter in relations to India’s imports and exports.

### 4. Job profile and Suitability

**Dr. Anand Sankeshwar:** He is a Promoter and Managing Director of the Company. He has a wide and varied expertise in the Logistics industry. He is actively involved in the day-to-day affairs of the Company and supervises the Finance & Marketing operations of the company. He is actively involved in business strategy and business development functions of the Company. Remuneration proposed.

Details of remuneration as approved by the shareholders in earlier general meetings for appointments/re-appointments.

<b>DR. ANAND SANKESHWAR</b>	
Remuneration	An amount not exceeding ₹ 25,00,000/- (Rupees twenty five lakhs only) per month inclusive of perquisites .
Perquisites	<p>a. House maintenance allowance together with reimbursement of expenses or allowances for utilities as electricity, security, maintenance, staff salary etc.</p> <p>b. Reimbursement of expenses pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation.</p> <p>c. Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme - as per the policy of the Company.</p> <p>d. Leave and encashment of leave - as per the policy of the Company.</p> <p>e. Gratuity and / or contribution to the Gratuity Fund of Company - as applicable to other officers of the Company and as per the policy of the Company</p> <p>f. Other Allowances / benefits, perquisites - as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.</p> <p>The following perquisites shall not be included in the computation of remuneration stated above:</p> <p>a. Gratuity as per rules of the Company (which shall not exceed one half month's Salary for each completed year of service);</p> <p>b. Earned leave with full pay or encashment as per rules of the Company.</p> <p>c. Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme - as per the policy of the Company.</p> <p>d. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls but excluding long distance personal calls to be paid by Chairman &amp; Managing Director) shall not be included in the computation of perquisites.</p> <p>For the purpose of calculation of remuneration, perquisites shall be evaluated as per Income Tax Rules, wherever applicable.</p> <p><b>Other Terms and Conditions</b></p> <ul style="list-style-type: none"> <li>• In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Dr. Anand Sankeshwar, the remuneration by way of salary, perquisites, or any other allowances as specified above as minimum remuneration as per the Provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be specified by the Government from time to time in this regard.</li> <li>• No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof.</li> <li>• In accordance with Article 97 of the Articles of Association, Dr. Anand Sankeshwar shall not be liable to retire by rotation.</li> </ul>

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

The current remuneration being paid to the Managing Director looking at the profile of the position and the individual in question is commensurate with his standing, efforts, scale and size and scale of operations of the Company. Also the remuneration drawn by Dr. Anand Sankeshwar is in line with the payments being made by other Companies of similar size as also in line with the payments being made by the other reputed Companies in the logistics Industry.

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

Dr. Anand Sankeshwar is a Promoter and Managing Director of the Company. Dr. Anand Sankeshwar and Dr. Vijay Sankeshwar are related to each other. Except to the extent of remuneration drawn and shareholding related defrayals, he does not have any other pecuniary relationship with the Company or any other Director or Key Managerial Personnel in Company.

### III OTHER INFORMATION

#### 1. Reasons of loss or inadequate profits:

Not Applicable

#### 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 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 has existing customers as also potential customers for getting business.

The Company's business has demonstrated ample resilience to adverse economic developments in the past and given the recent branch expansion as also fleet expansion undertaken by the Company, duly backed by stellar financial performance by the Company, the business is expected to do very well in the years to come.

### 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. Specific disclosures mandated under Schedule V are as under:

#### (I) ALL ELEMENTS OF REMUNERATION PACKAGE SUCH AS SALARY, BENEFITS, BONUSES, STOCK OPTIONS, PENSION, ETC., OF ALL THE DIRECTORS;

##### Remuneration to Executive Directors

The appointment and remuneration of Executive Directors 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 into between them and the Company, as approved by the shareholders at the general meeting.

Any 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 subject to the approval of the shareholders.

Table 2 below gives the details of remuneration paid to Directors for the year ended March 31, 2023.

##### Remuneration paid / payable to Directors

(₹ in lakhs)

Name of the Director	Salaries, perquisites and allowances	Commission	Sitting fees	Total
Dr. Vijay Sankeshwar	337.88	135.00	-	472.88
Dr. Anand Sankeshwar	310.00	-	-	310.00
Mr. K. N. Umesh	167.34	-	-	167.34
Mr. L R Bhat	164.69	-	-	164.69
<b>Total</b>	<b>979.91</b>	<b>135.00</b>	<b>-</b>	<b>1,114.91</b>

#### (II) DETAILS OF FIXED COMPONENT AND PERFORMANCE LINKED INCENTIVES ALONG WITH THE PERFORMANCE CRITERIA;

Not Applicable.

#### (III) SERVICE CONTRACTS, NOTICE PERIOD, SEVERANCE FEES;

As at March 31, 2023, the Board comprised of twelve directors including four executive directors, two non-executive directors and six independent directors. The Company has entered into agreements with Dr. Vijay Sankeshwar, Chairman and Managing Director, Dr. Anand Sankeshwar, Managing Director, Mr. K N Umesh, Whole-time Director and Mr. L R Bhat, Whole-time Director which, inter alia, stipulating a three months' notice period to vacate their respective office 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.

**(IV) STOCK OPTION DETAILS, IF ANY, AND WHETHER THE SAME HAS BEEN ISSUED AT A DISCOUNT AS WELL AS THE PERIOD OVER WHICH ACCRUED AND OVER WHICH EXERCISABLE.**

During the year, no stock options were granted to any executive / non-executive director of the Company. Also, the Company did not advance any loan to any of its Directors during the year.

The Board recommends the Resolutions as set out at Item No 6 of the Notice as Resolution, for approval of the Members.

**By order of the Board of Directors  
For VRL Logistics Limited**

**Aniruddha Phadnavis  
Company Secretary & Compliance Officer  
Date: July 10, 2023  
Place: Hubballi**





**VRL LOGISTICS LIMITED**

**Regd. Office: RS No. 351/1, Varur, Post Chabbi, Taluk Hubballi,  
District Dharwad, Hubballi (Karnataka) - 581 207**

**(18<sup>th</sup> KM, NH-4, Bengaluru Road, Varur)**

**Tel: 0836 2237613, Fax: 0836 2237614, Email: [investors@vrllogistics.com](mailto:investors@vrllogistics.com)**

**CIN: L60210KA1983PLC005247, Website: [www.vrlgroup.in](http://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 40th 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 7, 2023 at 12.30 pm.

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 2022-23 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/Depository 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 Annual Report for FY 2022-23 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all shareholders whose email ids are not registered with the Company or have requested for a hard copy.



**VRL LOGISTICS LIMITED**

**Regd. Office: RS No. 351/1, Varur, Post Chabbi, Taluk Hubballi,  
District Dharwad, Hubballi (Karnataka) - 581 207**

**(18<sup>th</sup> 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.  
(18<sup>th</sup> 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 40th Annual General Meeting of the Company, to be held on the August 7, 2023 at 12.30 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 Annual Accounts for the FY 2022-23 together with the Reports of Board of Directors and Auditors thereon.		
2	To declare Final Dividend of ₹ 5/- per equity share on Equity Shares for the year ended on 31st March 2023		
3	Appointment of Mr. L R Bhat, (DIN: 01875068) who retires by rotation, being eligible, offers himself for reappointment.		
4	Appointment of Dr. Ashok Shettar, (DIN: 07038714) who retires by rotation, being eligible, offers himself for reappointment.		
Special Business			
5	To consider appointment of Mr. Shantilal Dhanraj Jain (DIN:00571902) as an Independent Director of the Company for a period of Five years.		
6	To consider approval for continuation of existing remuneration of Dr. Anand Sankeshwar, Managing Director (DIN: 00217773) for the balance period of his tenure.		

Affix Re.1  
Revenue  
Stamp  
here

Signed this \_\_\_\_ day of \_\_\_\_\_, 2023

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](mailto:cs_akshaysp@yahoo.com) with a copy marked to [evoting@kfintech.com](mailto: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 5, 2023 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 31, 2023, may write to the KFin on the email [evoting@kfintech.com](mailto:evoting@kfintech.com) or to Mr. Bhaskar Roy, Deputy Vice President, Contact No. 040-33215252 at KFin Technologies Limited, Unit- VRL Logistics Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, 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 4, 2023 at 9.00 A.M. and ends on August 6, 2023 at 5.00 P.M. During this period, the Members of the Company holding shares in dematerialized form as well as in physical form as on the cut-off date, being July 31, 2023, 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') shall 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 31, 2023.
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 31, 2023 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 4, 2023 End of remote e-voting: Up to 5.00 p.m. (IST) on August 6, 2023. 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 Scrutiniser's report of the total votes cast in favour 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 7, 2023.
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 favour 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](http://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.
14. The details of login credentials for e-voting purpose is as follows:-

E-Voting event Number	User ID	Password

15. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or 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:**

- A. 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](mailto: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](mailto: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://ris.kfintech.com/clientservices/isc>

**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>

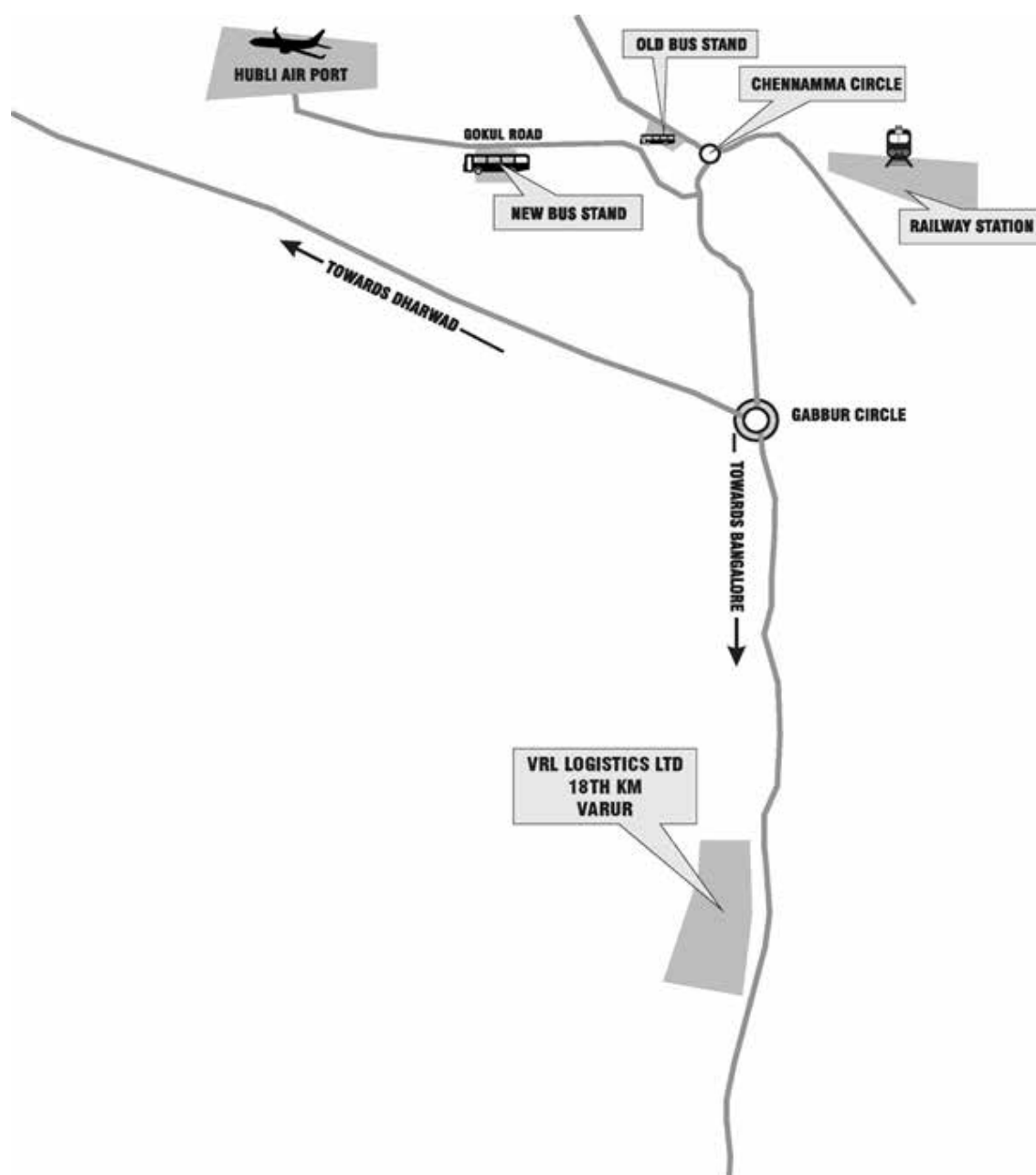
KPRISM: A mobile application as well as a webpage which allows users to access Folio details , Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

URL: <https://kprism.kfintech.com/signin.aspx>

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.



## DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present the Fortieth Annual Report of your Company together with the audited financial statements for the financial year ended March 31, 2023.

### 1. SUMMARY OF FINANCIAL RESULTS

The performance of the Company for the Financial year ended March 31, 2023 is summarized below:

Particulars	Year Ended March 31, 2023	(₹ in lakhs) Year Ended March 31, 2022
<b>Total Operating Income (Continuing Operations)</b>	<b>266,286.66</b>	<b>2,18,037.10</b>
EBIDTA	41,599.84	39,136.20
Finance Costs	5,433.85	4,215.80
Depreciation & Amortization expense	15,914.28	14,450.35
<b>Profit Before Tax &amp; Exceptional Items</b>	<b>20,251.71</b>	<b>20,470.05</b>
Tax Expense (Continuing Operations)	3,637.96	4,854.83
<b>Net Profit After Tax from continuing operations (A)</b>	<b>16,613.75</b>	<b>15,615.22</b>
Profit before exceptional items and tax from discontinued operations	3,363.50	519.17
Exceptional Items	18,720.45	-
Tax expense of discontinued operations	6,377.64	123.13
<b>Net Profit After Tax from discontinued operations (B)</b>	<b>15,706.31</b>	<b>396.04</b>
<b>Profit for the year (A+B)</b>	<b>32,320.06</b>	<b>16,011.26</b>
Other comprehensive income net of tax	101.02	39.02
<b>Total comprehensive income for the year</b>	<b>32,421.08</b>	<b>16,050.28</b>
<b>Basic and Diluted earnings per share</b>		
From continuing operations	18.80	17.68
From discontinued operations	17.78	0.44
From continuing and discontinued operations	36.58	18.12

The Gross turnover of the Company for the year was ₹ 2,92,924.29 lakhs. Out of the same, revenue depicted above as that of the Continuing Operations, i.e. ₹ 2,66,286.66 lakhs relates to Goods Transportation and corresponding revenues for the two discontinued business, i.e. Wind Power Undertaking and Bus Operations Undertaking was ₹ 797.37 lakhs and ₹ 25,840.26 lakhs respectively. Further details are given below.

### 2. OPERATING HIGHLIGHTS / STATE OF COMPANY'S AFFAIRS

During the year, the Company hived off two business divisions with an intention to solely focus on its Goods Transportation business, being its core competency.

The Company has, during the year, executed a Business Transfer Agreement for the sale / transfer of its Wind Power Business as a going concern on a slump sale basis for an aggregate sale consideration amounting to ₹ 5,285 lakhs. The profit before tax amounting to ₹ 1,034 lakhs on this sale (net of expenses incurred amounting to ₹ 6 lakhs), has been accounted as an Exceptional Item in the Financial Results. The said division ceased to be a part of the Company w.e.f. August 2022.

The Company executed a Business Transfer Agreement with a promoter group company for the sale / transfer of its Bus Operations Business as a going concern on a slump sale basis for an aggregate sale consideration amounting to ₹ 23,000 lakhs. The profit before tax amounting to ₹ 17,687 lakhs on sale / transfer (net of expenses incurred amounting to ₹ 13 lakhs), has been accounted as an Exceptional Item in the Financial Results. The said division ceased to be a part of the Company w.e.f. January 2023.

The Goods Transportation Business, which is the continuing operational division, achieved a gross revenue of ₹ 2,66,286.66 lakhs as against ₹ 2,18,037.10 lakhs for the earlier fiscal depicting a growth of 22.13% driven by robust volume growth. Such growth was possible owing to rapid branch expansion as also the ongoing shift of customers from the unorganized operators to entities like us. The Net profit after tax from continuing operations was ₹ 16,613.75 lakhs as against the corresponding

figure of ₹ 15,615.22 for the previous year. The net profit after tax from discontinued operations for the year was ₹ 15,706.31 lakhs. The total profit after tax was ₹ 32,320.06 lakhs.

The Company's Goods Transport Division achieved a turnover of ₹ 2,60,877.18 lakhs registering a growth rate of 22.79 % as compared to the previous year.

### 3. SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2023 stood at ₹ 8,834.35 lakhs. There was no change to the paid up share capital during the fiscal. The company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2023, none of the Directors of the company held instruments convertible into equity shares of the Company.

The company had initiated a buy-back of 8,75,000 equity shares during the last quarter of the fiscal and the same was concluded during FY 2023-24. A detailed note on Buy back has been summarized in point no 4 below.

### 4. BUY BACK OF SHARES

The Board of Directors of the Company at its meeting held on January 30, 2023 approved the proposal of Buyback of up to 8,75,000 (Eight Lakh Seventy Five Thousand Only) Equity Shares, (representing 0.99 % of the total number of Equity Shares in the existing total paid-up equity capital of the Company as on the date of the Board Meeting), from the shareholders/ beneficial owners of Equity Shares of the Company as on the Record Date being Friday, February 10, 2023 on a proportionate basis, through the "tender offer" process as prescribed under the SEBI Buyback Regulations, at a price of ₹ 700/- (Indian Rupees Seven Hundred Only) per Equity Share, payable in cash, for an aggregate maximum amount of ₹ 61,25,00,000/- (Rupees Sixty One Crores and Twenty Five Lakhs Indian Rupees), excluding transaction costs. The Buyback Size represented 9.44% of the aggregate of the Company's fully paid-up equity capital and free reserves as per the then last audited financial statements of the Company, as on March 31, 2022.

The Buyback Size was within the statutory limit of 10% of the aggregate of the paid-up capital and free reserves of the Company as on March 31, 2022 as per Section 68(2) of the Companies Act 2013 and Regulation 5(i)(b) of the SEBI Buyback Regulations. The maximum number of Equity Shares bought back represented 0.99 % of the total number of Equity Shares in the existing total paid-up equity capital of the Company, which is within the permissible limit of 25% of the total paid-up equity capital of the Company in that financial year.

The Board at the said meeting constituted a Buyback committee to execute necessary documentation, papers, announcements and to do other related things which were necessary to give effect to the said buyback of equity shares. The Committee comprised of 5 members viz., Dr. Vijay Sankeshwar, Chairman, Mr. L R Bhat, Dr. Anand Pandurangi, Mr. Gurudas Narekuli and Dr. Raghottam Akamanchi.

Upon closure, the Company has extinguished the shares in accordance with the extant provisions of the applicable Securities Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended, ("SEBI Buy Back Regulations") and Companies Act, 2013. The Company completed the Buyback of 8,75,000 equity shares of the Company during the month of April 2023 and as such no related accounting entries are effected during FY 2022-23.

### 5. CHANGE IN THE NATURE OF BUSINESS

Your Company continues to be one of the leading Logistics service providers in the country. The service offerings of the Company during the year in the Logistics space were Goods Transport, Bus Operations, Transportation of Passengers by Air and Wind Power Generation Business. There is no change in nature of business of the Company except as stated hereunder-

**Wind Power:** During the year, the Company entered into a Business Transfer Agreement ("BTA") with Nirani Energy Private Limited for the sale of its Wind Power Generation Business on a going concern basis, by way of Slump Sale for a consideration of ₹ 52.85 Lakhs. The said transaction was concluded during the fiscal and with effect from August 2022 the said division, including its underlying cash flows, vested with the purchaser.

**Bus Operations:** The Bus Operations Business Undertaking was a significant part of the Company's business operations till the Financial Year 2019-20. However, the impact of the COVID-19 pandemic and subsequent lockdowns and local travel restrictions have adversely affected the operations of the Bus Operations Business Undertaking. The existing fleet of vehicles was predominantly aged and would require replacement in the near short term resulting in significant capex outgo/ commitments from the Company. Such capex would be in the nature of replacement capex and would not necessarily yield incremental revenues. Given the nature of the business operations, it is imperative that the bus fleet is in accordance with the customer needs, demands and also better than that of the competitors across the routes in which we operate. At the time of its evaluation, i.e. as of 31.08.2022, out of the total fleet of 277 owned buses, a total of 179 buses were over 9 years old.

Going ahead, the Management wishes to position VRL Logistics Limited as an entity focusing solely on its core competency, which is Goods Transportation. The Company had explored options to sell off the Bus Operations Business Undertaking to an independent third party. However no satisfactory response could be seen with regard to this transaction. The Company also tried to dispose off the buses individually however there were no suitable buyers for the same. Promoters, having started this undertaking, have stepped in and proposed to take over the operations on a going concern basis and accordingly, after obtaining the due shareholder approvals in respect thereof, the said transaction was concluded. The said undertaking was

sold on slump sale basis for a lump sum consideration of ₹ 23,000 Lakhs determined on the basis of independent valuation report. The company had engaged the services of M/s Grant Thornton Bharat LLP to arrive at an independent valuation of the said division.

During the FY 2022-23, the approval of the shareholders was obtained by way of postal ballot for Transfer of the Bus Operations Business Undertaking of the Company to Vijayanand Travels Private Limited, on slump sale basis.

## 6. CAPITAL EXPENDITURE:

During the Financial year 2022-23, the company has incurred a capital expenditure of ₹ 41,398.42 Lakhs. Out of the same, an amount of ₹ 37,862.94 Lakhs was invested on purchase of new fleet i.e., Goods Transport Vehicles. The balance capex of ₹ 3,535.48 Lakhs was spent on machineries, land & building, furniture and fixtures, plant & equipment, office equipment and leasehold improvements etc.

## 7. LEASES

The adoption of the accounting standard Ind-AS 116- Leases, which has become effective from April 1, 2019, has resulted in the Company recognizing a right-of-use (ROU) of assets and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

This year, the addition to ROU assets was to the tune of ₹ 13,287.99 Lakhs attributable entirely to Buildings owing to rapid branch expansion. Also the addition to Lease Liabilities, including both current and Non-current was to the tune of ₹ 14,750.38 Lakhs.

The impact of adopting IndAS 116 on the financial statements for the year ended March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Depreciation charge on Right-of-use assets-Buildings</b>	<b>10,804.33</b>	<b>7,148.34</b>
Continuing Operations	10,343.79	6,600.47
Discontinued Operations	460.54	547.87
<b>Interest expense included in finance cost</b>	<b>4,314.80</b>	<b>3,069.18</b>
Continuing Operations	4,219.89	2,988.83
Discontinued Operations	94.91	80.35
<b>Expense relating to short-term leases</b>	<b>5,143.15</b>	<b>3,971.15</b>
Continuing Operations	4,968.35	3,811.52
Discontinued Operations	174.80	159.63
<b>Total cash outflow for leases during current financial year (excluding short term leases)</b>	<b>13,656.74</b>	<b>10,181.63</b>
<b>Additions to the right of use assets</b>	<b>27,390.46</b>	<b>16,275.92</b>

## 8. DIVIDEND:

The Board of Directors has proposed a Final Dividend of ₹ 5/- per share for the financial year 2022-23. No Interim dividend was declared during the year.

The comparative details of dividend declared are as follows:-

Dividend Type	Financial Year 2022-23		Financial Year 2021-22	
	Dividend Per share (in Rs)	Dividend Payout (Rs in lakhs)	Dividend Per share (in Rs)	Dividend Payout (in Rs lakhs)
Interim Dividend	-	-	8	7067.47
Final Dividend	5*	4373.43*	-	-
<b>Total Dividend</b>	<b>5*</b>	<b>4373.43*</b>	<b>8</b>	<b>7067.47</b>
Payout ratio	13.49%		44.03%	

• The Dividend payout will be subject to the approval of shareholders in the ensuing AGM of the Company.

- 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 the Company's website at [http://vrlgroup.in/vrl\\_investor\\_desk.aspx?display=policies](http://vrlgroup.in/vrl_investor_desk.aspx?display=policies). A copy of the same is annexed to this Report as Annexure A.

## **9. TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS AND SHARES TO IEPF:**

The Ministry of Corporate Affairs under 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 the IPO Share Application money which was unclaimed for a period of seven years amounting to ₹ 14,65,750 to the Investor Education and Protection Fund Authority in accordance with the provisions of the Act.

Dividend, pertaining to FY 2015-16 unclaimed for a period of seven years amounting to ₹ 1,83,920/- has been transferred to the Investor Education and Protection Fund Authority in accordance with the provisions of the Act.

Pursuant to the provisions of the Companies Act 2013, read with the Investor Education and Protection Fund Authority Rules, underlying shares on which dividends have not been claimed for 7 consecutive years have been transferred to the IEPF Authority. In compliance with the above, the Company has transferred 1012 equity shares in favour of IEPF Authority.

The details of the consolidated unclaimed/ unpaid dividend as required by the Act read with IEPF Rules for all the unclaimed/ unpaid dividend accounts outstanding (drawn up to the Thirty Ninth Annual General Meeting held on August 10, 2022) have been uploaded on the Company's website and can be accessed at [http://vrlgroup.in/investor\\_download/Unclaimed\\_Dividend\\_2020.pdf?a=1](http://vrlgroup.in/investor_download/Unclaimed_Dividend_2020.pdf?a=1)

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

## **10. TRANSFER TO RESERVES:**

The Company has transferred an amount of ₹ 3,232.01 lakhs to the General Reserve out of current year's profits in line with its practice of earlier years.

## **11. SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

## **12. FIXED DEPOSITS**

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

## **13. 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.

## **14. CREDIT RATING**

During the year, ICRA Limited has upgraded its existing long term rating from [ICRA] A+ (Stable) to [ICRA] A+ (Positive) (pronounced as ICRA A Plus Positive). The outlook on the long term rating is upgraded from Stable to Positive, indicative of low credit risk.

## **15. 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.

## **16. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

The Securities Exchange Board of India vide notification has mandated top 1,000 listed companies based on market capitalization to include a report on business responsibility & sustainability. Your Company stands at 445th position as on March 31, 2023. The said report is in compliance with the SEBI Listing Regulations and forms a part of this Annual Report.

## **17. 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.

## **18. 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, 2023, the Board comprised of twelve Directors. Out of these, two are Managing Directors who are also the Promoters of the Company and two are Whole Time Executive Directors, the other eight being Non-Executive Directors.

Of the eight Non-Executive Directors, six are Independent Directors. These include two Independent Woman Directors. All the Directors possess the requisite qualifications, expertise and experience in general corporate management, finance, banking, laws 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) and Dr. Anand Sankeshwar, Managing Director (MD).

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.

## **19. NUMBER OF MEETINGS OF THE BOARD**

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

Details of attendance of meetings of the Board, its Committees and the Annual General Meeting are included in the Report on Corporate Governance, which forms part of this Annual Report.

## **20. COMMITTEES OF THE BOARD**

The Board has the following committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Corporate Social Responsibility Committee (CSR)
- d. Stakeholders Relationship Committee
- e. Risk Management Committee
- f. Administration Committee
- g. Finance Committee
- h. Buy Back 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.

## **21. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

### **a) Inductions**

There was no induction of any new Director/KMP during the year under consideration.

Based on the recommendation of the Nomination & Remuneration Committee, the board proposes the induction of CA Shantilal Jain as an independent director on the Board of Directors. A resolution to that effect is proposed for the approval of the members at the ensuing Annual General Meeting of the company. The Board recommends his appointment.

### **b) Retirement/Re-appointment**

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

### **c) Resignation**

During the year under review, no directors resigned from the Company.

### **d) Key Managerial Personnel**



Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are Dr. Vijay Sankeshwar, Chairman & Managing Director, Dr. Anand Sankeshwar, Managing Director, Mr. K N Umesh, Whole time Director, Mr. L R Bhat, Whole time Director, Mr. Sunil Nalavadi, Chief Financial Officer and Mr. Aniruddha Phadnavis Company Secretary & Compliance Officer. There was no change in Key Managerial Personnel of the Company during the year.

The remuneration and other details of these Key Managerial Personnel for FY 2022-2023 are provided in the Annual Return (MGT 7) which is available on the website of the Company and can be accessed at <https://www.vrlgroup.in/>.

## **22. 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 (LODR) Regulations, 2015 has been obtained from a Company Secretary in practice.

## **23. 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.

## **24. BOARD DIVERSITY**

A diverse Board enables efficient functioning through differences in perspective and skill and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender and knowledge. The Board recognizes the importance of a diverse composition and has adopted a Board Diversity policy which sets out the approach to diversity.

The said policy can be accessed through the following link : <https://www.vrlgroup.in>

## **25. 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. The Ind AS are 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 this Act 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 laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.
- vii) 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, 2023.

## **26. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business.

During the financial year, the company transferred its Bus Operations Business Undertaking to Vijayanand Travels Private Limited (a company owned and controlled by the promoter(s) of the Company), as a going concern, on slump sale basis for a lump sum consideration of ₹ 23,000 Lakhs determined on the basis of independent valuation report obtained from M/s Grant Thornton Bharat LLP. The said transaction was carried out with prior approval of Audit Committee and Board of Directors and was also approved by the shareholders through postal ballot. The said related party transaction was carried out at the Arms Length Price and is with compliance of Section 188 of the Companies Act 2013 and Regulation 23 of SEBI (LODR) Regulations 2015. Necessary disclosures related to the said transaction have been made to the stock exchanges where the company are listed.

Except for the above said transaction there were no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons.

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 the website of the Company through the following link.

[http://vrlgroup.in/investor\\_download/RPT%20Policy.pdf](http://vrlgroup.in/investor_download/RPT%20Policy.pdf)

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 forms a part of this report and is covered in Annexure H.

## **27. 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 the website of the Company at the following link:

[http://vrlgroup.in/investor\\_download/Nomination\\_Remuneration%20Policy.pdf](http://vrlgroup.in/investor_download/Nomination_Remuneration%20Policy.pdf)

## **28. 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 has also been placed on the Company’s website. 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 (LODR) Regulations, 2015, a confirmation from the Managing Director regarding compliance with the Code by all the Directors and senior management of the Company is given as a part of the Annual Report.

## **29. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a Vigil Mechanism Policy in line with the provisions of Section 177(9) and Section 177(10) 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 have been denied access to the Chairman of Audit Committee.

The Vigil Mechanism policy is available on the website of the Company and can be accessed at the following link.

[http://vrlgroup.in/investor\\_download/vigil\\_Mechanism.pdf](http://vrlgroup.in/investor_download/vigil_Mechanism.pdf)

## **30. 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 the website of the Company and can be accessed at the

following link. [http://vrlgroup.in/vrl\\_investor\\_desk.aspx?display=policies](http://vrlgroup.in/vrl_investor_desk.aspx?display=policies)

## **31. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the 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 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 system in the Company, its compliance with 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.

### **32. BUSINESS RISK MANAGEMENT**

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015, 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 also been hosted on the website of the Company and can be accessed at the following link.

[http://vrlgroup.in/investor\\_download/Risk%20Management%20Policy.pdf](http://vrlgroup.in/investor_download/Risk%20Management%20Policy.pdf)

### **33. SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

'Policy for Preservation of Documents' under Regulation 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said policy can be accessed at the following link: [http://vrlgroup.in/vrl\\_investor\\_desk.aspx?display=policies](http://vrlgroup.in/vrl_investor_desk.aspx?display=policies)

'Policy on Criteria for determining Materiality of Events/Information' under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The said policy can be accessed through the following link: [http://vrlgroup.in/vrl\\_investor\\_desk.aspx?display=policies](http://vrlgroup.in/vrl_investor_desk.aspx?display=policies)

### **34. AUDITORS and AUDIT REPORTS**

#### **a) Statutory Auditors and Audit Report:**

In accordance with Section 139 of the Companies Act, 2013 and Rules made thereunder, Members at the 37<sup>th</sup> Annual General Meeting of the Company had approved the appointment of Statutory Auditors, M/S. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Firm Registration No. 104607W / W100166) for a period of 5 years from the 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, 2023. 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) Cost Auditors & Cost Audit Report**

Section 148 (1) of the Companies Act 2013 read with Rules made thereunder mandates every Company belonging to category prescribed in the Rules to undertake a Cost Audit. In compliance with said provision, Company had appointed M/s S.K. Tikare & Co., Cost Accountants, Belagavi, to audit the cost records for FY 2022-23 pertaining to its Wind Power division. The Cost Auditor has submitted the Cost Audit report for FY 2022-23 and the same is annexed as Annexure C herewith.

There are no qualifications, reservations or adverse remarks made by the Cost Auditors in their report for the financial year ended March 31, 2023.

Upon the hiving off the Company's Wind Power Division during the year, the requirement of maintenance of cost records does not arise from the succeeding fiscal. However, the company has written to the concerned office in the Ministry of Corporate Affairs for suitable exemption from maintenance of cost records and cost audit.

### **c) Secretarial Auditor & Secretarial Audit Report**

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. R Parthasarathy, Company Secretary in practice to undertake the Secretarial Audit of the Company for FY 2022-23. The Secretarial Audit report in Form MR-3 is annexed herewith as Annexure D.

Pursuant to the recommendation of the Audit Committee, the Board of Directors have re-appointed Mr. R Parthasarathy, Company Secretary to conduct the Secretarial Audit for FY 2023-24 at its meeting held on May 20, 2023 as also to issue the applicable Secretarial Compliance Report to be submitted to the Stock Exchanges.

With reference to the observation made by the Secretarial Auditor in his report relating to delay of Nine days (from August 1, 2022 to August 09, 2022) in obtaining consent of Members by passing Special Resolution, for continuation of Dr. Prabhakar Kore as an Independent Director, having attained the age of 75 years, it is submitted as under-

As indicated in the report of the Secretarial Auditor, the board took cognizance of the nine days' delay in getting the special resolution passed for continuation of Dr. Prabhakar Kore as an Independent Director, having attained the age of 75 years at its meeting held on January 30, 2023. The board also took note of the penalty of ₹ 21,240/-, inclusive of GST, paid to each of the stock exchanges and also advised the Management to take care of non-recurrence of such delays and ensure proper compliance henceforth. The outcome of the said meeting was filed with the stock exchanges.

### **35. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As required under the provisions of the section 135 of the Companies Act 2013, the Board has constituted the Corporate Social Responsibility Committee which monitors and oversees various CSR initiatives and activities of the Company. The CSR Committee comprises of five directors out of which two are Independent Directors. The CSR Committee met three times during the year. 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 identified by the other Trusts/Educational Institutions for CSR related activities as approved by the CSR Committee during the year mainly towards Education, Healthcare, Disaster Management (Flood relief Activities) and Sports, etc.

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 E.

CSR policy of the Company is available on the Company's website and can be accessed through the following link [http://vrlgroup.in/investor\\_download/CSR%20POLICY.pdf](http://vrlgroup.in/investor_download/CSR%20POLICY.pdf)

### **36. 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, 2023 is uploaded on the website of the Company in the Investor Relations Section under the tab 'Annual Return' and can be accessed at [https://www.vrlgroup.in/vrl\\_investors\\_desk.aspx?display=annual\\_return](https://www.vrlgroup.in/vrl_investors_desk.aspx?display=annual_return)

### **37. 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 G and forms part of this Report.

### **38. 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 G.

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.

### **39. COMPLIANCE WITH SECRETARIAL STANDARDS**

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

### **40. 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.

#### **41. INDUSTRIAL RELATIONS**

During the year under review, your Company experienced cordial relationship with workers and employees at all levels, throughout the year.

#### **42. 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.

#### **43. 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.

#### **44. 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 20, 2023



## Annexure A

### DIVIDEND DISTRIBUTION POLICY

#### 1. PREAMBLE

Under Regulation 43A it is mandatory for the top 1000 listed companies to have a policy on Dividend Distribution which shall provide the various parameters that are to be taken into consideration before declaration of any dividend. Accordingly, this policy.

