



ASHOK LEYLAND

July 7, 2015

BSE Limited Floor 1 Cama Building Dalal Street Mumbai 400 001 Kind Attn.: Mr A Y Robert DCS – CRD <i>Through Listing Centre</i>	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot C/1, G Block Bandra Kurla Complex Bandra (E) Mumbai 400 051 Kind Attn: Manager – Listing <i>Through NEAPS</i>
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Dear Sirs,

Proceedings of the Annual General Meeting – June 29, 2015

Pursuant to Clause 31 of the Listing Agreement, please find attached the certified copy of the proceedings of the Annual General Meeting of our Company held on June 29, 2015 for your records.

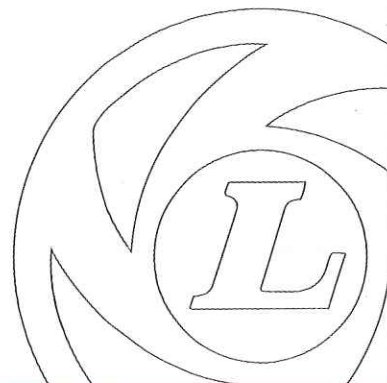
Thanking you,

Yours faithfully,
for ASHOK LEYLAND LIMITED

N Ramanathan
Company Secretary

ASHOK LEYLAND LIMITED

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HINDUJA GROUP

MINUTES OF THE SIXTY SIXTH ANNUAL GENERAL MEETING OF ASHOK LEYLAND LIMITED

Venue : Kamaraj Memorial Hall
492, Anna Salai, Teynampet,
Chennai- 600 006

Date : June 29, 2015
Day : Monday
Time : 2.30 p.m.

MEMBERS PRESENT

3300 members and 119 proxies recorded attendance.

DIRECTORS PRESENT

Mr. Dheeraj G. Hinduja	Chairman
Mr. R. Seshasayee	Non-Executive Vice Chairman
Dr. Andreas H. Biagosch	Director
Mr. D. J. Balaji Rao	Director (Chairman - Nomination and Remuneration Committee)
Mr. A. K. Das	Director
Ms. Manisha Girotra	Director
Mr. Sanjay K. Asher	Director (Chairman–Audit committee and Stakeholders' Relationship Committee)
Mr. Sudhinder K. Khanna	Director
Mr. Vinod K. Dasari	Managing Director

IN ATTENDANCE

Mr. N.Ramanathan	Company Secretary
Mr. Gopal Mahadevan	President Finance and Chief Financial Officer

Mr. M.S. Murali, Partner	-	M/s. M.S. Krishnaswami & Rajan Chartered Accountants	Statutory Auditors
Mr. Suresh N. Nair, Director	-	M/s Deloitte Haskins & Sells LLP Chartered Accountants	

FOR ASHOK LEYLAND LIMITED

Mr. Dheeraj G. Hinduja, Chairman, welcomed all Members who were present and thanked them for their attendance. Chairman confirmed the presence of requisite quorum (presence of 3300 members in person and 119 through proxies) and declared the meeting formally open.

Chairman extended his warm welcome to the Members, Proxies, Representatives of Hinduja Automotive Limited, Representatives of Financial Institutions, Banks, Foreign Institutional investors and Mutual funds and Insurance companies .

Chairman then introduced the Board of Directors and the Key Managerial Personnel who were seated on the dais and introduced the Statutory Auditors Mr. M.S. Murali from M/s M.S. Krishnaswami and Rajan and Mr. Suresh N. Nair from Deloitte Haskins & Sells LLP.

He also announced that the relevant registers maintained under the Companies Act, 2013, and required to be made available at the Annual General Meeting were available for inspection by the members at the venue of the Meeting.

Chairman also informed that the report of the Directors and the audited financial statements for the year ended March 31, 2015 have already been circulated. With the permission of the members, the same were taken as read.

Chairman then asked the Company Secretary to read the Notice of the Annual General Meeting. With the consent of members present, the Notice convening the 66th Annual General Meeting (AGM) was taken as read.

Chairman then addressed the members.

A few key points from Chairman's Speech were as follows:

Chairman highlighted the key developments that happened last year and the future plans towards accomplishing the Vision of the Company. He cited that positive business sentiment, lower oil prices and select policy measures played key role in the improvements seen in the economy. Moreover, stable financial sector and expected policy actions complemented by a pick-up in iron ore and coal mining are expected to support growth in 2015-16.



