

August 14, 2014

BSE Limited Floor 1 Cama Building Dalal Street Mumbai 400 001 Kind Attn.: Mr A Y Robert DCS - CRD	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>	Madras Stock Exchange Ltd Exchange Building P.O.Box No.183 Second Line Beach Chennai 600 001. Kind Attn.: Secretary - Listing
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Dear Sirs,

Proceedings of the Annual General Meeting – July 26, 2014

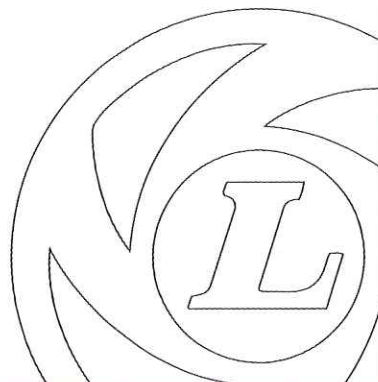
Pursuant to Clause 31 of the Listing Agreement, please find attached the certified copy of the proceedings of the Annual General Meeting of our Company held on July 26, 2014 for your records.

Thanking you,

Yours faithfully,
for ASHOK LEYLAND LIMITED



N Ramanathan
Company Secretary





**MINUTES OF THE SIXTY FIFTH ANNUAL GENERAL MEETING OF
ASHOK LEYLAND LIMITED HELD AT 10.30 A.M. ON SATURDAY,
JULY 26, 2014 AT IMAGE AUDITORIUM, 3 THANDAVARAYAN
STREET, MRC NAGAR, RAJA ANNAMALAI PURAM, CHENNAI 600 028.**

MEMBERS PRESENT

5390 members and 67 proxies recorded attendance.

DIRECTORS' PRESENT

Mr DHEERAJ G HINDUJA	-	Chairman
Mr R SESHASAYEE	-	Non-Executive Vice Chairman
Mr ANIL HARISH	-	Director (Chairman - Audit Committee)
Dr ANDREAS H BIAGOSCH	-	Director
Mr D J BALAJI RAO	-	Director (Chairman - Nomination and Remuneration Committee)
Mr A K DAS	-	Director
Mr JEAN BRUNOL	-	Director
Mr F SAHAMI	-	Director
Mr SANJAY K ASHER	-	Director (Chairman–Stakeholders' Relationship Committee)
Mr VINOD K. DASARI	-	Managing Director

IN ATTENDANCE

Mr N RAMANATHAN	Company Secretary	
Mr GOPAL MAHADEVAN	Chief Financial Officer	
Mr M S MURALI, Partner	- M/s M S Krishnaswami & Rajan Chartered Accountants	Auditors
Mr A SIDDHARTH, Partner Mr AJIT VAIDHYA, Director	- M/s Deloitte Haskins & Sells Chartered Accountants	

Mr Dheeraj G Hinduja, Chairman, after confirming that necessary quorum was present started the meeting at 10.30 a.m., the scheduled time for the meeting by extending a warm welcome to the Members, Proxies and the representatives of Hinduja Automotive Limited, Financial Institutions/Banks, Foreign Institutional Investors, Mutual Funds and Insurance Companies.

Chairman introduced the Directors and officers present on the dais and informed that Mr M S Murali representing M/s M S Krishnaswami & Rajan and Mr A Siddharth, Partner and Mr Ajit Vaidya, Director representing M/s Deloitte Haskins & Sells, LLP were present.

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.

The Chairman also informed that the Report of the Directors and the audited financial Statements for the year ended March 31, 2014 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.

With the consent of members present, the Notice convening the 65th Annual General Meeting (AGM) was taken as read.

The Chairman then addressed the members. Some key points of the address are, viz.