#### 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 Standards 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 of the company for that year or out of the profits of the company for any previous financial year or years after providing for depreciation 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 the Company 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 FINANCIAL PARAMETERS OR FACTORS DETERMINING DIVIDEND**

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

1. Liquidity position of the Company
2. Need for further capital
3. Stability of earnings;
4. Legal requirements, taxation & other Government policies;
5. Dividend payout history;
6. Dividend type and its time of payment;
7. Any potential corporate actions like acquisitions etc;
8. Expansion of business;
9. State of the Indian economy as also the Logistics Industry;
10. Favourable 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 the dividend (including interim dividend), must be deposited in a scheduled bank in a separate account 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.
- 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 dividend is paid under two modes viz., (a) Credit to the bank account via Electronic Clearing Services (ECS)/ National Electronic Clearing Services (NECS)/SWIFT transfer; and (b) Dispatch of physical dividend warrant/cheque to the concerned shareholder.
- A cheque or warrant for payment of Dividend should be valid for three months from the date thereof and, where such cheque or warrant remains unpaid after this initial period of validity, it should be revalidated for not more than three months or a fresh instrument should be issued which should have a validity of three months.
- The Company should revalidate the Dividend warrant or issue a fresh Dividend warrant or a demand draft or pay order in lieu thereof, within 30 days of the receipt of a request for revalidation.
- A duplicate Dividend warrant should be issued only after the expiry of the validity of the Dividend warrant and the reconciliation of the paid amounts thereof. In case the original instrument is not tendered to the company, a duplicate warrant should be issued only after obtaining requisite indemnity/ declaration from the Shareholder.
- In the case of defaced, torn or decrepit Dividend warrants, a duplicate warrant may be issued before the expiry of the validity period of the Dividend warrant on surrender to the company of such defaced, torn or decrepit warrant.
- Particulars of every Dividend warrant issued as aforesaid should be entered in a Register of Duplicate Dividend Warrants, indicating the name of the person to whom the Dividend warrant is issued, the number and amount of the Dividend warrant in lieu of which the duplicate warrant is issued and the date of issue of such duplicate warrant.
- 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 must ensure full compliance with the prevailing law governing such taxation.

In terms of provisions of the Income Tax Act, 1961, dividend paid or distributed by the Company on or after 1st April, 2020 is taxable in the hands of shareholders. The Company will therefore deduct tax at source at the time of payment of dividend. Pursuant to section 194 of the Income Tax Act, 1961, 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 website/person/authority/committee approved by the Central Government.

- 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 (Fund) established by the Central Government with in 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 favour of Investors Education and Protection Fund.
- The Company would within a period of 60 days after holding Annual General Meeting and thereafter till seven years, prepare a statement of unpaid and unclaimed dividend containing the names, the shareholders' last known addresses and the unpaid dividend amount and place it on its website and also on the website of the Investors Education and Protection Authority of India 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 should 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

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') read with Part D sub clause (A) of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company has already constituted Remuneration Committee as required under the said laws. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement as amended from time to time, the Board on 26 August 2014 changed the nomenclature of the "Remuneration Committee" to "Nomination and Remuneration Committee".

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and applicable provisions of SEBI Listing Regulations.

#### 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 read with / SEBI Listing Regulations.
- (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 the SEBI Listing 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 Listing 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 Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **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, if any, 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

### CRA - 3

#### COST AUDIT REPORT

We, S. K. Tikare & Co. Cost Accountants, having been appointed as Cost Auditors under Section 148(3) of the Companies Act, 2013 of VRL LOGISTICS LIMITED having its registered office at RS No. 351/1, NH4 Bengaluru Road, Varur, Hubballi-581207, Karnataka (hereinafter referred to as company) have audited the books of Cost Records maintained under section 148 of the said Act, in compliance with the cost auditing standards records in respect of Wind Power Division, Product Group No 2008 for the year 2022-23 (April 2022 to March 2023) maintained by the company and report, in addition to our observations and suggestions in para-2

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit;
- (ii) In our opinion proper cost records, as per Rule 5 of the Companies (Cost Records and Audit) Rules, 2014, as amended have been maintained by the company in respect of the product(s)/ service (s) under reference.
- (iii) In our opinion, proper returns adequate for the purpose of Cost Audit have been received from the branches not visited by us;
- (iv) In our opinion and to the best our information, the said books and records give the information required by the Companies Act, 2013 in the manner so required;
- (v) In our opinion, the company has adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business.
- (vi) In our opinion, information, statements in the annexure to this cost audit report gives a true and fair view of the cost of production of product(s)/rendering of services, cost of sales, margin and other information relating to the product(s)/service(s) under reference.
- (vii) Detailed unit-wise and product/service wise cost statements and schedules thereto in respect of the product/services under reference of the Company duly audited and Certified by us are kept in the company.

There is no specific observation during the financial year 2022-23, however, the Company has discontinued the generation of electricity from wind power plant by sale of undertaking by way of slump sale basis on going concern basis. We have noted the same and reported accordingly.

**Date : May 20, 2023**  
**Place : Belagavi**

**Signature & Seal of the Cost Auditor**

**For S K Tikare & co**  
**Cost Accountants**  
**(CMA.Sanjay K Tikare)**  
**M No 20794. F R No 101039**  
**UDIN:2220794A1R3K54Z5MF**

## Annexure D

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023 (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, 2023 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 ("the Company") for the financial year ended on 31st March 2023 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 Bye-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 (Listing Obligations And Disclosure Requirements) Regulations, 2015.
  - (d) 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;
  - (e) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; and

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

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (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 (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.
- (vi) Other laws applicable as per the representations made by the management;
  - Carriage by Road Act 2007,
  - Motor Vehicles Act, 1988
  - The Aircraft Act, 1934
  - The Carriage by Air Act 1972
  - The Electricity Act, 2003
  - 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 Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

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, except the following:-

- a) There was nine days delay (from 01.08.2022 to 09.08.2022) in obtaining consent of Members by passing Special Resolution, for continuing the appointment of Dr. Prabhakar Kore as Independent Director who has completed the age of 75 years, resulting in non-compliance of Regulation 17(1A) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and accordingly, the Company paid a fine of ₹ 21,240/- each (including GST) to NSE and BSE.

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. There was no change in the composition of the Board of Directors during the period under review.

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 meeting 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 as per the information provided, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

I further report that during the audit period,

- a) During the year under consideration, the Company has hived off its passenger bus division for a total consideration of ₹ 230 Crores by way of slump sale as a going concern to related party viz., Vijayanand Travels Private Limited in which promoter Directors are interested, after complying with statutory requirements

thereon including obtaining members consent through postal ballot.

b) During the year under consideration, the Company has hived off its wind power division for a total consideration of Rs 48 Crores by way of slump sale as a going concern to Nirani Energy Private Limited after complying with statutory requirements thereon.

c) During the year under consideration, the Company has initiated the process for buy back of 8,75,00,000 Equity Shares of ₹10/- each (fully Paid) at a price of 700/- by way of tender offer route on a proportionate basis, through Stock Exchanges, representing 9.44% of Company's paid up Capital and free Reserves, as per the provisions of the Companies Act 2013 read with The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, which was however completed in the current financial year.

d) 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: 20.05.2023

**R.Parthasarathy**

ACS/FCS No.3667

C P No:838

UDIN: A003667E000342236

P/R No.768/2020

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

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**‘Annexure A’ to the Secretarial Audit Report**

To,  
The Members,  
VRL Logistics Limited.,

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. Where ever 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: 20.05.2023

**R.Parthasarathy**  
ACS/FCS No.3667  
C P No:838  
UDIN: A003667D000407015  
P/R No.768/2020



**Annexure E**  
**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 and its promoters has taken up various Corporate Social Responsibility (CSR) initiatives and enhanced value in the society. Till date, predominantly, these efforts were being directed towards the existing employees of the Company.

With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company seeks to formulate 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 Objects**

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) takes into account the expectations of stakeholders, and
- (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 implemented by the Company through own trust/society or group company trust/society,
- iii. CSR activities of the Company through an external trust/society

**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 held during the year	Number of meetings attended during the year
1	Dr. Vijay Sankeshwar	Chairman and Managing Director	3	3
2	Dr. Anand Sankeshwar	Managing Director	3	3
3	Dr. Prabhakar Kore	Independent Director	3	2
4	Mrs. Medha Pawar	Independent Director	3	3
5	Dr. Raghottam Akamanchi	Non- Executive Director	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 Company has also adopted the CSR committee charter. The CSR policy of the Company is hosted on the website of the Company and can be accessed at the below link –

[http://www.vrlgroup.in/investor\\_download/CSR%20POLICY.pdf](http://www.vrlgroup.in/investor_download/CSR%20POLICY.pdf)

The composition of the CSR committee is also available on our website, at [http://www.vrlgroup.in/vrl\\_investor\\_desk.aspx?display=board\\_committees](http://www.vrlgroup.in/vrl_investor_desk.aspx?display=board_committees)

The Board, based on the recommendation of the CSR committee, at its meeting held on May 20th, 2023, has approved the annual action plan / projects for fiscal 2024, the details of which are available on our website, at [https://www.vrlgroup.in/vrl\\_investors\\_desk.aspx?display=CSR\\_Annual\\_Action\\_Plan](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:**

Sl.No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	2021-22	27,04,502.33	27,04,502.33

**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 ₹ 12,637.67 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 ₹ 252.75 lakhs.

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

(c) Amount required to be set off for the financial year, if any - ₹ 27.05 lakhs (FY 2021-22)

(d) Total CSR Obligation for the Financial Year (7(a) + 7(b) – 7(c). ₹ 225.70 lakhs

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

Total Amount Spent for the Financial Year. (in ₹)	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.
2,38,51,247	NIL	NA	NIL		

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)		(11)
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		Project duration.	Amount allocated for the project (in ₹ ).	Amount spent in the current financial Year (in ₹ ).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ ).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number

**(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 ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Promoting Sports-Badminton Coaching-Selenite Sports Academy	(vii)	Yes	Karnataka	Dharwad	99,120	Yes	NA	NA
2	Promoting Education-Honararirum paid to Primary School Teachers for teaching poor and deserving students	(ii)	Yes	Karnataka	Dharwad	4,68,000	Yes	NA	NA
3	Education- Education to deserving Student-Swami Vivekanand Yoga Anusandhana Samsthana	(ii)	No	Karnataka	Bengaluru	11,22,500	Yes	NA	NA
4	Education- Education to deserving Student-(Venkatesh M Popale) VISHWASHANTI FOUNDATION	(ii)	No	Karnataka	Hubballi	1,19,050	Yes	NA	NA
5	Contribution towards purchase of computer and printer for shivanand sunkad handicapped person	(ii)	No	Karnataka	Hubballi	85,000	Yes	NA	NA
6	Education-Sense Essence – Braille Project for Visually Blind persons	(ii)	Yes	Karnataka	Dharwad	16,49,968	Yes	NA	NA
7	Education- Contribution towards research and Development for project learning	(ii)	Yes	Karnataka	Bengaluru	15,00,000	No	CENTRE FOR EDUCATIONAL AND SOCIAL STUDIES.	CSR00006087
8	Education- Contribution towards Mobile Science Lab	(ii)	Yes	Nagaland	Kohima	10,00,000	No	INVESTMENT AND DEVELOPMENT AUTHORITY OF NAGALAND	CSR00024598
9	Education- Contribution towards construction of Students hostel	(ii)	Yes	Karnataka	Uttar Kannada	9,92,000	No	Vanavasi Kalyana	CSR00001628
10	Sports- contribution towards National Level Sports Event	(vii)	No	Uttar Pradesh	Vamani, Sonbadra, Uttar Pradesh	10,08,000	No	Vanavasi Kalyana	CSR00001628

11	Education- Contribution towards construction of School Building (Mathru Bhoomi-School Building project)	(ii)	Yes	Karna-taka	Uttar Kan-nada	10,00,000	No	DHARMA CHAKRA TRUST	CSR00004631
12	Education- Contribution towards Computer for School Children Project	(ii)	Yes	Karna-taka	Bengaluru	10,50,000	No	VED VIGNAN MAHA VIDYA PEETH	CSR00002469
13	Promoting Women Empowerment- contribution for Vidya Vikas Kendra project and Mahila Swavalambana Kendra Tailoring Centre project	(iii)	Yes	Karna-taka	Koppala	40,00,000	No	LOKAHITA TRUST	CSR00008752
14	Contribution towards Education Expenses of 10 students for one year	(ii)	Yes	Karna-taka	Dakshin Kannada	5,00,000	No	SRIRAM VIDYAKENDRA TRUST	CSR00026141
15	Healthcare Facility- Donation of Medical Equipments of Radiology and ENT Departments for hospital	(i)	Yes	Karna-taka	Bengaluru	20,47,752	No	JAYADEV MEMORIAL RASHTROTTHANA HOSPITAL & RESEARCH CENTRE (A DIVISION OF RASHTROTTHANA TRUST)	CSR00010752
16	Healthcare Facility- contribution towards construction of hospital for free medical treatment to poor persons	(i)	Yes	Karna-taka	Dharwad	5,00,000	No	HUBLI AYURVED SEVA SAMITI	CSR00044594
17	contribution made towards affixing of reflective Collars on Stray Animals at NH-52	(i)	Yes	Ra-jasthan	Jaipur	5,00,000	No	NIWALA SANSTAN	CSR00023875
18	Construction of Yoga Hall Project	(iii)	No	Karna-taka	Vijayapura	20,32,507	Yes	JNANA YOGASHRAMA	NA
19	Healthcare Facility- contribution towards medical treatment of Cancer patient in RB Patil hospital	(i)	Yes	Karna-taka	Dharwad	1,64,807	Yes	NA	NA
20	Healthcare Facility- contribution towards purchase of materials at Laboratory	(i)	Yes	Karna-taka	Haveri	5,00,000	Yes	NA	NA
21	Promoting Sports- Providing support towards Marathon Event	(vii)	No	Karna-taka	Dharwad	5,36,705	Yes	NA	NA
22	Contribution towards installation of 5kw solar power plant	(iv)	No	Punjab	Patiala	386400	Yes	NA	NA
23	Promoting Sports- Participation at International Event held in Australia	(vii)	Yes	Karna-taka	Bengaluru	1,80,000	Yes	NA	NA

24	Education- Education to deserving Student- (Manasa Byali) The Registrar Technology University Hubballi	(ii)	No	Karna-taka	Dharwad	3,18,154	Yes	NA	NA
25	Promoting Sports- Contribution towards Table Tennis Sports Event held in Dharwad	(vii)	Yes	Karna-taka	Dharwad	1,24,989	Yes	NA	NA
26	Encouraging Women Empowerment- contribution racks, clothes and water purifier to womens association (Shri Maitri Association And Sadan Gruha and Sneha Shikshana and Abhivrudhi Samste	(iii)	Yes	Karna-taka	Dharwad	3,66,314	Yes	NA	NA
27	Installation of street light Bulb	(iv)	Yes	Assam	Guwahati	4,22,696	Yes	NA	NA
28	Promoting Sports- Participation at Event held in Guwahati (Shaheen Dharwad)	(vii)	Yes	Assam	Guwahati	42,285	Yes	NA	NA
					<b>TOTAL</b>	<b>2,27,16,247</b>			

(d) Amount spent in Administrative Overheads: ₹ 11,35,000/-

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

(f) Total amount spent for the Financial Year: ₹ 2,38,51,247/-  
(8b + 8c + 8d + 8e)

(g) Excess amount for set off, if any

Sl No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2,25,70,330*
(ii)	Total amount spent for the Financial Year	2,38,51,247
(iii)	Excess amount spent for the financial year [(ii)-(i)]	12,80,917
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	12,80,917

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

**9. (a) Details of Unspent CSR amount for the preceding three financial year: Nil**

Not Applicable

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil**

Not Applicable

**10. 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 asset).  
**Nil**
- 11. 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 20, 2023**

**Dr. Anand Sankeshwar**  
**Managing Director**  
**(DIN: 00217773)**  
**Place: Hubballi**  
**Date: May 20, 2023**



## ANNEXURE 'F'

**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. 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 also for replacement of existing equipments.
2. We are in the process of converting diesel forklifts to electric forklifts.
3. 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. It has already been executed in 250 branches across the county.
4. We are powering maximum possible branches with solar energy.
5. Addition of 7 electric and 30 CNG Vehicles for fuel conservation.

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

The Company had pioneered the usage of bio-diesel on its fleet of trucks and buses. The same had given good results and has also resulted in cost savings. Efforts and in-house studies are on to ascertain ways of overcoming the shortcomings of this alternative fuel for an all-year-round operation. Continued availability of bio-diesel supply also emerged as a big challenge and efforts are on to identify reliable suppliers for the same. The procurement of Bio-fuel thereby was to the tune of only 1.17% of the total fuel quantity in FY23 which is much lower in comparison to earlier year.

#### III) The capital investment energy conservation equipment

A sum of ₹ 3.38 lakhs and ₹ 845.01 lakhs was incurred for the procurement of electric and CNG vehicles.

### 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

We have placed orders for further 52 electric forklifts and would also continue to convert the balance diesel forklifts to electric forklifts. We are targeting the replacement of Lead Acid Batteries with Lithium Ion batteries in at least 150 branches in the ensuing fiscal.

#### 4. Expenditure on R&D

- |   |   |  |
|---|---|--|
| <ol style="list-style-type: none"> <li>a) Capital</li> <li>b) Recurring as a percentage of turnover.</li> </ol> | } | No specific allocation is made in terms of R&D expenditure |
|---|---|--|

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

## C. FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

		(₹ in lakhs)	
	Particulars	FY-2022-23	FY-2021-22
<b>A)</b>	<b>Expenditure in foreign currency (accrual basis)</b>		
	Aircraft maintenance	194.38	490.16
	Purchase of spares	-	-
	Professional fees	9.39	-
	Foreign Branch expenses	-	-
	<b>Total</b>	<b>203.77</b>	<b>490.16</b>
<b>B)</b>	<b>Earnings in foreign currency (accrual basis)</b>		
	Transport of passengers by air	-	18.22
	Sale of Certified Emission Reduction units (Carbon Credits-CERs)	-	691.49
	<b>Total</b>	<b>-</b>	<b>709.71</b>
<b>C)</b>	<b>Value of imported and indigenous materials Spare parts and components including tyres, flaps and re-treading</b>		
	Imported	-	-
	Amount	0.99	-
	Percentage	-	-
	Indigenous	-	-
	Amount	11,245.08	10,280.52
	Percentage	100	100
	<b>Total</b>	<b>11,245.08</b>	<b>10,280.52</b>

## ANNEXURE 'G'

### 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	294:1
2	Dr. Anand Sankeshwar	Managing Director	192:1
3	Mr. K.N.Umesh	Executive Director	104:1
4	Mr. L. R. Bhat	Executive Director	102:1

#### 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 as indicated above.

#### 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	8.96
2	Dr. Anand Sankeshwar	Managing Director	3.33
3	Mr. K.N.Umesh	Executive Director	16.18
4	Mr. L. R. Bhat	Executive Director	14.34
5	Mr. Sunil Nalavadi	Chief Financial Officer	239.31
6	Mr. Aniruddha Phadnavis	Company Secretary	242.67

#### 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 7.41%. This represents a normal increase in the remuneration paid to employees.

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

There were 20219 employees as on March 31, 2023.

#### 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.

During the year, there was a correction made in the remuneration being paid to KMPs. It can also be seen that the average percentile increase to non-managerial employees is in line with that being made in respect of the CMD and MD.

#### 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.

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

**A. Employed throughout the year and were in receipt of remuneration of not less than ₹ 102 Lakhs per annum**

SL No	Name & Qualification	Age, Designation	Remuneration (₹ in Lakhs)	Exp in Yrs	Date of Joining (Initial)	Previous employment/ position held of employment
1	Dr. Vijay Sankeshwar, B.Com	72, Chair-man & Man-aging Direc-tor	472.88	48	31.03.1983	-----
2	Dr. Anand Sankeshwar, B.Com	48, Managing Director	310.00	33	01.12.1990	-----
3	Mr. K N Umesh, B.com	69, Whole time Director	167.34	40	03.12.1984 (re-ap-pointed on 01.06.2012)	One year service in Anil Rerolling Mills Pvt. Ltd. Bengaluru as Accountant
4	Mr. L R Bhat D.M.E	64, Chief Technical Officer	164.69	42	01.07.1995 (re-apoint-ed on 14.03.2014)	14 year service in Ashok Leyland Limited as Deputy Manager
5	Mr. Sunil Nalavadi B.Com, ACA	45, Chief Financial Officer	142.65	18	31.03.2005	Started his career in the Company as Chief Accounts Officer
6	Mr. Aniruddha Phadnavis, B.Com, ACA, ACS, LLB	43, Company Secretary & Compliance Officer	131.72	18	01.06.2007	3 year service in Canara Bank as a Manager
7	Capt. Satish Kumar Singh B.A.(Maths)	56, Chief pilot	102.30	40	01.04.2018	Served in Air Force for 24 years and later worked with private aviation entities including as Senior Commander in Jet Airways

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

SL No	Name & Qualification	Age, Designation	Remu-neration (₹ in Lakhs)	Exp in Yrs	Date of Joining	Previous employment/ position held of employment
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*Note : Capt. T Manesh Gopal left the services of the company w.e.f 30.09.2021.*

**C. Top 10 employees in terms of remuneration**

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	72, Chairman & Managing Director	472.88	47	31.03.1983	-----
2	Dr. Anand Sankeshwar B.Com	48, Managing Director	310.00	32	01.12.1990	-----

3	Mr. K N Umesh B.Com	69, Whole time Director	167.34	39	03.12.1984 (re-ap- pointed on 01.06.2012)	One year service in Anil Rerolling Mills Pvt. Ltd. Bengaluru as Accountant
4	Mr. L R Bhat D.M.E	64, Chief Technical Officer	164.69	41	01.07.1995 (re-ap- pointed on 14.03.2014)	14 year service in Ashok Leyland Lim-ited as Deputy Manager
5	Mr. Sunil Nalavadi B.Com, ACA	45, Chief Financial Officer	142.65	12	31.03.2005	Started his career in the Company as Chief Accounts Officer
6	Mr. Aniruddha Phadnavis, B.Com, ACA, ACS, LLB	43, Company Secretary & Compliance Officer	131.72	04	01.06.2007	3 year service in Canara Bank as a Manager
7	Capt. Satish Kumar Singh B.A.(Maths)	56, Chief pilot	102.30	23	01.04.2018	1 year as Senior Commander in 1 year as Senior Commander in Jet Airways
8	Capt. Prasad Satish Jade (MBA Avia-tion Mgmt)	34, Director Operations	82.40	32	01.03.2021	11 year service in M/s Abirami Soap Works LLP ( formerly known as 'Power soaps') as Chief Pilot.
9	Raghavendra B Malgi, B.Com, L.L.B, CA	54, Vice President – Accounts	66.03	17	01.06.2009	2 years service as Chief Accounts Officer in Gokak Textiles Ltd.
10	Vinod Mittal Master Diploma In Business Accounting (MDBA)	51, Flight Safety Manager	64.00	25	01.08.2022	Served in Indian Air Force for 2 Decades Nrsa (National remote sensing Agency) 3 years Span india -3 years

**Notes:**

1. Remuneration shown above includes salary and perquisites but does not include Company's contribution to Provident Fund / Gratuity Fund.
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 31.03.2023 except Dr. Vijay Sankeshwar who held 2,50,00,000 equity shares (28.30% of the paid up capital of the Company), Dr. Anand Sankeshwar who held 31,265,250 (35.39% of the paid up capital of the Company) equity shares, Mr K N Umesh who held 1750 equity shares Mr. L R Bhat who held 2097 equity shares jointly with his spouse.
5. Dr. Vijay Sankeshwar and Dr. Anand Sankeshwar are related to each other.

**Dr. Vijay Sankeshwar**  
Chairman & Managing Director  
DIN: 00217714  
Place: Hubballi  
Date: May 20, 2023

**Dr. Anand Sankeshwar**  
Managing Director  
DIN: 00217773  
Place: Hubballi  
Date: May 20, 2023

## ANNEXURE H

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis as on 31.03.2023: **VRL Logistics Limited has not entered into any contract/ arrangement/ transaction with its related parties, which is not in ordinary course of business or not at arm's length during the FY 2022-23.**

1	Name(s) of the related party and nature of relationship:	Not Applicable
2	Nature of contracts/arrangements/transactions:	Not Applicable
3	Duration of the contracts / arrangements/transactions:	Not Applicable
4	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
5	Justification for entering into such contracts or arrangements or transactions	Not Applicable
6	Date(s) of approval by the Board:	Not Applicable
7	Amount paid as advances, if any:	Not Applicable
8	Date on which the special resolution was passed in general meeting as re-quired under first proviso to section 188:	Not Applicable

2. **Details of material contracts or arrangement or transactions at arm's length basis as on 31.03.2023:**

1	Name(s) of the related party and nature of relationship:	Vijayanand Travels Private Limited, a Promoter Group entity newly incorporated in the month of September 2022 which is owned and controlled by the Promoter(s) of the Company and funded by the Promoter(s) for the said transaction.
2	Nature of contracts/ arrangements/ transactions:	Transfer of Undertaking by way of Slump Sale, on a going concern basis for sale consideration of ₹ 23,000 lakhs determined based on Valuation Report obtained. The Board of Directors and Audit Committee gave approval on 15th September 2022 for their said transaction on a going concern basis with Vijayanand Travels Private Limited, a related party owned and controlled by the promoter of the Company. The Scrutinizer gave his report on 31st October 2022 wherein majority of shareholders assented to the resolution was thereby approved.
3	Duration of the contracts / ar-rangements/ transactions:	Perpetual transaction for sale/transfer of Bus Business operations undertaking on slump sale basis as going concern.



4	Salient terms of the contracts or arrangements or transactions including the value, if any:	The related party transaction entered into by the Company with Vijayanand Travels Private Limited during the year was not in the ordinary course of business but was at arm's length basis based on an independent business evaluation conducted by valuers of repute. The transaction involved slump sale of the company's Bus Operations Business Undertaking on a going concern basis at a consideration of ₹ 23,000 lakhs (Rupees Twenty Three Thousand Lakhs Only). The Company had entered into a Business Transfer agreement with Vijayanand Travels Private Limited on 29th December 2022. The Company obtained all relevant approvals, including approval from the regulatory authorities on 25 January 2023. The Bus Operations Business Undertaking vested with the Purchaser w.e.f. 1st January 2023. The Management believes that the same would benefit VRL Logistics Limited in the long run as the Company will focus on its core competency. The Board of Directors and Audit Committee at their respective meetings held on 15th September 2022 gave their approval for Postal ballot notice and for the Slump sale transaction to a related party subject to approval of the shareholders.
5	Date(s) of approval by the Board/AGM:	The Company conducted the Postal ballot for the approval of shareholders for passing of the two resolutions 1) Transfer of the Bus Operations Business Undertaking of the Company to Vijayanand Travels Private Limited (a company owned and controlled by the promoter(s) of the Company), as going concern, on slump sale basis and 2) Related party transaction in order to transfer the Bus Operations Business Undertaking to Vijayanand Travels Private Limited (a company owned and controlled by the promoter(s) of the Company). The postal ballot was open from 1st October 2022 AT 9:00 AM (IST) to 30th October 2022 AT 5:00 PM (IST). The Scrutinizer gave his re-port on 31st October 2022 wherein majority of shareholders assented to the above two resolution(s) and same was considered as approved for undergoing this transaction.
6	Amount paid as advances, if any:	Not Applicable – concluded transaction.

**Note:**

The above disclosures on material transactions are based on threshold of 10 percent of turnover of the Company as stated under Section 188(1) of the Companies Act, 2013.

**For and on behalf of the Board of Directors of  
VRL LOGISTICS LIMITED**

**Dr. Vijay Sankeshwar**  
Chairman & Managing Director  
(DIN: 00217714)  
Place: Hubballi  
Date: May 20, 2023

**Dr. Anand Sankeshwar**  
Managing Director  
(DIN: 00217773)  
Place: Hubballi  
Date: May 20, 2023

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Logistics industry is crucial for the efficient movement of products and services across the nation and in the global markets. The logistics business is highly fragmented and has innumerable participants, including major local players, worldwide industry leaders, the government postal service, and rising start-ups that focus on e-commerce delivery. The industry includes transportation, warehousing, and value-added services like packaging, labelling, and inventory management. With the advent of technology-driven solutions such as transportation management systems (TMS) and warehouse management systems, India's logistics industry has witnessed tremendous development in recent years (WMS). These solutions have assisted logistics firms in increasing operational efficiency, lowering costs, and improving customer service. (Source : India Brand Equity Foundation)

Advancements in digital technologies, changing consumer preferences due to e-commerce, government reforms, and shift in service sourcing strategies are expected to lead the transformation of the Indian logistics ecosystem. Digitalization will improve the efficiency and performance in freight management and port operations. Warehouse automation will help achieve operational efficiencies to counter supply-chain cost pressures in the industry. Increased investment in infrastructure, last-mile connectivity, and emerging technologies are streamlining the logistics landscape in India.

As per Summary of Economic survey 2022-23, issued by the Ministry of Finance, The Indian economy is expected to grow over 7 per cent in the current financial year 2023-24. Strong growth supported by government reforms, transportation sector development plans, growing retail sales, and e-commerce sector are likely to be the key drivers of the logistics industry in India. Manufacturing in India holds the potential to contribute up to 25%–30% of the GDP by 2025 which will drive the growth of the transportation segment in India.

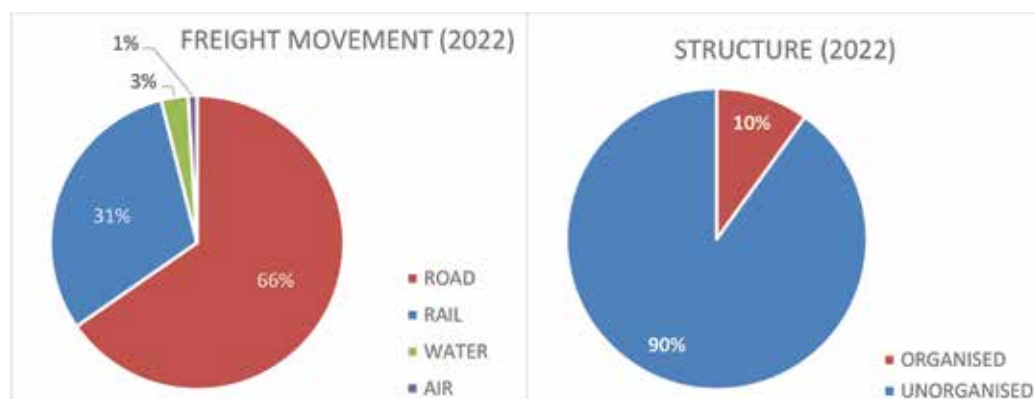
As per India Brand Equity Foundation report on Warehousing and Logistics sector in India, The logistics sector represents five percent of India's Gross Domestic Product and is predicted to account for 14.4% of the GDP. Adding to the growth are the new policies that are set to give the industry a much-needed push. Improving efficiency of the logistics sector is of high importance for the country's economy as it boosts economic growth, grows exports through global supply chains and generates employment. Logistics are fundamental part of business infrastructure and one of the key enablers in the global supply chain. The impetus given by the government to build the infrastructure in the recent budget is the biggest positive for the logistics sector.

The Logistics sector in India currently employs 22 million people and serves as the backbone for various businesses. The logistics sector in India was valued at US\$ 250 billion in 2021, with the market predicted to increase to an astounding US\$ 380 billion by 2025, at a healthy 10%-12% year-on-year growth rate. Moreover, the government is planning to reduce the logistics and supply chain cost in India from 13-14% to 10% of the GDP as per industry standards.

The logistics market in India is forecasted to grow at a CAGR of 10.5% between 2019 and 2025. It has been awarded infrastructure status which has made it easier for investment inflows and has become a major growth driver of the logistics industry. Increasing investments and trade points toward a healthy outlook for the Indian freight sector.

Grant of infrastructure status to logistics, the introduction of the E-Way Bill, E-Invoice and GST implementation are set to streamline the logistics sector in India. Setting up of a logistics division under the Department of Commerce, technology upgrades, and development of dedicated freight corridors and logistics parks are also major moves to upgrade the logistics landscape.

As per Ernst & Young report on 'Envisioning the future of Indian logistics@2047, India's freight movement is heavily skewed toward road transportation, which moves 66% of cargo (in ton-km). This is followed by rail (31%), shipping (3%) and air (1%). To aid this cargo movement, India has an extensive network of support infrastructure comprising 129+ In-land container depots, 168+ container freight station, and ~300 mn. sq. ft. of warehousing space. The sector handles ~10,000 commodities and employs ~22m people. It is one of the highly fragmented sectors, with only 10% of the sector operated by organized players.



Source : Ernst & Young, PBI, Ministry of shipping, Ministry of civil aviation, Niti Aayog

This uneven distribution of modes of transportation has led to prompting the GOI to undertake multiple logistics specific initiatives, such as Gati-Shakti, National Logistics Policy and others. These programs aim to streamline India's logistics sector by making it more green, agile, transparent and integrated. India aims to reduce logistics cost from 13% to 14% of GDP, to 8% to 10% of GDP, by 2030.

**The GOI has launched several programs with a focus on building new roads, railways, ports infrastructure, etc.**

This is complimented with measures to attract private capital and implement administrative reforms to streamline processes for planning and executing infrastructure investments. GatiShakti is a critical component of this strategy, which aims to integrate planning and implementation of infrastructure projects. As a result, programs such as Bharatmala, Dedicated freight corridor and Sagarmala were developed. Several Multi Modal Logistics Parks (MMLPs) are being developed to connect multiple modes of transport. The average speed of road development has increased from 20.79 km/day in FY22 to 22.23 km/day till Jan-23.

**E-tolling:** In order to ensure seamless movement of traffic through fee plazas and increase transparency in collection of user fee using FASTag, the National Electronic Toll Collection (NETC) programme, the flagship initiative of Ministry of Road Transport and Highways, has been implemented on pan India basis. The National Payment Corporation of India (NPCI) is the Central Clearing House (CCH). There are thirty eight (38) banks (including Public and Private sector banks) engaged as issuer banks for FASTag issuance to road users and fourteen (14) acquirer banks to process the transactions at fee plazas. Efforts are on to start a GPS-based toll system in place of FASTag to ensure seamless payment and vehicle movement on national highways. Under GPS-based tolling, vehicles will need to be fitted with a device that can track its movement on the highways. Once such a vehicle enters a tolled road, a highway system would track the vehicle and toll will be charged based on the distance travelled at the exit point the highway.

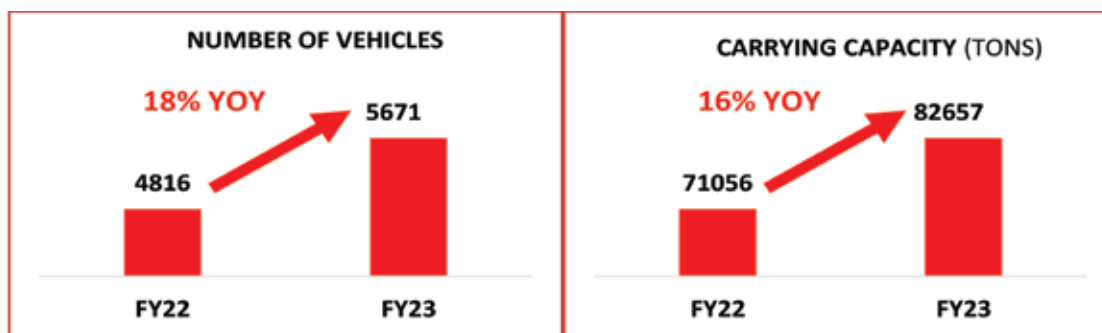
Material Source : Ministry of Finance, Ministry of Road transport & Highways, E&Y, Niti Ayog, India Brand Equity Foundation

## 2. SWOT ANALYSIS

### STRENGTHS

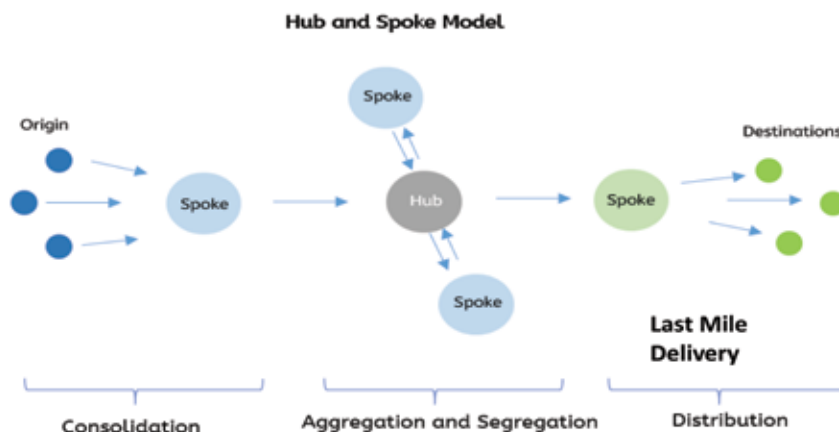
VRL's core strength is its large size and scale of operations undertaken on a pan India basis with the largest owned vehicle fleet. With a track record of over four decades, we are one of the largest distribution networks in India. We are the only "Asset-Right" organized player in Less than Truck load logistics business in India. Our wider spread provides us greater stability during regional disturbances.