Company performance – Marketing and Network:

- The Company increased the market share in the domestic market and posted a growth of 28% sales year over year (66,442 units), due to continued investments in product and network.
- Export volumes (11218 units) grew by 31.8% compared to last year (8611 units).
- 58 new outlets in various innovative formats were dedicated to customer service during the year, totaling 545 outlets for the medium & heavy duty segment and around 50 touch points were added to the LCV network reaching 350 touch points.
- The Company maintained its leadership in the bus segments of Middle East and Sri Lanka and also grew in Africa.

Achievements in LCV segment:

- Completed 3rd year of presence in the LCV segment – extending the range of products viz., DOST strong, four tyre version of PARTNER model and an improved MiTR bus.
- Nearly 100,000 DOST vehicles were on road now.

Power Solutions Business, Spare Parts and Defence:

- Power Solutions Business continued to have demand contraction.
- Spare parts revenue improved by 14.9% due to better demand and improved operations.
- Defence business gained momentum by winning major tenders, increasing domestic kits dispatches as well as substantial export volumes.

Financials:

- Revenue improved by 37% over previous year to reach Rs. 14,485.93 crore through improvement in M&HCV sale volumes and optimal pricing strategies.
- Profit AfterTax stood at Rs. 334.81 crore compared to Rs. 29.38 crore in the previous year
- Earnings Per Share increased to Rs. 1.20 up by nearly ten times.

Dividend:

- The Board has recommended for shareholders' approval a dividend of 45% for the financial year ended March 2015 restoring the legacy of the Company in this regard.



Green initiative:

- The Company decided to pursue its alternate propulsion system agenda shifting to top gear. A range of products in hybrid and electric versions will be launched progressively.

CSR programme:

- The Company will be focusing on *Education for the Underprivileged*, which would encompass education and health focusing in a major way on the much needed *Education for the Underprivileged*.

Chairman also acknowledged the trust and confidence reposed by the shareholders in Board and management and thanked for the immense support of all shareholders, customers, dealers, suppliers and financial institutions.

Mr. Vinod K. Dasari, Managing Director then made a presentation on the Company's performance for the financial year ended March 31, 2015 and outlook for the future.

The key highlights of the presentation were as follows:

- Total Industry Volume(TIV) grew by 16% YOY after 2 years of decline
- Highest Market share achieved in the last 10 years (28.6%)
 - Intermediate Commercial Vehicles (ICV): Highest ever market share (13.9%)
 - Medium Duty Vehicles (MDV)- Private: Highest ever market share (58.2%)
- Light Commercial Vehicle (LCV) continued to retain the market share in a declining market.
- In MHCV and LCV, sales volumes recorded 11218 and 1334 nos., respectively in the FY 15.
- Exports recorded robust increases. Key milestones abroad were:
 - o 2200 buses supplied to Sri Lanka Transport Board.
 - o 58% growth in volumes in Middle East (3500 nos.)
 - o Key Project sales in Congo (200 Nos. for African Games) Senegal (475 nos. for integrated transport solution)
- Power Solutions Business gained market share in a declining market (achieved 22% compared to 19% last year)
- Aftermarket Revenues – LEYPARTS grew by 15% compared to the previous year.



- Defence: VFJ Kit volumes grew 56% and revenue by 113%
- Quality: 26 fold reduction in Defects per Vehicle on a 5 year comparative record.
- People: Leanest team in 5 years (11204 in FY 15 compared to 15812 nos. in FY 11).
- Debt level reduced by 29% over the previous year (Rs.3350 crore compared to Rs.4690 crore last year).
- No. of domestic touch points stood at 1241 nos. for FY15 (FY 1114 nos.) on a 29% CAGR generating 31% revenue for the current year from new outlets (compared to 26% last year). In addition, 138 touch-points established in international markets.
- 103 patents filed cumulatively till FY15 from Research and Development.
- The stock market rewarded Company's stellar performance - Six fold increase in share price (from Rs. 12.27 in Aug 2013 to Rs.73.8 in Mar 2015)
- Company's QIP issue was oversubscribed by 2 times.

Before inviting any comments or questions from members, Chairman requested the Company Secretary to inform the members about electronic voting and ballot process and other related matters.