- Due to fierce competition and unhealthy discounting, overall sales volume dropped by 22% as compared to last year;
- Recovery in exports was remarkable, despite steep fall in the traditionally strong Sri Lankan market;
- Government cutbacks impacted sale to Defence.
- Tight liquidity, channel inventory correction affected the Power Solution Business and Spare Parts Business.
- Despite challenging conditions, Company maintained its unbroken track record of profitability.
- The slowdown period was capitalized towards introspection, strategic course correction and improving internal efficiency.
- Market fell by 28% in Medium Duty Truck Segment as compared to last year.
- Company gained market share in both Truck and Bus segments achieving levels of 12.5 % and 21% respectively;
- "BOSS" was adjudged as the "ICV Cargo carrier of the Year 2014" and "Commercial Vehicle of the Year 2014". Further, BOSS doubled market share in States where it was introduced;
- Total Industry Volume (TIV) was lower in the Heavy Duty Segment.
- Steeper decline in South and West regions, our traditional markets;
- Overall market share maintained through significant network expansion, quality of projects and greater customer engagement.
- Maintained thrust on R&D activities
- "CAPTAIN", was welcomed in the market with rave reviews.
- Unveiling of in-house "NEPTUNE" engine demonstrating better fuel performance.



- Received significant order of 1600 buses for the uniquely engineered JANBUS.
- TIV in Small Commercial Vehicle segment grew by 1.3%. However, market share dropped by 4%.
- Introduction of Globally competitive models viz., STILE, Partner and MiTR.
- Future growth strategy include:
 - Renewed thrust on core business of CV and divestment of non-core investments;
 - Reducing break – even volumes despite pressure on margins;
 - Reduction in working capital and short term debt from peak levels experienced last year.
- Business and Industry are anticipating favourable tidings as sentiments for early economic revival are buoyant.
- Company is geared up to capitalize on possible market upswings and focus on further operational efficiencies.

Mr Vinod K Dasari, Managing Director presented the highlights on Company's performance for the financial year ended March 31, 2014 and outlook for the future, as follows:

- Total Industry Volume declined by 25%.
- Maintained market share in the core business of Medium and Heavy Commercial Vehicles at 26.1% despite steep drop in South and West.
- In spite of many new entrants, maintained market share in a falling domestic M&HCV market.
- Market share gain in ICV - attributable to the "BOSS".
- LCV Volumes declined by 17% primarily due to overall market conditions.
- Export sales retained despite drop in sales in the Sri Lankan market (from 2000 vehicles to 1100 vehicles).
- Overall volume decline in Power Solution Business due to lack of demand and cash availability. Spare Parts business was affected due to lack of overall freight carrying.
- Government procurement of lesser number of VFJ kits resulting in a steep drop of 35% in Defence Business
- Heavy discounting by the Competitors coupled with easy financing and a sharp drop in non-truck sales resulted in hostile market conditions.
- Amidst gloom, the Company chose this phase to transform itself through the following means;
 - **World Class Quality** : Defects per vehicle were reduced and quality made 20 times better in the last 3 years;
 - **Conservation of cash** resulting in lowest Working Capital in the last 5 years (from Rs. 1400 crore to Rs. 244 crore);
 - **Decrease in manpower cost** by 7%;
 - **Reduction of Fixed Cost and Production overheads** by 7% and 33% respectively and lower material cost ;
 - **Sale of non-core asset** to reduce debt by Rs.1470 crore.



- BOSS achieved the "Commercial Vehicle of the Year Award" and proved to be the most successful product of the year with doubled market share.
- "CAPTAIN" and new in- house engine "NEPTUNE" has been launched.
- JANBUS world's first full flat floor engine will be launched soon. Orders have already poured in.
- Comprehensive LCV portfolio completed with the launch of Partner, MiTR and the MPV Stile.
- In overseas market, a full integral Double Decker bus was launched by Optare;
- Expansion in Middle East through internal improvements without capital investment. Products were launched in three new Continents viz., Peru, Ukraine and Nigeria.
- Robust network development in the domestic market.
- Remotest areas were covered in a very innovative fashion through Container workshops and through low cost yet effective ways to enlarge the network all over the Country.
- Vehicles provided with 0 Km, protective wraps and factory fresh.
- Investment in R & D earned 95 patents.
- Sales were strengthened by moving executives from manufacturing end to customer end to provide an overview of customer expectation.
- Practical Improvements in Sales and Marketing (PRISM) technique was launched to gain the customers perspective and translate the same into sales.
- Future ready with contemporary products, robust sales, World Class quality, lowest working Capital and leaner head count.
- Market share grew by 3.7% in East, 2.7% in Central and 21.4% in North.
- Financials were consolidated for the first time this fiscal year revealing Revenue of Rs. 12115 crore, Loss of Rs. 164 crore and Debt of Rs. 8500 Crore (of which Rs. 4690 is attributable to AL).
- Company displayed a remarkable improvement in Q1,

Chairman prior to inviting comments/ questions from members requested the Company Secretary to enlighten the members about voting process and other related matters.