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 2023, the Company operated with the total of 5671 owned vehicles having carrying capacity of 82657 tons, and several owned premises, including branches, offices and transshipment 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 following graph depicts the YoY increase in number of Vehicles and Capacity.



The two major advantages that your Company enjoys over its competition are its well established wide network of branches and agencies and its owned fleet of commercial vehicles with dedicated in-house vehicle body designing and vehicle maintenance facilities to cater to the parcel transportation. The Company presently operates through 1126 branches across 25 States and 4 Union Territories in India and its reach is unmatched for the offering of LTL goods transportation services. Your Company is also one of the largest fleet owner of commercial vehicles in the Country 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 '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 products 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 and performance, and improved safety.
- **Reduced costs and enhanced productivity**
- **Lower carbon footprint**, because few empty miles driven reduces wasted fuel and emissions.
- **Consistent pricing** mitigates the risk of third-party carrier price fluctuations.
- **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 ware houses and maintenance facilities. We also have a dedicated in-house IT setup which is a significant strength of your Company and the same has rendered a lot of control, cost savings and business flexibility 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 agencies 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.

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 can be utilized at higher capacity as compared to the earlier periods.

Overall, the in-house maintenance facility helps the Company to better utilize its fleet than competition as the vehicles owned by the Company can be used for longer period of time vis-à-vis outside vehicles. Also ~36% of the Goods transportation vehicles are fully depreciated ensuring vehicle fleet availability with no additional depreciation costs. Also ~95% of the Goods Transportation fleet is debt free with no associated finance costs.

Your Company also has a very well diversified customer base of ~8 lakhs plus across the various Industrial Sectors. During FY 2022-23, 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. 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. VRL also boasts the lowest trade receivables in the industry.

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

In the forthcoming fiscal your company proposes to add 1,667 customized trucks. The following table depicts the capex details.

Proposed capacity addition	1,667 customized trucks
Period within which capacity is to be added	Fleet addition is expected to be made during FY 2024.
Investment required	The capex planned, at list price, would translate to a total outlay of ` 697 crores approx. including the cost of Chassis at list prices, body building, registration, insurance and margin for contingencies. Given the past experience, relationship with the vendors as also the economies of scale the company expects a significant reduction in the cost of chassis in the total outlay. The Company has crystalized the fleet addition requirements as stated in the table above and in the process of the negotiating with the CV suppliers for firming up the prices for such planned fleet addition.
Mode of Financing	Mix of Vehicle loans from Banks and internal accruals
Rationale	Ongoing implementation of Vehicle Scrapping Policy announced by the Government of India envisages the company to replace its existing older vehicles. During FY 2024, the company is expected to withdraw around 1189 vehicles that are more than 15 years in operation

### 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.
- ▶ 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 more than half 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 and/or channels that will allow them to adapt quickly and easily in a changing environment. Organizations will have to build systems that can optimize costs, accelerate reaction 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 owing 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, 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 as well as 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 Hubballi, Mumbai, Surat, Mangalore, Mysore, Vijayapura, Ballary Gangavati, and Davangere. Long term leases have also been entered into at key locations such as Chennai, Delhi, Hyderabad, Bengaluru, Pune, Kolkata, etc. 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 consider 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.

The mandatory E-Invoicing turnover threshold for business entities is now reduced to ₹ 5 crore from 01.08.2023. E-invoicing was made mandatory for business entities with Turnover of ₹ 500 crores and above from October-2020. This was further limited to ₹ 20 Crores and above from April-2022. Now, with all business entities with turnover of ₹ 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 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 a 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 1189 vehicles which are more than 15 years old as of March 31, 2023 with a total capacity of 12946 tons i.e. 15.66% of total capacity & 20.97% 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 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. 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

Prior to the current fiscal year, the company operated in four segments namely:

1. Goods Transport
2. Bus Operations
3. Wind power
4. Transportation of Passengers by Air

During the current year FY 2022-23, the company made a strategic decision to focus only on the High growth oriented Goods Transport Business.

The Company has, during the year executed a Business Transfer Agreement for the transfer of its Bus Operations Business as a going concern on a slump sale basis. The Company also concluded sale of its Wind Power Business as a going concern on a slump sale basis. These transactions resulted in the Company making a Profit of ₹ 187 crores and the said amount is shown as Exceptional Items in the Profit & Loss Account. The Company has realized an amount of ₹ 223 Crores net of taxes on these transactions. The Company has used these proceeds predominantly for Capital Expenditure related to Goods Transport business and for repayment of debt

Upon the hiving off of these two businesses, the company now is only engaged in the Goods Transport Business which constitutes a single reportable business segment. Accordingly "Transport of Passenger by Air" segment which was previously considered as reportable segment, is no longer considered as reportable segment.

The Board of Directors has, at its meeting held on May 20, 2023, granted an in-principle approval for the sale / transfer of the Company's 'Transportation of Passengers by Air' Business by way of a slump sale, (including to any related party), subject to receipt of all applicable clearances and approvals from the concerned regulatory authorities.

Going forward, your company will have only one business which is the High Growth oriented Goods Transportation Business.

As such, we would be focusing solely on the performance of the Goods Transportation business in the coming paragraphs.

### 4. OUTLOOK

In the press release issued by the Ministry of Finance, GST collections in April touched all time high of ₹ 1.68 lakh crores which have been driven by an 11 year high GDP growth.

Further, mandatory e-invoicing being limited to ₹ 5 Crores and above from 01.08.2023 would further lay 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 our operations are spread across the country, catering to variety of products across industries with wide range of Customers. The Company is not dependent on any particular customer or industry for its revenues. We are doing an internal review and are conducting focused state-region level meeting to increase the freight density in the local pockets for growth and we are encouraged by the response to such initiative. During the year 184 new Branches were added. The said increase in the branches contributed an increase of 5.12% to the overall delivery tonnage and the same is expected to significantly increase in the days to come. Going forward, your company has tremendous potential to expand their network especially in East, North and North-Eastern Geographical areas of the country as we are having a lower density of branches in these areas.

### 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.

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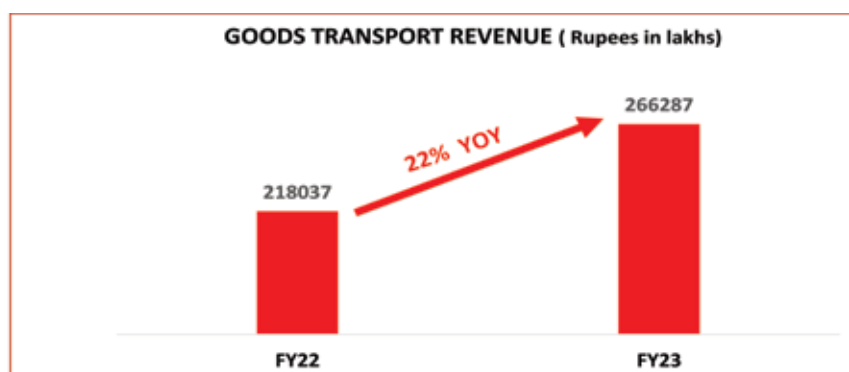
## 6. DISCUSSION ON FINANCIAL PERFORMANCE W.R.T OPERATIONAL PERFORMANCE

(₹ in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Revenue from operations	2,64,852.18	2,16,355.81
Other income	1,434.48	1,681.29
<b>Total Income</b>	<b>2,66,286.66</b>	<b>2,18,037.10</b>
Profit Before Finance Costs and Depreciation	41,599.84	39,136.20
Finance Costs	5,433.85	4,215.80
Depreciation and Amortisation of expenses	15,914.28	14,450.35
<b>Profit Before Tax</b>	<b>20,251.71</b>	<b>20,470.05</b>
Tax Expense	3,637.96	4,854.83
<b>Profit for the Year(excluding other comprehensive income)</b>	<b>16,613.75</b>	<b>15,615.22</b>

**Note: All financial numbers for Continued Operations – Goods Transportation**

On an year on year basis, the revenue from Goods Transportation operations increased by 22.42% from ₹ 2,16,355.81 lakhs to ₹ 2,64,852.18 lakhs. Including other income the total revenue increased by 22.13% from ₹ 2,18,037.10 lakhs to ₹ 2,66,286.66 lakhs.



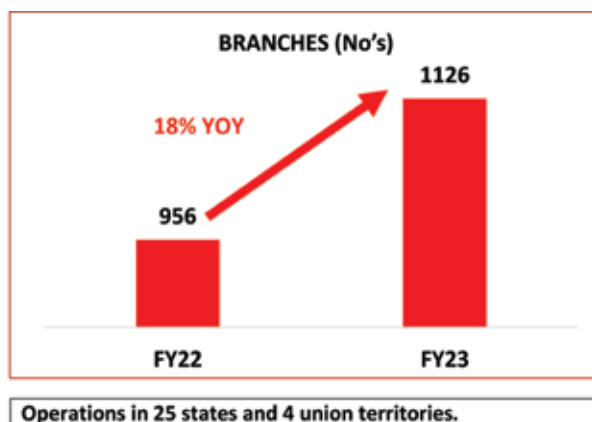
The improvement in turnover is on account of growth in Good Transport segment which is major segment in our operation. We believe that the growth in our core Goods Transport segment was amply aided by the pro-active decisions taken by the management. The change in strategies post covid not only helped in expanding our clientele base but also helped in garnering a large chunk of market share of the shift to the compliance efficient organized business houses, from risky unorganized logistics service providers. The company has added significant fleet capacity and also opened 184 branches during the year which also resulted in such growth becoming possible.

The increase in revenue is mainly on account of increase in tonnage to 39 lakh tons from 32 lakh tons with a growth of 21%. The company's average daily tonnage had reached 11400 tons in Q4 FY23.

During the year the realization per ton increased by 1.30%. To achieve better growth in tonnage and to capture the new markets, during the year your company did not increase the freight rates. A small growth in the rates was effected from mid-December 2022, only for the non-contractual customers. In fact, considering the further expansion in branch network during Q4 and offering competitive rates to enable Return Loads on newer routes we offered discounts on selective basis.

We laid emphasis on expanding our network as is evident from addition of 184 new branches in FY23. Going further, we plan to open more number of branches in the untapped markets. The new branches contributed over 5% to the tonnage and the same is only expected to increase in the days to come. Our strategy of expansion of branch network is going to continue and we plan to add around 25 - 30 branches every quarter, especially in untapped markets.

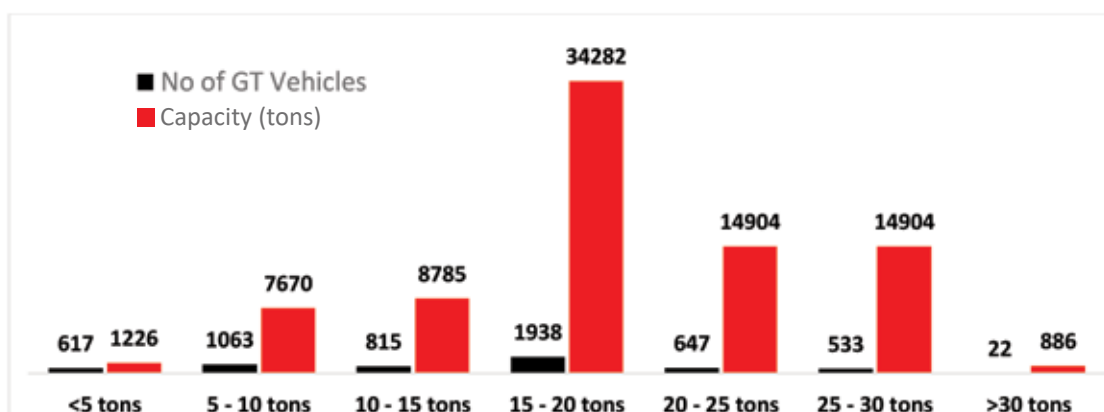
The below graph depicts the increase in number of branches from FY 2021-22 to FY 2022-23.



On the fleet side, we added 1338 vehicles of different capacities in line with our expansion plans to garner more market share and also reduce dependency on third party vehicles. Net addition post scrappage was 855 Vehicles.

The below chart illustrates the capacity wise breakup of our vehicles as on 31.03.2023

#### Capacity Breakup as on Mar 31, 2023



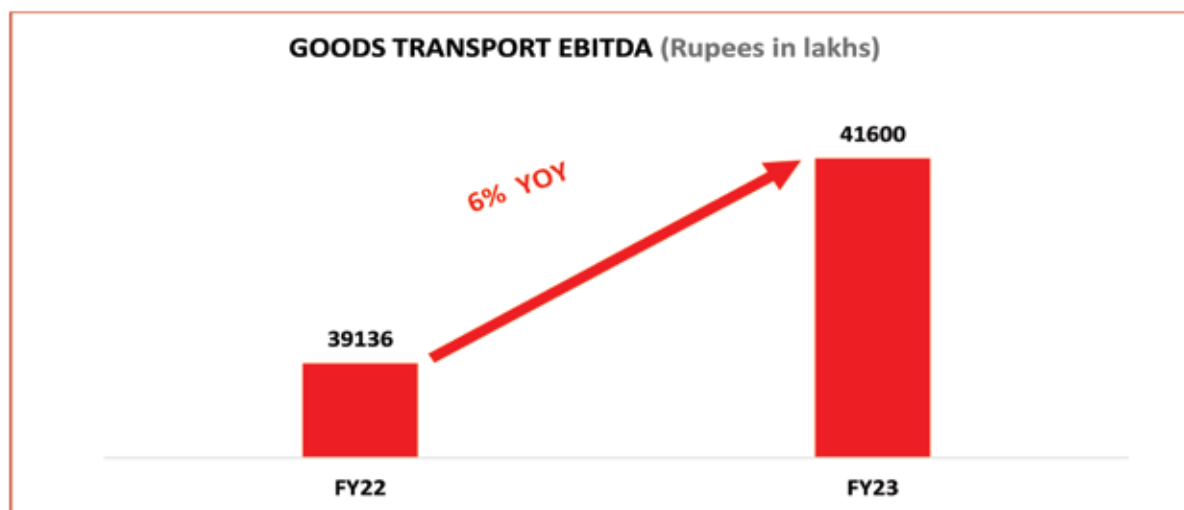
Note: Total GT Vehicles excluding Cranes & Tankers

We believe the steps taken by the Government clearly indicates that the business transactions needs to be done in a complied and organized way rather that the non-complied manner which were or being supported by the unorganized transporters while transportation of the Goods.

We have seen significant growth in the movement of some of the commodities in the last few years which were highly dependent on unorganized small fleet operators earlier. For example, Agricultural Products and Equipments, Automobile, Educational Goods, Clothes & Textiles, FMCG , Industrial Goods , Footwear, Metals & Hardware etc.

#### Profitability

In absolute terms EBITDA of the company increased by 6.3% from ₹ 39136.2 lakhs to ₹ 41599.84 lakhs. However, when expressed as a percentage to the total income for the year, the EBIDTA margin decreased by 2.33% from 17.95% to 15.62% in FY 23.



EBIT of the company increased by 4.05% from ₹ 24,685.85 lakhs to ₹ 25,685.56 lakhs. When expressed as a percentage of total income, the same decreased by 1.68% from 11.32% to 9.65%.

Depreciation increased by 10.13% from ₹ 14,450.35 lakhs to ₹ 15,914.28 lakhs.

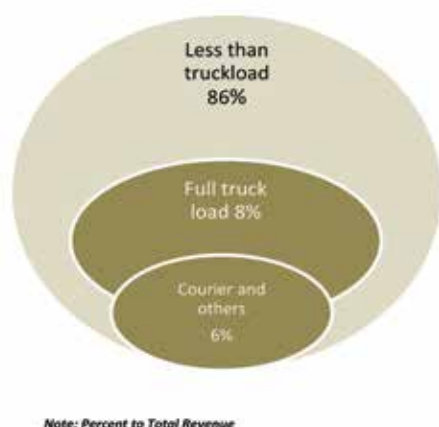
PBT decreased by 1.07% from ₹ 20,470.05 lakhs to ₹ 20,251.71 lakhs. When expressed as a percentage of total income, the same decreased by 1.78% from 9.39% to 7.61%.

Interest expense increased by 28.89% from ₹ 4,215.80 lakhs to ₹ 5,433.85 lakhs.

Profit after tax of the company increased by 6.39% from ₹ 15,615.22 lakhs to ₹ 16,613.75 lakhs. When expressed as a percentage to total income it decreased by 0.92% from 7.16% to 6.24%.

**Dividend** - The Board of Directors have recommended a dividend of ₹ 5 per equity share of INR 10 each, in their meeting held on 20 May 2023, which is subject to the approval of the shareholders at the ensuing Annual General Meeting.

### Goods Transport (GT)



- Increase in volume and better realization leads to 22% growth in revenue
- Strategic Planning
- Geographical Expansion (Contribution from new branches)
- A Strong Revival in Economy which helped in a growing demand from MSME and Corporates.
- Addition of new customers. Business shift from unorganized to organized fleet operators due to GST, E-way Bill & E-invoicing reforms
- Operational Efficiencies
- Increased contribution from newer commodities.

GT revenue increased by 22% from ₹ 2,18,037.10 lacs to ₹ 2,66,286.66 lacs.

Tonnage increased by 21% while realization per ton increase by 1.3%. The increase in tonnage is on account of addition of new customers in the existing branches, expansion in network by opening of new branches in untapped market, focusing on geographic product-wise marketing and shifting of customers from the unorganized transport service providers to organized service providers on account of reforms in GST and E-way bill compliance norms.

We are hoping that considering our focus to increase our network going forward to the untapped market by opening of new branches and the shifting of customers from unorganised players to organised players (who are contributing major share in the Indian Transport Industry) our growth pattern will continue even going forward.

Please refer the below notes in relation to elements of operating cost:

- Due to withdrawal of subsidy on Bulk Purchase of diesel from Feb-22 to Dec-22, there was an increase in fuel procurement price in the current financial year. The company was unable to purchase fuel directly from the refineries which in earlier years had a cost advantage of ~ ₹ 2 per litre in bulk purchase, when compared with retail price. Bulk purchase of fuel restarted from mid Dec-22 and direct procurement from refineries increased to 28% in Q4 FY 23 as compared to 5% in Q3FY23. The average procurement cost of the Diesel increased from ₹ 87.22 in FY22 to ₹ 90.22 in FY23. With this the Fuel cost as a % to revenue increased from 29.67% to 30.43% and impacted on EBITDA margin by 0.76%.
- Lorry Hire charges also increased as a percentage to the revenue from 7.41% to 9.29% due to increase in KMs by Hired Vehicles, increase in lorry hire charges per KM and increase in charges for last mile collections and deliveries. Overall own vehicle capacity increased by 16% from 71056 tons to 82657 tons, while our tonnage increased by 21% from 32 lakhs tons to 39 lakhs tons to meet this gap we were dependent on hired vehicles.
- The increase in toll charges sharply impacted on EBITDA during the year. The toll charges as a percentage to revenue increased from 6.16% to 7.28% and impacted on EBITDA by 1.12%. The increase in toll charges is on account of increase toll plazas across the country these numbers were around 850 at the beginning of the year now increases to around 1200. Further the toll rates also increased almost by 5%.
- The Loading and Unloading charges increased by 0.38% from 5.94% to 6.31% due to increase in hamali rates at various places

On the other side certain expenses have decreased during the year and supported increase in EBITDA margin as under:

- The Vehicle repairs and maintenance costs is decreased by 0.66% from 7.07% to 6.41% on account of low maintenance costs on the New vehicles and also the KMs covered by the new vehicles increased on YOY basis.
- The Tyre costs also reduced as a % to the revenue by 0.46% due to increase in KMs covered by the New Vehicles which have been supplied with pre-fitted tyres.
- Employee costs which is the major fixed cost in our operations decreased by 0.33% from 15.91% to 15.58%. This is evident that the increase in tonnage always supports to have better control on the fixed costs and the same manpower can handle additional volumes.
- The EBIT margin is reduced by 1.68% from 11.32% to 9.65% on account of decline in EBITDA margins.

Since we are expanding our Network and also adding many new customers we expect that the volume growth will continue in the coming quarters. Further as we are having the best method of operations with our own infrastructure facilities we can have better control on key expenses such as Diesel costs etc. and maintain the profitability margins.

Particulars	As at March 31, 2023	As at March 31, 2022	Change %	Reason for more than 25% change
Current Ratio	0.91	0.65	41.18%	Due to increase in Leased premises security deposits which is forming part of current assets in the current year on account of expansion in leased premises related to Transshipment hubs and opened considerable number of branch offices in leased premises
Debt - equity Ratio	0.74	0.82	(10.45%)	Due to increase in Equity on account of increase in profit for the year from continued operations, discontinued operations, exceptional profit from Sale of Wind Power business and Sale of Bus operations business. Further usage of cash flows from operating activities before working capital changes, substantial cash flow from investment activities on account of Sale of Wind Power business and Sale of Bus operations business after the Capital Expenditure, for repayment of debts.
Debt Service Coverage Ratio	0.49	0.59	(16.95%)	Increase in borrowings due to considerable capex and increase in lease liabilities due to increase in lease premises for expansion of Transshipment hub areas and increase in number of branches.
Return on Equity	39.72%	25.64%	54.89%	Due to increase in Returns on account of increase in profit for the year from continued operations, discontinued operations, exceptional profit from Sale of Wind Power business and Sale of Bus operations business.

Trade Receivables turnover ratio	30.87	29.29	5.37%	Growth in business as compared to previous financial year.
Trade payables turnover ratio	17.58	27.36	(35.75%)	Due to decrease in Net Credit purchases.
Net capital turnover ratio	(97.06)	(22.99)	322.18%	Due to substantial growth in Sales from continued operations in comparison to proportionate increase in working capital.
Net Profit Ratio	6.27%	7.22%	(13.09%)	Decrease in EBITDA margins due to increase in fuel cost, lorry hire charges and bridge & toll charges as a percentage to the Sales resulted into decrease in Net profit margins as compared to the previous year.
Return on Capital employed	27.42%	20.11%	36.32%	This ratio improved due to increase in profit for the year and exceptional profits in the current year on account of Sale of Bus business operations and Wind Power business operations.
Return on Investment	6.06%	12.64%	(52.00%)	Decrease in Returns is on account of the date of acquisition of deposits in the current year are on later dates during the financial year

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

The total employee strength of the Company as of 31.03.2023 was 20219. 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	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, Karnataka 580029
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	April 1, 2022 to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11	Paid-up Capital	₹ 8834.35 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.

#### II. Products/services

##### 14. 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 Services	<p>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).</p> <p>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.</p> <p>We offer Courier services for time sensitive documents and packages.</p>	90.91%

**15. 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	49231	99.86%

**III. Operations**
**16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	Not Applicable	1126	1126
International	Not Applicable	Not Applicable	Not Applicable

**17. Markets served by the entity:**
**a. Number of locations**

Locations	Number
National (No. of States)	The Company has a presence in 25 States, and 4 Union Territories.
International (No. of Countries)	Not Applicable

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

- Nil

**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 more than 8 lakh+ customers across the country.

**IV. Employees**
**18. 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)	20,219	19,968	98.76%	251	1.24%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	20,219	19,968	98.76%	251	1.24%
Workers						
4.	Permanent (F)	We do not have any workers - All individuals are considered as Permanent Employees and no such category exist.				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

**b. Differently abled Employees and workers:**

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	3	2	67	1	33
2.	Other than Permanent (E)	We do not have Temporary Employees				
3.	Total employee s (D + E)	3	2	67	1	33
Differently Abled Workers						
4.	Permanent (F)	We do not have any temporary differently abled workers on roll. All individuals are considered as Permanent Employees and no such category exists				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2	16.67%
Key Management Personnel	2	-	-

**20. Turnover rate for permanent employees and workers**

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	31.91%	8.81%	30.72%	29.91%	6.40%	27.26%	23.79%	7.99%	23.55%
<b>Permanent Workers</b>	We do not have any workers - All individuals are considered as Permanent Employees and no such category exist.								

Note: For financial year 2022-23 Employees transferred under the Slump Sale transactions are not considered for the above.

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**
**21. (a) Names of holding / subsidiary / associate companies / joint ventures: Not Applicable**

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)
-	-	-	-	-

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

(ii) Turnover (in ₹) - ₹ 2,66,286.66 Lakhs (FY 22-23)

(iii) Net worth (in ₹) - ₹ 97,584.15 Lakhs (FY 22-23)

## VII. Transparency and Disclosures Compliances

### 23. 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 2022-23			FY 2021-22		
		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	NIL	NIL	-	NIL	NIL	-
Investors (other than shareholders)	No	NIL	NIL		NIL	NIL	
Shareholders	Yes	57	0	-	41	0	-
Employees and workers	No	28	0	-	32	0	-
Customers	No	31,063*	839*	-	38,763*	856*	-
Value Chain Partners	No	NIL	NIL	-	NIL	NIL	-
Other (please specify)	No	NIL	NIL	-	NIL	NIL	-

\*The Company generated nearly 1.2 crore dockets during the financial year. Majority of the customer complaints depicted above relate to transit time enquiry and other enquiry apart from complaints.

### 24. 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**

- 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.

The Company operates the Country's largest owned largest fleet of Commercial vehicles in the private sector. As such the Company is very conscious of vehicle emission and seeks to utilize alternate and green fuel to the extent possible. The Company has been the pioneer in using bio-diesel in its trucks and buses. During the earlier year, 6.06% of the total fuel used was bio-diesel. The availability of bio-diesel has been a concerned since the last two years and prior to this the Company had replaced upto 28% of its total fuel consumption with bio-diesel. Upon its becoming easily available the company would again start aggressively using bio-diesel in its vehicles.

The company also uses electric forklifts in its major transshipment hubs replacing the diesel vehicles. Also several of its owned as well as rented premises are fitted with solar panels to ensure that dependence on outside energy is reduced.

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	Fuel Cost	Opportunity	Economies of scale enable the company to gain advantage over competition whilst being capable of responsible business conduct	<ul style="list-style-type: none"> <li>• Procurement of fuel directly from refineries and private petroleum companies wherever possible</li> <li>• attempts to source Bio fuel to reduce overall fuel expenses</li> <li>• Tie ups with fuel pumps across India for fueling during transits to ensure access to good quality fuel.</li> <li>• Usage of RFID tags to monitor real time fuel usage</li> </ul>	Reduced fuel cost per litre viz a viz market leading to higher margins.
2	Genuine Spare parts procurement at competitive rates	Opportunity	Opportunity to engage into sustained business with MSMEs, local and small vendors. The same needs to be balanced with the potential risk of access to genuine and quality spares and services.	<ul style="list-style-type: none"> <li>• Direct procurement from smaller manufacturers /OEMs for other spare parts</li> <li>• Tyre, Battery procurement at competitive rates</li> <li>• Usage of proprietary ERP system to maintain control over costs</li> </ul>	Reduced vehicle maintenance costs leads to higher margins.
3	Human Resource	Risk	Attract & retain key talent, and health, safety & well-being of human resource Attempts on an ongoing basis to retain trained employees with unique internal emoluments mechanism	<ul style="list-style-type: none"> <li>• Recruiting drivers as full time employees with statutory benefits</li> <li>• Large and Experienced pool of Drivers</li> <li>• Performance evaluated and incentives provided based on various criteria</li> <li>• Group Insurance facility</li> <li>• Driver training facility at Hubballi</li> </ul>	VRL enjoys virtually no stoppages in business operations owing to continued availability of all cadre of employees
4	Vehicle scrappage policy	Opportunity	A government-initiated program to replace old vehicles from Indian roads	Capacity addition of 1,600 customized trucks comprising of 1,000 trucks of TATA LPT 2818 make, 200 trucks of TATA LPT 1415 make, 100 trucks of TATA 610 SFC make, 200 trucks of Ashok Leyland 1920 make and 100 trucks of Ashok Leyland 4620 make.	Fleet well positioned to handle increased business volume and be ready to grab opportunities presented by reduction in overall fleet availability in the country going ahead.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

<b>P1</b>	<b>Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable</b>
<b>P2</b>	<b>Businesses should provide goods and services in a manner that is sustainable and safe</b>
<b>P3</b>	<b>Businesses should respect and promote the well-being of all employees, including those in their value chains</b>
<b>P4</b>	<b>Businesses should respect the interests of and be responsive to all its stakeholders</b>
<b>P5</b>	<b>Businesses should respect and promote human rights</b>
<b>P6</b>	<b>Businesses should respect and make efforts to protect and restore the environment</b>
<b>P7</b>	<b>Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent</b>
<b>P8</b>	<b>Businesses should promote inclusive growth and equitable development</b>
<b>P9</b>	<b>Businesses should engage with and provide value to their consumers in a responsible manner</b>

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	N	N	Y	Y
c. Web Link of the Policies, if available	Refer note below*								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
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.	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA



## Governance, leadership and oversight

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 Dr. Anand Sankeshwar, Managing Director -

We are serious about our ESG responsibilities. Our industry, the surface logistics industry, faces its own unique set of challenges and these challenges present opportunities for us to demonstrate our way of doing things. We undertake several measures on this front and such measures, enumerated below, have been implemented since the past several years, much before the reporting on ESG became mandatory –

- We are the pioneers in the usage of bio-fuel in this industry. A past reading of our financial disclosures and presentation available on our website would detail our usage of bio-fuel which in the past was beyond 20% of our overall fuel consumption. But for the present day unavailability of such a resource, we stand committed to make use of green fuel.
- We add additives to our fuel to improve the fuel efficiency of our vehicles as also to reduce the emissions.
- We give preference to local vendors which are predominantly small and ancillary units located in the vicinity of our centralized vehicle maintenance facility for the sourcing of non-OEM components and spare requirements.
- We ensure that we consistently meet our CSR obligations
- We have aggressively pushed for the implementation of solar panels on as many godowns occupied by us as possible.
- We have shifted over from diesel forklifts to battery operated forklifts.
- We are also replacing our batteries at offices for UPS purposes with Lithium Ion batteries which are more eco-friendly.
- We ensure strict adherence to all our Pollution Control Board related obligations. We have roped in an external agency to monitor our Pollution related compliances and undertake periodic inspections too.
- We provide all out staff including drivers and hamals with all statutory benefits as also group insurance, health insurance, death benefits etc. apart from periodic awareness and other beneficial sessions.
- Our premises are kept neat and clean and we ensure due dedicated spaces for greenery and plants at premises and facilities owned by us.

These are a few of the measures taken and there are others too which can be seen in this report.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors
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 principles enumerated above are available within several of our policies which are hosted at [https://www.vrlgroup.in/vrl\\_investors\\_desk.aspx?display=policies](https://www.vrlgroup.in/vrl_investors_desk.aspx?display=policies). 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 obligations.

**10. Details of Review of NGRBCs by the Company:**

10. Details of Review of Nandee by the Company:																		
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	The Audit Committee would review ongoing development on this front on a quarterly basis.									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		
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.										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
										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	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	Refer not e below	-	-

**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. In the past, we had entered into a long term contract with the Asian Development Bank (ADB) which purchased all our carbon credits (CERs) in entirety. The Company's Clean Development Mechanism (CDM) project is registered with the United Nations Framework Convention on Climate Change (UNFCCC) and necessary approvals for the trade of carbon credits have been procured. As on date, the Company has a significant tradable balance of Certified Emission Reductions (CERs).

We are pioneers in the Surface Transport industry to utilize bio-diesel as an alternative and Green Fuel and during the past few years gone by, it is amply evident that bio-diesel was extensively used instead of diesel in our fleet. The present day availability of bio-diesel is scarce and upon this situation getting changed, the company would resume to use this alternative fuel again.

We wish to submit that we are in full compliance with all the environmental laws applicable to us. In fact, our waste treatment and disposal as also our rain water harvesting efforts at Hubballi have resulted in our increasing the water table at the location where our centralized vehicle maintenance facility is located.

We are one of the few organized transporters who have also consciously ensured that our bigger transshipment yards are provided with battery operated forklifts instead of diesel based ones. This ensures better well-being of our workforce situated there as also reduces pollution.

We have also commenced the commercial application of electric vehicles for effecting local deliveries and pick-ups and keep adding smaller electric vehicles to our operation. Gradually, upon the technology for higher capacity vehicles stabilizing, we would be deploying more and more of such vehicles in the days to come. We are also engaged in talks to explore the possibilities of deploying electric vehicles with higher capacity over longer distances so as to evaluate the viability of these from a sustainability perspective.

As regards Liaison, we are a part of nearly all the important industry bodies and play a pro- active role in highlighting matters for betterment of our surface transport industry.

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

#### Essential Indicators

#### 1. 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	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 ingrain several aspects that the principles above aim to cover. The same is in line with the practices prevailing in our industry.		
Key Managerial Persons			
Employees other than BoD and KMPs and workers			
Workers			

#### 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):

Monetary					
	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	NA	BSE India Limited and National Stock Exchange of India Limited	₹ 18,000/ + GST each translating to a total defrayal of ₹ 42,480/-	Delay of <b>9 days</b> in passing Special Resolution for continuation of Non- Executive director on attaining the age of 75 years.	No
Settlement	NA				
Compounding fee	NA				

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred (Yes/No)
Imprisonment	NA				
Punishment	NA				

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.

Case Details	Name of the Regulatory/ Enforcement agencies/ judicial Institutions
NA	NA

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.

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 with whom we deal. We have put in place and enforce 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 the internal procedure manual and internal circulars for which web link cannot be provided.

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

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

**6. Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

**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

**Leadership Indicators**

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

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
-	-	-

**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 VRL Company, Code of Conduct requires 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.

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

### Essential Indicators

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.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social Impacts
R&D	NIL		
Capex (` In Lakhs)	848.39	55.34	Eco-friendly vehicles

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)- Yes**  
**b. If yes, what percentage of inputs were sourced sustainably?**

We have set up a robust sourcing procedure. Our procurement and commercial policies include several parameters based on which suppliers are evaluated and selected for supplying various materials. It is pertinent to note here that our relationships with vendors are long term in nature. Major Commercial vehicle manufacturers like Ashok Leyland and Volvo Eicher have set up their own stores in our vehicle maintenance premises. Periodic supplier evaluation is being undertaken. During the year, nearly our entire procurement was sourced from the domestic vendors.

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.**

We do not generate significant waste as our operations are scattered across the country. It is pertinent here to however state that our centralized vehicle maintenance facility at Varur, Hubballi, has a suitable discharge treatment mechanism. All our major hubs and facilities have proper discharge treatment systems in place.

With regard to e-waste and hazardous waste, we ensure E-waste, Hazardous waste and Battery waste is being sold / handed over to only related License holders (recyclers). Other waste comprises of sewage water and water used in washing of vehicles and the same is treated and either re-used or finally used for gardening purposes. Such water waste is only generated at our centralized vehicle maintenance facility located at Varur, Hubballi. A bacteria based chemical free water treatment facility has been setup at Varur and the resulting treated sludge is also being distributed to local farmers who use it as a fertilizer.

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

### Leadership Indicators

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?**



NIC Code	Name of the Product/ Service	% of Total Turnover Contributed	Boundary for which the Life Cycle perspective/ Assessment was conducted	Whether Conducted by Independent external agency (Yes/ No)	Results Communicated In public Domain (Yes/ No) If yes, Provide the web -link.
No					

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.

Name of the Product / Service	Description of the Risk / Concern	Action Taken
Goods Transportation	Vehicle emissions	We ensure that all our vehicles are maintained in-house and we ensure that these meet the set norms.
Goods Transportation	Usage of forklifts	We are operating battery operated forklifts to ensure that no emissions happen within our transshipment operations.

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).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Not Applicable		

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

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste						
Hazardous waste						
Other waste						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

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

**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	19968	19968	100	19968	100	0	0	Not Applicable			
Female	251	251	100	251	100	251	100				
Total	20219	20219	100	20219	100	251	100				
Other Than Permanent Employees											
Male	We do not have any temporary employees										
Female											
Total											

**b. Details of measures for the well-being of workers:** We do not have any workers.

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	We do not have any workers - all individuals are considered as permanent employees and no such category exists										
Female											
Total											
Other Than Permanent Employees											
Male	We do not have any workers - all individuals are considered as permanent employees and no such category exists										
Female											
Total											

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

Benefits	FY 2022-23			FY 2021-22		
	No of employees covered as a % of total employees	No of workers covered as a % of total workers	Deducted and Deposited with the Authority (YES/ NO/N.A)	No of employees covered as a % of total employees	No of workers covered as a % of total workers	Deducted and Deposited with the Authority (YES/ NO/N.A)
PF	99.09	NA	YES	99.13	NA	YES
Gratuity	99.49		NA	99.55		NA
ESI	85.20		YES	90.70		YES
Others Please Specify	NA		NA	NA		NA

**3. Accessibility of workplaces**

**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, our centralized office where disabled people are employed are accessible.