Mr. N. Ramanathan , Company Secretary explained that the financial statements does not have any qualification or observations that has an adverse remark on the Company and thus the same is not required to be read pursuant to Section 145 of the Companies Act, 2013. The Report was made available for inspection by the members at the venue of the Meeting.

Company Secretary informed the members about the procedures on electronic voting and ballot process, as follows:

- In terms of Section 108 of the Companies Act , 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, Remote e- Voting facility was made available to members (from June 25, 2015 to June 28, 2015) for businesses proposed in the AGM Notice through the National Securities Depository Limited (NSDL) platform.
- During this period , Members of the Company holding shares either in physical or demat form as on the cut-off date *i.e* June 22,2015 were entitled to avail the facility of e-voting or voting by ballot process.
- Members who did not vote through the aforementioned mode were requested to vote in the Ballot Paper provided to them.
- He also clarified that the ballot process will commence after the Chairman declares the same.



Company Secretary then handed over the proceedings back to the Chairman.

Chairman invited comments / questions from the shareholders. He requested the shareholders not to repeat questions and raise questions only pertaining to affairs and the performance of the Company and requested them to be as brief as possible to provide adequate time to other shareholders.

Chairman informed the shareholders to introduce themselves by their name, folio no., DP ID/ Client ID.

The questions raised, views expressed and suggestions made by the shareholders are summarized below:

1. Appreciated arrangement of Ennore Factory visit.
2. Requested consideration of higher rate of dividend. If need be, think of providing interim dividend.
3. Declaration of Bonus Shares.
4. Measures to be taken to remit the amounts lying in the Unclaimed Dividend account to the respective shareholders by sending reminders and avoid transferring of the same to IEPF.
5. Dissemination of dividend through ECS for shareholders holding one share where the Dividend payout is not a rounded off figure.
6. Questioned on the rationale of declaration of dividend when the current assets being lesser than current liabilities.
7. Reason for lower EBIDTA and PAT, when the revenue has increased.
8. Tenure of External Commercial Borrowings (ECBs).
9. Foreign subsidiaries – Non-Declaration of Dividend, accounts, shareholding pattern and Return on Investment from them.
10. Shareholding in physical form by corporates.
11. Change of Statutory Auditors and their term in the Company.
12. Quantum of amount remaining in pending disputes under contingent liability.
13. Substantial increase in remuneration of Key Managerial Personnel Remuneration whereas lower rate of Dividend for shareholders.
14. Special dividend from sale of immovable property.
15. Return on investment from Indian subsidiaries and the Company's contribution.
16. QIP issue and its effect on total no. of shareholders.
17. Reason for Borrowing resolution – whether it is for Capex program or formation of a new subsidiary.



18. Improving the overall shareholders wealth.
19. Status of sale of German company.
20. Need for Company's association with 19 bankers.
21. Company's spending on CSR expenditure.
22. Projection of 20 year or more track record in the Company's Annual Report.
23. The status on the amount mentioned under Dues from Directors / officers.
24. Need to mention Q1 performance in Chairman's Speech.
25. Ashok Leyland in Defence sector – line of activity.
26. Request for Factory visit.
27. Basis of Sale of Avia Ashok Leyland to Ashok Leyland (UAE) LLC and valuation norms followed.
28. Queries on Traded goods, Goods in transit, Export of goods FOB value and scrap sales.
29. Current status of Ashley Airways Limited – currently under voluntary liquidation.
30. Increase in Power and fuel expenses and ways to mitigate.
31. Consider printing of Tamil version of Annual report.
32. Safety aspects and introduction of seat belts (though not mandated by the Government)
33. Risk management system and its adequacy.
34. Transition to IND AS.
35. Lesser amount spent on R & D expenditure comparing to last year.
36. Rationale behind the Sale of Non -core investments (ALWEL) in the current context of renewable energy source.
37. Need to have a fixed day / week for AGM.
38. Amendment of Articles of Association.
39. Unable to contact Secretarial Department over phone.

Chairman's reply

Chairman at the outset appreciated the shareholders on the intuitiveness and participation in the affairs of the Company.

- Chairman emphasized that the Company was one among the few to make a faster turnaround despite a disturbing economic performance in the last fiscal year, thereby indicating that the strategy used was on the right track.
- The Company underwent a heavy capex programme for developing products, engines to become self - reliant and that has resulted in an increased market share.



