

June 11, 2020

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Scrip Code : ASHOKLEY

Scrip Code : 500477

Through : NEAPS

Through: BSE Listing Centre

Dear Sir/Madam,

Sub: Regulation 30 (Disclosure of events or information) - Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, following are the brief details relating to the impact of COVID-19 pandemic on the operations/business of the Company:

Operations at the factories /office functioning

Based on the directive given by the Government Of India (GOI) for closure of activities to control COVID-19 pandemic, Company suspended its production across all its factory locations since March 24,2020 (the all India lockdown date announced by GOI). "Work from Home" Policy of the Company is being adopted for Corporate Office and other offices until the lockdown for containment of COVID-19 is removed by the Government.

Schedule, if any, for restarting the operations, Steps taken to ensure smooth functioning of operations

- The Company resumed operations in its plants across the country during second week of May 2020, after obtaining necessary approvals from the relevant authorities. This was also communicated to the Stock Exchanges vide letter dated May 13, 2020.
- The Company has a Standard Operating Procedure (SOP), to ensure compliance to the Ministry of Home Affairs and State Government guidelines on administration and social distancing. Company gives utmost priority to employee protection, safety and tracks employee health status by following the said procedures set by the Government.
- Company has implemented detailed business continuity plans with its partners and suppliers to secure the continuation of operations while caring for the health, safety and well-being of its employees.

ASHOK LEYLAND LIMITED

Registered & Corporate Office: No.1, Sardar Patel Road, Guindy, Chennai - 600 032, India | T : +91 44 2220 6000 | F : +91 44 2220 6001
CIN - L34101TN1948PLC000105 | www.ashokleyland.com

- Aftermarket division of the Company also has an SOP which is compliant with the Ministry of Home Affairs and State Government guidelines for its warehouses as well as channel partner on safe operations, while maintaining physical distancing.

Impact of the COVID-19 pandemic on the business

- COVID-19, impacted the business operation of the Company, by way of interruption in production, supply chain, manpower, lock down of production facilities which has in turn impacted the sale volumes and consequently revenue and market share. The Company is taking several measures to mitigate substantial negative impact arising out of the above including manpower, investment plans and close collaboration with customers, banks /financial institutions, suppliers and employees.
- During the past few months the Company has launched several initiatives to improve cost management. These efforts are expected to have beneficial effects and help reduce overall costs of the Company. A centralized team has been formed which monitors costs and helps roll out initiatives, for cost reduction.
- COVID-19, impacted the business operations of Aftermarket, by way of interruption in supply chain, manpower, closure, lock down of production facilities of own works as well as those of its supplier partners which has impacted the revenue. Aftermarket division of the Company is taking several measures to mitigate substantial negative impact arising out of the above in areas of inventory management and service level delivery by close collaboration with employees, channel partners and suppliers

Estimation of the future impact of COVID-19 on its operations

- We expect the market conditions to remain volatile and challenging. However, we remain motivated to build a sustainable future over the long term, through more proactive steps and create sustainable growth. Company is prepared to focus its efforts on securing supplies, manufacturing and logistics for growth and invest in new opportunities amidst this crisis. To consolidate and further grow its market position, Company is ready with its indigenous, cost-effective iGen6 mid-nox engine technology for BS-VI and Modular Business Program platform, which will deliver significantly improved performance to its customers.
- The Company has done virtual launch of its new product built under the Modular Platform in the first week of June 20.

Details of impact of Covid-19 on listed entities

a) Capital and Financial resources and liquidity position

- The company currently has enough liquidity and has been tying up both working capital lines and long-term credit lines with various banks. The Management team is closely monitoring the

liquidity position of the company to ensure that it is managed efficiently. The company has been meeting its commitments and maintains enough liquidity to take care of necessary obligations. Cash flow forecasts are prepared on a regular basis, which helps to ensure efficient management of liquidity.

- As at March 31, 2020 the Company had a Net Debt of Rs 2,028 Cr. Since then the Company has tied up both long term loans as well short-term loans which has helped to improve the liquidity position.

b) Ability to service debt and other financing arrangements

The Company expects the COVID Lock Down to be lifted gradually which will help in resumption of full operations once the Lock Down is removed. This should help in generation of cash from operations. With the current levels of debt and available lines of credit the company believes it is sufficiently funded to meet all its financial commitments during the year.

c) Internal financial reporting and control

The Company had adequate internal checks and balances under COVID situation with respect to financial control and reporting. It has good IT systems which are closely monitored for their effectiveness.

d) Supply Chain

The Company is facing new challenges from supply chain perspective and to combat the same, supply chain team is regularly monitoring the supplier situation based on the emerging scenarios and giving more focus on service, collaborating with dealers, suppliers and 3PL partners, vendors and several collaborative projects have been undertaken with long term business partners to unlock and create value for them.

e) Demand for its products/services

The market is expected to revive and demand pickup to happen in the short term. With pent up demand due to the ongoing lockdown, Aftermarket expects the demand for parts and services to bounce back owing to a large population of AL vehicles coming back into operations. With subdued demand for new vehicles in the short term, vehicle utilization of existing fleets is set to be substantially higher than in the recent past, subsequently leading to a higher demand for repairs and maintenance of existing fleet. Digital application LeyKart is being extensively used by customers to address the current gap in supplies on an expedited basis. Going forward the Aftermarket division of company expects higher adoption of online ordering platform and a shift in preference towards

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contact-less ordering and delivery process.

f) Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business

The Company is taking necessary steps to fulfil its obligations in the existing contracts/arrangements.

g) Other relevant updates about the listed entity's business

Ashok Leyland Limited as a part of the social responsibility has provided support to the Government during the COVID-19 crisis during the last few months in the form of providing vehicles with drivers, food supply and PPE equipment's for health care workers, provided continuous power supply through gensets at select government hospitals.

Thanking you,

Yours faithfully,
for ASHOK LEYLAND LIMITED



N Ramanathan
Company Secretary