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, and the same can be accessed at [https://www.vrlgroup.in/vrl\\_investors\\_desk.aspx?display=policies](https://www.vrlgroup.in/vrl_investors_desk.aspx?display=policies)

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

Gender	Permanent Employees		Permanent Workers	
	Return To Work Rate	Retention Rate	Return To Work Rate	Retention Rate
Male	NIL	NIL	We do not have any workers - all individuals are considered as permanent employees and no such category exists	
Female	NIL	NIL		
Total	NIL	NIL		

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.

of the mechanism in brief	Yes
Permanent workers	The Branch Heads are responsible for the resolution of complaints/ grievances of the employees working in the concerned branches and offices. It is his/her foremost duty to see that the complaints of all the employees are resolved completely and ensure closure of all complaints received at the branches/offices. If the General Manager / Area General Manager/ Deputy General manager feels that it is not possible to solve the problem at his/her level, he/she should refer the matter to his/her reporting manager immediately.
Other than permanent workers	
Permanent employees	
Other than permanent employees	

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

Category	Fy 2022-23			Fy 2021-22		
	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	There is no such trade union or association existing in the company					
- Male						
- Female						
Total Permanent Workers						
- Male						
- Female						

## 8. Details of training given to employees and workers:

		FY 2022-23					FY 2021-22			
Category	Total (A)	On Helath And Safety Measures		On Skill Upgradation		Total (D)	On Helath And Safety Measures		On Skill Upgradation	
		No. B	% (B/A)	No. C	% (C/A)		No. E	% (E/D)	No.f	% (F/D)
Employees										
Male	19,968	7,019	35.15	7,617	38.14	20,533	2,856	13.91	6,238	30.38
Female	251	23	9.16	23	9.16	255	14	5.49	14	5.49
Total	20,219	7,042	34.82	7,640	37.79	20,788	2,870	13.81	6,252	30.07
Workers										
Male	We do not have any workers - all individuals are considered as permanent employees and no such category exists									
Female										
Total										

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. B	% (B/A)	Total (C)	No.D	% (D/C)
Employees						
Male	Performance review and career advancement is an ongoing process year round.					
Female						
Total						
Workers						
Male	We do not have any workers - all individuals are considered as permanent employees and no such category exists					
Female						
Total						

## 10. Health and safety management system:

### 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 has a management system for occupational health and safety. The business holds that a safe and healthy workplace is a requirement for employee well-being, and that implementing best practices in occupational health and safety directly affects its overall performance. In addition to being the Company's responsibility as a responsible corporate citizen, it aids in recruiting and retaining employees.

### 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.

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

Yes.

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

Yes - enabled by ESI coverage and group health insurance policy.

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

Safety Incident/ Number	Category	FY 2022-23	FY 2021-22
Lost time injury frequency rate LIFR (per one million hours worked)	Employees Workers	We do not track this data considering our nature of business	
Total recordable work related injuries	Employees Workers	42 NA	83 NA
No.of fatalities	Employees Workers	38 NA	56 NA
High Consequence work related injury or ill health	Employees Workers	NA NA	NA NA

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

The operations of the company are spread over 1200 locations. In the bigger facilities the company has taken care to ensure that the workplace presents a safe and healthy atmosphere. Applicable measures as considered necessary have been taken care of.

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

	FY 2022-23		FY 2021-22	
	Filed during the year	Pending resolution at the end of the year	Filed during the year	Pending resolution at the end of the year
Working and conditions	28	0	32	0
Health and safety	8	0	6	0

# 14. Assessments for the year:

	% 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 1,200 branches across the country and its operations are spread. At any given point in time over 7,000 drivers are always on road. As such inspections are not applicable. However several labour officers keep visiting our Centralized facility located at Varur, Hubballi, as also our branches and transshipment hubs across the country. We do not keep a count of the same.

# 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.

Periodic safety training to drivers is an ongoing process. Road accidents is an inherent risk in our business.

## Leadership Indicators

# 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 - We do not have any workers - all individuals are considered as permanent employees and no such category exists

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

No such measures taken

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	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	We do not have such policy.			
Workers				

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

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	No assessments conducted
Working Conditions	

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

1. Describe the processes for identifying key stakeholder groups of the entity.

A key stakeholder is defined as any individual, group of individuals, or institution that contributes value to the Corporation's supply chain. This comprises, among others, the following: employees, shareholders, investors, clients, regulators, lenders, communities, and non-governmental organizations.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.



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 concern raised during such engagement
Shareholders and Investors	No	Quarterly results, Investor presentations, Annual Report, Annual General Meeting, Investor/ analysts calls and meet, Media releases, Website.	ongoing interaction with at least one engagement every quarter	<ul style="list-style-type: none"> <li>• To answer investor queries on financial performance</li> <li>• To present business performance highlights to investors</li> <li>• To discuss publicly available Company information to shareholders and investors</li> </ul>
Employees	No	Direct & other communication mechanisms	Regular Ongoing basis	To establish an efficient communication channel, update employees on significant company developments, and align them with the company's common objectives and business plans;
Customers	No	Direct communication over email, phone and in-person	Ongoing basis	Business offering related – freight services
Communities and NGOs	No	Direct communication over email, phone and in- person	Rare – Need based	Generally related to CSR activities undertaken and monitoring and follow up thereof
Government and Regulators	No	Direct communication over email, phone and in-person	Need based	Situational

### Leadership Indicators

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 has consistently maintained that by staying engaged with its major constituencies on a regular basis and taking an active role in those interactions, the Company is better equipped to convey its goals and progress. The company may better serve its stakeholders by maintaining a consistent level of involvement that helps to align expectations. Various developments are reported to the board, and the directors are asked for their opinions on such developments.

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.

Not Applicable

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

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No Of Employees / Workers Covered (B)	% (B/A)	Total (C)	No Of Employees / Workers Covered (D)	% (D/C)
Employees						
Permanent	Training and introduction to relevant and applicable policies being adopted within the company is being imparted to all new joinees as a part of their Orientation/Induction. No exclusive training on human rights issues is being given					
Other Than Permanent						
Total Employees						
Workers						
Permanent	We do not have any workers - all individuals are considered as permanent employees and no such category exists					
Other Than Permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 2022-23					FY 2021-22			
		Equal To Minimum Wage		More Than Minimum Wage		Total (D)	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										
1. Male	19,968	NIL	NA	19,968	100	20,526	NIL	NA	20,526	100
2. Female	251	NIL	NA	251	100	262	NIL	NA	262	100
Other than Permanent										

1. Male	We do not have any non-permanent employees - all individuals are considered as permanent employees and no such category exists
2. Female	
Workers	
Permanent	We do not have any workers - all individuals are considered as permanent employees and no such category exists
1. Male	
2. Female	
Other Than Permanent	
1. Male	
2. Female	

**3. Details of the remuneration/ salary/ wages, in the following format:**

	Male		Female	
	Number	Median Remuneration / Salary/ Wages Of Respective Category	Number	Median Remuneration / Salary/ Wages Of Respective Category
Board Of Directors	4	238.67	0	0
Key Managerial Personnel	2	137.19	0	0
Employees Other Than BOD And KMP	19,968	2.10	251	2.10
Workers	We do not have any workers - all individuals are considered as permanent employees and no such category exists.			

Note: Board of Directors excludes Directors who are paid only sitting fees. Median Remuneration for Non-BOD/ KMP/ Employees is considered at Annual Average cost.

**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)**

No specific "Human Rights" Committee.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The person in charge of the human resources function, known as the Head of Human Resources, is responsible for overseeing and resolving any problems resulting from the business's effects on or contributions to violations of human rights.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	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	Nil					
Discrimination At Workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other Than Human Rights Related Issues						

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

POSH Act related policy is in place which safeguards and keeps confidential the identity of the complainant.

**8. Do human rights requirements form part of your business agreements and contracts?**

No

**9. Assessments for the year:**

Assessments For The Year	% Of Your Plants And Offices That Were Assessed (By Entities Or Statutory Authorities Or Third Parties)
Child Labour	No Assessments Undertaken
Forced/ Involuntary Labour	
Sexual Harassment	
Discrimination At Workplace	
Wages	
Others - Please Specify	

**10. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 9 above**

Not Applicable

**Leadership indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Not Applicable

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

Not Applicable

**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.

#### 4. Details of the assessment of the value chain partners

	% Of Value Chain Partners (By Value Of Business Done With Such Partners) That Were Assessed
Sexual Harassment	No Assessment Done. No Complaints Received On Any Of These Matters During The Reporting Period
Discrimination At Workplace	
Child Labour	
Forced/ Involuntary Labour	
Wages	
Others - Please Specify	

#### 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 2022-23	FY 2021-22
Total electricity consumption (A)	40,177.03 GJ	33,333.94 GJ
Total fuel consumption (B)	41,15,591.13 GJ	34,24,855.19 GJ
Energy consumption through other sources (C)	19,710 GJ	18,133.2 GJ
<b>Total energy consumption (A+B+C)</b>	<b>41,75,478.16 GJ</b>	<b>34,76,322.33 GJ</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.000143639	0.00014678
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: 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 conducted.

#### 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

### 3. Details of the following disclosures related to water.

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
i) Surface water	NIL	NIL
(ii) Groundwater	3,65,000 KL	3,46,750 KL
(iii) Third party water	16,800 KL	14,000 KL
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	25,000 KL	25,000 KL
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>4,06,800 KL</b>	<b>3,85,750 KL</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>4,06,800 KL</b>	<b>3,85,750 KL</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.014	0.016
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - No independent assessment done

### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not relevant to our activity.

### 5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	MT	491.44	408.96
SOx	MT	2,047.68	1,704.01
Particulate matter (PM)	MT	1,023.84	852.00
Persistent organic pollutants (POP)	NA	NIL	NIL
Volatile organic compounds (VOC)	NA	NIL	NIL
Hazardous air pollutants (HAP)	NA	NIL	NIL
Others – please specify	NA	NIL	NIL

Note: 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.



**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	2,76,436.62	2,30,041.15
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	NA	NA
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	2,76,436.62	2,30,041.15
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: 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.

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

No such project. All new capex is for BSVI vehicles and older vehicles are being scrapped and being replaced with newer vehicles which have reduced emissions.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	NIL	NIL
E-waste (B)	0.802 MT	0.754 MT
Bio-medical waste (C)	NIL	NIL
Construction and demolition waste (D)	NIL	NIL
Battery waste (E)	27.938 MT	19.460 MT
Radioactive waste (F)	NIL	NIL
Other Hazardous waste. Please specify, if any. (G)	0.925 MT	0.850 MT

Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NIL	NIL
<b>Total (A+B + C + D + E + F + G+ H)</b>	29.665MT	21.064 MT
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	NIL	NIL
(ii) Re-used	NIL	NIL
(iii) Other recovery operations	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	Not Applicable	
(ii) Landfilling		
(iii) Other disposal operations	Being given to license holders only	
<b>Total</b>		

Note: 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 being undertaken.

**9. 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.**

E-waste, Hazardous waste and Battery waste is being sold / handed over to only related License holders (recyclers). Other waste comprises of sewage water and water used in washing of vehicles and the same is treated and either re-used or finally used for gardening purposes. Such water waste is only generated at our centralized vehicle maintenance facility located at Varur, Hubballi. A bacteria based chemical free water treatment facility has been setup at Varur and the resulting treated sludge is also being distributed to local farmers who use it as a fertilizer.

**10. 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 format:**

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			

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

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
Refer Note Below					

Every quarter, the PCB officials visit our centralized vehicle maintenance facility at Varur, Hubballi and check aspects in relation to air and water pollution. We have also engaged a third party consultant, M/s Nichrom Testing Lab & Research Pvt. Ltd. to facilitate the said process. The said consultant conducts monthly periodic inspection of all variables as well.

12. 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: Yes

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
Fully Compliant				

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	40,177.03	33,333.94
Total fuel consumption (B)	41,15,591.13	34,24,855.19
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>41,55,768.16</b>	<b>34,58,189.13</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	-	-
Total fuel consumption (E)	-	-
Energy consumption through other sources (F) (Solar)	19,710	18,133
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>19,710</b>	<b>18,133</b>

Note: 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.

2. Provide the following details related to water discharged: No water Discharge

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil

(ii) To Groundwater	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(iii) To Seawater	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(iv) Sent to third-parties	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
<b>Total water discharged (in kilolitres)</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Not Applicable.

### 3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

For each facility / plant located in areas of water stress, provide the following information:

a. Name of the area

b. Nature of operations

c. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the Entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	-	-
- No treatment	-	-

- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>-</b>	<b>-</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Not Applicable

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	55,287.32	41,407.41
<b>Total Scope 3 emissions per rupee of turnover</b>	-	0.0019	0.0017
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) No independent assessment done.

**5. With respect to the ecologically sensitive areas reported at Question 10 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

- 6. 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	Usage in transshipment hubs	Lesser Pollution and better and safe work environment for our transshipment employees.
2	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 also for replacement of existing equipments.	Lower consumption of power.
3	Replacement of batteries in trucks	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. It has already been executed in 112 branches across the country	Environment friendly initiative.
4	Addition of electric & CNG vehicles	Addition of 7 electric and 30 CNG vehicles.	Eco-friendly initiative
5	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 rain water harvesting. The same caters to our requirement for over 9 months in a year where more than 3000 people are employed at this facility	Lesser withdrawal of ground water.

- 7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The operations of the Company are spread over 25 States and 4 Union Territories across the country. There are no areas or offices where business concentration exists. The non-dependence on any product category or geographical area is an inherent strength of the Company's business model and this has ensured that the Company has swiftly recovered from adverse economic scenarios. Such a significant recovery was recently witnessed during the pandemic wherein the Company had reported significant losses during the lock downs but the business was resilient enough to not only recoup such operating losses but also to bounce back and report significant profits upon end of lockdowns.

Even in the past, the economy has seen several highs and lows. There were periods of economic slowdown as also periods of economic revival. Our Company has been in existence for over 4 decades and has consistently demonstrated business growth over the years irrespective of the economic situation. This strength again is a result of non dependence on any customer / product / geography.

In terms of business continuity, we wish to state that the entire operations work on the backbone of in-house developed technology and our entire IT framework is developed and maintained internally. This ensure that our business operations operate on an online real time basis in an unhampered manner and due flexibility for implementing operational changes exists with minimal turnaround time within our organization.

- 8. 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 exists.



**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

No such assessment conducted.

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential indicators**

- 1. a. Number of affiliations with trade and industry chambers/ associations.**  
The company was a member of seven trade and Industry chambers/associations during FY 2022-23.
- b. List the trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. 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 the State Level Goods Transport Associations	State
3	Members 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	Members of International Air Transport Association (IATA)	National

- 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.**

Not Applicable

**Leadership Indicators**

- 1. Details of public policy positions advocated by the entity:**

Nil

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**  
Not Applicable
- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**  
Not Applicable
- 3. Describe the mechanisms to receive and redress grievances of the community.**  
Not Applicable

#### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	No such data maintained except for MSME.	
Sourced directly from within the district and neighbouring districts		

#### Leadership Indicators

##### 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):

Not Applicable

##### 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)
1	Nagaland	Across the state of Nagaland	10,00,000

##### 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) (b) From which marginalized /vulnerable groups do you procure? (c) What percentage of total procurement (by value) does it constitute?

Only due regard is given to the quality of the product and price. None of the factors stated above is considered.

##### 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:

NIL. 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.

##### 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.

NIL

##### 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	Health Care related Project	52,180	85%
2	Education Sector	87,950	78%
3	Promoting rural and national recognized Sports Individuals and Events	1,256	80%
4	Art and Culture	2,150	74%
5	Environmental Sustainability	8,135	74%
6	Promoting Women Empowerment	25,163	65%
7	Research and Development related Project	20,296	81%

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Call and email are the two routes through which we accept inquiries and complaints from consumers. Our Customer Care Department answers calls, and we have an internal email system.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage recycling and/or safe disposal	Not Applicable

**3. Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other	31,063*	839*	-	38,763*	856*	-

\*The Company generated nearly 1.2 crore dockets during the financial year. Majority of the customer complaints depicted above relate to transit time enquiry and other enquiry apart from complaints

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Force recalls		

**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 - No**

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 - Not Applicable.

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## Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)**  
Not Applicable
2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services**  
Not Applicable
3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services**  
Not Applicable
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. 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)**  
Not Applicable
5. **Provide the following information relating to data breaches:**
  - a. Number of instances of data breaches along-with impact- NIL
  - b. Percentage of data breaches involving personally identifiable information of customers- NIL

## REPORT ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance. Transparency, integrity, professionalism and accountability based values form the basis of the Company's philosophy for Corporate Governance and the continued application of these principles to the business practices has led to the 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 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 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 with a continuous attempt to innovate in adoption of best business practices for value creation. 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.

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"):

### **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, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

#### **(a) Composition of the Board**

The composition of the Board is in conformity with Section 149 and 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, 2023, the Board comprised of twelve Directors. Out of these, four are Executive Directors - Chairman & Managing Director, Managing Director, who are also the Promoters of the Company and, by virtue of the Company's Articles of Association not liable to retire by rotation, and two other whole-time directors who are liable to retire by rotation.

Of the eight Non-Executive Directors, six are Independent Directors (IDs). The Company has appointed two Independent Woman Directors. The Directors possess the requisite qualifications, expertise and experience in general corporate management, accounts, audit, finance, banking, academics, law, engineering 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) and Dr. Anand Sankeshwar, Managing Director (MD) who are related to each other.

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 [www.vrlgroup.in](http://www.vrlgroup.in). 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, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act 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) Number of Board Meetings**

The Board of Directors met six times during the financial year 2022-23. The meetings were held on May 27, 2022, August 10, 2022, September 15, 2022, November 10, 2022, January 30, 2023 and March 30, 2023. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty days as mandated under statute.

### (c) Directors' attendance record and details of Directorships/Committee Positions held

In terms of SEBI Listing Regulations, none of the Directors on Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such companies in which he/she is a Director.

Further, none of the Directors of the Company serve as Independent Director in more than seven listed companies.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023 have been made by 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, 2023**

Name of the Directors	Category	Number of Board meetings		Meetings held during the tenure as Director	Whether attended last AGM	Number of Directorships of other public companies @	Committee Positions #	
		Held	Attended				Chairman	Member
Dr. Vijay Sankeshwar (DIN:00217714)	Chairman & Managing Director	6	5*	6	Yes	-	-	-
Dr. Anand Sankeshwar (DIN:00217773)	Managing Director	6	5*	6	No	-	-	-
Mr. K N Umesh (DIN:02602595)	Whole time director	6	6	6	Yes	-	-	-
Mr. L R Bhat (DIN:01875068)	Whole time director	6	6	6	Yes	-	-	-
Dr. Prabhakar Kore (DIN:00509836)	Independent Director	6	4	6	Yes	1	-	2
Mr. Shankarasa Ladwa (DIN:06964188)	Independent Director	6	6	6	Yes	-	2	2
Mrs. Medha Pawar (DIN:06921510)	Independent Director	6	5	6	Yes	-	-	2
Dr. Anand Pandurangi (DIN:07038691)	Independent Director	6	6	6	Yes	-	-	-
Mr. Gurudas Narekuli (DIN:07950458)	Independent Director	6	6	6	Yes	-	-	1
Mrs. Smriti Bellad (DIN: 06732781)	Independent Director	6	3	6	No	-	-	-
Dr. Ashok Shettar (DIN:07038714)	Non-Executive Director	6	3	6	No	-	-	-
Dr. Raghottam Akamanchi (DIN:07038738)	Non-Executive Director	6	6	6	Yes	-	-	1

\* Dr. Vijay Sankeshwar and Dr. Anand Sankeshwar did not attend the Board Meeting held on March 30, 2023 as the exclusive agenda for the said meeting related to an item in which they were interested and thereby ineligible to attend.

@ Excludes private limited companies, foreign companies and companies registered under Section 8 of the Act (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

# Only the Chairpersonship/Membership of Audit Committee and Stakeholder's Relationship Committee in public companies has been considered. A Director is considered as a Member of a Committee irrespective of his / her being the chairperson of such Committee.

Note: None of the Directors are on the Board of any other listed entity.

#### **(d) Information to the Board**

Detailed agenda and related papers were sent to each Director in advance prior to the Board and Committee Meetings. As a policy, all decisions involving major investments and major capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. Inter-alia, as a matter of policy, the following information, as may be 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 the meetings of the audit committee and other committees of the board.
- Materially important show cause notices, demand notices, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences and any other material adverse developments.
- Any material default in financial obligations to and by the Company, or substantial non-payments by clients/customers.
- Any issue, which involves possible public or product liability/claims of substantial nature, including any judgments or orders which may have passed strictures on the conduct of the Company or taken an adverse view regarding another 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 the normal course of business.
- Compliance of regulatory and statutory requirements.
- Related Party Transactions though all transactions with related parties are at arm's length basis, for approval.
- Declaration by Independent Directors at the time of appointment/annually.
- Disclosure of Directors' interest and their shareholdings.
- Appointment or removal of the Key Managerial Personnel.
- Appointment of Internal Auditors and Secretarial Auditors.
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors.
- 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 Committee of the Board 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.

#### **(e) Disclosure of relationships between directors inter-se**

Dr. Vijay Sankeshwar and Dr. Anand Sankeshwar are related to each other. Dr. Vijay Sankeshwar is father of Dr. Anand Sankeshwar. Except this relationship, none of the other Directors are related to each other in any manner.

#### **(f) Shareholding of Non-Executive Directors**

As on March 31, 2023, none of the non-executive directors of the Company held any shares or convertible instruments in the Company.

#### **(g) 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 senior Management team has from time to time made presentations



to Directors giving an overview of the Company's operations, function and business strategy of the Company. The details of familiarization programmes held for directors can be accessed through the following link.

[http://vrlgroup.in/investor\\_download/Familiarisation%20Programme%20for%20Independent%20Directors.pdf](http://vrlgroup.in/investor_download/Familiarisation%20Programme%20for%20Independent%20Directors.pdf)

#### (h) 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. The Company draws upon certain skills, the tabular capturing of which is attempted herein below:

Core skills / expertise identified by the Board as requirement for the Company													
Name of the Directors	Logistics experience	Business Operations & Mgmt.	Information Technology	Business Development	Resource mobilisation & optimisation	Risk Management	Business Strategy	Corporate Governance	Liaisoning	Finance & Accounts	Legal expertise	Ethics	Human Resource Management
Dr. Vijay Sankeshwar	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓
Dr. Anand Sankeshwar	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓
Mr. K. N. Umesh	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓
Mr. L R Bhat	✓	✓	✓	✓	✓	✓	✓	✓				✓	
Dr. Prabhakar Kore	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	
Mrs. Medha Pawar			✓			✓		✓		✓	✓	✓	
Dr. Anand Pandurangi		✓			✓		✓	✓	✓		✓	✓	✓
Dr. Raghottam Akamanchi			✓		✓			✓	✓		✓	✓	✓
Dr. Ashok Shettar		✓	✓	✓	✓		✓	✓				✓	
Mr. Shankarasa Ladwa			✓	✓		✓	✓	✓		✓	✓	✓	
Mrs. Smriti Bellad		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	
Mr. Gurudas Narekuli		✓		✓	✓	✓	✓	✓		✓		✓	

#### (i) Confirmation on Independent Directors

The Board, based on the disclosures received from all Independent Directors, confirms that all Independent Directors fulfil the conditions of Independence as specified in SEBI Listing Regulations and are independent of the Management of the Company for the year ended March 31, 2023.

#### (j) Resignation of Independent Directors

During the year, none of the Directors resigned from the Board of Directors.

#### (k) Remuneration to Directors

##### Directors with pecuniary relationship or business transactions with the Company

The Chairman & Managing Director (CMD), the Managing Director(MD) and Whole-time Directors (WTD) of the Company receive salary, perquisites, allowances, commission on net profits and other benefits as stated in the respective agreements entered into by them with the Company, while all the Non-Executive Directors receive only sitting fees. It is to be noted that the transactions with other entities where CMD/MD/WTD and Other Directors are interested are being carried out at an arm's length and in compliance with the laws applicable thereto. There are no pecuniary transactions/relationships of the Company with Non-Executive Directors except sitting fees and reimbursement of expenses for attending meetings.

##### 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 the wide spectrum of functional areas such as marketing, legal, finance and other corporate and Management functions.

The Non-Executive and Independent Directors are paid sitting fees for attending Board and Committee

meetings and Directors are allowed to claim the expenditure incurred for such attendance for reimbursement. No other fee, remuneration, etc. is paid to them.

### 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 into between them and the Company, as approved by the shareholders at the general meeting.

During the year, no stock options were granted to any executive / non-executive director of the Company. Also, the Company did not advance any loan to any of its Directors during the year.

Any 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.

Mrs. Vani Sankeshwar, President of the Company, is the wife of Dr. Anand Sankeshwar, the Managing Director of the Company. The gross remuneration paid to her for the year ended March 31, 2023, was Rs 13.50 lakhs which is within the statutory limits and also approved by the Board of Directors. Pursuant to slump sale of Bus Operations Business, she ceased to be in employment of the Company w.e.f. January 1, 2023.

Table 2 below gives the details of remuneration paid to Directors for the year ended March 31, 2023.

**Table 2: Remuneration paid to Directors** (₹ in lakhs unless otherwise stated)

Name of the Director	Salaries, perquisites and allowances	Commission	Sitting fees	Total
Dr. Vijay Sankeshwar	337.88	135.00	-	472.88
Dr. Anand Sankeshwar	310.00	-	-	310.00
Mr. K. N. Umesh	167.34	-	-	167.34
Mr. L R Bhat	164.69	-	-	164.69
Dr. Prabhakar Kore	-	-	0.60	0.60
Mr. Shankarasa Ladwa	-	-	3.30	3.30
Mr. Gurudas Narekuli	-	-	1.65	1.65
Mrs. Medha Pawar	-	-	2.55	2.55
Dr. Anand Pandurangi	-	-	1.35	1.35
Dr. Raghottam Akamanchi	-	-	1.80	1.80
Dr. Ashok Shettar	-	-	0.90	0.90
Mrs. Smriti Bellad	-	-	0.45	0.45
<b>Total</b>	<b>979.91</b>	<b>135.00</b>	<b>12.60</b>	<b>1,127.51</b>

### Service Contracts, Notice Period and Severance fees:

As at March 31, 2023, the Board comprised of twelve directors including four Executive Directors, two Non-Executive Directors and six Independent Directors. The Company has entered into agreements with Dr. Vijay Sankeshwar, Chairman and Managing Director, Dr. Anand Sankeshwar, Managing Director, Mr. K. N. Umesh, Whole time Director and Mr. L. R. Bhat, Whole time Director which *inter-alia* stipulate a three months' notice period to vacate their respective office 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.

### (I) Code of Conduct

The Board of Directors has laid down a Code of Conduct (Code), for the Directors and designated / specified employees of the Company. The code has been posted on the Company's website and can be accessed at [http://www.vrlgroup.in/investor\\_download/Code\\_of\\_Conduct.pdf](http://www.vrlgroup.in/investor_download/Code_of_Conduct.pdf). All the Board members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them. The 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 outline 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;
- Buy Back Committee (Specific Purpose to administer buy-back activities)

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 your Company's financial reporting process with a view to provide accurate, timely and proper disclosure and maintain the integrity and quality of financial reporting. The Audit Committee also reviews from time to time, the audit and internal control procedures, the accounting policies of your Company, oversight of your Company's financial reporting process to ensure that the financial statements are correct, sufficient and credible.

The Audit Committee acts as a link between the Management, the Statutory Auditors and Internal Auditors and the Board.

As on March 31, 2023, the Audit Committee comprised of three Directors. viz Mr. Shankarasa Ladwa (Chairman), Mr. Gurudas Narekuli and Mrs. Medha Pawar. 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 and Vice-President (Accounts), as also the Internal Auditors, the Secretarial Auditors and the Statutory Auditors were invited to all the meetings of the Audit Committee. Mr. Aniruddha Phadnavis, Company Secretary & Compliance Officer is the Secretary to this Committee who was also present at all the meetings of the Committee.

The Audit Committee met five times during the year 2022-23, viz. May 27, 2022, August 10, 2022, September 15, 2022, November 10, 2022 and January 30, 2023. 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 noted by the Board. The Board accepted all 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**

(₹ in lakhs unless otherwise stated)

Name of the Member	Category	Position	Number of meetings held	Number of meetings attended	Sitting fees
Mr. Shankarasa Ladwa	Independent Director	Chairman	5	5	0.75
Mr. Gurudas Narekuli	Independent Director	Member	5	5	0.75
Mrs. Medha Pawar	Independent Director	Member	5	4	0.60

Mr. Shankarasa Ladwa, Chairman of the Audit Committee was present at the 39<sup>th</sup> Annual General Meeting of the Company held on August 10, 2022 to answer shareholders queries.

The terms of reference of the Audit Committee are in conformity with the requirements of Regulation 18 of SEBI Listing Regulations and Section 177(1) of the Companies Act, 2013. 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, 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, with the management, the 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 Companies 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; and
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements/financial results before submission to the Board for approval;
6. Reviewing, with the management, the statement of usage / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the 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 the Statutory Auditor's independence and performance, and effectiveness of audit process;
8. Approval of transactions including any subsequent modification of transactions of the Company with related parties;
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. Reviewing, with the management, performance of Statutory Auditors and Internal Auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function 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;
14. Discussion with Internal Auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, wherever applicable;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the Company, if any.
22. Consider, and comment on rationale, cost benefit analysis and evaluation of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders

#### **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 (as defined by the Audit Committee), submitted by the Management;
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors, if any;
4. Review of the Compliance Report in respect of related laws 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, if any.

The Company's Internal Audit Department enables the Management to mitigate the risks and prevent non-compliance of 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 to the Chairman of the Audit Committee of the Board as well as directly to the Chairman and Managing Director of the Company. 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 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 control and processes. The Internal Auditor attend the meetings of the Audit Committee and submit their recommendations to the Audit Committee which after due deliberations provide a road map for the future.

#### **(b) Nomination and Remuneration Committee**

In terms of section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee.

Mr. Shankarasa Ladwa, Independent Director is the Chairman of the Nomination and Remuneration Committee

As on March 31, 2023, the Committee comprises of four Directors wherein three are Independent Directors and one is Non-Executive Director. They are Mr. Shankarasa Ladwa (Chairman), Mrs. Medha Pawar, Dr. Anand Pandurangi and Dr. Ashok Shettar. Mr. Aniruddha Phadnavis, Company Secretary acts as the Secretary to the committee.

Mr. Shankarasa Ladwa, Chairman of the Nomination and Remuneration Committee was present at the 39th Annual General Meeting of the Company held on August 10, 2022 to answer shareholder queries.

The committee met three times during the financial year 2022-23 i.e. on May 27, 2022, January 30, 2023 and March 30, 2023.

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	Position	Number of meetings held	Number of meetings attended	Sitting fees
Mr. Shankarasa Ladwa	Independent Director	Chairman	3	3	0.45
Dr. Anand Pandurangi	Independent Director	Member	3	3	0.45
Dr. Ashok Shettar	Non-Executive Director	Member	3	3	0.45
Mrs. Medha Pawar	Independent Director	Member	3	2	0.30

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 the balance of skills, knowledge and experience of the Independent Directors on the Board
- Formulate criteria for evaluation of Independent Directors and 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 to the Board, the appointment and removal of Directors and Senior Management.
- To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel and 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 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 the extension or continuation of term of Independent Directors on the basis of 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 as also 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 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 structured questionnaire covering various aspects of the functioning of the Board and its committees. The Board in consultation with 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 duly completed structured questionnaire was collected from the individual directors. The feedback received on evaluation process was accumulated and there was an unanimous conclusion whereby the Directors recognized that the Board and its Committees were functioning effectively and acknowledged the efforts and contributions made by the Chairperson, Managing Director, Executive Directors, Non-Executive Directors and Independent Directors towards the Board's functioning.

The Board also acknowledged the efforts put in by the Executive, Non-executive and Independent Directors and on the basis of the above parameters concluded that its overall functioning as also the functioning of its committees is effective. Feedback on performance of individual directors was provided to them and the same was also accepted as satisfactory. 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. Board has adopted a policy for Nomination and Remuneration of Directors/ KMPs and Senior Managerial Personnel forming part of the Annual Report which can be accessed at the following link:

[http://www.vrlgroup.in/investor\\_download/Nomination\\_Remuneration%20Policy.pdf](http://www.vrlgroup.in/investor_download/Nomination_Remuneration%20Policy.pdf)

#### **(c) Stakeholder's 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 shareholders of the Company. Mr. Shankarasa Ladwa, Non-Executive – Independent Director of the Company is the Chairman of the Committee. As on March 31, 2023, this Committee comprised of three Directors viz. Mr. Shankarasa Ladwa (Chairman), Mrs. Medha Pawar (Independent Director) and Dr. Raghottam Akamanchi (Non-Executive Director). Mr. Aniruddha Phadnavis, Company Secretary of the Company, acts as Secretary to the Committee.

This Committee met four times during the year 2022-23, viz May 27, 2022, August 10, 2022, November 10, 2022 and January 30, 2023.

Mr. Shankarasa Ladwa, Chairman of the Stakeholders Relationship Committee was present at the 39<sup>th</sup> Annual General Meeting of the Company held on August 10, 2022 to answer shareholder queries.



The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in Table 5.

**Table 5: Details of the Stakeholders' Relationship Committee**

(₹ in lakhs unless otherwise stated)

Name of the member	Category	Position	Number of meetings held during their tenure	Number of meetings attended	Sitting fees
Mr. Shankarasa Ladwa	Independent Director	Chairman	4	4	0.60
Mrs. Medha Pawar	Independent Director	Member	4	3	0.45
Dr. Raghottam Akamanchi	Non-Executive Director	Member	4	4	0.60

The terms of reference of the 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 balance sheet, 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 existing agent;
8. To address all matters pertaining to Depositories for dematerialization of shares of the Company and other matters connected therewith; and
9. To attend to any other responsibility as may be entrusted by the Board or investigate any activity within the terms of its reference.

#### Details of Shareholders' complaints

Details of complaints received, resolved and pending as on 31<sup>st</sup> March 2023 are as under:

Table 5A – Details of Shareholders' complaints received, resolved and pending during the year 2022-23

Pending as on April 1, 2022	Complaints Received during the year	Complaints Resolved during the year	Pending as on March 31, 2023
Nil	57	57	Nil

#### d) Corporate Social Responsibility (CSR) Committee

In terms of section 135 of the Companies Act, 2013, The Corporate Social Responsibility (CSR) Committee is constituted to formulate and recommend the Board a Corporate Social Responsibility Policy indicating the activities to be undertaking within the preview of Schedule VII of the Act.

As on March 31, 2023, CSR Committee comprises of five directors with combination of Executive Directors, Independent Directors and Non-Executive Directors viz. Dr. Vijay Sankeshwar (Chairman), Dr. Prabhakar Kore, Dr. Anand Sankeshwar, Mrs. Medha Pawar and Dr. Raghottam Akamanchi.

The 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 Act. This also includes a review of the said policy on periodic basis considering 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;
- Monitor the CSR Policy of the Company and its implementation from time to time;
- Such other functions as the Board may deem fit.

During 2022-23, the Committee met two times i.e. on May 27, 2022, and January 30, 2023.

The details of the composition of the Committee, meeting 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	Position	Number of Meetings held during tenure	Number of Meetings attended	Sitting fees
Dr. Vijay Sankeshwar	Executive Director	Chairman	2	2	NA
Dr. Prabhakar Kore	Independent Director	Member	2	1	0.15
Dr. Anand Sankeshwar	Executive Director	Member	2	2	NA
Dr. Raghottam Akamanchi	Non-Executive Director	Member	2	2	0.30
Mrs. Medha Pawar	Independent Director	Member	2	1	0.15

More details on CSR spend by the Company is provided in the Annual report in the section on CSR activities, which forms part of Directors' Report.

CSR Policy of the Company can be accessed at the following link:

[http://vrlgroup.in/investor\\_download/CSR%20POLICY.pdf](http://vrlgroup.in/investor_download/CSR%20POLICY.pdf)

#### e) Risk Management Committee

The Risk Management Committee is constituted in accordance with Regulation 21 of the SEBI Listing Regulations, 2015.

