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August 25, 2020

Online intimation/submission

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Security Code: 505200

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051
Symbol: EICHERMOT

Subject: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015- Material Impact of COVID–19 Pandemic on VE Commercial Vehicles Limited

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015 read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 and in continuation of disclosures dated March 23, 2020, April 30, 2020 and May 7, 2020, filed by Eicher Motors Limited, intimating impact of COVID-19 pandemic on operations of VE Commercial Vehicles Limited (VECV), an unlisted material subsidiary of Eicher Motors Limited, please find enclosed herewith disclosure of material impact of COVID–19 pandemic on overall operations of VE Commercial Vehicles Limited.

This is for your information and records.

Thanking you,
For **Eicher Motors Limited**



Authorised Signatory

Encl: a.a.

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Disclosure of impact of COVID-19 pandemic on overall operations of VE Commercial Vehicles Ltd. ("the Company")

Sl. No.	Particulars	Details
1.	Impact of the CoVID-19 pandemic on the business	In accordance with the directives issued by the Government for complete lockdown in the country owing to COVID-19 pandemic, Company closed its operations across all its 9 manufacturing facilities and all offices in the country, starting from March 23, 2020. Starting from the last week of April 2020 in line with the relaxation of restriction and government directives, operations resumed gradually in our manufacturing facilities, however, the entire supply chain including the Company's dealerships across India, remained closed and due to this we witnessed a complete halt in operations. With local jurisdiction's advisories and permissions, VECV's on-Road Service(EOS 24x7), service centers and some workshop facilities were functional during this period.
2.	Ability to maintain operations including the factories/ units/ office spaces functioning and closed down	
3.	Schedule, if any, for restarting the operations	Subsequent to the new directives issued by the Government on May 1, 2020 with regard to resumption of manufacturing, industrial and commercial business activities, the company resumed operations at its manufacturing facilities gradually starting May 7, 2020. As on date, all the manufacturing facilities of the Company are operational. There has been complete compliance to norms of social distancing & workplace sanitization. Lean operations have been initiated at 25-40% levels with rotational shifts of employees. At all other office locations including Corporate office and regional offices employees have been given an option to work from home. As on date, almost all our dealers have begun operations. Throughout the lockdown, 90% of VECV's workshops were running and ensuring trouble free services to customers. Uptime Centre was running seamlessly for remote diagnostics and 24x7 service support. EOS support continued to be provided by all the workshops and despite challenges. The company has facilitated an Extension of Warranty and AMC with free service by 2 months.

4.	Steps taken to ensure smooth functioning of operations	The Company has in all its manufacturing plants and other offices followed the measures as listed below for smooth conduct of operations: • Strictly following all COVID-19 related guidelines & advisory issued by the Government/ local authorities, from time to time. • Creation of Standard Operating Procedures for employees working in the plants • Complete compliance to norms of social distancing, regular workplace sanitization, wearning of safety gears (masks etc.) by floor workers, regular washing of hands by them and thermal screening of all employees and workers. • Lean operations have been initiated at 25-40% levels with rotational shifts of employees. At all other office locations including Corporate office and regional offices employees have been given an option to work from home. • Sanitization of freight vehicles, trucks, loading vehicles and other entrants at the entry gate of manufacturing units itself.
5.	Estimation of the future impact of COVID-19 on operations	The Company has been closely monitoring the situation arising out of COVID-19 and is forecasting pent up demand revival in commercial vehicles. However, it is difficult to forcast definitive future impact on operations of the Company. The CV industry is directly correlated with the country's economy. Currently, we are witnessing a decline in GDP which has eventually resulted to drop in the demand of commercial vehicles. COVID-19 and Lockdown further instigated the decline in demand in March and April, however, we foresee some pick up in sales with the pent up demand in the upcoming months. While the current situation is definitely tough and industry will take time to get back on track, the company has developed responses for various scenarios to emerge stronger in the future.
6.	Details of impact of COVID-19 on Company's: **a.** Capital and financial resources **b.** Profitability	Impact of COVID-19 on different functions of the Company is explained below: **a.** There are no redeemable preference shares or debentures. In addition, the Company has not accepted any deposits. During this pandemic, Company's equity capital structure remains unchanged. The Company has adequate financial resources to run its operations smoothly. **b.** The profitability of the Company for Q1 2020-21 has been impacted due to country wide lockdown. In the months of

		April 2020, May 2020 and June 2020, the Company could sell only 86 units, 686 units and 1358 units respectively. Company has incurred loss before tax of Rs 185 crs during the quarter ended Jun'20 with revenue from operation of 6411 MINR against 22551 MINR in corresponding quarter last year.
	c. Ability to service debt and other financing arrangements	**c.** There are no overdues and no concern on liquidity.
	d. (i) Liquidity position; and (ii) Assets	**d.** As mentioned above, the Company has adequate resources to match its operational costs. The Company has performed a detailed assessment of its liquidity position and the recoverability of the assets as on the balance sheet date i.e. March 31, 2020 and concluded that based on the indicators of future economic conditions, the carrying value of the assets will be recovered. The Company believes that it had fully considered the possible impact of all the known events arising from COVID-19 pandemic in its assessment. However, the impact assessment of COVID-19 is a continuing process and the Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.
	e. Internal financial reporting and controls	**e.** There is no impact on internal financial reporting and controls existing in the Company, due to COVID-19.
	f. Supply chain	**f.** The Supply Chain of the Company was affected due to lockdown of operations during April 2020 and May 2020. With the ease in restrictions and staggered resumption of the operations, the supply chain is getting restored.
	g. Demand for products/ services	**g.** The CV industry is directly correlated with the country's economy. Currently, we are witnessing a decline in GDP which has eventually resulted to drop in the demand of commercial vehicles.
7.	Existing contracts/ agreements where non-fulfilment of the obligations by any party will have significant impact on Company's business	We are not in a situation where we are envisaging any impact.
8.	Other relevant material updates about the Company's business	None