Mr. N. Ramanathan, Company Secretary informed the members about the procedures, as follows:

- Since there were no qualifications, observations or comments on the financials, having any adverse effect on the functioning of the Company in the Auditors' Report (report) , the same was taken as read pursuant to Section 145 of the Companies Act 2013("the Act"). The report was made available for inspection by the members at the venue of the Meeting.
- In terms of Section 108 of the Act and Clause 35B of the Listing Agreement, e- Voting facility was made available to members (from July 19, 2014 to July 21, 2014) for businesses proposed in the AGM Notice through the National Securities Depository Limited (NSDL) platform.



- 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 handed over the proceedings back to the Chairman.

Chairman then invited comments / questions from the shareholders. He requested shareholders not to repeat questions and raise questions only pertaining to Accounts and operations of the Company and in view of the number of items to be considered at the meeting, also requested them to be as brief as possible and to confine them to the affairs of the Company.

At the outset the members appreciated the e-voting initiative taken by the Company. The major questions raised, views expressed and suggestions made by the shareholders are summarized below:

- Non-declaration of Dividend
- Curtail investments in Overseas Companies which are loss making
- Issue Bonus Shares or Rights share at discounted rates
- Reduce the no. of Directors on Board
- Poor growth in the last 5 years
- Current Liabilities more than Current Assets
- Reduce liability overseas and plan to pay ECB Loans
- Reduce managerial remuneration during turbulent times
- Status of approval to be sought from the Ministry of Corporate Affairs (MCA) for remuneration to the MD for the Financial Year 2013-14.
- Publish the unclaimed shares with the list of shareholders in newspapers.
- Reasons for accumulating Contingent liability every year
- Bhandara Land
- Why make investments in Debt Fund/Mutual Fund
- Publish details of unclaimed dividend year wise
- Details of land acquired/ sold
- Pay at least minimum dividend
- Arrange factory visit in the month of October/November
- Reconsider AGM venue
- CSR initiatives taken by the Company
- Reward the shareholder in a better manner and enhance shareholder value.
- Increase shareholder growth and also the Company's growth.
- Reduce finance cost
- Focus more on Receivables and Sundry Debtors
- Information on the properties disposed last year.
- Re-introduce Shareholders Satisfaction Survey
- Spend less towards Brand Ambassador and other promotional activities
- Details of performance of the last 10 years
- Action plan for the next 5 years to be amongst top ten
- Utilize the expertise of senior personnel effectively.



- Take remedial measures by cutting expenditure.
- Details of the employees who exited through the VRS Scheme. Whether permanent employees/contractual.
- Information on the Amalgamation process – transfer of manpower into the parent Company, cultural differences, if any.
- Chairman to visit India more often.

Chairman's reply

Chairman informed that he was encouraged and appreciative of the comments/suggestions. He further added that the presence of many shareholders reflects the true love and affection for the Company.

Before answering questions, Chairman introduced the Leadership Team of the Company who were seated on and off the dais. He further clarified that it is in the best interest of the Board/Management that all queries of the members are addressed. He further informed that he would like to brief about Company's position in the current market scenario and where the Company is heading because that will address many of the concerns expressed in terms of investments, dividend etc.

- Consequent to the poor Indian economic condition in the last two years, the growth rate has reduced by almost half impacting the Corporates operating in the economy.
- New successful products are a testimony to the huge Capital expenditure made in the last few years.
- Ashok Leyland has an uninterrupted history of profitability and dividend payout. The Board/ Management after a lot of deliberation and with a view to protect the interest and in order to preserve cash in the long run, given the volatile market took a prudent decision of not declaring dividend.
- Investments in overseas subsidiaries are to counter the Global competition in the long run and establish the brand all over the world.
- Cost reductions in terms of manpower cost, Capital expenditure cost have been made adequately that has translated into results in the first quarter this year.
- Success of the Company is directly proportional to the talent retained in the Top Management. In this fierce competitive market, the remuneration that Company offers to the Top Executives are far below when compared to the top tier Companies in this industry.