As on March 31, 2023, the said Committee comprises of seven members including two Independent Directors viz., Dr. Vijay Sankeshwar (Chairman), Mr. Shankarasa Ladwa, Independent Director, Mrs. Medha Pawar, Independent Director, Mr. K. N. Umesh, Executive Director, Mr. L R Bhat, Executive Director, Mr. Sunil Nalavadi, Chief Financial Officer and Mr. Raghavendra Malgi, Vice President (Accounts).

#### Terms of Reference:

- Identify and review the critical risk exposures of the Company and assess Management's actions to mitigate the exposures in a timely manner;
- Review the Company's risk appetite and tolerance limit;
- Review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- Annually review the overall risk management framework with respect to risk assessment and management;
- Review and assess the effectiveness of the company-wide risk assessment processes;
- To perform such functions as may be delegated by the Board and/or are prescribed under the Act, SEBI Listing Regulations and any other applicable laws from time to time.

During 2022-23, the Committee met three times i.e. May 27, 2022, November 10, 2022 and January 30, 2023. The meetings of Risk Management Committee have been conducted on continuous basis. The maximum time gap between two consecutive meetings was not more than one hundred and eighty days.

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	Number of Meetings held	Number of Meetings attended	Sitting fees
Dr. Vijay Sankeshwar	Executive Director	Chairman	3	3	NA
Mr. K. N. Umesh	Executive Director	Member	3	3	NA
Mr. L.R. Bhat	Executive Director	Member	3	3	NA
Mr. Shankarasa Ladwa	Independent Director	Member	3	3	0.45
Mrs. Medha Pawar	Independent Director	Member	3	2	0.30
Mr. Sunil Nalavadi	Chief Financial Officer	Member	3	3	NA
Mr. Raghavendra Malgi	Vice President (Accounts)	Member	3	3	NA

The policy on Risk Management of the Company can be accessed at the following link:

[https://www.vrlgroup.in/investor\\_download/Risk%20Management%20Policy.pdf](https://www.vrlgroup.in/investor_download/Risk%20Management%20Policy.pdf)

**f) Administration Committee**

The Administration Committee has been constituted by the Board and delegated the power such as authorizing the persons to appear before court of law / tribunal, enter into lease / leave and license agreements and to do other things on behalf of the Company on a routine basis. The said committee comprises of four members viz. Dr. Vijay Sankeshwar, Chairman, Dr. Anand Sankeshwar, Managing Director, Dr. Raghottam Akamanchi, Non-Executive Director, and Mrs. Medha Pawar, Independent Director.

Functions of the Administration Committee/authority delegated by the Committee include the following.

**A) Granting Authorization to Individuals:**

- 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;
- To enter into any contract binding on the Company and on behalf of the Company;
- 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;
- 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;
- 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;
- To engage Advocates, Tax Practitioners and to sign Vakalatnamas;
- To collect all types of statutory forms, any papers, cheques, drafts etc. from any person, bank or any State / Central Government Authority;
- 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;
- 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;
- 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 fourteen times during 2022-23. No sitting fee was paid for the said 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/financial 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/ financial facilities to be availed by the said Committee between any two consecutive Board meetings shall not exceed ₹150.00 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, provided that all the investments shall be made and held in the Company's name and provided further that the monies to be invested and dealt with as aforesaid by the said Committee shall not at any time exceed 30% of the subscribed equity share capital of the Company.
- 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, 2023, the committee comprises of three directors viz. Dr. Vijay Sankeshwar, Chairman, Dr. Anand Sankeshwar, Managing Director, and Dr. Raghottam Akamanchi, Non Executive Director. The said committee met twenty times during the year. No sitting fee was paid for attending the said committee meetings.

#### **(h) Buy Back Committee**

The Board of Directors of the Company at its meeting held on January 30, 2023 had approved the proposal of Buyback of up to 8,75,000 (Eight Lakh Seventy Five Thousand Only) Equity Shares, representing 0.99 % of the total number of Equity Shares in the existing total paid-up equity capital of the Company as on the date of the Board Meeting, from the shareholders / beneficial owners of Equity Shares of the Company as on the Record Date i.e, Friday, February 10, 2023 on a proportionate basis, through the "tender offer" process as prescribed under the SEBI Buyback Regulations, at a price of ₹700/- (Indian Rupees Seven Hundred Only) (Buyback Price) per Equity Share, payable in cash, for an aggregate maximum amount of ₹61,25,00,000/- (Rupees Sixty One Crores and Twenty Five Lakhs Indian Rupees) (Buyback Size). The Buyback Size and the Buyback Price

do not include the Transaction Costs. The Buyback Size represent 9.44% of the aggregate of the Company's fully paid-up equity capital and free reserves as per the latest audited financial statements of the Company, as on March 31, 2022.

The Buyback Size is within the statutory limit of 10% of the aggregate of the paid-up capital and free reserves of the Company as on March 31, 2022, as per Section 68(2) of the Companies Act 2013 and Regulation 5(i)(b) of the SEBI Buyback Regulations. The maximum number of Equity Shares bought back represents 0.99 % of the total number of Equity Shares in the existing total paid-up equity capital of the Company, which is within the permissible limit of 25% of the total paid-up equity capital of the Company in that financial year. The aggregate maximum amount was ₹ 61,25,00,000/- (Rupees Sixty One Crores and Twenty Five Lakhs Indian Rupees Only), which does not exceed 25% of the aggregate of the paid-up capital and free reserves based on both audited financial statements of the Company as on March 31, 2022;

The Board at the said meeting had constituted the Buyback committee to execute necessary documentation, papers, announcements and to do other related things which were necessary to give effect to the said buyback of equity shares. The Committee comprised of 5 members viz., Dr. Vijay Sankeshwar, Chairman, Mr. L R Bhat, Executive Director, Dr. Anand Pandurangi, Independent Director, Mr. Gurudas Narekuli, Independent Director and Dr. Raghottam Akamanchi, Non Executive Director.

The Company has completed the Buyback of 8,75,000 equity shares of the Company at a price of ₹ 700/- (Indian Rupees Seven Hundred Only) per Equity Share on April 11, 2023, payable in cash, for an aggregate maximum amount of ₹ 61,25,00,000/- (Rupees Sixty One Crores and Twenty Five Lakhs Indian Rupees) (excluding brokerage, costs, fees, turnover charges, taxes such as buyback tax, securities transaction tax, goods and services tax (if any) and stamp duty, advisors fees, printing expenses, filing fees and other incidental and related expenses and charges) (collectively referred to as "Transaction Costs").

The Company has also extinguished shares that were bought back within stipulated time frame in accordance with the extant provisions of the applicable Securities Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended, ("SEBI Buy Back Regulations") and the Act. The Statement to the effect of completion of extinguishment of 8,75,000 equity shares as required under applicable provisions of SEBI Buy Back Regulations has been filed with SEBI as well as the Bombay Stock Exchange and the National Stock Exchange.

The committee met six times during the FY 2022-23. No sitting fee was paid to the members. Given that the Buyback is complete the Management proposes to dissolve the said Committee at the Board Meeting of the Company held on May 20, 2023.

### III) INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on January 30, 2023, 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 expressed their satisfaction on the above matters.

The details of the attendance of the Independent Directors at the meeting are given in Table 8. No sitting fee was paid for the said meeting.

**Table 8: Details of the Independent Directors' Meeting**

Name of the members	Position	Number of meetings held	Number of meetings attended
Dr. Anand Pandurangi	Chairman	1	1
Dr. Prabhakar Kore	Member	1	1
Mr. Gurudas Narekuli	Member	1	1
Mr. Shankarasa Ladwa	Member	1	1
Mrs. Medha Pawar	Member	1	1
Mrs. Smriti Bellad	Member	1	1



## IV) Shareholder Information

### (a) Disclosures regarding the Board of Directors

Pursuant to recommendation by the Nomination and Remuneration Committee, the Board of Directors at their meeting held on March 30, 2023 have approved the payment of remuneration to Dr. Anand Sankeshwar Managing Director, for the financial year 2023-24 which is in compliance with the Act, read with schedule V of the Act. The same requires approval by the Shareholders at the ensuing Annual General Meeting of the Company.

Pursuant to recommendation by the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 20, 2023 have recommended the shareholders for appointment of Mr, Shantilal Jain as an Independent Director of the Company at the ensuing Annual General Meeting the Company for a period of five years from the date of the said meeting. Mr. Shantilal Jain has expressed his willingness to be appointed as an Independent Director of the Company.

Mr. L R Bhat and Dr. Ashok Shettar are liable to retire by rotation under Section 152 of the Act and both have expressed their willingness to get re-appointed as Directors of the Company. The other 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, 2023.

The Company has received declarations from all the above Independent Directors stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Act.

### (b) Means of Communication

In accordance with Regulation 46 of SEBI Listing Regulations, the Company has maintained a functional website at [www.vrlgroup.in](http://www.vrlgroup.in) containing basic information about the Company viz., details of its business, financial information, 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 required.

The quarterly, half-yearly and annual financial results are sent to the Bombay Stock Exchange and the National Stock Exchange ("the Stock Exchanges"), where the Company's equity shares are listed, after the approval of the Board, within the prescribed timelines. These results are usually published in Financial Express, Business line and Vijayavani a Kannada daily newspaper. The results along with presentations made by the Company to Analysts/Investors are also filed with the 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, wherever necessary, 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](mailto:investors@vrllogistics.com)

### (c) General Body Meetings

The Company convenes the Annual General Meeting (AGM) generally during the month of August / September.

**Details of last three Annual General Meetings are as under:**

Financial year	Date and time	Special resolutions passed	Venue
2021-22	August 10, 2022 at 4:00 PM	a) Re-appointment of Mr. L. R. Bhat (DIN: 01875068) as a whole time director of the Company b) Re-appointment of Mr. K. N. Umesh (DIN: 02602595) as a whole time director of the Company c) Continuation of Dr. Prabhakar kore (DIN: 00509836) as a non-executive independent Director on attaining the age of 75 years.	Registered Office: RS No.351/1, Varur, Post Chabbi, Taluk Hub-balli, District Dharwad, Hubballi – 581207
2020-21	August 07, 2021 at 4.00 PM	a) Re-appointment of Dr. Vijay Sankeshwar as Chairman and Managing Director of the Company.	Registered Office: RS No.351/1, Varur, Post Chabbi, Taluk Hub-balli, District Dharwad, Hubballi – 581207
2019-20	August 14, 2020 at 4.00 PM	a) Re-appointment of Mrs. Medha Pawar as an Independent Director. b) Re-appointment of Mr. Shankarasa Ladwa as Independent Director. c) Re-appointment of Dr. Anand Pandurangi as an Independent Director. d) Approval for payment of remuneration to Dr. Vijay Sankeshwar, Chairman and Managing Director. e) Approval for payment of remuneration to Dr. Anand Sankeshwar, Managing Director. f) Approval for payment of remuneration to Mr. L. R. Bhat, Whole time Director. g) Approval for payment of remuneration to Mr. K. N. Umesh, Whole time Director.	Registered Office: RS No.351/1, Varur, Post Chabbi, Taluk Hub-balli, District Dharwad, Hubballi – 581207

### Postal Ballot

During the FY 2022-23, the approval of the shareholders was sought by way of postal ballot vide Notice dated September 24, 2022, in respect of the Special Resolution for Transfer of the Bus Operations Business of the Company to Vijayanand Travels Private Limited (a company owned and controlled by the Promoter(s) of the Company), as going concern, on slump sale basis. The Company had provided its Shareholders the facility to exercise their right to vote on the Postal Ballot & through Remote E-voting on the resolution as set out in the Notice of the Postal Ballot. The Company had engaged KFin Technologies Ltd. ('KFin') to provide Remote E-voting facility.

Pursuant to the provisions of Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014, a postal ballot was conducted for seeking approval of the shareholders for transfer of Bus operation Business as a going concern on slump sale basis.

Mr. Akshay Pachlag, Practising Company Secretary was appointed to act as the Scrutinizer for conducting a Postal Ballot and E-voting.

Procedure adopted for passing of resolution through Postal Ballot:

1. The Board of Directors, vide Resolution dated September 15, 2022 had appointed Mr. Akshay Pachlag, Practising Company Secretary as the Scrutinizer.
2. The dispatch of the Postal Ballot Notice along with explanatory statement dated September 24, 2022 through e-mail / physically, as applicable, together with explanatory statement was completed on September 29, 2022 to all the shareholders whose name(s) appeared on the Registers of Members / List of Beneficiaries as on September 24, 2022.
3. The voting under the Postal Ballot and Remote E-voting was kept open from October 1, 2022, to October 30, 2022 (either physically or through electronic mode).
4. Particulars of Postal Ballot forms received from the Members using the electronic platform of KFin were entered in a register separately maintained for the purpose.



5. The Postal Ballot forms were kept under the safe custody of the Scrutinizer in sealed and tamper-proof ballot boxes before commencing the scrutiny of such postal ballot forms.
6. All Postal Ballot forms received by the Scrutinizer and votes casted through remote e-voting up to 5.00 p.m. on October 30, 2022 had been considered. Postal Ballot forms received after the abovementioned date were not considered.
7. On October 31, 2022, Mr. Akshay Pachlag, Scrutinizer submitted the Scrutinizer's Report and results of the Postal Ballot and Remote E-voting were announced.

The details of the resolutions passed through postal ballot and remote e-voting were as follows:

1. Approval for transfer of the Bus Operations Business of the Company to Vijayanand Travels Private Limited (a company owned and controlled by the Promoter(s) of the Company), as going concern, on slump sale basis by way of Special Resolution
2. Approval for related party transaction for transfer of the Bus Operations Business to Vijayanand Travels Private Limited (a company owned and controlled by the Promoter(s) of the Company) by way of Ordinary Resolution

The summary of the votes cast (including e-votes) based on the report submitted by Scrutinizer conducting the postal ballot is given below:

Particulars	Transfer of Bus Operation Business	Related Party Transaction
Type of Resolution	Special Resolution	Ordinary Resolution
Total Number of Votes polled	7,80,39,485	1,65,80,385
Assented to the resolution	7,42,81,518	1,28,16,992
Dissented to the resolution	37,57,967	37,63,393
%of assented to the resolution	95.18	77.30
% of dissented to the resolution	4.82	22.70

#### (d) General Shareholder Information

##### • Forthcoming Annual General Meeting

Date : August 7, 2023

Day : Monday

Time : 12:30 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 5, 2023 (before 12:30 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, 2024 are as follows:

1<sup>st</sup> Quarter Results : August 7, 2023

2<sup>nd</sup> Quarter Result : November 7, 2023

3<sup>rd</sup> Quarter Result : February 8, 2024

4<sup>th</sup> Quarter & Annual Results : May 24, 2024

##### • Dividend Payment date

The Board has recommended a final dividend of ₹ 5/- per equity share for the Financial Year 2022-23 subject to the approval of the Shareholders at the ensuing Annual General meeting of the Company.

## • Listing

The Equity Shares of the Company are listed on the following exchanges:

- BSE Limited (BSE), Floor 25, P J Towers, Dalal Street, Mumbai 400 001
- National Stock Exchange of India Limited (NSE), Exchange Plaza, Plot No. C/1, G-Block Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051

The Company has paid the annual listing fees for the year 2022-23 and 2023-24 to BSE and NSE.

## • Stock Codes:

ISIN (Equity Shares) in NSDL and CDSL	INE366I01010
BSE Code	539118
NSE Code	VRLLOG

## • Corporate Identification Number:

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L60210KA1983PLC005247.

### Share Price Data: High/Low and Volume during each month of 2022-2023 at BSE and NSE:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-22	658.80	471.15	57,80,86,728	658.70	474.50	5,73,15,68,980
May-22	666.20	496.80	55,75,88,031	666.60	495.95	6,16,02,78,429
Jun-22	689.70	500.65	48,90,17,536	691.90	501.95	5,40,46,33,115
Jul-22	719.00	615.00	22,53,84,361	720.00	615.60	2,79,73,40,543
Aug-22	642.50	587.10	27,25,65,783	638.85	587.05	3,05,20,96,712
Sep-22	677.90	579.40	37,32,46,872	677.90	578.05	4,28,67,76,048
Oct-22	624.85	570.00	12,70,85,458	622.95	571.00	1,31,38,71,697
Nov-22	618.65	509.05	19,65,33,839	618.95	509.55	3,01,05,64,415
Dec-22	589.45	512.75	20,50,96,548	589.00	512.40	5,63,68,16,369
Jan-23	574.80	506.50	9,09,91,211	575.00	507.70	1,72,12,73,362
Feb-23	569.95	483.00	15,29,10,894	569.80	483.00	1,88,89,45,842
Mar-23	656.00	540.90	20,26,71,771	656.80	540.55	3,19,87,26,015

## • Performance comparison to broad based indices i.e. BSE Sensex and NSE Nifty

Chart A: VRL vs. Sensex

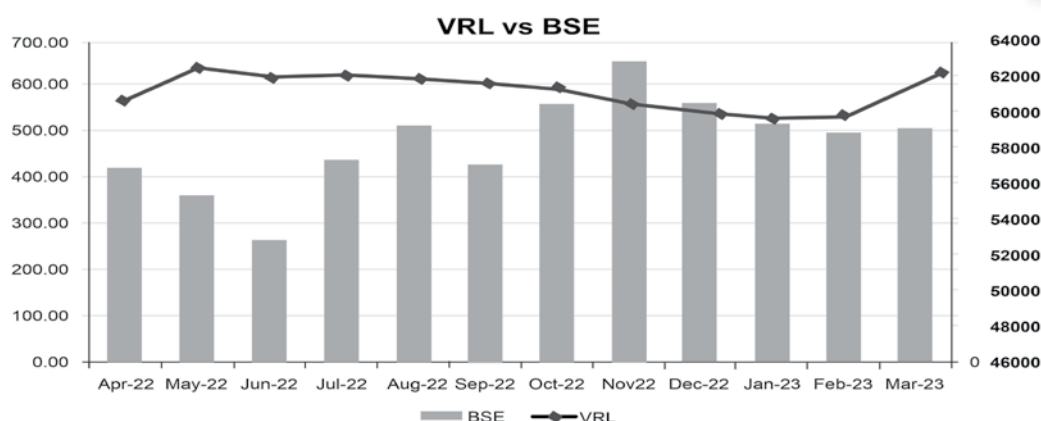
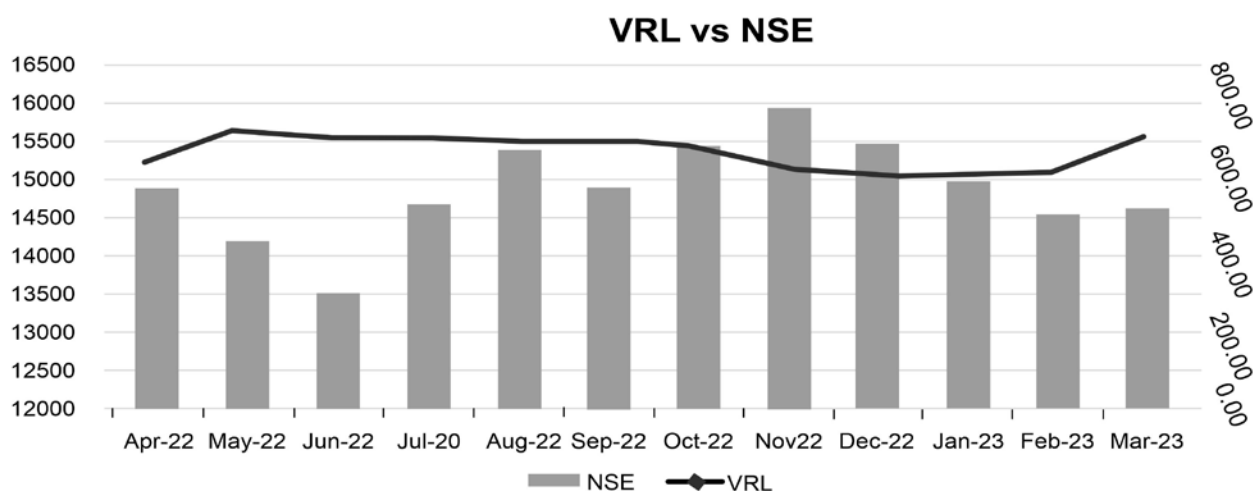


Chart B: VRL vs. Nifty



SL No	Distribution range of shareholding	Number of Shareholders	Number of Shareholders (%)	Total Shares	Total Amount	Total Amount (%)
1	1-5000	89,320	97.31	37,75,617	3,77,56,170	4.27
2	5001- 10000	1,509	1.64	10,74,685	1,07,46,850	1.22
3	10001- 20000	486	0.53	6,79,793	67,97,930	0.77
4	20001- 30000	146	0.16	3,64,255	36,42,550	0.41
5	30001- 40000	61	0.07	2,13,009	21,30,090	0.24
6	40001- 50000	64	0.07	2,93,869	29,38,690	0.33
7	50001- 100000	73	0.08	5,00,787	50,07,870	0.57
8	100001 & Above	131	0.14	8,14,41,480	81,44,14,800	92.19
		91,790	100.00	8,83,43,495	88,34,34,950	100.00

• **Shareholding Pattern as on March 31, 2023**

SL	Description	As on March 31, 2023		As on March 31, 2022	
		Total Shares	% Equity	Total Shares	% Equity
1	Promoters	5,66,88,000	64.17	6,14,80,000	69.59
2	Mutual Funds	1,84,13,159	20.84	1,33,73,182	15.14
3	Foreign Portfolio - Corp	20,73,149	2.35	32,00,465	3.62
4	Resident Individuals	71,26,683	8.07	86,83,759	9.83
5	Bodies Corporates	5,09,360	0.58	6,83,534	0.77
6	HUF	2,16,131	0.24	2,34,208	0.27
7	Non Resident Indians	3,09,825	0.35	3,18,927	0.36
8	Clearing Members	4,948	0.01	70781	0.08
9	Trusts	4,124	0.00	9,729	0.01
10	Alternative Investment Fund	7,60,450	0.86	145200	0.16
11	Qualified Institutional Buyer	22,37,666	2.53	1,43,710	0.16
<b>Total</b>		<b>8,83,43,495</b>	<b>100.00</b>	<b>8,83,43,495</b>	<b>100.00</b>

• **Share Transfer System**

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.

There are no shares in “Demat Suspense Account” or “Unclaimed Suspense Account” as on March 31, 2023.

#### • Dematerialization of Shares and Liquidity

As on March 31, 2023, 88,343,449 equity shares representing nearly 99.99% of the total equity share capital of the Company, were held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited and only 46 equity shares of the Company are held in physical form. The International Securities Identification Number (ISIN) allotted to the shares under the Depository System is INE366I01010.

The break-up of equity shares held in dematerialized and physical form as on March 31, 2023 is given below:

Category	Number of shareholders	Total shares	Percentage
Physical	2	46	0.00
N S D L	31,927	2,73,98,737	31.01
C D S L	59,861	6,09,44,712	68.99
<b>Total</b>	<b>91,790</b>	<b>8,83,43,495</b>	<b>100.00</b>

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 has upgraded rating of the Company to A Plus (Positive) indicating low credit risk. The outlook on the long term rating is revised to “**Positive**”. Details relating to credit rating are also provided in the Directors report.

#### • Commodity price risk or foreign exchange risk and hedging activities:

The Company had no such transactions during the year 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– 581207  
Karnataka, India

##### Corporate Office:

Giriraj Annexe, Circuit House Road

Hubballi – 580 029

Karnataka, India

#### • Address for Members' Correspondence

Members are requested to correspond with the Registrars and 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](mailto: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](http://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 – 580 029 Karnataka

Email: [investors@vrllogistics.com](mailto:investors@vrllogistics.com)

Phone: 0836 2237511

#### • Investor Relations officer (Financial disclosure and Investor relations correspondence)

Mr. Sunil Nalavadi – Chief Financial Officer

Tel: 0836 2237511

E-mail id: [cfo@vrllogistics.com](mailto: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 and dividend as on March 31, 2023

Pursuant to Section 125 of the Act, the amount of unpaid/unclaimed dividend and application money received by Company for allotment of securities and due for refund 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 and unclaimed share application money account (Refund 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 March, 2023 (₹)	Last date for claim	Due date to transfer unclaimed amount to IEPF
2015-16*	February 1, 2016	Interim Dividend	5.00	183,920	March 7, 2023	April 6, 2023
2016-17	January 25, 2017	Interim Dividend	4.00	2,72,324	March 3, 2024	April 2, 2024
2018-19	November 3, 2018	Interim Dividend	3.50	1,41,372	December 8, 2025	January 7, 2026
2018-19	August 10, 2019	Final Dividend	2.00	96,078	September 15, 2026	October 14, 2026

2019-20	November 9, 2019	Interim Dividend	4.00	1,37,288	December 14, 2026	January 13, 2027
2019-20	February 8, 2020	Second Interim Dividend	3.00	1,36,464	March 13, 2027	April 12, 2027
2020-21	August 7, 2021	Final Dividend	4.00	164,809	September 12, 2028	October 11, 2028
2021-22	August 10, 2022	Interim Dividend	8.00	2,37,194	September 16, 2029	October 15, 2029

\* The said amount has been transferred to the Investors Education and Protection Fund on April 5, 2023

## 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 provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters.

During the financial year, the Company has transferred its Bus Operations Business to Vijayanand Travels Private Limited (a company owned and controlled by the promoter(s) of the Company), as going concern, on slump sale basis for a lump sum sale consideration of ₹ 23,000 Lakhs (Rupees Twenty Three Thousand Lakhs only) determined on the basis of Independent Valuation report. The said Transaction was carried out with prior approval of Audit Committee and Board of Directors and has been approved by the shareholders by way of special resolution through postal ballot. The said related party transaction was carried out at the Arms Length Price and is with compliance of Section 188 of the Act and Regulation 23 of SEBI Listing Regulations.

Except for the above stated transaction, no material significant related party transactions have been entered into by the Company. All transactions entered into with the related parties as defined under the Act 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 the Act, 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 ratified by the Audit Committee once the transactions took place. Further, disclosures are made to the Committee and the Board on a quarterly basis.

Company has adopted a Related Party Transactions Policy which is available on the website of the Company i.e. [http://www.vrlgroup.in/investor\\_download/RPT%20Policy.pdf](http://www.vrlgroup.in/investor_download/RPT%20Policy.pdf)

#### c) Non-compliance, penalties, strictures imposed on the Company

During the Financial year 2022-23 the Company received notices from National Stock Exchange of India Limited and BSE Limited stating that the company was in non-compliance with Reg. 17(1A) of SEBI Listing Regulations, as there was a nine day delay in obtaining shareholders' approval by special resolution for continuation of Dr. Prabhakar Kore, as Non-Executive director on his attaining the age of 75 years from August 1, 2022 to August 9, 2022.

The Company has paid a fine of ₹ 21,240/- inclusive of GST to each of the Stock Exchanges for the aforementioned non-compliance and the Company has paid the same within the stipulated time therein to the respective Stock Exchanges. Further, the Company is in compliance with the requirements of the Stock Exchanges or SEBI or any other statutory authority on all matters related to capital markets, since listing.

#### 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 the vigil mechanism policy to report genuine concerns. 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 whistle blower policy of the Company can be accessed through the following link.

[http://vrlgroup.in/investor\\_download/vigil\\_Mechanism.pdf](http://vrlgroup.in/investor_download/vigil_Mechanism.pdf)

**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 for 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.

Risk management policy adopted by the Company can be accessed at the below link on the website of the Company:

[http://vrlgroup.in/investor\\_download/Risk%20Management%20Policy.pdf](http://vrlgroup.in/investor_download/Risk%20Management%20Policy.pdf)

**g) Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders**

The Company has adopted the 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 said code has been hosted on the Company's website and can be accessed through the following link:

[http://vrlgroup.in/vrl\\_investor\\_desk.aspx?display=policies](http://vrlgroup.in/vrl_investor_desk.aspx?display=policies)

**h) Chairman and Managing Director / Chief Financial Officer Certification**

As required under Regulation 17(8) of the SEBI Listing Regulations, 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, 2023 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, 2023.

**(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 has issued Secretarial Standards for Board and General Meetings in exercise of powers under Section 118 of the Act. The Company complies with all the requirements of said Secretarial Standards.

**m) Subsidiary**

The Company does not have any subsidiary.

**n) Details of utilization of funds raised through preferential allotment or qualified institutions 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 SEBI 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	82.60
2	Certification work	4.72
3	Reimbursement of Expenses	NIL
<b>Total</b>		<b>87.32</b>

- 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.

#### **VIII) Investor safeguards and other information:**

##### **• Dematerialization of Shares**

Members are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation etc. and to ensure safe and speedy transactions in respect of the shares held.

##### **• 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, are 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.

##### **• 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 the 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) (herein after "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 [www.vrlgroup.in](http://www.vrlgroup.in) 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 40<sup>th</sup> 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 shares in physical form, 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, they may obtain/submit the prescribed form from/to the Registrars and Share Transfer Agents. Members holding shares in dematerialized form are requested to register their nominations directly with their respective DP's.

- **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.

**Dr. Vijay Sankeshwar**  
**Chairman & Managing Director**  
**(DIN: 00217714)**

**Place: Hubballi**  
**Date: May 20, 2023**

**Dr. Anand Sankeshwar**  
**Managing Director**  
**(DIN: 00217773)**

**Place: Hubballi**  
**Date: May 20, 2023**

**COMPLIANCE CERTIFICATE****Ref: Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****May 20, 2023**

**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 statements and cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
1. These statements 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. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 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**

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## CODE OF CONDUCT DECLARATION

### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To

**The Members of VRL Logistics Limited**

Pursuant to Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure 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, 2023.

**DR. VIJAY SANKESHWAR**  
**CHAIRMAN AND MANAGING DIRECTOR**  
(DIN: 00217714)

Place: Hubballi

Date: May 20, 2023

**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](http://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 March 31, 2023 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.

Ensuring the eligibility 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 from 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**

**Date: May 17, 2023**  
**Place: Hubballi**  
**UDIN:A030741E000320448**

### Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter dated August 28, 2020.
2. We have examined the compliance of conditions of Corporate Governance by VRL Logistics Limited (the 'Company') for the year ended March 31, 2023, 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 from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges

#### Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the Listing Regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility also includes the designing, implementing and maintaining operating effectiveness of internal controls and procedures 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.
5. 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.
6. 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.
7. 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

8. 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 March 31, 2023.

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

9. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirements of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For KALYANIWALLA & MISTRY LLP**  
Chartered Accountants  
Firm Regn. No.: 104607W / W100166

**Cyrus Aspi Nariman**  
**Partner**  
M. No.: 102643

UDIN:23102643BGVOFH4925

Place : Mumbai  
Date: May 20, 2023

**KALYANIWALLA & MISTRY LLP**

Chartered Accountants

Esplanade House, 29, Hazarimal Somani  
Marg, Fort, Mumbai 400 001.

Maharashtra

## Independent Auditor's Report

**To the Members of****VRL LOGISTICS LIMITED****Report on the Audit of the Ind-AS Financial Statements****Opinion**

We have audited the accompanying Ind-AS financial statements of **VRL LOGISTICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and the Notes to the Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS 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 prescribed under Section 133 of the Act read with the Companies (India Accounting Standards) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind-AS financial statements in accordance with the Standards on Auditing (SAs) 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 Ind-AS 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 together with the ethical requirements that are relevant to our audit of the Ind-AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind-AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind-AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
1.	<p><b>Revenue recognition and measurement</b> Refer to Note 1(l) (Accounting policies) and Note 23 and Note 30 of the financial statements for aggregate revenue from sale of products and services recognised as required by the applicable Ind AS. For the year ended March 31, 2023, the Company recognised revenues aggregating to INR 2,91,489.81 lakhs.</p> <p>The Company has high volume of transactions each day recorded across various branches and through agencies using complex information technology systems which are linked to the financial reporting process. A high number of sale transactions in the goods transport and bus operations business are settled in cash. Further, Standards on Auditing mandate a presumed significant risk of fraud in revenue recognition.</p> <p>Management is required to make certain key judgements relating to identifying contracts with customers, performance obligations involved in contracts, determining transaction price which involves variable consideration elements, allocation of the transaction price to such performance obligations and satisfaction of performance obligations.</p> <p><b>Risk identified:</b> Due to the materiality of the item to the financial statements, complexities involved including high inherent risk associated with cash transactions, information technology systems relied on and Management's judgement involved for ensuring appropriateness of accounting treatment of revenue generated from goods transport and bus operations business, this matter has been identified as a key audit matter for the current year's audit.</p>	<p>Our procedures included:</p> <p><b>Accounting policies:</b> Understood the revenue and receivable business process for goods transport and bus operations and assessed the appropriateness of the accounting policy adopted by the Company for revenue recognition and measurement.</p> <p><b>Tests of controls:</b> Evaluated the design and implementation of the key financial and Information Technology (IT) controls around the revenue recognition process including controls around evidence of service delivery, price approvals, cash collection and timing of transactions including cut off.</p> <p>Tested operating effectiveness of above identified key controls over the recognition and measurement of revenue during the year and as at year end.</p> <p><b>Tests of details:</b></p> <ul style="list-style-type: none"> <li>- Inspected the internal audit reports for any observations reported based on such internal audits conducted at branches during the year on rotation basis to evaluate if any such observations materially impact the financial statements or impact our assessment of relevant key internal financial controls tested as above or otherwise materially impacts recognition and measurement of revenue.</li> <li>- Performed test of details on a sample of revenue transactions recorded during the year including specific periods before and after year end. For the samples selected, inspected supporting documents such as invoices, contracts, goods consignment notes, evidence of delivery of service, cash receipt, etc.</li> <li>- On a sample basis, compared the daily cash collection with the bank deposit reconciliation prepared by each branch and agency and submitted to Head office periodically by tracing the same to relevant bank statements.</li> <li>- Tested the appropriateness and rationale for specific manual journal entries impacting recognition and measurement of revenue, as well as other adjustments made in the preparation of the financial statements, selected through a combination of risk-based and high-value transactions selection criteria.</li> </ul> <p><b>Performing substantive analytical procedures:</b> Performed substantive analytical procedures like occupancy analysis for bus operations, tonnage growth, price yield growth, etc. We also evaluated the appropriateness and adequacy of the related disclosures made in the financial statements for revenue recorded during the year.</p> <p>We also assessed as to whether the disclosures in respect of revenue were adequate.</p>

Sr. no.	Key audit matter description	How the scope of our audit addressed the key audit matter
2.	<p><b>Lease Accounting – Ind AS 116</b></p> <p>Refer to Note 1(e) (Accounting policies) and Note 41 of the accompanying financial statements.</p> <p>The Company has a high volume of lease contracts owing to the nature of its operations which are spread across India. The application of Ind AS 116 involves use of significant judgements and estimates including determination of leases, lease term including termination and renewal option, use of practical expedients, and discount rates for each lease etc.</p> <p><b>Risk identified:</b></p> <p>Owing to the inherent subjectivity related to principal assumptions such as discount rates, we have identified the application of Ind AS 116 as a key audit matter for the current year audit.</p>	<p>Our procedures included:</p> <p><b>Accounting policies:</b></p> <p>Understanding and assessed the appropriateness of the accounting policy adopted by the Company for leases.</p> <p><b>Tests of controls:</b></p> <p>Obtained an understanding of the Management's process for identification of leasing arrangements which are considered to be within the scope of Ind AS 116, Leases, and tested the design and effectiveness of Management's controls relating to identification and accounting of lease contracts and disclosures.</p> <p><b>Tests of details:</b></p> <ul style="list-style-type: none"> <li>- Reviewed the overall impact analysis prepared by the Management including completeness of lease contracts, lease term and application of practical expedients.</li> <li>- Tested the reasonableness of key assumptions used including discount rate, lease terms and measurement principles.</li> <li>- Tested the inputs and calculations of the right-of-use assets and lease liability, prepared by the Management for each material lease contract.</li> <li>- Verified the integrity and arithmetical accuracy of Ind AS 116 calculations for each sample, through recalculation of the Ind AS 116 adjustments.</li> </ul> <p>We also evaluated the appropriateness and adequacy of disclosures made in the financial statements with respect to lease liability and right of use assets recorded during the year, in accordance with Ind AS 116.</p>

### Information Other than the Ind-AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report and Report on Corporate Governance but does not include the Ind-AS financial statements and our auditor's report thereon.