- Despite heavy competition, the Company's products were stronger and hence preferred by customers. There was much focus on increase of parts availability and substantial network expansion.
- Ashok Leyland expanded and has more focus on Middle East. The Bus assembly plant at Ras Al Khaimah helped expand African Markets. Saudi Arabia, Qatar, UAE were also in focus. Sri Lanka, Bangladesh yielded good volumes last year.
- In order to match with the global competition and provide technologies at low cost that adds 'Indianess' to the products; foreign subsidiaries play a vital role. viz., Optare UK, although not returning dividend as of now but has rendered technology in electric buses, which is currently used in our buses and has aided in building hybrid buses.
- Albonair GmbH, Germany has not been sold and is kept under Asset Held for Sale and awaiting right buyers. The technology provided by Albonair GmbH related to emission norms conforming to Euro IV, V standards, which is very beneficial not only to Ashok Leyland but to global companies all-round.
- Hinduja Leyland Finance Limited was restarted in the year 2010 and had been profitable.
- Hinduja Tech Limited focusses on engineering and design, predominantly catered to the needs of the Company but now servicing global companies at Indian cost.
- The Company is now positioned in a strategic direction and the management is striving to enhance better returns and profits.
- On a question relating to remuneration of executives/commission to Directors, it was clarified that the returns were possible provided the Company has got right talent in place and hence pay scale needs to be competitive. He further informed that during last year, the management team took a 5 % pay cut and this was reinstated this year to add to the sustained growth. Besides, the Company has a very high variable component and almost 30-50% was based on performance. The Nomination and Remuneration Committee not only benchmarks the management performance, but the external assessment survey also confirmed that the pay scale were competitive.
- Chairman accorded appreciation to the management team for the turnaround performance, without which the future would be at stake.



- Until things were stabilized and economy revives with kick-off with all the infrastructure projects being implemented, the Company should be prudent in its approach and therefore cannot risk everything in a year by giving higher dividends
- The resolution for the fund raising is only an enabling resolution and might be used in case it is advantageous and beneficial of the Company and shareholders, since the debt levels were still higher.
- Rights Issue might be an advantageous option but will not be good as the reaping of benefits would take a long time and would lead to dilution of shareholders wealth.
- The Board of Directors and the management upholds higher standards of principles. The Statutory Auditors will continue to be associated with the Company till 2016-2017 and there is a full transparency and access to the Company which will not be affected by their association.
- The 1st Quarter has not ended yet and hence, the Company will not be in a position to disclose the results.
- Ashok Leyland excels in safety measures and is credited with having 6 driver training schools to inculcate road safety to all drivers. Introduction of seat belts is a valid concern and will be addressed.
- In the transition phase of the present accounting standards to IND AS, the Company does not foresee any surprises with regard to the change in treatment.
- AL has been practicing CSR with Hinduja Foundation and Hinduja Group for many years. Apart from 2% mandatory spending as prescribed, focus is more on education and health for the under privileged.
- Ashok Leyland already has a defined business for Defence and also included in its core strategy.
- Multiple Banks were essential for ease of operations. As a corporate operating in various countries, it would be prudent to have such banks in the consortium and were also the current practice with most other business enterprises also who operate transnationally.
- Windmills were sold as a part of sale of non-core assets, and the Company has at present no plans to enter into that activity.



- With regard to goods in transit and contingent liability, valid accounting principles were followed. The Company is fully compliant with the disclosure requirements.
- Immovable properties were sold to repay the debts of the Company.
- Risk Management Committee headed by Mr. R. Seshasayee, reviews meticulously the plans and strategies for risk identification and mitigation.

Chairman further clarified that the members may contact the Company Secretary and his team on any query/assistance at any time. .

Chairman then announced that eligible Members could cast their votes using the Ballot paper provided to them. He further requested Members to take the assistance of the Scrutinizer, Registrar and Transfer Agent (R&TA) or the Company officials present inside the AGM venue.

Chairman informed the Members that the result of the votes cast through e-Voting and Ballot paper process will be collated for all the resolutions that were placed before the shareholders for approval and the final results of the same will be disseminated through the Stock Exchanges, websites of the Agency (National Securities Depository Limited (NSDL) and also will be placed in the website of the Company within 48 hours of this meeting. Members were requested to view the final results post the close of business hours on July 1, 2015 (Wednesday).

The meeting was then declared "Closed" by the Chairman thanking all those present.

FOR ASHOK LEYLAND LIMITED

N. RAMANATHAN
Company Secretary