- Sharing the sentiment of the shareholders, the Management has foregone the variable pay which constitutes about 20-40% of their salary to support the Company during its difficult time.
- A few Directors have waived their fee and only a nominal amount is paid as sitting fee, given the extent of experience, time and knowledge that they deliver for the enhancement of the Company. In fact the Independent Directors have waived their commission also this year.
- Overseas collaborations offer world class technologies/ products such as zero emissions, electric vehicles which are not otherwise viable in the domestic market.
- After deriving expertise on testing, Defiance Testing and Engineering (DTE), an overseas subsidiary was divested during the year due to a foreseen opportunity. Similarly other subsidiaries which will not move ahead with the Company in the long run will be divested in due course to strengthen the Company further.
- An application has been made by the Company to the MCA to seek the approval of Central Government for payment of Remuneration to the Managing Director. The approval is awaited and the members will be apprised if there is any adverse news on the same.
- The Company had been served Notice by the Forest Department that a portion of the Bhandara lease land is forest land. After protracted litigation, the High Court has passed order directing the State and Central Governments to resolve the issue. The Company will do the needful in this regard.
- The Secretarial Department of the Company has been taking initiatives in disseminating the unclaimed dividend to the rightful shareholders through various communications. However, if they remain unclaimed for a stipulated time period, then the provisions of the relevant regulation/law have to be followed.
- Reduction at the Top Management would not benefit the Company in the long run. The Company will suffer in terms of expertise when the market revives.
- Factory visit shall be enabled in the month of October and members interested are requested to contact the Company Secretary and provide their relevant details.
- Despite best and timely efforts by the Company the usual AGM venue, Music Academy was not available. The Company shall put in best efforts to choose a location that would be beneficial/ comfortable to most of the shareholders.



- Disposed Land: excess lands which in the opinion of the Management were no longer required were disposed which includes RSO properties, Boat Club, Chembarampaakam, Ambattur.
- The addition to leasehold land of Rs.5.85 lakhs represents the forex losses that have been capitalized. The Company has not made additional investment in land over the last few years.
- Considering the comments/ sentiments received from dealers/ customers in territories which are not the traditional markets of the Company, it has been evidenced that having a brand Ambassador as reputable as Mr M S Dhoni has enhanced the visibility of the Company and earned positive winning outlook of the Company. However, the Company is taking steps to ensure that expenditure is curtailed to the extent possible.
- Revaluation of asset was carried out in the year 2009 and it is not an annual exercise. The adjustment of Rs. 107 crore is reversal of the revaluation with regard to the asset sold.
- Current Liabilities have drastically reduced this year as compared to the last year.
- CSR initiatives:
 - BLESSING" scheme promoted in Pantnagar meets the local requirements by engaging students who have completed their 10th/12th standard in the factory. One of the key highlights of this facility is that the Company has been a forerunner in promoting large number of womenfolk to work in the factories. The Company has also provided hostel facility within the location.
 - The Company has taken initiatives in creating Driver Training Institute and Ashok Leyland is the only Company today who are making sure that the drivers are well trained and are able to use the vehicle appropriately. There are currently 7 Institutions across the Country. The Company has trained over 5 lakh drivers.
 - A School is being run in Hosur for both Company employees as well as the public at large. Currently we have around 1600 students.
 - Company provides buses to Cancer Institutes and few other institutions supporting the physically challenged.
- The Company will make sure that CSR initiatives undertaken are detailed in the next Annual Report.



- The Alwar plant enables the Company to transport the buses sold to the Northern and Eastern part of the Country which proves to be cost effective to the Company and enhances quality to the end customers.
- The Company will provide details of the long term initiatives and the total manpower in Subsidiary Companies in the next Annual Report.
- The business proposed in the AGM regarding borrowing is only an enabling resolution and no fresh loans are now lined up for immediate drawal by the Company.

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

Chairman then announced that eligible members could cast their votes using the Ballot paper provided to them. He further guided them to take the assistance of R&TA or the Company officials present inside the hall.

Chairman informed the members that the result of the votes cast through e-Voting and Ballot will be collated for all the resolutions that were placed before the shareholders for their approval and the final results of the same will be disseminated through the Stock Exchanges, websites of the Agency (NSDL) and of the Company within 48 hours. Members may view the final results post the close of business hours on July 28, 2014 (Monday).

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

FOR ASHOK LEYLAND LIMITED


N. RAMANATHAN
Company Secretary