Our opinion on the Ind-AS 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 Ind-AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Ind-AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibilities for the Ind-AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified

under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind-AS financial statements, Management 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 Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind-AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind-AS 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 SAs 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 Ind-AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 Management's 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.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind-AS financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind-AS 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.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by section 143(3) of the Act, we report 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.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (*including Other Comprehensive Income*), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2023, and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2023, from being appointed as a Director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind-AS financial statements - Refer Note 32 to the Ind-AS financial statements.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
  - iv) The Management has represented that as per the requirements of sub-clause (i) and (ii) of Rule 11(e):
    - a) to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("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;

Based on such audit procedures performed by us which are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided above, contain any material misstatement.

- v) As per information and explanation represented by Management and based on the records of the Company, the dividend proposed in the previous year, declared and paid by the Company during the current year is in accordance with Section 123 of the Act, as applicable.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For KALYANIWALLA & MISTRY LLP**

Chartered Accountants

Firm Reg. No.: 104607W / W100166

**Cyrus A. Nariman**

**Partner**

Membership No.: 102643

**UDIN: 23102643BGVOFG1171**

Hubballi: May 20, 2023.



## Annexure A to the Independent Auditor's Report

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Ind-AS financial statements for the year ended March 31, 2023:

### Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020:

- i) Property Plant and Equipment:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a program of physical verification of Property, Plant and Equipment at periodic intervals in a phased programme designed to cover all the classes of Property, Plant and Equipment during the year. In our opinion, this periodicity of physical verification is commensurate with the size of the Company and the nature of its assets. As per the information and explanations given to us, the Company has physically verified property, plant and equipment, in accordance with the above policy during the year and no material discrepancies were noticed in respect of assets verified during the year.
  - c) According to the information and explanations given to us and on the basis of the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company or in the erstwhile name of the Company.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - e) According to the information and explanations given to us, representations obtained from Management and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.
- ii) Inventory:
  - a) The Management has conducted physical verification of inventories at reasonable intervals. In our opinion, this periodicity of physical verification is commensurate with the size of the Company and the nature of its operations. The discrepancies noticed on such physical verifications between physical stock and book records are less than 10% in the aggregate for each class of inventories and have been properly dealt with in the books of account.
  - b) According to the information and explanations given to us by the Management and books and records maintained, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at various points of time during the year, from banks on the basis of security of immovable properties of the Company. The quarterly returns filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters. The Company has no borrowings from financial institutions during the year.
- iii) The Company has not made investments 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 or any other parties. Therefore, the provisions of sub-clause (a), (b), (c), (d), (e) and (f) of paragraph 3 (iii) of the Order are not applicable.
- iv) According to the information and explanations given to us, the Company has not advanced any loans or given guarantee or provided any security to parties covered under Section 185 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us and records examined by us, the provisions of Section 186 of the Companies Act, 2013, in respect of investments made have been complied with by the Company.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76, or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by the

Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

- vi) We have broadly reviewed the books of account and records maintained by the Company in respect of the product covered under the Rules prescribed by the Central Government for the maintenance of cost records, under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- vii) Statutory Dues:
- According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, Profession Tax, cess and other material applicable statutory dues during the year. We have been informed that there are no undisputed dues which have remained outstanding as at the last day of the financial year, for a period of more than six months from the date they became payable.
  - According to the information and explanations given to us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023, on account of disputes are given below:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty proceedings. Disallowance	2.05	F. Y. - 2009-10	Commissioner of Income Tax (Appeals)
	Disallowance on Tax on Sale of Certified Emission Reduction and on account of personal flights undertaken by the management.	185.59	F.Y. -2013 - 14	High Court of Karnataka
	Disallowance of certain expenses treating them as personal expenses.	14.23	F. Y. - 2015-16	Commissioner of Income Tax (Appeals)
	Disallowance of employer's contribution to gratuity fund, leave salary and bonus, deduction in respect of new employees and certain expenses treating them as personal expenses. Addition on account of fall in net profit ratio. (Net of Amount paid under Protest – Rs. 245.20 lakhs).	980.82	F. Y. - 2016-17	Commissioner of Income Tax (Appeals)
	Penalty proceedings. Disallowance	0.10	F. Y. - 2016-17	Commissioner of Income Tax (Appeals)
	Disallowance of employer's contribution to gratuity fund and deduction in respect of new employees.	146.16	F. Y. - 2017-18	Commissioner of Income Tax (Appeals)
	Demand of Interest on tax not deducted at source on body building charges, contribution to power evacuation facilities, etc. (Net of Amount paid under Protest – Rs. 105.73 lakhs).	Nil	F. Y. - 2006-07	Commissioner of Income Tax (Appeals)
	Demand of Interest on tax not deducted at source on body building charges. (Net of Amount paid under Protest – Rs. 1.75 lakhs).	Nil	F. Y. - 2007-08	Commissioner of Income Tax (Appeals)



Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Custom Act, 1962	Differential Customs duty – classification of RH Windshield imported for maintenance of aircraft	3.84	March 2018	Deputy Commissioner of Customs (Port Assessment Group, Bengaluru)
Finance Act, 1994	Non-refund of service tax paid	242.88	2000-01 to 2001-02	Customs, Excise and Service Tax Appellate Tribunal (Bengaluru)
	Service tax arising due to reclassification of services.	328.45	April 2014 to February 2017	Customs, Excise and Service Tax Appellate Tribunal (Bengaluru)
	Service Tax on National Permit Fees.	68.07	April 2016 to June 2017	Deputy General of GST Intelligence (Bengaluru)
Central Goods and Services Tax Act, 20	Goods & Service Tax on National Permit Fees.	317.55	July 2017 to September 2021	Commissioner of GST, Belgaum.

viii) According to the information and explanations given to us and on the basis of the records examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) Borrowings:

- In our opinion and according to the information and explanations given to us, and representation obtained from Management, the Company has not defaulted in repayment of loans or other borrowings or payment of interest thereon to any lender during the year.
- In our opinion and according to the information and explanations given to us and representation obtained from Management, the Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.
- In our opinion and according to the information and explanations given to us and representation obtained from Management, the Company has applied the term loans obtained during the year for the purpose for which it was obtained.
- In our opinion and according to the information and explanations given to us and representation obtained from Management, on an overall examination of the Ind-AS financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.
- According to the information and explanations given to us, representation obtained from Management, and on an overall examination of the financial statements of the Company, the Company does not

have any subsidiaries, associates or joint ventures and hence reporting on clause 3(ix)(e) and (f) of the Order are also not applicable.

x) Allotment of Shares

- (a) According to the information and explanations given to us, representation obtained from Management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi) Frauds

- (a) According to the information and explanations given to us, on the basis of the records examined by us and representation from Management, based on the nature of operations of the Company, no material frauds by or on the Company have been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us and representation from Management, no whistle-blower complaints has been received by the Company during the year.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, Company hence reporting under clause (xii) (a), (b) and (c) of the Order are not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act with respect to applicable transactions with the related parties and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) Internal Audit System

- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- (a) In our opinion, according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has also not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi)(a) and (b) of the Order are not applicable.
- (b) Neither the Company nor any company in the Group is a part of the Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi) (c) and (d) of the Order are not applicable.

xvii) According to the information and explanations given to us and based on our examination of the financial statements of the Company, the Company has not incurred cash losses during the current financial year and the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditor of the Company during the year.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans 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 representation from Management. Our report does not give 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) Corporate Social Responsibility

There are no unspent amounts towards Corporate Social Responsibility (CSR) as at March 31, 2023. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

**For KALYANIWALLA & MISTRY LLP**

Chartered Accountants

Firm Reg. No.: 104607W / W100166

**Cyrus A. Nariman**

**Partner**

Membership No.: 102643

**UDIN: 23102643BGVOFG1171**

Hubballi: May 20, 2023.

## **Annexure B**

### **Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **VRL LOGISTICS LIMITED** ("the Company") as of March 31, 2023, in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (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 its business, including adherence to 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 Companies Act, 2013 (the "Act" or the "Companies Act").

#### **Auditors' Responsibility**

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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Ind-AS Financial Statements**

A Company's internal financial control with reference to Ind-AS 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 control with reference to financial statements includes 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 authorizations of management and directors of the company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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**

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 control 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**

In our opinion, to the best of our knowledge and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

#### **For KALYANIWALLA & MISTRY LLP**

Chartered Accountants

Firm Reg. No.: 104607W / W100166

**Cyrus A. Nariman**

**Partner**

Membership No.: 102643

**UDIN: 23102643BGVOFG1171**

Hubballi: May 20, 2023.

## BALANCE SHEET AS AT 31 MARCH 2023

(₹ in lakhs, unless otherwise stated)

PARTICULARS	NOTE	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	99,852.22	74,693.02
Right-of-use Assets	2(a)	48,264.59	34,976.60
Capital Work-in-Progress	2(b)	3,836.72	3,497.95
Investment Properties	3	87.01	89.05
Intangible Assets	4	17.33	40.45
<b>Financial Assets</b>			
Non-Current Investments	5	5.25	5.25
Other Financial Assets	6	6,436.26	3,779.95
Income-tax Assets (Net)		169.37	939.42
Other Non-Current Assets	7	2,617.23	2,898.39
		<b>1,61,285.98</b>	<b>1,20,920.08</b>
<b>Current Assets</b>			
Inventories	8	5,279.28	4,585.52
<b>Financial Assets</b>			
Investment in Mutual funds	9	1,501.80	-
Trade Receivables	10	8,169.39	6,725.85
Cash and Cash Equivalents	11	1,161.10	1,399.19
Bank Balances other than Cash and Cash Equivalents	12	6,362.96	49.60
Other Financial Assets	13	1,030.26	1,079.91
<b>Other Current Assets</b>	14	4,381.84	3,268.04
		<b>27,886.63</b>	<b>17,108.11</b>
<b>Total Assets</b>		<b>1,89,172.61</b>	<b>1,38,028.19</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	15	8,834.35	8,834.35
Other Equity	16	88,749.80	56,328.72
		<b>97,584.15</b>	<b>65,163.07</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	17	10,731.73	8,139.97
Lease Liabilities	41	41,516.75	29,809.98
Other Financial Liabilities	18	1,302.85	1,626.12
Provisions	19	2,809.46	2,909.65
Deferred Tax Liabilities (Net)	32.2	4,612.28	3,861.88
		<b>60,973.07</b>	<b>46,347.60</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	17	7,177.67	6,208.28
Lease Liabilities	41	12,545.86	9,502.25
Trade Payables	20	30.34	2.94
total outstanding dues of micro and small enterprises		30.34	2.94
total outstanding dues of creditors other than micro and small enterprises		1,390.84	2,002.95
Other Financial Liabilities	21	5,470.34	5,196.06
Provisions	19	1,522.84	1,419.89
Current Tax Liabilities (Net)		172.86	202.27
Other Current Liabilities	22	2,304.64	1,982.88
		<b>30,615.39</b>	<b>26,517.52</b>
<b>Total Equity and Liabilities</b>		<b>1,89,172.61</b>	<b>1,38,028.19</b>

### Notes to the financial statements

1 to 48

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

### For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Registration No. 104607W / W100166

### Cyrus A Nariman

Partner

Membership No.: 102643

Place : Hubballi

Date : 20 May 2023

### For and on behalf of the Board of Directors

#### Vijay Sankeshwar

Chairman and Managing Director

DIN: 00217714

#### Sunil Nalavadi

Chief Financial Officer

Place : Hubballi

Date : 20 May 2023

#### Anand Sankeshwar

Managing Director

DIN: 00217773

#### Aniruddha Phadnavis

General Manager (Finance)

and Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs, unless otherwise stated)

PARTICULARS	NOTE	Year ended 31 March 2023	Year ended 31 March 2022
<b>Income</b>			
Revenue from operations	23	2,64,852.18	2,16,355.81
Other income	24	1,434.48	1,681.29
<b>Total Income</b>		<b>2,66,286.66</b>	<b>2,18,037.10</b>
<b>Expenses</b>			
Freight, handling and servicing cost	25	1,79,902.53	1,41,820.88
Employee benefits expense	26	41,485.09	34,688.33
Finance costs	27	5,433.85	4,215.80
Depreciation and amortisation expense	28	15,914.28	14,450.35
Other expenses	29	3,299.20	2,391.69
<b>Total expenses</b>		<b>2,46,034.95</b>	<b>1,97,567.05</b>
<b>Profit before tax from continuing operations (III-IV)</b>		<b>20,251.71</b>	<b>20,470.05</b>
<b>Tax expense on continuing operations</b>	32		
- Current tax		3,448.50	5,613.21
- Deferred tax charge / (credit)		500.27	(538.44)
- Current tax adjustments pertaining to earlier year		(310.81)	(219.94)
<b>Profit for the year from continuing operations (V-VI)</b>		<b>16,613.75</b>	<b>15,615.22</b>
Profit before exceptional items and tax from discontinued operations	30	3,363.50	519.17
Exceptional Items	31	18,720.45	-
<b>Profit before tax from discontinued operations (VIII-IX)</b>		<b>22,083.95</b>	<b>519.17</b>
<b>Tax expense of discontinued operations</b>	32		
- Current tax		6,161.50	136.79
- Deferred tax charge / (credit)		216.14	(13.66)
<b>Profit after tax from discontinued operations (X-XI)</b>		<b>15,706.31</b>	<b>396.04</b>
<b>Profit for the year</b>		<b>32,320.06</b>	<b>16,011.26</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(losses) on defined benefit plans		135.00	52.15
Deferred tax credit / (charge)		(33.98)	(13.13)
<b>Other comprehensive income for the year, net of tax</b>		<b>101.02</b>	<b>39.02</b>
<b>Total comprehensive income for the year</b>		<b>32,421.08</b>	<b>16,050.28</b>
<b>Basic and diluted earnings per share of face value ₹ 10 each (in ₹)</b>	33		
- from continuing operations		18.80	17.68
- from discontinued operations		17.78	0.44
- from continuing and discontinued operations		36.58	18.12

### Notes to the financial statements

1 to 48

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

#### For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Registration No. 104607W / W100166

#### Cyrus A Nariman

Partner

Membership No.: 102643

Place : Hubballi

Date : 20 May 2023

#### For and on behalf of the Board of Directors

#### Vijay Sankeshwar

Chairman and Managing Director

DIN: 00217714

#### Sunil Nalavadi

Chief Financial Officer

Place : Hubballi

Date : 20 May 2023

#### Anand Sankeshwar

Managing Director

DIN: 00217773

#### Aniruddha Phadnavis

General Manager (Finance)

and Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs, unless otherwise stated)

PARTICULARS	Year ended 31 March 2023	Year ended 31 March 2022
<b>A Cash flows from operating activities</b>		
Profit before tax from continuing operations	20,251.71	20,470.05
Profit before tax from discontinued operations	22,083.95	519.17
<b>Profit before tax</b>	<b>42,335.66</b>	<b>20,989.22</b>
<b>Adjustments for :</b>		
Depreciation and amortisation expense	17,243.07	16,799.76
Finance costs	5,558.53	4,309.18
Exceptional Items (refer Note 31)	(18,720.45)	-
Interest income from fixed deposit	(3.31)	(28.46)
Rent income from investment property	(56.41)	(56.41)
Dividend income	(0.71)	(0.71)
Profit on Sale of Investments	(41.78)	-
Changes in Fair Value of Investments at FVTPL	(25.72)	-
Loss / (Profit) on sale of property, plant and equipment (net)	180.35	(430.47)
Advances/ bad debts written off	30.30	51.27
Allowance for doubtful advances and debts	(45.38)	15.81
Interest income resulting from fair valuation of security deposits	(258.72)	(329.13)
<b>Operating profit before working capital changes</b>	<b>46,195.43</b>	<b>41,320.06</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in trade receivables	(1,398.16)	(347.96)
(Increase) / Decrease in financial and other assets	(3,528.52)	430.57
Decrease / (Increase) in Inventories	(693.76)	(634.31)
(Decrease) / Increase in trade payables, other liabilities and provisions	(182.48)	2,120.31
<b>Cash generated from operating activities</b>	<b>40,392.51</b>	<b>42,888.67</b>
Direct taxes paid (net of refunds)	(8,558.55)	(5,813.02)
<b>Net cash generated from operating activities (A)</b>	<b>31,833.96</b>	<b>37,075.65</b>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital work in progress and capital advances)	(41,240.01)	(19,329.51)
Proceeds from sale of property, plant and equipment	385.52	1,248.32
Proceeds from sale of Bus Operations Business	23,000.00	-
Proceeds from sale of Wind Power Business	4,800.00	-
(Investments) / maturity proceeds of fixed deposits with bank (net)	(17.55)	(18.45)
Investments in mutual funds	(5,000.00)	-
Proceeds from sale in investments in mutual funds	3,565.70	-
Rent received from investment property	56.41	56.41
Interest received	2.79	29.03
Dividend income received	0.71	0.71
<b>Net cash (used in)/generated from investing activities (B)</b>	<b>(14,446.43)</b>	<b>(18,013.49)</b>
<b>C Cash flows from financing activities</b>		
Funds earmarked for buyback of equity shares	(6,291.30)	-
Proceeds from/(repayment of) short term borrowings (net)	1,474.93	(3,537.47)
Proceeds from long term borrowings	7,139.72	9,233.46
Repayment of long term borrowings	(4,518.45)	(3,849.97)
Payment of principal portion of the lease liability	(9,341.94)	(7,032.10)
Payment of interest portion of the lease liability	(4,314.80)	(3,149.53)
Dividend paid	-	(10,599.59)
Interest and processing fees paid	(1,238.73)	(1,139.81)
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(17,090.57)</b>	<b>(20,075.01)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>296.96</b>	<b>(1,012.85)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>854.01</b>	<b>1,866.86</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,150.97</b>	<b>854.01</b>
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	427.97	425.23
Cheques/drafts on hand	56.39	54.90
Balances with banks		
- in current accounts	676.74	911.23
- in overdraft accounts	(10.13)	(545.18)
- in deposit accounts (with maturity upto 3 months)	-	7.83
<b>Cash and cash equivalents</b>	<b>1,150.97</b>	<b>854.01</b>

### Notes:

1) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7, Statement of cash flows.

### Notes to the financial statements

The notes referred to above form an integral part of the financial statements

1 to 48

As per our report of even date attached

**For Kalyaniwalla & Mistry LLP**

Chartered Accountants

Firm Registration No. 104607W / W100166

**For and on behalf of the Board of Directors**

**Cyrus A Nariman**

Partner

Membership No.: 102643

Place : Hubballi

Date : 20 May 2023

**Vijay Sankeshwar**

Chairman and Managing Director

DIN: 00217714

**Sunil Nalavadi**

Chief Financial Officer

Place : Hubballi

Date : 20 May 2023

**Anand Sankeshwar**

Managing Director

DIN: 00217773

**Aniruddha Phadnavis**

General Manager (Finance)

& Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs, unless otherwise stated)

a	Equity share capital (Refer note 15)	Number	Amount			
	Balance as at 1 April 2021*	8,83,43,495.00	8,834.35			
	Issue of Share Capital	-	-			
	Balance as at 31 March 2022	8,83,43,495.00	8,834.35			
	Issue of Share Capital	-	-			
	Balance as at 31 March 2023	8,83,43,495.00	8,834.35			
* There are no changes in Equity Share Capital due to prior period errors.						
b	Other equity (Refer note 16)					
		Reserves and Surplus				
		Securities Premium	General Reserve	Capital Redemption Reserve	Retained Earnings	Total Other Equity
	Balance as at 31 March 2021*	11,364.45	9,616.32	290.00	29,608.89	50,879.66
	Profit for the year	-	-	-	16,011.26	16,011.26
	Other comprehensive income for the year (Net of Tax)	-	-	-	39.02	39.02
	Total Comprehensive income for the year ended 31 March 2022				16,050.28	16,050.28
	Cash dividends	-	-	-	(10,601.22)	(10,601.22)
	Transfer to General Reserve	-	1,601.13	-	(1,601.13)	-
	Balance as at 31 March 2022*	11,364.45	11,217.45	290.00	33,456.82	56,328.72
	Profit for the year	-	-	-	32,320.06	32,320.06
	Other comprehensive income for the year (Net of Tax)	-	-	-	101.02	101.02
	Total Comprehensive income for the year ended 31 March 2023	-	-	-	32,421.08	32,421.08
	Transfer to General Reserve	-	3,232.01	-	(3,232.01)	-
	Balance as at 31 March 2023	11,364.45	14,449.46	290.00	62,645.89	88,749.80

\* There are no changes in other equity due to prior period errors

### Notes to the Financial Statements

1 to 48

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

### For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Registration No. 104607W / W100166

### Cyrus A Nariman

Partner

Membership No.: 102643

Place : Hubballi

Date : 20 May 2023

### For and on behalf of the Board of Directors

### Vijay Sankeshwar

Chairman and Managing Director

DIN: 00217714

### Sunil Nalavadi

Chief Financial Officer

Place : Hubballi

Date : 20 May 2023

### Anand Sankeshwar

Managing Director

DIN: 00217773

### Aniruddha Phadnavis

General Manager (Finance)

and Company Secretary

## Notes to the Financial Statements for the year ended 31 March 2023

### Company Overview

VRL Logistics Limited (the “Company”) having CIN L60210KA1983PLC005247 was incorporated under the Companies Act, 1956, on March 31, 1983. The Company is engaged in logistics services dealing mainly in domestic transportation of goods. Other businesses include bus operations, transport of passengers by air, sale of power and sale of certified emission reductions (CER) units generated from operation of windmills.

The Company has, during the year, executed a Business Transfer Agreement for the sale / transfer of its Wind Power Business and Bus Operations Business as a going concern on a slump sale basis w.e.f. 31 July 2022 for Wind Power Business and 31 December 2022 for Bus Operations Business.

The operations of the Company are spread all over the country through various branches and transshipment hubs. The Company has its registered office in Hubballi, Karnataka.

### General Information

#### a) Basis for preparation of financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the “Ind AS”), as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (“Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention and accrual basis, except for certain financial assets and liabilities measured at fair value and plan assets towards defined benefit plans, which are measured at fair value.

The financial statements have been prepared on a going concern basis and the accounting policies are applied consistently to all the periods presented in financial statement.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle (twelve months) and other criteria set out in the Division II of Schedule III to the Act.

#### b) Functional and presentation currency

The financial statements are presented in currency INR, which is the functional and presentation currency of the Company.

#### c) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### d) Significant management judgements in applying accounting policies and estimation uncertainty

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision if it affects both current and future periods.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

## Notes to the Financial Statements for the year ended 31 March 2023

### General Information (Contd.)

#### i) Impairment of non-financial assets

In assessing impairment, Management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### ii) Depreciation and useful lives of property, plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

#### iii) Recoverability of trade receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### iv) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

#### v) Contingent Liabilities

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

#### vi) Defined benefit obligation ("DBO")

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### vii) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### viii) Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have

## Notes to the Financial Statements for the year ended 31 March 2023

### General Information (Contd.)

to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### e) Recent Regulatory Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

#### i) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023.

#### ii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023.

#### iii) Ind AS12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023.

Based on the preliminary assessment, the Company does not expect the above amendments to have any significant impact in its financial statements.

### 1. Significant Accounting Policies

#### a) Property, plant and equipment (including Capital work-in-progress)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost of items of property, plant and equipment includes expenditure that is directly attributable to the acquisition and installation, borrowing costs during the construction period and excludes any duties / taxes recoverable.

Subsequent cost is included in the asset's carrying amount or recognized 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 such item can be measured reliably.

If significant parts of an item of property, plant and equipment have different useful lives then they are accounted for as separate components of property, plant and equipment. The Company has recognised major inspection costs relating to aircraft engine and airframe overhauls and other major maintenance expenditure as separate components for aircrafts.

The carrying amount of any component accounted for as a separate asset is de-recognised when replaced or disposed. All other repairs and maintenance expenses are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

An item of property plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on retirement or disposal of items of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognized.



## Notes to the Financial Statements for the year ended 31 March 2023

### Significant Accounting Policies (Contd.)

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are classified as Capital Advances under Other Non-Current Assets. Assets acquired but not ready for use are classified under Capital Work in Progress and are stated at cost comprising of direct costs and related incidental expenses.

#### b) Investment Property

Investment property is the property that is not occupied by the Company and which is held to earn rentals or for capital appreciation, or both. Upon initial recognition, an investment property is measured at cost, including directly attributable overheads, if any. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Any gain or loss on disposal of an investment property is recognised in Statement of Profit and Loss, unless any other standard specifically requires otherwise.

Company depreciates the investment property using the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Act

Though, the Company measures investment property using cost - based measurement, the fair value of investment property is disclosed in Notes.

The fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Investment properties are de-recognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

#### c) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

#### d) Depreciation/Amortisation

- i. Depreciation is provided under the straight line method over the useful lives of assets as prescribed under Part C of Schedule II of the Act except on Vehicles and Wind Turbine Generators (part of Plant and equipment).

Vehicles and Wind Turbine Generators are depreciated over a period of nine years and nineteen years respectively, based on internal assessment and independent technical evaluation carried out by external valuer; the Management believes that the useful life, as mentioned, represents the period over which Management expects to use these assets. Therefore, the useful life adopted for these assets are different from the useful life as prescribed under Part C of Schedule II of the Act.

Major inspection costs relating to engine and airframe overhauls and other heavy maintenance expenditure are identified as separate components for aircrafts and are depreciated over the expected life between major overhauls and remaining useful life of the aircraft, whichever is lower.

- ii. Cost of leasehold improvements is amortized over the period of the lease or its useful life, whichever is lower.
- iii. Computer Software is amortized over a period of five years.

An asset's carrying amount is written down to its recoverable amount immediately, if the asset's carrying amount is greater than its estimated recoverable amount.



## Notes to the Financial Statements for the year ended 31 March 2023

### Significant Accounting Policies (Contd.)

The residual value of an asset is not more than 5% of the original cost of that asset. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### e) Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- i. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- ii. the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- iii. the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

#### Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of Profit and Loss, as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

#### f) Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable amounts are estimated in

## Notes to the Financial Statements for the year ended 31 March 2023

### Significant Accounting Policies (Contd.)

order to determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place.

Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### g) Foreign currency transactions

#### Foreign currency transactions and balances

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- ii. Monetary assets and liabilities denominated in foreign currencies at the year-end are restated at the rate of exchange prevailing on the date of the Balance Sheet.
- iii. Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the Statement of Profit and Loss.
- iv. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

### h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

#### Financial Assets

##### Initial recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

#### i. Financial Assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets 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. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

## Notes to the Financial Statements for the year ended 31 March 2023

### Significant Accounting Policies (Contd.)

#### ii. Financial Assets measured at fair value

Financial assets are measured at fair value through other comprehensive income (FVOCI) if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these 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. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

#### Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk.

Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recorded as expense/ income in the Statement of Profit and Loss.

#### De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## Notes to the Financial Statements for the year ended 31 March 2023

### Significant Accounting Policies (Contd.)

#### Equity investments

All equity investments in the scope of Ind AS 109, Financial Instruments, are measured at fair value. For equity instruments, the Company may make an irrevocable selection to present the subsequent fair value changes in Other Comprehensive Income (OCI). The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

Equity instruments included within the FVTPL (fair value through profit and loss) category are measured at fair value with all changes in fair value recognized in the profit or loss.

#### Financial Liabilities

##### Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

##### Subsequent measurement

##### Financial liabilities at FVPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

##### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings 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.

Where the terms of a financial liability are re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

## Notes to the Financial Statements for the year ended 31 March 2023

### Significant Accounting Policies (Contd.)

#### De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

#### i) Fair value measurement

The Company measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. 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 re-assessing 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.

The Company's Valuation team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

## Notes to the Financial Statements for the year ended 31 March 2023

### Significant Accounting Policies (Contd.)

#### j) Inventories

Consumables, stores and spares are valued at lower of cost and net realisable value; cost is computed on first-in-first out basis. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories. Obsolete, defective, unserviceable and slow/nonmoving stocks are duly provided for. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

#### k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalents are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

#### l) Revenue recognition

Revenue is recognized 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.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding taxes or duties collected on behalf of the government and reduced by any rebates and trade discount allowed.

Contract assets includes costs incurred to fulfill a contract with a customer. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rise to a contract liability.

The specific recognition criteria described below must also be met before income is recognised.

- i. Revenue from Goods transport and Courier service is recognised as and when goods and documents are delivered.
- ii. Revenue from Bus operations and Transport of passengers by air is recognised as and when transportation is provided.
- iii. Revenue from sale of power is recognised upon deposit of units of generated power at the grid of the purchasing electricity company.
- iv. Revenue from sale of eligible carbon credit units such as Verified / Certified Emission Reductions units (VERs)/ (CERs) is recognised on completion of the validation process for units generated and entering of a definitive binding agreement for the sale of such units.
- v. Revenue from hotel operations is recognized upon rendering of service.
- vi. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.
- vii. Dividend income is recognised when the right to receive the dividend is established.
- viii. Rent income is recognised on a straight-line basis over the period of the lease.
- ix. Advertisement income is recognised when the related advertisement or commercial appears before the public.



## Notes to the Financial Statements for the year ended 31 March 2023

### Significant Accounting Policies (Contd.)

#### m) Employee benefits

##### Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

##### Defined contribution plan

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The Company has categorised its Provident Fund, labour welfare fund and the Employees State Insurance Scheme as a defined contribution plan since it has no further obligations beyond these contributions.

##### Defined benefit plan

The Company's liability towards gratuity, being a defined benefit plan is accounted for on the basis of an independent actuarial valuation based on Projected Unit Credit Method. The liability or asset recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Gratuity liability is funded by payments to the trust established for the purpose.

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 the 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. Service cost and the net interest cost is included in employee benefit expense in the Statement of Profit and Loss. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in 'other comprehensive income' as income or expense.

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.

##### Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Accumulated compensated absences which are expected to be availed or encashed subsequent to 12 months are treated as long term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

#### n) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

## Notes to the Financial Statements for the year ended 31 March 2023

### Significant Accounting Policies (Contd.)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

#### o) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method

Borrowings are eliminated from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transactions with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

#### p) Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of services rendered or sale of goods in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

#### q) Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

#### r) Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

- i. Current income tax liabilities and/or assets comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date.
- ii. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to the applicable tax regulations which may be subject to interpretation and creates provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.
- iii. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

## Notes to the Financial Statements for the year ended 31 March 2023

- iv. Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operations results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

- v. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.
- vi. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### s) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed 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 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. Such liabilities are disclosed by way of notes to the financial statements. No disclosure is made if the possibility of an outflow on this account is remote.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent liabilities and contingent assets and commitments are reviewed at each balance sheet date.

### t) Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## Notes to the Financial Statements for the year ended 31 March 2023 (₹ in lakhs, unless otherwise stated)

### 2 Property, Plant & Equipment

Gross Block	Freehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Aircrafts	Leasehold Improvements	TOTAL
<b>Balance as at 1 April 2021</b>	<b>14,808.10</b>	<b>13,906.02</b>	<b>16,639.60</b>	<b>1,064.51</b>	<b>3,685.35</b>	<b>65,967.53</b>	<b>3,188.97</b>	<b>1,226.36</b>	<b>1,20,486.44</b>
Additions	649.49	467.44	1,060.70	90.45	494.07	12,550.21	681.89	9.65	16,003.90
Disposals	(1.60)	(51.82)	-	-	-	(1,517.21)	(1,082.82)	-	(2,653.45)
<b>Balance as at 31 March 2022</b>	<b>15,455.99</b>	<b>14,321.64</b>	<b>17,700.30</b>	<b>1,154.96</b>	<b>4,179.42</b>	<b>77,000.53</b>	<b>2,788.04</b>	<b>1,236.01</b>	<b>1,33,836.89</b>
Additions	-	6.29	1,443.96	441.83	1,317.83	37,862.94	-	325.57	41,398.42
Disposals	-	-	-	-	-	(3,146.99)	-	-	(3,146.99)
Assets transferred on discontinuation of Wind Power Business	-	-	(11,334.32)	-	-	-	-	-	(11,334.32)
Assets transferred on discontinuation of Bus Operations Business	(739.79)	(1,020.51)	(86.92)	(28.01)	(314.32)	(10,911.32)	-	(342.30)	(13,443.17)
<b>Balance as at 31 March 2023</b>	<b>14,716.20</b>	<b>13,307.42</b>	<b>7,723.02</b>	<b>1,568.78</b>	<b>5,182.93</b>	<b>1,00,805.16</b>	<b>2,788.04</b>	<b>1,219.28</b>	<b>1,47,310.83</b>
<b>Accumulated depreciation and amortisation</b>									
<b>Balance as at 1 April 2021</b>	<b>-</b>	<b>2,372.62</b>	<b>8,120.09</b>	<b>434.63</b>	<b>2,722.10</b>	<b>36,333.96</b>	<b>1,242.57</b>	<b>675.66</b>	<b>51,901.63</b>
Depreciation charge	-	494.42	1,541.43	90.47	379.27	6,125.15	328.60	118.50	9,077.84
Reversal on disposal of assets	-	(5.58)	-	-	-	(1,280.87)	(549.15)	-	(1,835.60)
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>2,861.46</b>	<b>9,661.52</b>	<b>525.10</b>	<b>3,101.37</b>	<b>41,178.24</b>	<b>1,022.02</b>	<b>794.16</b>	<b>59,143.87</b>
Depreciation charge	-	475.45	911.99	115.20	473.02	4,045.72	269.15	123.03	6,413.57
Reversal on disposal of assets	-	-	-	-	-	(2,581.11)	-	-	(2,581.12)
Reversal on disposal of assets of Wind Power Business	-	-	(7,711.00)	-	-	-	-	-	(7,711.00)
Reversal on disposal of assets of Bus Operations Business	-	(237.62)	(34.88)	(17.13)	(245.76)	(7,198.16)	-	(73.16)	(7,806.71)
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>3,099.29</b>	<b>2,827.63</b>	<b>623.17</b>	<b>3,328.63</b>	<b>35,444.69</b>	<b>1,291.17</b>	<b>844.03</b>	<b>47,458.61</b>
<b>Net Block</b>									
<b>Balance as at 31 March 2022</b>	<b>15,455.99</b>	<b>11,460.18</b>	<b>8,038.78</b>	<b>629.86</b>	<b>1,078.05</b>	<b>35,822.29</b>	<b>1,766.02</b>	<b>441.85</b>	<b>74,693.02</b>
<b>Balance as at 31 March 2023</b>	<b>14,716.20</b>	<b>10,208.13</b>	<b>4,895.39</b>	<b>945.61</b>	<b>1,854.30</b>	<b>65,360.47</b>	<b>1,496.87</b>	<b>375.25</b>	<b>99,852.22</b>

#### Notes:

- During the previous year, disposals of Freehold Land include an amount of ₹ 1.60 lakhs pertaining to compulsorily acquisition of land by the National Highways Authority of India. The Company has received compensation amounting to ₹ 152.95 lakhs resulting in a profit of ₹ 151.35 lakhs which is included in Note 24 Other Income, under Profit on sale of Property, plant and equipment (Net).
- The Bhiwandi property admeasuring 240,000 square feet purchased for a total consideration of ₹ 3,240 lakhs from M/s Indian Corporation, represented by its proprietor, Mr. Rudrapratap Urmaliya Tripathi, as a Power of Attorney holder of the original land owners is registered in the name of the Company by paying appropriate stamp duty and registration fees. The Company is in actual and physical possession of the property and has been carrying out its business activities in the aforesaid premises without any hindrance from anybody whatsoever since 1 September 2012. However, the Company was facing difficulties in getting its name updated in the relevant Revenue Records i.e. 7/12 extract and had accordingly brought this to the notice of the vendor, During the previous financial year, the Company had made a payment of ₹ 649.49 lakhs to M/s Indian Corporation, as its contribution towards payment to be made to MMRDA for the regularization of the property and getting its name updated in the relevant Revenue Records. During the current year, the Company has completed the process of getting its name updated in the relevant Revenue Records i.e. 7/12 extract and the entire Bhiwandi property is in the name of the Company in the relevant Revenue Records.
- Refer Note 37 for disclosure of contractual commitments for the acquisition of Property, plant and equipment.
- Refer Note 34 for information on Property, plant and equipment pledged as security.
- During the current and previous years, the Company has not revalued any of its property, plant and equipment.

