

Ashok Leyland to supply 1,560 trucks to VRL Logistics

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As the vehicle scrapping policy took effect this month, leading truck and bus maker Ashok Leyland has secured a big order from VRL Logistics for 1,560 trucks for an undisclosed sum as the latter seeks to expand and modernise its fleet by replacing old trucks.

VRL Logistics has also ordered 107 trucks from Tata Motors.

SCRAPPING MANDATE

"With the announcement of the vehicle scrapping policy by the government, VRL is planning to modernise its current fleet with the capability to address growth in the

near future. The order will be executed by March 2024," Sanjeev Kumar, President, MHCV, Ashok Leyland, told *businessline*.

VRL indicated that the ongoing implementation of the Vehicle Scrapping Policy requires the company to replace its older vehicles. In FY24, the company is likely to withdraw around 1,220 vehicles that have been in operation for more than 15 years.

VRL Logistics has planned a total capex of ₹697 crore in

FY24 for fleet expansion and modernisation. The fleet expansion is also expected to help VRL Logistics reduce dependence on hired vehicles. This would also cater to expected growth volumes in the near and medium terms.

The vehicles being added include rigid trucks and tractor-trailers. These trucks will be used across India.

"These trucks will come fitted with the latest features and technologies, which will help VRL have a reduced

maintenance time, a higher uptime, and hence greater operating efficiencies," said Kumar.

DEMAND UP FOR CVS

"We have been seeing a growing demand for commercial vehicles in the last few quarters and expect a very robust year going forward. This has been driven by increased government capex, macroeconomic tailwinds, and replacement demand. We are seeing a move towards higher-tonnage vehicles, which is a clear indicator of improved demand," he added.

Over the years, Ashok Leyland has supplied more than 5,700 trucks, including 500 units in FY23, to VRL Logistics.

