

Corporate Office :

Giriraj Annexe Circuit House Road

HUBBALLI - 580 029 Karnataka State

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To,

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

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

Dear Sir / Madam,

Sub: Outcome of Board Meeting held on 02nd December 2017**Ref: Scrip Codes (BSE: 539118, NSE: VRLLOG)**

With respect to above captioned subject and in accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Schedule III thereof, Board of Directors of the Company at their meeting held today, besides other agenda, approved the amendment to the objects clause of the Memorandum of Association of the Company subject to the approval of shareholders through Postal Ballot to include, *inter alia*, the below as a part of its main objects:

- Distribution / dealership / transacting of vehicle spares and components and other products;
- Designing / Manufacturing truck / bus and other vehicle bodies and other works; and
- Providing logistics business solutions.

We enclose herewith the rationale for the above proposed changes for your reference and records. Approval of shareholders would be taken through Postal Ballot and subsequent information in the matter would be intimated to the Stock Exchanges in accordance with the extant applicable law. Details of changes as also the related resolution will be circulated to the members in due course as a part of the Postal Ballot process.

The above information will also be hosted on the Company's website www.vrlgroup.in. We request you to kindly take note of the same.

Thanking you,

Yours faithfully

For VRL LOGISTICS LIMITED

ANIRUDDHA PHADNAVIS
COMPANY SECRETARY AND COMPLIANCE OFFICER

Date: 02.12.2017

Place: Hubballi

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RATIONALE FOR THE PROPOSED ADDITION TO MAIN OBJECTS:

The Company is one of the largest fleet owners of commercial vehicles in India's private sector. The Company is having in-house vehicle maintenance facilities. Over the years, the Company has developed comprehensive maintenance capabilities to address minor as well as major maintenance works without any dependencies on outside service providers including the vehicle manufacturers themselves. Several vehicle manufacturers have set up their own inventory at the Company's vehicle maintenance facility located at Varur, Hubballi and the Company benefits from unhindered availability of genuine spare parts at the most competitive prices. This is owing to the economies of scale the Company enjoys with vehicle manufacturers as also the associated OEMs. Given the changed distribution scenario post the GST implementation the Company has come across offers from some spares' manufacturers to take up distribution / dealership of spares and components. By doing so the Company would stand to gain from increased tonnage from such an arrangement as also benefit out of the margins that are made available to such distributors / dealers.

One of the core strengths of the Company is its established geographical reach within India. Over a period of over four decades the Company has a network of nearly 1000 branches and franchisees covering 23 States and 4 Union Territories across the length and breadth of India. The roll out of GST presents the Company with a great opportunity to consider business tie ups and monetize this network. By taking up better distribution strategies for the products being moved by the Company it is envisaged that the Company can offer a compelling value proposition to its business clients as also garner more revenues in the process.

The Company also designs and manufactures its truck bodies in-house for exclusive captive usage and has over the years achieved specialized knowledge and expertise in this domain. Recently, the Company has also conducted in house trials for the design and development of a bus body and the results of the same are satisfactory. In the coming days owing to the imminent implementation of a restriction on the maximum operating age for commercial vehicles there arises an immense potential to cater to this upcoming opportunity which will also enable the company to better utilize



its established infrastructure. The present day in house capabilities of the Company would also enable the Company to convert chassis into a full-fledged vehicle, i.e. truck / bus / electric vehicle etc. as also to repair, refurbish and maintain all such vehicles.

The in-house Information Technology setup is also one of the major strengths of the Company. The Company does not depend on any vendor provided software and choses to develop all required software internally. The in-house developed ERP software presently implemented caters to all the aspects of the business such as accounts, vehicle maintenance, driver management, vehicle routing, tracking of consignments, transshipment operations, payroll etc. The Company also has developed in-house GPS monitoring systems which are mounted on all long route vehicles operated by the Company. Many of the smaller operators do seek guidance and help from our Company on these as also for several business aspects and the Company could monetize its IT and business capabilities relating to Logistics operations in the days to come.

The Company was incorporated in the year 1983 and the Memorandum of Association presently governing the business activities of the Company was as permitted under the earlier Company law, i.e. The Companies Act, 1956. The said Memorandum comprises of the "A - Main Objects to be pursued by the Company on its incorporation", "B - Objects incidental or ancillary to the attainment of the main objects" and "C- Other objects of the Company not included in A & B above". The activities enumerated in the rationale above are directly / indirectly covered in the present day Memorandum of Association under the head "Other Objects" which is not recognized under the new Company law, i.e. Companies Act, 2013. Pursuant to the provisions contained under Sections 4 read with Section 6 of the Companies Act 2013, the management feels it prudent to alter the existing Memorandum and include the clauses stated above to enable the Company to encash any opportunities coming its way under the new GST regime. The Board has also, *inter alia*, approved the inclusion of "Other Objects" with certain modifications as contained in the Part C of the Memorandum under Part B, i.e. Objects incidental and ancillary to the attainment of the Main Objects.



Details of changes as also the related resolution will be circulated to the members in due course as a part of the Postal Ballot process.

We are presently not in a position to quantify the scale of investment towards these initiatives as also the potential revenues and profits that any of these activities could entail.

For VRL LOGISTICS LIMITED



ANIRUDDHA PHADNAVIS
COMPANY SECRETARY AND COMPLIANCE OFFICER

Date: 02.12.2017

Place: Hubballi