**Notes to the Financial Statements for the year ended 31 March 2023**  
(₹ in lakhs, unless otherwise stated)

**2(a) Right-of-use Assets**

<b>Gross Block</b>	<b>Right of use assets - Building</b>
<b>Balance as at 1 April 2021</b>	<b>37,408.80</b>
Additions	16,275.92
Disposals	(3,745.64)
<b>Balance as at 31 March 2022</b>	<b>49,939.08</b>
Additions	27,390.46
Disposals	(6,768.8)
Disposal on discontinuation of Wind Power Business	(200.18)
Disposal on discontinuation of Bus Operations Business	(2,114.05)
<b>Balance as at 31 March 2023</b>	<b>68,246.47</b>
<b>Accumulated depreciation</b>	
<b>Balance as at 1 April 2021</b>	<b>10,860.84</b>
Depreciation charge	7,696.21
Reversal on disposal of assets	(3,594.57)
<b>Balance as at 31 March 2022</b>	<b>14,962.48</b>
Depreciation charge	10,804.33
Reversal on disposal of assets	(5,070.52)
Disposal on discontinuation of Wind Power Business	(85.26)
Disposal on discontinuation of Bus Operations Business	(629.15)
<b>Balance as at 31 March 2023</b>	<b>19,981.88</b>
<b>Net Block</b>	
<b>Balance as at 31 March 2022</b>	<b>34,976.60</b>
<b>Balance as at 31 March 2023</b>	<b>48,264.59</b>

**Note:**

The land whereat 32 Wind Turbine Generators (WTG's) were installed at Kappatgudda, Gadag District, Karnataka, was leased to Suzlon Energy Limited by Karnataka Forest Department. Consequently, Suzlon Energy Limited had transferred the lease in the favour of the Company with requisite clearances from Karnataka Forest Department. The leased land was transferred to the buyer as part of the sale of the Wind Power Business. (Refer Note 30 - Discontinued Operations)

**2(b) Capital Work in Progress**

The ageing schedule for capital work in progress is set-out below :

<b>Capital Work in Progress as on 31 March 2023</b>	<b>Amount in CWIP for a period of</b>				<b>Total</b>
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1) Projects in progress	3,836.72	-	-	-	3,836.72
2) Projects temporarily suspended	-	-	-	-	-
<b>Grand Total</b>	<b>3,836.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,836.72</b>

<b>Capital Work in Progress as on 31 March 2022</b>	<b>Amount in CWIP for a period of</b>				<b>Total</b>
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1) Projects in progress	3,497.95	-	-	-	3,497.95
2) Projects temporarily suspended	-	-	-	-	-
<b>Grand Total</b>	<b>3,497.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,497.95</b>

**Note:**

During the current and previous years, the Capital Work in Progress projects of the Company have neither exceeded their budgets nor their timelines.

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 3 Investment properties

<b>Gross carrying amounts</b>	<b>Amount</b>
<b>Balance as at 1 April 2021</b>	<b>269.65</b>
Additions	-
Deletions	166.38
<b>Balance as at 31 March 2022</b>	<b>103.27</b>
Additions	-
Deletions	-
<b>Balance as at 31 March 2023</b>	<b>103.27</b>
<b>Accumulated depreciation</b>	
<b>Balance as at 1 April 2021</b>	<b>31.08</b>
Depreciation for the year	2.04
Reversal on disposal of assets	18.90
<b>Balance as at 31 March 2022</b>	<b>14.22</b>
Depreciation for the year	2.04
Reversal on disposal of assets	-
<b>Balance as at 31 March 2023</b>	<b>16.26</b>
<b>Net block</b>	
Balance as at 31 March 2022	89.05
Balance as at 31 March 2023	87.01
<b>Fair value</b>	
As at 31 March 2021	387.09
As at 31 March 2022	379.35

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Rental income derived from investment properties	56.41	56.41
<b>Income arising from investment properties before depreciation</b>	<b>56.41</b>	<b>56.41</b>
Depreciation on investment properties	(2.04)	(2.04)
<b>Income arising from investment properties (Net)</b>	<b>54.37</b>	<b>54.37</b>

#### Valuation process

Company obtains independent valuation of its investment properties annually from a registered valuer as defined under Companies (Registered Valuers and Valuation) Rules, 2017. The best evidence of fair value is current price in an active market for similar properties. Where such information is not available, Company considers current price in an active market for properties of different nature or recent prices of similar properties in less active market, adjusted to reflect those differences.

They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

### 4 Intangible Assets

<b>Gross Block</b>	<b>Computer software</b>
<b>Balance as at 1 April 2021</b>	<b>337.47</b>
Additions	-
<b>Balance as at 31 March 2022</b>	<b>337.47</b>
Additions	-
<b>Balance as at 31 March 2023</b>	<b>337.47</b>
<b>Accumulated amortisation</b>	
<b>Balance as at 1 April 2021</b>	<b>273.35</b>
Amortisation charge	23.67
<b>Balance as at 31 March 2022</b>	<b>297.02</b>
Amortisation charge	23.12
<b>Balance as at 31 March 2023</b>	<b>320.14</b>
<b>Net block</b>	
<b>Balance as at 31 March 2021</b>	<b>40.45</b>
<b>Balance as at 31 March 2022</b>	<b>17.33</b>

Note:

The Company has not revalued any of its intangible assets.



## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>5 Investments</b>		
<b>Unquoted investments in equity instruments at FVTPL</b>		
The Shamrao Vithal Co-operative Bank Limited (20,000 equity shares (31 March 2021: 20,000 equity shares) of ₹25 each fully paid up)	5.00	5.00
The Saraswat Co-operative Bank Limited (2,500 equity shares (31 March 2021: 2,500 equity shares) of ₹10 each fully paid up)	0.25	0.25
	<b>5.25</b>	<b>5.25</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	5.25	5.25
Aggregate amount of impairment in value of investments	-	-
Note: The Company is of the view that the changes on account of fair valuation of the above investments is immaterial, therefore no effect for the same has been given in these financial statements.		
<b>6 Other Non-Current Financial Assets</b>		
Unsecured, considered good, unless otherwise stated		
Leased premises security deposits	6,260.72	3,592.16
Other security deposits	164.94	180.27
Bank deposits with maturity of more than 12 months	10.00	2.92
Bank deposits held under lien against bank guarantee with maturity of more than 12 months	0.60	4.60
	<b>6,436.26</b>	<b>3,779.95</b>
<b>7 Other Non- Current Assets</b>		
Unsecured, considered good, unless otherwise stated		
Prepaid expenses	48.26	11.05
Capital advances	1,186.12	1,684.49
Deposits with Customs and Other Government Authorities	1,382.85	1,202.85
Advance to suppliers		
- Considered Doubtful	12.42	17.58
Less : Allowances for doubtful advances	12.42	17.58
	<b>2,617.23</b>	<b>2,898.39</b>

**Notes to the Financial Statements for the year ended 31 March 2023**  
(₹ in lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>8 Inventories</b>		
valued at lower of cost and net realisable value		
Raw Materials	1.71	1.94
Certified Emission Reduction Credits (refer Note 38)	9.39	-
Stores and Spares	5,268.18	4,583.58
(31 March 2023: Including Goods in transit - ₹ 640.05 lakhs (31 March 2022: ₹ 1178.98 lakhs))		
	<b>5,279.28</b>	<b>4,585.52</b>
<b>9 Current Investments</b>		
Unquoted investments at FVTPL		
Investments in Mutual Funds	1,501.80	-
	<b>1,501.80</b>	<b>-</b>
<b>10 Trade Receivables</b>		
(Unsecured, considered good, unless otherwise stated)		
Trade Receivables - considered good	8,164.82	6,719.59
Receivables from related parties (refer note 44)	4.57	6.26
Trade Receivables - Credit Impaired	148.04	185.23
	8,317.43	6,911.08
Less : Allowance for doubtful debts	148.04	185.23
	<b>8,169.39</b>	<b>6,725.85</b>

Refer Note 42 for information about credit risk and market risk of trade receivables, Includes ₹ 22.51 lakhs (31 March 2022: ₹ 26.86) due from a private company in which a Director of the Company is a Director. There are no debts due by Directors or other Officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a Partner or a Member.

**Outstanding for following periods from due date of payment**

	As at 31 March 2023	As at 31 March 2022
a) Undisputed Trade Receivables - Considered Good	<b>8,169.39</b>	<b>6,725.85</b>
- Not Due	4,181.52	3,377.44
- Less than 6 months	3,979.19	3,285.06
- 6 months - 1 year	8.68	48.28
- 1 - 2 years	-	15.07
b) Undisputed Trade Receivables - Credit Impaired	<b>16.09</b>	<b>39.66</b>
- 1 - 2 years	2.26	13.73
- 2 - 3 years	11.56	23.67
- More than 3 years	2.27	2.26
c) Disputed Trade Receivables - Considered Good	-	-
d) Disputed Trade Receivables - Considered Doubtful	<b>131.95</b>	<b>145.57</b>
- More than 3 years	131.95	145.57

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>11 Cash and Cash equivalents</b>		
Balances with banks		
- in current accounts	676.74	911.23
- in deposit accounts (with maturity upto 3 months)*	-	7.83
Cash on hand	427.97	425.23
Cheques / drafts on hand	56.39	54.90
	<b>1,161.10</b>	<b>1,399.19</b>
<b>12 Bank balances other than cash and cash equivalents</b>		
- Unclaimed dividend account	13.70	11.44
- Funds parked for Buyback of equity shares (refer Note 39)	6,291.30	-
- Bank deposits with original maturity more than 3 months but less than 12 months	8.19	22.94
- Bank deposits held under lien against bank guarantee with original maturity more than 3 months but less than 12 months	49.77	15.22
	<b>6,362.96</b>	<b>49.60</b>
<b>13 Other Current Financial Assets</b>		
Unsecured, considered good, unless otherwise stated		
Other receivables	163.71	162.21
Receivables from related parties (refer note 44)	22.22	21.99
Interest accrued on bank deposits	2.57	2.05
Leased premises security deposits		
- Considered Good	841.76	893.66
- Considered Doubtful	87.21	87.21
Less : Allowances for doubtful deposits	87.21	87.21
	<b>1,030.26</b>	<b>1,079.91</b>
<b>14 Other Current Assets</b>		
Unsecured, considered good, unless otherwise stated		
Prepaid expenses	2,348.62	2,252.93
Advances other than capital advances		
Balances with Government Authorities	910.28	-
Advance to suppliers, other than capital advance	262.39	337.10
Other Advances		
- Considered Good	860.55	678.01
- Considered Doubtful	9.91	12.94
	870.46	690.95
Less : Allowances for doubtful advances	9.91	12.94
	<b>4,381.84</b>	<b>3,268.04</b>

## Notes to the Financial Statements for the year ended 31 March 2023 (₹ in lakhs, unless otherwise stated)



Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amounts	Number	Amounts
<b>15 Equity share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	12,50,00,000	12,500.00	12,50,00,000	12,500.00
0.001% Compulsorily and mandatorily convertible participatory preference shares of ₹ 100 each	1,12,00,000	11,200.00	1,12,00,000	11,200.00
	<b>13,62,00,000</b>	<b>23,700.00</b>	<b>13,62,00,000</b>	<b>23,700.00</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	8,83,43,495	8,834.35	8,83,43,495	8,834.35
<b>Total</b>	<b>8,83,43,495</b>	<b>8,834.35</b>	<b>8,83,43,495</b>	<b>8,834.35</b>
<b>a) Reconciliation of equity share capital</b>				
<b>Balance at the beginning of the year</b>	<b>8,83,43,495</b>	<b>8,834.35</b>	<b>8,83,43,495</b>	<b>8,834.35</b>
Issue of Share Capital	-	-	-	-
<b>Balance at the end of the year</b>	<b>8,83,43,495</b>	<b>8,834.35</b>	<b>8,83,43,495</b>	<b>8,834.35</b>
<b>b) Rights/preferences/restrictions attached to equity shares</b>				
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Any fresh issue of equity shares shall rank pari-passu with the existing shares. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting, except interim dividend. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.				
<b>c) Shareholders holding more than 5% of the shares</b>				
<b>Equity shares of ₹ 10 each</b>	<b>Number</b>	<b>% holding</b>	<b>Number</b>	<b>% holding</b>
Dr. Vijay Sankeshwar	2,50,00,000	28.30%	2,97,92,000	33.72%
Dr. Anand Sankeshwar	3,12,65,250	35.39%	3,12,65,250	35.39%
<b>d) Shares held by the promoters at the end of the year</b>	<b>Number</b>	<b>% holding</b>	<b>Number</b>	<b>% holding</b>
<b>Equity shares of ₹ 10 each</b>	<b>Number</b>	<b>% Change</b>	<b>Number</b>	<b>% Change</b>
Dr. Vijay Sankeshwar	2,50,00,000	-16.08%	2,97,92,000	0.00%
Dr. Anand Sankeshwar	3,12,65,250	0.00%	3,12,65,250	0.00%
Mrs. Vani Sankeshwar	4,00,000	0.00%	4,00,000	0.00%
Mrs. Lalita Sankeshwar	21,000	0.00%	21,000	0.00%
Mrs. Bharthi Holikunde	1,750	0.00%	1,750	0.00%
<b>Total</b>	<b>5,66,88,000</b>	<b>64.17%</b>	<b>6,14,80,000</b>	<b>69.59%</b>

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 has not allotted as fully paid up bonus shares.

iii) The Company has bought back 29 lakh equity shares. Of these, 9 lakh equity shares were bought back during the year ended 31 March 2018 and 20 lakh equity shares were bought back during the year ended 31 March 2021.

g) There are no securities convertible into equity / preference shares.

h) There are no calls unpaid on any equity shares.

i) There are no forfeited shares.

**Notes to the Financial Statements for the year ended 31 March 2023**  
(₹ in lakhs, unless otherwise stated)

**16 Other equity**

	Reserves and Surplus				
	Securities Premium	General Reserve	Capital Redemption Reserve	Retained Earnings	Total Other Equity
<b>Balance as at 1 April 2021</b>	<b>11,364.45</b>	<b>9,616.32</b>	<b>290.00</b>	<b>29,608.90</b>	<b>50,879.66</b>
Profit for the year	-	-	-	16,011.26	16,011.26
Other comprehensive income for the year (Net of Tax)	-	-	-	39.02	39.02
<b>Total Comprehensive income for the year ended 31 March 2022</b>				<b>16,050.28</b>	<b>16,050.28</b>
Cash dividends	-	-	-	(10,601.22)	(10,601.22)
Transfer to General Reserve	-	1,601.13	-	(1,601.13)	-
<b>Balance as at 31 March 2022</b>	<b>11,364.45</b>	<b>11,217.45</b>	<b>290.00</b>	<b>33,456.82</b>	<b>56,328.72</b>
Profit for the year	-	-	-	32,320.06	32,320.06
Other comprehensive income for the year (Net of Tax)	-	-	-	101.02	101.02
<b>Total Comprehensive income for the year ended 31 March 2023</b>				<b>32,421.08</b>	<b>32,421.08</b>
Transfer to General Reserve	-	3,232.01	-	(3,232.01)	-
<b>Balance as at 31 March 2023</b>	<b>11,364.45</b>	<b>14,449.46</b>	<b>290.00</b>	<b>62,645.89</b>	<b>88,749.80</b>

**Nature and purpose of reserves**

**Securities Premium:**

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

**General Reserve:**

The reserve is created out of surplus balance of profit of the Company and is a distributable reserve maintained by the Company.

**Capital Redemption Reserve:**

Represents reserve created during buy-back of Equity Shares as required by the Companies Act 2013 and it is a non-distributable reserve.

**Retained Earnings:**

Retained earnings pertain to the accumulated earnings by the Company over the years.

**Notes to the Financial Statements for the year ended 31 March 2022**  
(₹ in lakhs, unless otherwise stated)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non- current	Current	Non- current	Current
<b>17 Borrowings</b>				
<b>Secured Term loans</b>				
From banks	13,538.43	-	10,917.16	-
Less : Current maturities of long-term debt	(2,806.70)		(2,777.19)	
Total term loans	10,731.73		8,139.97	-
Current maturities of term loans		2,806.70		2,777.19
Loans repayable on demand				
Working capital loan from banks	-	4,370.97	-	3,431.09
	<b>10,731.73</b>	<b>7,177.67</b>	<b>8,139.97</b>	<b>6,208.28</b>

**Nature of Security and terms of repayment for secured borrowings**

**Nature of Security**

Term loan from bank, balance outstanding amounting to ₹ 13,538.43 lakhs Repayable in 40 to 58 equal monthly instalments (EMI) from the end of the (31 March 2022 : ₹ 10,917.16 lakhs) is secured by first charge by way of reporting period, EMI ranging between ₹ 0.44 lakhs to ₹ 26.35 lakhs along with hypothecation of certain Lorries interest and having interest rate ranging from 6.40% p.a. to 7.90% p.a. (31 March 2021 - 6.40% p.a. to 8.60% )

**Working capital loan from banks are secured by:**

- First charge by way of equitable mortgage on Land and Building situated at Interest rate is 7.50% p.a. to 10.82% p.a. (31 March 2021: 4.95% p.a. to 9.15% p.a.)  
Davangere, Gulburga and Gadag.
- First charge by way of hypothecation of trade receivable
- First charge by way of hypothecation of inventory

The Company has used the borrowings from banks for the specific purpose for which it were taken as at the balance sheet date. The quarterly returns filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 34.

**18 Other Non-Current Financial Liabilities**

Deposits from agents and others  
Employee related liabilities - Driver Deposits

	As at 31 March 2023	As at 31 March 2022
	372.72	604.83
	930.13	1,021.29
	<b>1,302.85</b>	<b>1,626.12</b>



## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non- current	Current	Non- current	Current
<b>19 Provisions</b>				
Provision for Gratuity (refer note (a) below)	1,812.91	1,295.99	1,875.96	1,134.70
Provision for Compensated absences (refer note (a) below)	996.56	226.85	1,033.69	285.19
	<b>2,809.46</b>	<b>1,522.84</b>	<b>2,909.65</b>	<b>1,419.89</b>

### a) Employee benefits

#### i) Defined Contribution Plans:

The amount recognised as an expense towards Contribution to Defined Contribution Plans is as under:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's Contribution to Provident Fund	2,727.76	2,364.47

#### ii) Defined Benefit Plans

##### - Gratuity

I. Valuations in respect of Gratuity liability has been carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation, as at the Balance Sheet Date, based on the following assumptions:

Particulars	31 March 2023	31 March 2022
Discount rate	Staff 7.40% Drivers and Hamals 7.29%	Staff 7.02% Drivers and Hamals 5.85%
Rate of increase in compensation levels	Staff 5.00% Drivers and Hamals 0.05%	Staff 5.00% Drivers and Hamals 0.05%
Estimated rate of return on plan assets	7.40%	7.02%
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

### II. Amounts recognised in the Balance Sheet

Present value of obligation as at the end of the year	6,197.86	6,320.30
Fair value of plan assets as at the end of the year	3,088.96	3,309.63
Funded status- Surplus/(Deficit)	(3,108.90)	(3,010.67)
Net asset /(liability) recognised in the Balance Sheet	(3,108.90)	(3,010.67)

## Notes to the Financial Statements for the year ended 31 March 2022

(₹ in lakhs, unless otherwise stated)

### 19 Provisions (Contd.)

#### III. Changes in present value of obligations

Particulars	31 March 2023	31 March 2022
Present value of obligation as at the beginning of the year	6,320.30	5,717.29
Current service cost	815.83	784.04
Interest cost	421.98	368.05
Actuarial (gain) / loss on obligations	(135.37)	(45.71)
Acquisitions/Transfers	(633.02)	-
Benefits paid	(591.86)	(503.37)
Present value of obligation as at the end of the year	6,197.86	6,320.30

#### IV. Changes in fair value of plan assets

Fair value of plan assets at the beginning of the year	3,309.63	3,471.18
Expected return on plan assets	228.32	229.76
Actuarial gain/(loss) on plan assets	(0.37)	6.44
Charges	(0.09)	-
Contributions	-	-
Benefits paid	(448.53)	(397.75)
Fair value of plan assets at the end of the year	3,088.96	3,309.63

V. Actual return on plan assets	227.95	236.20
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#### VI. Other Comprehensive Income

Remeasurements - Actuarial (gain)/ loss for the year	(135.00)	(52.15)
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#### VII. Major category of plan assets\*

Gratuity scheme of Insurance Companies	100%	100%
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\*In case of certain employees, the Gratuity liability is funded by payments to the trust administered by the Company.

#### VIII. Remeasurements - Actuarial (gain) / loss

Actuarial (Gain) / Loss due to change in demographic assumptions	-	-
Actuarial (Gain) / Loss due to change in financial assumptions	(166.50)	(118.61)
Actuarial (Gain)/ Loss due to experience adjustments	31.13	72.90
Return on Plan Assets (Greater) / Less than Discount rate	0.37	(6.44)
Total	(135.00)	(52.15)

#### IX. Expense recognised in Statement of Profit and Loss

Current service cost	815.83	784.04
Interest cost	421.98	368.05
Expected return on plan assets	(228.32)	(229.76)
Expense recognised in Statement of Profit and Loss	1,009.49	922.33

## Notes to the Financial Statements for the year ended 31 March 2022

(₹ in lakhs, unless otherwise stated)

### 19 Provisions (Contd.)

X. Sensitivity Analysis of the defined benefit obligation:	As at 31 March 2023	As at 31 March 2022
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	6,197.86	6,923.31
i) Impact due to increase of 1.00%	(321.65)	(338.03)
ii) Impact due to decrease of 1.00%	358.41	377.63
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	6,197.86	6,923.31
i) Impact due to increase of 1.00%	341.38	358.85
ii) Impact due to decrease of 1.00%	(310.39)	(325.63)
c) Impact of change in attrition rate		
Present value of obligation at the end of the period	6,197.86	6,923.31
i) Impact due to increase of 1.00%	31.38	25.41
ii) Impact due to decrease of 1.00%	(35.05)	(28.54)

### XI. The following payments are expected contributions to the defined benefit plan in future years:

2023	933.10	946.45
2024	701.99	685.94
2025	539.65	555.75
2026	461.90	439.18
2027	412.66	390.28
Thereafter	3,148.55	3,302.69

**XII.** The Company expects to contribute around ₹ 860.88 lakhs to the funded plans in financial year 2022-23 towards Gratuity Liability.

### - Compensated absences

The obligation for compensated absences is recognised in the same manner as gratuity and net charge to the Statement of Profit and Loss for the year is ₹ 347.68 lakhs (31 March 2022: ₹ 323.31 lakhs).

Company assesses the assumptions with the projected long-term plans of growth and prevalent industry standards.

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>20 Trade Payables</b>		
Micro and small enterprises	30.34	2.94
Payables to related parties (refer note 43)	-	10.04
Others	1,390.84	1,992.91
	<b>1,421.18</b>	<b>2,005.89</b>

Refer Note 42 for information about credit risk and market risk of trade receivables.

- a) The Company has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act). The disclosure pursuant to the said MSMED Act is as under:

	31 March 2023	31 March 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	30.34	2.94
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) 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	-	-
d) 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	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. 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.

- b) Outstanding for following periods from due date of payment

	As at 31 March 2023	As at 31 March 2022
i. Undisputed MSME	30.34	2.94
- Less than 1 year	30.34	2.94
ii. Undisputed Others	1,390.84	2,002.95
- Less than 1 year	1,337.37	1,994.73
- 1 - 2 years	9.90	2.14
- 2 - 3 years	1.39	2.00
- More than 3 years	6.09	4.08
iii. Disputed MSME	-	-
iv. Disputed Others	-	-

## Notes to the Financial Statements for the year ended 31 March 2022

(₹ in lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>21 Other Financial Liabilities</b>		
Interest accrued but not due on borrowings	45.82	40.82
Unclaimed dividends*	13.70	11.44
Refund towards ticket cancellation	-	1.67
Employee related liabilities	3,894.74	3,602.03
Other accrued liabilities	1,510.05	1,532.86
Payables for capital expenditure	6.03	7.24
	<b>5,470.34</b>	<b>5,196.06</b>

\*An amount of ₹ 1,83,920/-, being unclaimed dividend, was transferred to IEPF on 5th April 2023, which was within the due date for such transfer.

<b>22 Other Current Liabilities</b>		
Advance from customers	1,174.11	1,133.66
Other Advances	226.25	-
Payables to related parties (refer Note 44)	87.87	-
Statutory dues	816.41	849.22
	<b>2,304.64</b>	<b>1,982.88</b>

**Notes to the Financial Statements for the year ended 31 March 2022**  
(₹ in lakhs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
<b>23 Revenue from operations</b>		
<b>Sale of services</b>		
Goods transport	2,60,877.18	2,12,452.51
Transport of passengers by air	358.81	1,113.38
Courier service	1,545.84	1,285.73
<b>Other operating revenues</b>		
Sale of scrap materials	2,069.17	1,503.10
Advertisement income	1.18	1.09
	<b>2,64,852.18</b>	<b>2,16,355.81</b>
<b>24 Other income</b>		
Rent income	482.61	540.01
Interest income	3.31	28.46
Interest on income tax refund	13.55	-
Profit on Sale of Investments	41.78	-
Changes in Fair Value of Investments at FVTPL	25.72	-
Dividend income from equity investment designated at FVTPL	0.71	0.71
Profit on sale of Property, plant and equipment (Net) (Refer Note 2(1))	-	430.47
Interest income resulting from fair valuation of security deposits	258.72	329.13
Miscellaneous income	608.09	352.51
	<b>1,434.48</b>	<b>1,681.29</b>



**Notes to the Financial Statements for the year ended 31 March 2023**  
(₹ in lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>25 Freight, handling and servicing cost</b>		
Lorry hire	24,740.63	16,163.97
Diesel cost	81,019.15	64,688.75
Vehicle running, repairs and maintenance (net)	11,044.31	10,415.29
Stores and spares consumed	6,021.17	4,995.54
Tyres, flaps and re-treading	5,224.90	5,284.98
Bridge and toll charges	19,382.27	13,437.78
<b>Repairs and maintenance</b>		
Plant and equipment and aircraft	1,180.33	1,409.45
Buildings	929.33	729.01
Others	199.69	211.32
Security charges	243.02	229.06
Power	781.22	648.16
Rent	4,968.35	3,971.15
Vehicle taxes	2,022.79	1,881.35
Insurance	2,046.88	1,978.36
Agency commission	2,849.94	2,494.14
Hamali charges	16,815.16	12,945.02
Clearing and forwarding charges	128.14	111.02
Claims	305.25	226.53
	<b>1,79,902.53</b>	<b>1,41,820.88</b>
<b>26 Employee benefits expense</b>		
Salaries, wages and bonus	35,912.99	29,655.77
Contribution to provident and other funds (refer Note 18(a))	3,299.15	2,858.49
Gratuity and compensated absences	1,288.81	1,161.45
Staff welfare expenses	984.14	1,012.62
	<b>41,485.09</b>	<b>34,688.33</b>
<b>27 Finance costs</b>		
Interest on borrowings	1,195.96	1,125.85
Interest on security deposit from agents	10.75	11.16
Interest on lease liability	4,219.89	3,069.18
Other borrowing costs	7.25	9.61
	<b>5,433.85</b>	<b>4,215.80</b>

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>28 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (refer note 2)	5,545.34	7,276.30
Depreciation on right-of-use assets (refer note 2(a))	10,343.77	7,148.34
Depreciation of investment properties (refer note 3)	2.04	2.04
Amortisation of intangible assets (refer note 4)	23.14	23.67
	<b>15,914.28</b>	<b>14,450.35</b>
<b>29 Other expenses</b>		
Travelling and conveyance	1,017.93	566.10
Printing and stationery	525.38	292.34
Legal and professional fees	421.89	355.63
Payment to auditors (refer details below)	82.60	69.15
Office expenses	165.41	128.05
Communication costs	398.93	291.23
Advertisement and business promotion	184.71	158.03
Loss on sale of property, plant and equipment (net)	28.34	-
Bad debts/advances written off	30.30	51.27
(Reversal of Allowance) / Allowance for doubtful advances and debts	(45.38)	15.81
(Gain)/ Loss of Foreign Exchange	(7.40)	22.33
Bank charges	188.92	142.67
Donation	1.77	2.29
Directors' sitting fees	14.87	14.16
Miscellaneous expenses	52.42	47.07
Corporate Social Responsibility expenses (refer Note 40)	238.51	235.46
	<b>3,299.20</b>	<b>2,391.69</b>
<b>Payment to auditors (including taxes)</b>		
As auditor:		
Audit fee	82.60	64.90
In other capacity		
Certification work	4.72	4.25
	<b>87.32</b>	<b>69.15</b>

\*Relates to certification work for Buyback of Equity shares which will be adjusted from the reserves upon completion of the Buyback of Equity shares.

**Notes to the Financial Statements for the year ended 31 March 2023**  
(₹ in lakhs, unless otherwise stated)

**30 Discontinued Operations**

**Wind Power Business (WP Business)**

During the current financial year, the Board of Directors, at their meeting held on 27 May 2022, approved the sale of the Wind Power Business of the Company as a going concern on a slump sale basis. Consequently, the Company has executed a Business Transfer Agreement for the sale of its Wind Power Business as a going concern on a slump sale basis for an aggregate sale consideration of ₹ 5,285 lakhs.

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 March 2022</b>
Revenue from operations	797.37	2,525.69
Other income	-	-
<b>Total Income</b>	<b>797.37</b>	<b>2,525.69</b>
<b>Expenses</b>		
Freight, handling and servicing cost	226.13	647.22
Employee benefits expense	3.24	6.32
Depreciation and amortisation expense	360.25	1,077.94
Other expenses	9.33	45.38
<b>Total expenses</b>	<b>598.95</b>	<b>1,776.86</b>
<b>Profit before tax</b>	<b>198.42</b>	<b>748.83</b>
<b>Tax expense</b>		
Current tax	39.02	136.79
Deferred tax charge / (credit)	12.75	(13.66)
<b>Profit for the period</b>	<b>146.65</b>	<b>625.70</b>
<b>Net Assets of WP Business are as follows</b>	<b>As at 31 July 2022</b>	
Non-Current Assets	3,738.18	
Current Assets	565.47	
Total Assets associated with WPB Undertaking	4,303.65	
Non-Current Liabilities		
Current Liabilities	58.63	
Total Liabilities directly associated with WPB Undertaking	58.63	
<b>Net Assets directly associated with WPB Undertaking</b>	<b>4,245.02</b>	

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### Discontinued Operations (Contd.)

#### Bus Operations Business (BO Business)

During the financial year, the Audit Committee and the Board of Directors at their respective meetings held on 15 September 2022, approved the Transfer of the Bus Operations Business of the Company to Vijayanand Travels Private Limited (a company owned and controlled by the Promoter(s) of the Company), as a going concern, on a slump sale basis for a lump sum consideration of ₹ 23,000 Lakhs (Rupees Twenty Three Thousand Lakhs only), determined on the basis of independent valuation reports, subject to approval by the shareholders. The said transaction was approved by the shareholders by way of a special resolution through the postal ballot process on 31 October 2022. The said related party transaction was carried out at an arms-length price and is in compliance with Section 188 of the Act.

	Year ended 31 December 2022	Year ended 31 March 2022
Revenue from operations	25,840.26	20,483.75
Other income	-	-
<b>Total Income</b>	<b>25,840.26</b>	<b>20,483.75</b>
<b>Expenses</b>		
Freight, handling and servicing cost	18,929.04	16,697.32
Employee benefits expense	2,273.68	2,507.74
Finance costs	124.68	93.38
Depreciation and amortisation expense	968.54	1,271.47
Other expenses	379.24	143.50
<b>Total expenses</b>	<b>22,675.18</b>	<b>20,713.41</b>
<b>Profit before tax</b>	<b>3,165.08</b>	<b>(229.66)</b>
<b>Tax expense</b>		
Current tax	622.48	-
Deferred tax charge / (credit)	203.39	-
<b>Profit for the period</b>	<b>2,339.21</b>	<b>(229.66)</b>

#### Net Assets of BO Business are as follows

As at 31 December 2022

Non-Current Assets	5,666.58
Current Assets	1,057.69
<b>Total Assets associated with BO Undertaking</b>	<b>6,724.27</b>
Non-Current Liabilities	-
Current Liabilities	1,424.31
<b>Total Liabilities directly associated with BO Undertaking</b>	<b>1,424.31</b>
<b>Net Assets directly associated with BO Undertaking</b>	<b>5,299.96</b>

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>31 Exceptional Items</b>		
Profit on Sale of Bus Operations Business (refer Note 1 below)	17,686.53	-
Profit on Sale of Wind Power Business (refer Note 2 below)	1,033.92	-
	<b>18,720.45</b>	-

### Notes:

(1) The Company has, during the year, executed a Business Transfer Agreement for the sale / transfer of its Wind Power Business as a going concern on a slump sale basis for an aggregate sale consideration amounting to ₹ 5,285 lakhs. The approval from the relevant regulatory authorities for the sale transaction has been obtained on 10 January 2023 and the profit before tax amounting to ₹ 1,034 lakhs on this sale (net of expenses incurred amounting to ₹ 6 lakhs) is recognized as an Exceptional Item.

(2) The Company has, during the year, executed a Business Transfer Agreement with a promoter group company for the sale / transfer of its Bus Operations Business as a going concern on a slump sale basis for an aggregate sale consideration amounting to ₹ 23,000 lakhs. The Company has obtained all the relevant approvals for the sale / transfer, including approval from the regulatory authorities on 25 January 2023. The profit before tax amounting to ₹ 17,687 lakhs on sale / transfer (net of expenses incurred amounting to ₹ 13 lakhs) is recognized as an Exceptional Item.

