

Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of VRL Logistics Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of VRL Logistics Limited ('the Company') for the quarter ended 31 December 2019 and the year to date results for the period 01 April 2019 to 31 December 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Page 1 of 2

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiok & Co LLP

VRL Logistics Limited

Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013



Bharat Shetty
Partner
Membership No. 106815

UDIN No: 20106815AAAAAK6881

Place: Hubballi
Date: 08 February 2020



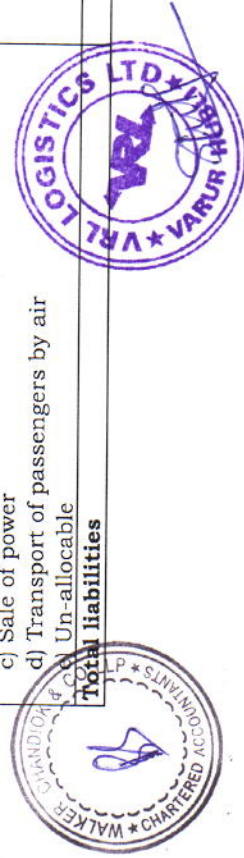
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

Sr. no.	Particulars	Quarter ended			Nine months ended			₹ in lakhs	
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)		
1	Income								
	Revenue from operations	55,725.38	52,382.23	55,116.33	162,071.36	159,661.92	210,954.40		
	Other income	238.75	309.46	123.01	787.97	606.56	792.42		
	Total income	55,964.13	52,691.69	55,239.34	162,859.33	160,268.48	211,746.82		
2	Expenses								
	Freight, handling and servicing cost	37,388.24	34,844.47	38,057.03	107,152.10	111,865.23	147,433.88		
	Employee benefits expense	9,728.30	9,500.59	9,444.12	28,478.68	27,611.49	36,667.96		
	Finance costs	864.01	879.86	360.96	2,622.63	715.12	1,086.37		
	Depreciation and amortisation expense	4,080.63	4,146.19	2,532.39	12,224.71	7,505.84	10,058.09		
	Other expenses	641.60	720.14	646.50	2,277.00	1,786.97	2,453.06		
	Total expenses	52,702.78	50,091.25	51,041.00	152,755.12	149,484.65	197,699.36		
3	Profit before tax (1-2)	3,261.35	2,600.44	4,198.34	10,104.21	10,783.83	14,047.46		
4	Tax expense								
	Current tax	765.07	426.11	1,559.51	3,289.17	4,393.09	5,500.19		
	Deferred tax credit	(83.50)	(1,298.08)	(18.98)	(1,982.55)	(749.31)	(644.34)		
5	Profit for the period (3-4)	2,579.78	3,472.41	2,657.81	8,797.59	7,140.05	9,191.61		
6	Other comprehensive income								
	Items that will not be reclassified to profit or loss								
	Tax effect	(110.81)	(110.82)	(71.49)	(332.44)	(214.46)	(443.25)		
		26.88	18.07	24.99	83.69	74.96	154.91		
	Other comprehensive income (net of tax)	(83.93)	(92.75)	(46.50)	(248.75)	(139.50)	(288.34)		
7	Total comprehensive income (5+6)	2,495.85	3,379.66	2,611.31	8,548.84	7,000.55	8,903.27		
8	Paid-up equity share capital (face value of ₹ 10/- each)								
9	Other equity (excluding revaluation reserve ₹ Nil)	9,034.35	9,034.35	9,034.35	9,034.35	9,034.35	9,034.35		
10	Earnings per share (face value of ₹ 10/- each) (not annualised) (₹)								
	Basic	2.86	3.84	2.94	9.74	7.90	10.17		
	Diluted	2.86	3.84	2.94	9.74	7.90	10.17		



SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
1. Segment revenue						
- Income from operations						
a) Goods transport	45,250.63	43,186.73	44,011.61	130,742.32	126,880.69	168,525.16
b) Bus operations	9,466.27	7,451.02	10,320.40	27,312.82	29,154.27	38,032.74
c) Sale of power	226.46	958.13	266.30	1,668.51	1,976.15	2,208.51
d) Transport of passengers by air	523.24	514.92	244.52	1,556.73	828.61	1,072.22
- Other operating income						
a) Goods transport	13.30	15.63	13.05	62.99	63.50	76.72
b) Un-allocable revenue	245.48	255.80	260.45	727.99	758.70	1,039.05
Total	55,725.38	52,382.23	55,116.33	162,071.36	159,661.92	210,954.40
Less: Inter segment revenue	-	-	-	-	-	-
Income from operations (net)	55,725.38	52,382.23	55,116.33	162,071.36	159,661.92	210,954.40
2. Segment results						
a) Goods transport	3,202.49	2,940.20	4,449.57	9,698.99	11,055.24	15,210.57
b) Bus operations	1,076.01	(191.14)	1,011.81	2,251.83	1,374.32	1,657.05
c) Sale of power	(199.69)	553.41	(168.98)	381.44	657.34	460.93
d) Transport of passengers by air	(26.60)	115.62	(55.08)	189.21	(48.79)	(215.77)
Total	4,052.21	3,418.09	5,237.32	12,521.47	13,038.11	17,112.78
Less: Unallocable (expenditure)/revenue:						
a) Finance costs	(270.20)	(252.08)	(360.96)	(797.04)	(715.12)	(1,086.37)
b) Other expenditure (net of other income)	(520.66)	(565.57)	(678.02)	(1,620.22)	(1,539.16)	(1,978.95)
Profit before tax	3,261.35	2,600.44	4,198.34	10,104.21	10,783.83	14,047.46
3. Segment assets						
a) Goods transport	86,375.92	87,160.62	61,930.59	86,375.92	61,930.59	65,494.24
b) Bus operations	7,964.20	8,690.42	8,769.67	7,964.20	8,769.67	8,348.14
c) Sale of power	6,975.45	7,732.68	8,431.72	6,975.45	8,431.72	7,787.49
d) Transport of passengers by air	3,244.04	3,447.69	2,931.61	3,244.04	2,931.61	3,300.28
e) Un-allocable	13,100.41	13,270.80	12,974.01	13,100.41	12,974.01	12,851.82
Total assets	117,660.02	120,302.21	95,037.60	117,660.02	95,037.60	97,781.97
4. Segment liabilities						
a) Goods transport	32,742.82	34,120.80	9,089.29	32,742.82	9,089.29	8,721.55
b) Bus operations	2,772.50	3,316.28	1,428.15	2,772.50	1,428.15	1,359.74
c) Sale of power	0.96	1.00	3.56	0.96	3.56	2.87
d) Transport of passengers by air	66.19	72.08	48.87	66.19	48.87	109.07
e) Un-allocable	17,380.94	16,234.73	21,776.62	17,380.94	21,776.62	22,994.94
Total liabilities	52,963.41	53,744.89	32,346.49	52,963.41	32,346.49	33,188.17



Notes:

- 1) The financial results are prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) (amended) as prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, as applicable.
- 2) The financial results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors of the Company at their respective meetings held on 8 February 2020. There are no qualifications in the limited review report issued for the said period.
- 3) The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company had recognised provision for income tax for quarter and half year ended 30 September 2019 and re-measured its deferred tax liabilities/assets basis the rate prescribed in the aforesaid section. The remeasurement of accumulated deferred tax liabilities (net) has resulted in reversal of deferred tax expenses (net) of ₹ 1,289.82 lakhs.
- 4) Interim dividend of ₹ 4 per equity share of face value ₹ 10 each was approved at the meeting of the Board of Directors of the Company held on 9 November 2019.
- 5) The Board of Directors of the Company at its meeting held on 8 February 2020 has declared second interim dividend of ₹ 3 per equity share of face value ₹ 10 each.
- 6) The Company has adopted Ind AS 116, 'Leases', effective 1 April 2019, using modified retrospective approach, wherein comparative information are not required to be restated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 27,047.16 lakhs and accordingly recognised right-of-use assets at ₹ 24,623.53 lakhs by adjusting retained earnings by ₹ 1,911.20 lakhs (net of tax), including adjustments for prepaid/accrued rent and lease equalisation reserve, as at the aforesaid date. In the Statement of Profit and Loss for the current period, expenses in the nature of operating leases are recognised as amortisation of right-of-use assets and finance costs, as compared to lease rent in previous periods, and to this extent, results for the current period are not comparable.

The impact of adopting Ind AS 116 on the financial results for the nine months ended 31 December 2019 is as follows:

Particulars	₹ in lakhs		
	Nine months ended 31.12.2019 (Erstwhile basis)	Nine months ended 31.12.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit
Freight, handling and servicing cost	113,021.01	107,152.10	5,868.91
Finance costs	797.04	2,622.63	(1,825.59)
Depreciation and amortisation expense	7,740.77	12,224.71	(4,483.94)
Profit before tax	10,544.83	10,104.21	(440.62)
Profit after tax	9,127.32	8,797.59	(329.73)

The impact of adopting Ind AS 116 on the financial results for the quarter ended 31 December 2019 is as follows:

Particulars	₹ in lakhs		
	Quarter ended 31.12.2019 (Erstwhile basis)	Quarter ended 31.12.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit
Freight, handling and servicing cost	39,401.68	37,388.24	2,013.44
Finance costs	270.20	864.01	(593.81)
Depreciation and amortisation expense	2,577.03	4,080.63	(1,503.60)
Profit before tax	3,345.32	3,261.35	(83.97)
Profit after tax	2,644.26	2,579.78	(64.48)

For and on behalf of the Board of Directors

Hubballi
8 February 2020



Vijay Sankeshwar
Chairman and Managing Director