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>32 Tax expense</b>		
<b>Tax expense on continuing operations</b>		
Current tax expense	3,448.50	5,613.21
Deferred tax	500.27	(538.44)
Current tax adjustments pertaining to earlier years	(310.81)	(219.94)
<b>Total Tax expense on continuing operations</b>	<b>3,637.96</b>	<b>4,854.83</b>
<b>Tax expense on Discontinued operations</b>		
Current tax expense	6,161.50	136.79
Deferred tax	216.14	(13.66)
<b>Total Tax expense on Discontinued operations</b>	<b>6,377.64</b>	<b>123.13</b>
	<b>10,015.60</b>	<b>4,977.96</b>
<b>32.1 Tax reconciliation (for profit and loss)</b>		
Profit before tax from continuing operations	20,251.71	20,470.05
Profit before tax from discontinued operations	22,083.95	519.17
<b>Total Profit before income tax expense</b>	<b>42,335.66</b>	<b>20,989.22</b>
Tax at the rate of 25.168% (PY : 25.168%)	10,655.04	5,282.57
Current tax expense	10,655.04	5,282.57
<b>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</b>		
Depreciation	(2,332.26)	51.49
Current tax adjustments pertaining to earlier years	(310.81)	(219.94)
Donation	0.44	0.58
Corporate Social Responsibility expenses	60.03	59.26
Expense amount for Gratuity transferred to OC	(33.98)	(13.13)
Income from house property	9.94	4.26
Profit on sale of investments in Mutual Funds	(0.84)	-
Changes in Fair Value of Investments at FVTPL	6.47	-
Differential tax rate on capital gains on sale of business divisions	(480.49)	-
Non-taxable capital gains on compulsory acquisition of Land	-	(34.63)
Differential tax rate on sale of CERS	-	(82.98)
Other tax deductions	2,442.06	(61.00)
<b>Tax expense for the year</b>	<b>10,015.60</b>	<b>4,977.96</b>

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

**32.2 The movement in deferred tax assets and liabilities during the year ended 31 March 2022 and 31 March 2023 are as follows:**

Particulars	As at 01 April 2021 Deferred tax Asset/(Liabilities)	Credit/(charge) in statement of Profit and Loss	Credit/ (charge) directly to equity	Credit/(charge) in statement of Other comprehensive income	As at 31 March 2022 Deferred tax Asset/ (Liabilities)
Property, plant and equipment and Intangible assets	(6,635.81)	56.26	-	-	(6,579.54)
Allowance for doubtful debts and advances	72.27	3.98	-	-	76.25
Provision for Gratuity, compensated absences and lease equalisation	835.58	267.21	-	(13.13)	1,089.66
Provision for bonus	314.45	20.25	-	-	334.70
Difference in book values and tax base values of ROU asset and Lease liability	1,012.67	146.90	-	-	1,159.57
Others	-	57.48	-	-	57.48
<b>Total</b>	<b>(4,400.84)</b>	<b>552.08</b>	<b>-</b>	<b>(13.13)</b>	<b>(3,861.88)</b>

Particulars	As at 01 April 2022 Deferred tax Asset/(Liabilities)	Credit/(charge) in statement of Profit and Loss	Credit/ (charge) directly to equity	Credit/(charge) in statement of Other comprehensive income	As at 31 March 2023 Deferred tax Asset/ (Liabilities)
Property, plant and equipment and Intangible assets	(6,579.54)	(996.35)	-	-	(7,575.88)
Allowance for doubtful debts and advances	76.25	(11.42)	-	-	64.83
Provision for Gratuity, compensated absences and lease equalisation	1,089.66	34.67	-	(33.98)	1,090.35
Provision for bonus	334.70	44.13	-	-	378.83
Difference in book values and tax base values of ROU asset and Lease liability	1,159.57	212.55	-	-	1,372.11
Others	57.48	-	-	-	57.48
<b>Total</b>	<b>(3861.88)</b>	<b>(716.41)</b>	<b>-</b>	<b>(33.98)</b>	<b>(4,612.28)</b>



## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 33 Earnings per share

The amount considered in ascertaining the Company's earnings per share constitutes the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net profit after tax attributable to equity shareholders (for continuing operations)	16,613.75	15,615.22
Net profit after tax attributable to equity shareholders (for discontinued operations)	15,706.31	396.04
Net profit after tax attributable to equity shareholders (for continuing and discontinued operations)	32,320.06	16,011.26
<b>Movement in Equity Share Capital</b>	<b>Number</b>	<b>Number</b>
<b>Opening balance</b>	<b>8,83,43,495</b>	<b>8,83,43,495</b>
<b>Closing balance</b>	<b>8,83,43,495</b>	<b>8,83,43,495</b>
Number of shares outstanding	8,83,43,495	8,83,43,495
Weighted average number of shares outstanding during the year – Basic and Diluted	8,83,43,495	8,83,43,495
Basic and Diluted earnings per share (₹)		
- from continuing operations	18.80	17.68
- from discontinued operations	17.78	0.44
- from continuing and discontinued operations	36.58	18.12
Nominal value per equity share (₹)	10.00	10.00

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
<b>34 Assets Pledged as security</b>		
<b>Current Assets</b>		
<b>Financial Assets</b>		
<i>Floating Charge</i>		
Trade receivables	8,169.39	6,725.85
	<b>8,169.39</b>	<b>6,725.85</b>
<b>Non Financial Assets</b>		
<i>Floating Charge</i>		
Inventories	5,279.28	4,585.52
<b>Total Current assets pledged as security</b>	<b>13,448.67</b>	<b>11,311.37</b>
<b>Non Current Assets</b>		
Land	488.90	494.04
Building	375.93	847.01
Vehicles	15,170.81	10,918.62
<b>Total non-current assets pledged as security</b>	<b>16,035.64</b>	<b>12,259.67</b>
<b>Total assets Pledged as security</b>	<b>29,484.31</b>	<b>23,571.04</b>

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 35 Contingent Liabilities not provided for

Particulars	As at 31 March 2023	As at 31 March 2022
<b>A] Claims against the Company not acknowledged as Debts</b>		
Income tax matters	1,681.62	1,744.74
Customs duty (refer note (b) below)	3.84	1,569.02
Service tax matters	639.40	639.40
Goods and services tax	317.55	19.34
Additional bonus that may be payable	202.00	202.00
<b>Total (A)</b>	<b>2,844.41</b>	<b>4,174.50</b>
<b>B] Disputed claims pending in Courts</b>	<b>322.19</b>	<b>260.31</b>
<b>C] Guarantees given on behalf of the Company by banks</b>	<b>4.00</b>	<b>4.00</b>
<b>D] Other contractual matters</b>		
(i) Claims not received against goods transport consignments	5.80	83.12
(ii) Lease liabilities	72.70	72.70
<b>Total</b>	<b>3,249.10</b>	<b>4,594.63</b>

E] The Department of Stamps and Registration, Government of Karnataka had issued a notice towards stamp duty payable on acknowledgment of delivery of a letter, article, document, parcel, package or consignment, given by the Company to the sender of such letter, article, document, etc. in accordance with the Karnataka Stamp Act, 1957 (Article- 1 (ii) of the Schedule). The Company has challenged the constitutional validity of the said provision by way of Writ Petition before the Honourable High Court of Karnataka, Circuit Bench at Dharwad. The Writ Petition came-up for hearing and subject to deposit of a sum of ₹ 25 lakhs, the Authorities have been directed not to take any coercive action and also to determine the Stamp Duty liability. The Company has paid the deposit of ₹ 25 lakhs, disclosed under Other Non-current assets in the books of account, but the quantum of Stamp Duty payable is yet to be arrived at by the Department. In the opinion of the Management, no financial liability is expected to arise in this regard. The financial liability that may ultimately devolve upon the Company is currently not ascertainable and as such no amount has been included as contingent liability towards the same.

#### Notes:-

a. The Company is in appeal against demands on Income Tax, Customs duty, service tax, goods and services tax.  
b. Customs duty liability is in respect of alleged violation of terms and conditions of Non Scheduled Air Transport Service, as claimed by the Customs Department to the extent it can be quantified. The said department has issued a Show cause cum demand notice alleging violation of terms and conditions of Non Scheduled Air Transport Service and demanded, amongst others, customs duty on the import of aircraft, interest and penalty/fine thereon. The Company had earlier availed of the exemption available under the Customs Act, 1962 (the 'Act') and was accordingly assessed to Nil duty under the Act. The Company has deposited the Customs duty, including interest thereon, without prejudice to further rights. These payments amounting to ₹ 688.05 lakhs have been disclosed under Other Non-current assets in the books of account. The Company has already filed the necessary response to the demand notice and subsequent to the year end has received a favourable order in this regard.

During the year, the Company has received an order for payment of differential customs duty on import of windshield for aircraft maintenance of ₹ 3.84 lakhs against which the Company has filed an appeal.

c. The above figures for contingent liabilities do not include amounts towards certain additional penalties/interest that may devolve on the Company in the event of an adverse outcome as the same is subjective and not capable of being presently quantified.

d. Future cash outflows in respect of (A) above can be determined only on receipt of judgments/decisions pending with various forums/authorities.

e. The amount disclosed in respect of (B) above represents the estimated liability based on independent legal opinion obtained by the Management in relation to the various cases of Motor Vehicle Accidents, Consumer disputes, Workmen compensation, etc. filed against the Company.

36 The Honourable Supreme Court, has passed a judgement on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees'

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

Provident Funds & Miscellaneous Provisions Act, 1952. Management, based on legal advice obtained, is of the view that the principles enumerated in the judgement is not applicable to the Company considering the nature of allowances paid and the manner in which it is paid on selective basis to the employees and workers of the Company.

### 37 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 39,405.53 lakhs net of advances of ₹ 889.23 lakhs. (31 March 2022: ₹ 34,800.44 lakhs and net of advances of ₹ 79.53 lakhs)

### 38 Certified Emission Reductions Credits

In earlier years, the Company had recognised income by trading complete amount of possible Green House Gas (GHG) emission reductions generated by its Windmill project. The Company's Clean Development Mechanism (CDM) project is registered with the United Nations Framework Convention on Climate Change (UNFCCC) and necessary approvals for the trade of carbon credits have been procured.

The Company has Certified Emission Reductions (CERs) balance of 306,448 units (net of 2% CDM administration fees) for the period 1 January 2013 to January 2018 which has been certified.

### 39 Buyback of Equity Shares

The Board of Directors at its meeting held on 30 January 2023 had approved the proposal to buyback up to 8,75,000 fully paid up equity shares having a face value of ₹ 10 each representing up to 0.99% of the total number of equity shares in the paid-up equity share capital of the Company, at a price of ₹ 700 per equity share payable in cash for a maximum amount not exceeding ₹ 6,125 lakh (excluding transaction costs and other incidental expenses), representing 9.44% of the aggregate of the fully paid-up equity share capital and free reserves of the Company, as per the latest audited financial statements of the Company i.e. for the financial year ended 31 March 2022, being within the 10% limit of paid-up share capital and free reserves (including securities premium account) as per the said audited financial statements. The Buyback was undertaken through the Tender Offer route in accordance with the provisions contained in the SEBI (Buy-Back of Securities) Regulations, 2018, as amended and accordingly 8,75,000 equity shares have been extinguished on 17 April 2023.

### 40 Contribution towards Corporate Social Responsibility (CSR)

The Company undertakes CSR activities in the areas of Eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability and rural development projects.

	31 March 2023	31 March 2022
Amount required to be spent by the company during the year	252.75	208.41
Less: Excess amounts spent in earlier years	(27.05)	-
Net amount required to be spent by the company during the year	225.70	208.41
Amount of expenditure incurred	238.51	235.46
For CSR activities other than acquisition / construction of assets		
- In Cash	238.51	235.46
- Yet to be paid	-	-
	238.51	235.46
(Excess) / Shortfall at the end of the year*	(12.81)	(27.05)
Details of related party transactions, e.g., contribution to a trust / society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (Ind-AS) 24, Related Party Disclosures.	-	-
Corporate Social Responsibility expenses in excess of obligation of current year, to be set off against the required 2% CSR expenditure upto the immediately succeeding three financial years:		
- upto the financial year ended March 31, 2025	-	27.05
- upto the financial year ended March 31, 2026	12.81	-
Amount not spent during the year	-	-

**Notes to the Financial Statements for the year ended 31 March 2023**  
(₹ in lakhs, unless otherwise stated)

**41 Leases**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>The Balance sheet discloses the following amounts relating to leases:</b>		
<b>Right-of-use assets</b>		
Buildings	48,264.59	34,976.60
	<b>48,264.59</b>	<b>34,976.60</b>
<b>Lease liabilities</b>		
Current	12,545.86	9,502.25
Non-current	41,516.75	29,809.98
	<b>54,062.61</b>	<b>39,312.23</b>

Amounts recognised in statement of profit and loss	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Depreciation charge on Right-of-use assets</b>		
Buildings	10,804.33	7,148.34
Continuing Operations	10,343.79	6,600.47
Discontinued Operations	460.54	547.87
Total		
Interest expense included in finance cost	4,314.80	3,069.18
Continuing Operations	4,219.89	2,988.83
Discontinued Operations	94.91	80.35
Total		
Expense relating to short-term leases	5,143.15	3,971.15
Continuing Operations	4,968.35	3,811.52
Discontinued Operations	174.80	159.63
Total		
Total cash outflow for leases during current financial year (excluding short term leases)	13,656.74	10,181.63
Additions to the right of use assets	27,390.46	16,275.92

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 42 Fair value measurements

#### Financial instruments by category:

All financial assets and financial liabilities of the Company are under the amortised cost measurement category at each of the reporting dates except Equity investments which are recognised and measured at fair value through profit or loss.

#### Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's financial assets and financial liabilities

Category	31 March 2023			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
<b>Financial liabilities</b>				
Borrowings (including current maturities of long-term debt)	13,538.43	-	-	13,538.43
Lease Liabilities	54,062.61	-	-	54,062.61
Other financial liabilities	1,302.85	-	-	1,302.85
<b>Financial assets</b>				
Non-current security deposits	6,260.72	-	-	6,260.72
Other financial assets	175.54	-	-	175.54
FVTPL financial investments	1,507.05	1,501.80	-	5.25

Category	31 March 2022			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
<b>Financial liabilities</b>				
Borrowings (including current maturities of long-term debt)	10,917.16	-	-	10,917.16
Lease Liabilities	39,312.23	-	-	39,312.23
Other financial liabilities	1,626.12	-	-	1,626.12
<b>Financial assets</b>				
Non-current Security deposits	3,592.16	-	-	3,592.16
Other financial assets	187.79	-	-	187.79
FVTPL financial investments	5.25	-	-	5.25

- During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

- The carrying amounts of Security deposits (current), trade receivables, other current financial assets, cash and cash equivalents, current fixed deposits with banks, current borrowings, trade payables and other current financial liabilities are considered to be approximately equal to their fair value, since those are current in nature.

#### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

- The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of indirectly observable inputs.

#### Valuation process

The Company evaluates the fair value of financial assets and financial liabilities on periodic basis using the best and most relevant data available.

**Notes to the Financial Statements for the year ended 31 March 2023**  
(₹ in lakhs, unless otherwise stated)

**42 Fair value measurements (Contd.)**

**Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments.

The Company is exposed to market risk, credit risk and liquidity risk. Company's senior management oversees the management of these risks. It is Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

**a) Market risk**

Market risk is the risk of any loss in future earnings, in realisable fair value or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of change in the interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**I. Interest rate sensitivity**

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. Company does not have significant exposure to the risk of changes in market interest rates as Company's long-term debt obligations is at fixed interest rates.

**II. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. However, the Company is not exposed to foreign currency risk since it has no unhedged exposure as at reporting date.

**b) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, lease liabilities, trade payables and other financial liabilities.

**Liquidity risk management**

Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of Company's financial liabilities based on contractual undiscounted payments.

**As at 31 March 2023**

Particulars	On demand	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Borrowings	4,370.97	2,852.52	3,201.83	3,443.22	4,086.68	17,955.22
Lease liabilities	-	13,040.35	10,855.08	8,243.18	50,279.17	82,417.78
Other financial liabilities	-	5,424.52	1,302.85	-	-	6,727.37
Trade payables	-	-	-	-	-	-
Undisputed:						
- MSME	-	30.34	-	-	-	30.34
- Others	-	1,390.84	-	-	-	1,390.84
Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-



## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 42 Fair value measurements (Contd.)

As at 31 March 2022

Particulars	On demand	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Borrowings	3,431.09	2,818.01	2,523.18	2,420.97	3,195.82	14,389.07
Lease liabilities		9,129.28	7,764.33	5,527.58	42,285.02	64,706.21
Other financial liabilities		5,155.24	1,626.12	-	-	6,781.36
Trade payables						
Undisputed:						
- MSME	-	2.94	-	-	-	2.94
- Others	-	2,002.95	-	-	-	2,002.95
Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-

### c) Credit risk

Credit risk arises from cash and bank balances, current and non-current financial assets, trade receivables and other financial assets carried at amortised cost.

#### Credit risk management

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision margin to compute the expected credit loss allowance for trade receivable.

Bank balances are held with only high rated banks. Trade receivables are generally recovered within the credit period. Accordingly, the provision for impairment is considered immaterial. Also, trade receivables are monitored on periodic basis for any non-recoverability of the dues.

#### Trade receivables:

The ageing of trade receivables and expected credit loss analysis on these trade receivables is given in below table:

Balance as at 31 March 2023	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
– considered good	4,181.52	3,979.19	8.68	-	-	-	8,169.39
– which have significant increase in credit risk.	-	-	-	-	-	-	-
– credit impaired	-	-	-	2.26	11.56	2.27	16.09
Disputed Trade Receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	131.95	131.95
Balance as at 31 March 2022	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
– considered good	3,377.44	3,285.06	48.28	15.07	-	-	6,725.85
– which have significant increase in credit risk.	-	-	-	-	-	-	-
– credit impaired	-	-	-	13.73	23.67	2.26	39.66
Disputed Trade Receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	145.57	145.57

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 42 Fair value measurements (Contd.)

The expected credit loss analysis on these trade receivables is given in below table:

Particulars	Amount
As at 1 April 2021	187.00
Provision for doubtful debts	39.66
Bad debts	41.43
As at 31 March 2022	185.23
Provision for doubtful debts	37.08
Bad debts	74.27
As at 31 March 2023	148.04

### 43 Capital management

#### 43.1 Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, Company may adjust the amount of dividends paid to shareholders.

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings #	17,955.22	14,389.07
Less: Cash and cash equivalents	(1,150.97)	(854.01)
<b>Net debt</b>	<b>16,804.25</b>	<b>13,535.06</b>
Equity	97,584.15	65,163.07
Capital and net debt	1,14,388.40	78,698.13
Gearing ratio	14.69%	17.20%

#Borrowings for the above purpose includes non-current borrowings, current borrowings, current maturities of non current borrowings and Interest accrued but not due on borrowings.

#### 43.2 Net debt reconciliation

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	1,150.97	854.01
Non-current borrowings ( including current maturities)	(13,538.43)	(10,917.16)
Current borrowings	(4,360.84)	(2,885.91)
Lease liabilities	(54,062.61)	(39,312.23)
Interest payable	(45.82)	(40.82)
<b>Net Debt</b>	<b>(70,856.73)</b>	<b>(52,302.11)</b>

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 43 Capital Management

#### 43.2 Net debt reconciliation (Contd.)

Particulars	Cash and cash equivalents	Non-current borrowings (including current maturities)	Current borrowings	Lease liabilities	Interest Payable	Total
<b>Net debt as on 1 April 2021</b>	<b>1,866.86</b>	<b>(5,533.67)</b>	<b>(6,423.38)</b>	<b>(30,219.48)</b>	<b>(20.98)</b>	<b>(40,330.65)</b>
Non cash movement: Acquisitions / disposals / interest	-	-	-	(19,274.38)	-	(19,274.38)
Cash flows	(1,012.85)	(5,383.49)	3,537.47	10,181.63	-	7,322.76
Finance cost	-	-	-	-	(1,159.65)	(1,159.65)
Interest paid	-	-	-	-	1,139.81	1,139.81
<b>Net debt as on 31 March 2022</b>	<b>854.01</b>	<b>(10,917.16)</b>	<b>(2,885.91)</b>	<b>(39,312.23)</b>	<b>(40.82)</b>	<b>(52,302.11)</b>
Non cash movement: Acquisitions / disposals / interest	-	-	-	(28,407.12)	-	(28,407.12)
Cash flows	296.96	(2,621.27)	(1,474.93)	13,656.74	-	9,857.50
Finance cost	-	-	-	-	(1,243.73)	(1,243.73)
Interest paid	-	-	-	-	1,238.73	1,238.73
<b>Net debt as on 31 March 2023</b>	<b>1,150.97</b>	<b>(13,538.43)</b>	<b>(4,360.84)</b>	<b>(54,062.61)</b>	<b>(45.82)</b>	<b>(70,856.73)</b>

#### 42.3 Dividends

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Dividend on equity shares declared and paid during the year:</b>		
Final dividend for the year ended 31 March 2023 of ₹ Nil (31 March 2022 - ₹ 4 )	-	3,533.74
Interim dividend for the year ended 31 March 2023 of ₹ Nil (31 March 2022 - ₹ 8 )	-	7,067.48
<b>Proposed dividend on equity shares not recognised as liability:</b>		
Proposed final dividend for the year ended 31 March 2022 of ₹ Nil (31 March 2021 - ₹ 4) per fully paid share	4,373.42	-

## Notes to the Financial Statements for the year ended 31 March 2022

(₹ in lakhs, unless otherwise stated)

### 44 Related party disclosures

As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

#### a) Names of related parties and description of relationship:

Key Management Personnel (KMP) and their relatives	a. Dr. Vijay Sankeshwar (Chairman & Managing Director)
	b. Dr. Anand Sankeshwar (Managing Director)
	c. Mr. Kalliveerappa Umesh (Executive Director)
	d. Mr. Ramanand Laxminarayan Bhat (Executive Director)
	e. Mrs. Vani Sankeshwar (President) - relative of director
	f. Mrs. Lalitha Sankeshwar - relative of director
	g. Mrs. Bharati Holkunde - relative of director
	h. Mr. Sunil Nalavadi (Chief Financial Officer)
	i. Mr. Aniruddha Phadnavis (Company Secretary)
Non Executive Directors and Independent Directors (with whom transactions have taken place)	a. Dr. Prabhakar Kore
	b. Mr. Gurudas Narekuli
	c. Dr. Raghottam Akamanchi
	d. Mrs. Medha Pawar
	e. Mr. Shankarasa Ladwa
	f. Dr. Anand Pandurangi
	g. Dr. Ashok Shettar
	h. Mrs. Smriti Bellad
Enterprises in which KMP or their relative have significant influence (with whom transactions have taken place)	a. Aradhana Trust
	b. Ayyappa Bhaktha Vrunda Trust
	c. Sankeshwar Ventures (India) Private Limited
	d. Sankeshwar Printers Private Limited
	e. VRL Media Private Limited (formerly known as VRL Media Limited)
	f. VRL employees Group Gratuity Trust
	g. VRL Foundation
	h. Vijayanand Infotech Private Limited
	i. Hyperconnect Technologies Private Limited
	j. Vijayanand Logistics Private Limited
	k. Welldone Cinemas LLP
	l. Vijayanand Travels Private Limited.
	m. Vijayanand Foods Private Limited
	n. VRL Steel Private Limited

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 44 Related party disclosures (Contd.)

#### b) Disclosures of transactions between the Company and its related parties, along with outstanding balances as at year end

Nature of transactions	Name of the Party	Nature of relationship	Year ended 31 March 2023	Year ended 31 March 2022
<b>Income</b>				
Rent	Sankeshwar Ventures (India) Private Limited	Enterprise in which KMP or their relative have significant influence	0.67	0.67
	VRL Media Private Limited		212.40	221.39
	Vijayanand Travels Private Limited		3.45	-
	Welldone Cinemas LLP		-	0.88
Freight	Sankeshwar Ventures (India) Private Limited	Enterprise in which KMP or their relative have significant influence	21.21	14.98
	Sankeshwar Printers Private Limited		4.42	5.50
	VRL Media Private Limited		247.91	200.07
	Welldone Cinemas LLP		-	0.57
Ticket Collection	Welldone Cinemas LLP	Enterprise in which KMP or their relative have significant influence	-	1.57
Reimbursements	VRL Media Private Limited	Enterprise in which KMP or their relative have significant influence	1.08	0.97
	Welldone Cinemas LLP		-	0.38
Sale of Bus Operations	Vijayanand Travels Private Limited.	Enterprise in which KMP or their relative have significant influence	23,000.00	-
Other Income	Vijayanand Travels Private Limited.	Enterprise in which KMP or their relative have significant influence	0.15	-
Advertisement	VRL Media Private Limited	Enterprise in which KMP or their relative have significant influence	1.18	1.09
Transport of Passengers by Air	Dr. Anand Sankeshwar	Key Management Personnel (KMP) and their relatives	21.02	20.65
		<b>Total</b>	<b>23,513.49</b>	<b>468.73</b>

#### Expenditure/Payments

Remuneration/ Commission including leave encashment paid #	Dr. Vijay Sankeshwar	KMP	337.88	324.00
	Dr. Anand Sankeshwar	KMP	310.00	300.00
	Mr. Sunil Nalavadi	KMP	142.65	42.04
	Mr. Aniruddha Phadnavis	KMP	131.72	38.44
	Mrs. Vani Sankeshwar	KMP/ Relative of KMP	13.50	18.00
	Mr. Ramanand Laxminarayan Bhat	KMP	164.69	144.04
	Mr. Kalliveerappa Umesh	KMP	167.34	144.04

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 44 Related party disclosures (Contd.)

Commission	Dr. Vijay Sankeshwar	KMP	135.00	110.00
Director Sitting fees (excluding taxes)	Dr. Prabhakar Kore	Independent Directors	0.75	1.20
	Mrs. Medha Pawar	Independent Directors	2.55	2.85
	Mr. Gurudas Narekuli	Independent Directors	1.65	1.50
	Mrs. Smriti Bellad	Independent Directors	0.45	0.45
	Mr. Shankarasa Ladwa	Independent Directors	3.15	2.25
	Dr. Anand Pandurangi	Independent Directors	1.35	1.05
	Dr. Ashok Shettar	Non Executive Director	0.90	1.05
	Dr. Raghottam Akamanchi	Non Executive Director	1.80	1.65
Printing and stationery	Sankeshwar Printers Private Limited	Enterprise in which KMP or their relative have significant influence	44.94	28.72
Advertisement expenses	VRL Media Private Limited	Enterprise in which KMP or their relative have significant influence	43.78	63.15
Beverages Expenses	Sankeshwar Ventures (India) Private Limited	Enterprise in which KMP or their relative have significant influence	2.86	1.29
Courier Hire Charges	Vijayanand Travels Private Limited.	Enterprise in which KMP or their relative have significant influence	6.56	-
Dividend paid	Dr.Vijay Sankeshwar	KMP	-	3,575.04
	Dr. Anand Sankeshwar	KMP	-	3,751.83
	Mrs.Vani Sankeshwar	Relative of KMP	-	48.00
	Mrs. Lalitha Sankeshwar	Relative of KMP	-	2.52
	Mrs. Bharati Holkunde	Relative of KMP	-	0.21
	Mr. Ramanand Laxminarayan Bhat	KMP	-	0.25
	Mr. Kalliveerappa Umesh	KMP	-	0.21
		<b>Total</b>	<b>1,513.52</b>	<b>8,603.78</b>

### Balance as at year end:

Nature of balance	Name of the Party	Nature of relationship	As at 31 March 2023	As at 31 March 2022
<b>Assets:</b>				
Receivables	Sankeshwar Ventures (India) Private Limited	Enterprise in which KMP or their relative have significant influence	1.05	0.72
	Sankeshwar Printers Private Limited		0.14	0.12
	Vijayanand Travels Private Limited		3.09	-
	VRL Media Private Limited		22.51	26.86
	Welldone Cinemas LLP		-	0.57
		<b>Total</b>	<b>26.79</b>	<b>28.27</b>

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 44 Related party disclosures (Contd.)

#### Liabilities:

Payables	VRL Media Private Limited	Enterprise in which KMP or their relative have significant influence	-	9.96
	Vijayanand Travels Private Limited		87.87	-
	Sankeshwar Ventures (India) Private Limited			0.08
Remuneration / Commission payable	Dr. Vijay Sankeshwar	KMP	107.21	83.90
	Dr. Anand Sankeshwar	KMP	16.15	14.15
	Mrs. Vani Sankeshwar	Relative of KMP	-	0.48
	Mr. Kalliveerappa Umesh	KMP	8.87	8.82
	Mr. Ramanand Laxminarayan Bhat	KMP	8.89	8.55
	Mr. Sunil Nalavadi	KMP	9.90	2.25
	Mr. Aniruddha Phadnavis	KMP	8.75	2.66
		Total	<b>247.64</b>	<b>130.85</b>

#### Terms and conditions of transactions with related parties :

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs vide cash/bank payment. There have been no guarantees received or provided for any related party receivables or payables. For the year ended 31 March 2023, Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

#### Compensation of key management personnel of the Company

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits:		
- Salaries including bonuses	1,402.78	1,102.56

# Gratuity and Compensated Absences are computed for all the employees in aggregate, the amount relating to Key Managerial Personnel cannot be individually identified.



## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### 45 Analytical Ratios

Ratio analysis and its elements

Particulars	As at March 31, 2022	As at March 31, 2021	Change %	Reason for more than 25% change
Current Ratio	0.91	0.65	41.18%	Due to increase in Leased premises security deposits which is forming part of current assets in the current year on account of expansion in leased premises related to Transshipment hubs and opened considerable number of branch offices in leased premises
Debt - equity Ratio	0.74	0.82	(10.45%)	Due to increase in Equity on account of increase in profit for the year from continued operations, discontinued operations, exceptional profit from Sale of Wind Power business and Sale of Bus operations business. Further, usage of cashflows from operating activities before working capital changes, substantial cashflow from investment activities on account of Sale of Wind Power business and Sale of Bus operations business after the Capital Expenditure, for repayment of debts.
Debt Service Coverage Ratio	0.49	0.59	(16.95%)	Increase in borrowings due to considerable capex and increase in lease liabilities due to increase in lease premises for expansion of Transshipment hub areas and increase in number of branches
Return on Equity	39.72%	25.64%	54.89%	Due to increase in Returns on account of increase in profit for the year from continued operations, discontinued operations, exceptional profit from Sale of Wind Power business and Sale of Bus operations business.
Trade Receivables turnover ratio	30.87	29.29	5.37%	Growth in business as compared to previous financial year.
Trade payables turnover ratio	17.58	27.36	(35.75%)	Due to decrease in Net Credit purchases
Net capital turnover ratio	(97.06)	(22.99)	322.18%	Due to substantial growth in Sales from continued operations in comparison to proportionate increase in working capital
Net Profit Ratio	6.27%	7.22%	(13.09%)	Decrease in EBITDA margins due to increase in fuel cost, lorry hire charges and bridge & toll charges as a percentage to the Sales resulted into decrease in Net profit margins as compared to the previous year
Return on Capital employed	27.42%	20.11%	36.32%	This ratio improved due to increase in profit for the year and exceptional profits in the current year on account of Sale of Bus business operations and Wind Power business operations,.
Return on Investment	6.06%	12.64%	(52.00%)	Decrease in Returns is on account of the date of acquisition of deposits in the current year are on later dates during the financial year

#### Note:

For the periods upto March 31, 2022, all relevant amounts pertaining to continuing and discontinued operations have been considered

For the periods after March 31, 2022, only relevant amounts pertaining to continuing operations have been considered.

Financial ratios given above are not comparable because of impact of accounting for the scheme and different approach followed to calculate ratios for the year ended March 31, 2023 and March 31, 2022

## Notes to the Financial Statements for the year ended 31 March 2023

(₹ in lakhs, unless otherwise stated)

### Formulae used for Calculation of Key Ratios and Financial indicators:

Current Ratio = Current Assets / Current Liabilities

Debt – Equity Ratio = (Total Borrowings + Total Lease Liabilities + Accrued Interest Payable) / Shareholders' Equity

Debt Service Coverage Ratio = EBIDA / (Total Borrowings + Total Lease Liabilities + Accrued Interest Payable)

Return on Equity = Profit after Tax / Average Shareholder's Equity

Trade Receivables turnover ratio = Net Credit Sales / Average Trade Receivables

Trade Payables turnover ratio = Net Credit Purchases / Average Trade Receivables

Net capital turnover ratio = Revenue from Operations / (Current Assets - Current Liabilities)

Net Profit Ratio = Profit after tax / Revenue from Operations

Return on Equity Ratio = Net Profits after taxes / Average Shareholder's Equity

Return on capital employed (ROCE) = Earning before interest and taxes / Capital Employed

Capital Employed = Tangible Net worth + Total Borrowings + Total Lease Liabilities + Accrued Interest Payable + Deferred Tax Liabilities

Return on investment = Income generated from invested funds (including capital gains / losses, net of taxes) / Average value of investments

### 46 Segment Reporting

Based on the criteria given in Ind AS 108 and in the opinion of the Chief Operating Decision maker, 'Transport of Passengers by Air', which in the previous year was considered as a reportable segment, is now no longer considered a reportable segment. On the sale / transfer of the Wind Power Business and the Bus Operations Business, the Company is engaged only in the Goods Transport Business which, in the context of Ind AS - 108 "Operating Segments" constitutes a single reportable business segment as on 31 March 2023."

The Company offers services for the transportation of goods across India using a range of road transportation solutions to its customers, including less than full truck load and full truck load. Under this segment, the Company provides courier services for transportation of small parcels and documents using range of multi-modal solutions..

### Other Information

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Segment revenue by location of customers:		
a) Domestic	2,64,852.18	2,16,355.81
b) Overseas	-	-
<b>Total</b>	<b>2,64,852.18</b>	<b>2,16,355.81</b>
Cost incurred on acquisition of Capital items (including capital advances):		
a) Domestic	39,799.16	16,865.99
b) Overseas	-	681.89
<b>Total</b>	<b>39,799.16</b>	<b>17,547.88</b>
The carrying amount of non-current operating assets by location of assets		
a) Domestic	1,61,285.98	1,11,151.58
b) Overseas	-	-
<b>Total</b>	<b>1,61,285.98</b>	<b>1,11,151.58</b>

Considering the nature of business of the Company in which it operates, the Company deals with various customers. Consequently, none of the customer contribute materially to the revenue of the Company.

**47 Subsequent Events:**

There are no subsequent events that would require adjustments or disclosures in the financial statements as at the Balance Sheet date other than the following:

1) Buyback of equity shares (refer note 39)

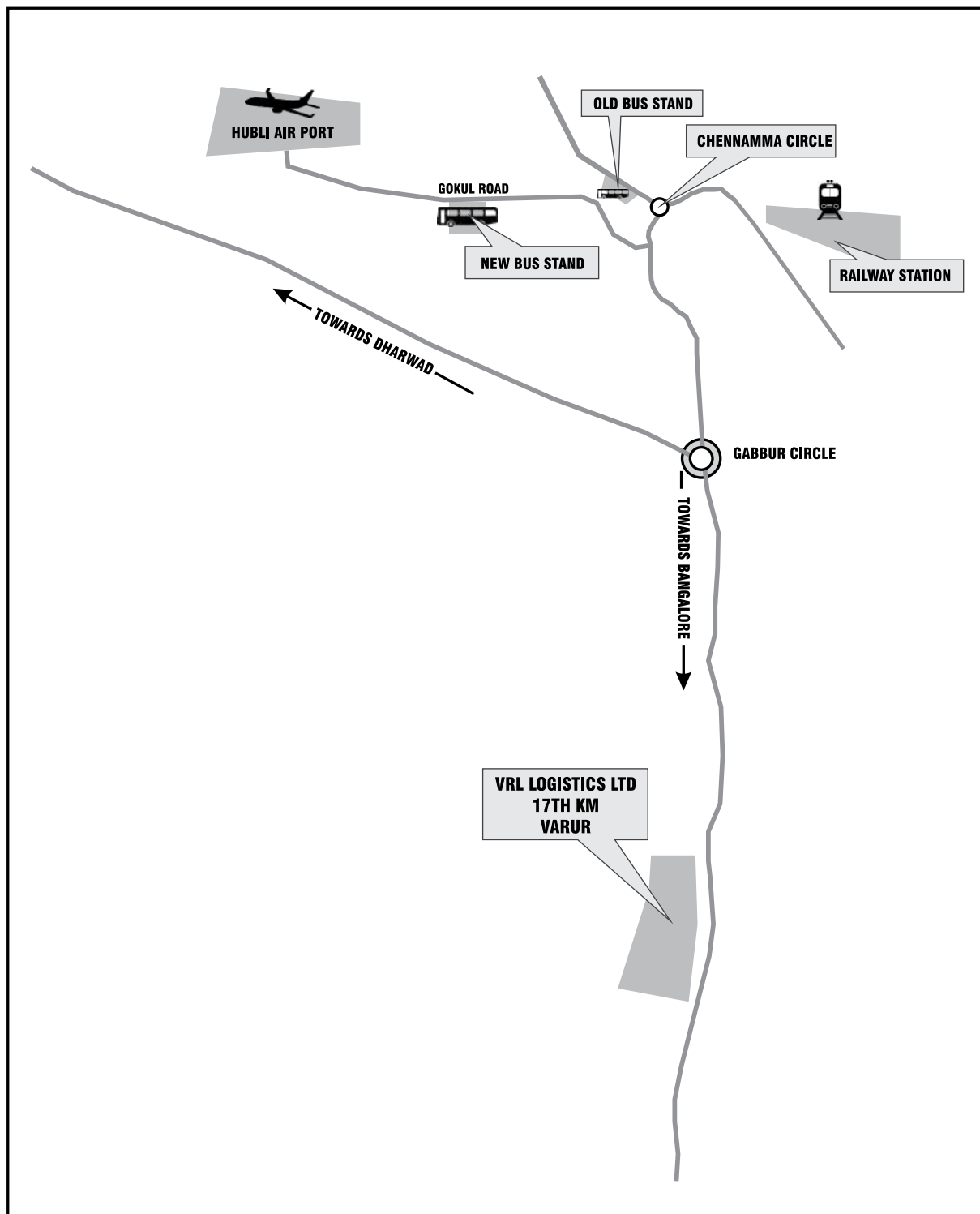
2) 'The Board of Directors has granted an in-principle approval for the sale / transfer of the Company's 'Transportation of Passengers by Air' Business by way of a slump sale, (including to any related party), subject to receipt of all applicable clearances and approvals from the concerned regulatory authorities.

**48** a) Other information required by Division II of the Schedule III to the Act, is either not applicable or there are no reportable matters.

b) Trade Receivables, Trade Payables and Advances from Customers / to Vendors balances are subject to balance confirmation and reconciliation, if any.

c) Previous year figures have been re-grouped / re-classified to confirm to the requirements of the amended Schedule III to the Companies Act, 2013.

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





## NOTES

# THINK LOGISTICS TRUST VRL



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#### REGISTERED OFFICE

17km, NH4, Bengaluru Road, Varur  
HUBBALLI- 581 207. KARNATAKA  
Tel: +91 836 2237608 / 609, Fax: 91 836 2237614

**Raghavendra**  
93793 37773

varurho@vrllogistics.com  
CIN:L60210KA1983PLC005247

#### CORPORATE OFFICE

Giriraj Annexe, Circuit House Road  
HUBBALLI - 580 029. KARNATAKA  
Tel: +91 836 2237511 / 12, Fax: +91 836 2256612

**Vishwanath**  
93425 57973

headoffice@vrllogistics.com

#### BENGALURU OFFICE

No.24, Sri Sairam Towers,4th Floor  
K.P. Puttannachetty Road, V Main, Chamarajpet  
BENGALURU - 580 018. KARNATAKA  
Tel: +91 80 2699 2525, Fax: +91 80 2699 2600

**Kumaravelu**  
9341602311

sbcmo@vrllogistics.com

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[www.vrllogistics.com](http://www.vrllogistics.com)

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