

**MINUTES OF THE SIXTY THIRD ANNUAL GENERAL MEETING
OF ASHOK LEYLAND LIMITED HELD AT 2.45 P.M. ON TUESDAY,
JULY 24, 2012 AT THE MUSIC ACADEMY MADRAS 168, TTK
ROAD, ROYAPETTAH CHENNAI 600014.**

MEMBERS PRESENT

2200 members and 91 proxies recorded attendance.

DIRECTORS PRESENT

Mr DHEERAJ G HINDUJA	- Chairman
Mr R SESHASAYEE	- Executive Vice Chairman
Dr V SUMANTRAN	- Non-Executive Vice Chairman
Mr ANIL HARISH	- Director (Chairman - Audit Committee)
Mr D J BALAJI RAO	- Director (Chairman - Nomination and Compensation Committee)
Mr A K DAS	- Director
Mr JEAN BRUNOL	- Director
Mr JORMA ANTERO HALONEN	- Director
Mr F SAHAMI	- Director
Mr SANJAY K ASHER	- Director (Chairman – Shareholders/Investors Grievance Committee)
Mr SHARDUL S SHROFF	- Director
Mr VINOD K DASARI	- Managing Director

IN ATTENDANCE

Mr A R CHANDRASEKHARAN	Executive Director & Company Secretary
Mr K SRIDHARAN	Chief Financial Officer
Mr M S Murali, Partner	M/s M S Krishnaswami & Rajan Chartered Accountants
Mr R Laxminarayan, Partner	M/s Deloitte Haskins & Sells Chartered Accountants

Auditors



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Mr Dheeraj G Hinduja, Chairman, after confirming that necessary quorum was present started the meeting at 2.45 p.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 and Insurance Companies.

Chairman introduced the Directors and officers present on the dais and informed that Mr M S Murali representing from M/s M S Krishnaswami & Rajan and Mr R Laxminarayan representing M/s Deloitte Haskins & Sells were present.

He also announced that the relevant registers maintained under the Companies Act, 1956, 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, 2012 have already been circulated. With the permission of the members, the same were taken as read.

With the consent of members present, the Notice convening 63rd AGM was taken as read.

The Chairman then addressed the members. Key points of the address are given below:

- Overall sale recorded an increase of 8.4% over the previous year.
- Exports grew by 24.7%
- Runaway success of award winning 'Dost' in LCV segment
- Key challenge is to concurrently emphasise on short term actions to restore the market position and long term actions aimed at growth
- Company has now 400 full service points across India and 20000 Leyparts touch points
- Building on the strength of 70000 Stallion vehicles, the Company as the largest supplier of logistics vehicles to the Indian Army, is expanding the product range and development action is on for introducing specialist vehicles
- R&D spend was Rs.349 crores constituting 3% of the total turnover, an increase of 20% over last year
- Partnership with John Deere came to fruition during the year with launch of 435 Backhoe Loader. Wheel Loaders and Excavator are expected to be launched soon.



- The Company has signed iconic Indian Cricket Captain M S Dhoni as Brand Ambassador and to be the new face of the Company
- As part of Corporate Social Responsibility, Hosur has won awards for achievement in environment management.
- Year 2012-13 will see a launch of new models like JANBUS, U-3723, in-house developed state-of-the-art 'Neptune' engines and NextGen cabs.
- The year 2012-13 had a good start with the Q1 sales of 27585 vehicles which is a growth of 43% over corresponding period last year.

Mr Vinod K Dasari, Managing Director presented the highlights on Company's performance for the financial year ended March 31, 2012 and for the first quarter of the financial year 2012-13 and outlook for the future.

Some key points are given below:

- Highest annual M&HCV production and sales
- International Operations touched a new peak
- Extremely positive market response for DOST
- Leyparts grew aggressively
- Defence and Power Solutions Business showed marked improvement
- Market reach improved significantly with the addition of many new customer touch points
- Gained market share in Central Region, Tippers and ICV Trucks and buses
- Unbroken track record of profitability maintained
- An iconic Brand Ambassador, M S Dhoni, the new face of Ashok Leyland, who befits the Company attributes of reliability, passion and performance
- Continued focus on new products and quality

1. Thereafter, Mr. Vinod K Dasari (DP ID /Client ID 1201090000234561) Managing Director moved the following as an Ordinary Resolution :

"RESOLVED THAT the audited Balance Sheet of the Company as at March 31, 2012 and the Statement of Profit & Loss Account for the year ended on that date annexed thereto and the Reports of the Board of Directors and Auditors attached thereto, be and are hereby received, approved and adopted

Mr N. Mohanakrishnan (DP ID IN300476 / Client ID 40905604) seconded the resolution.

Before putting the resolution to vote, as requested by the Chairman, the Auditors' Report was read by the Company Secretary.



Chairman invited comments / questions from the shareholders and requested them to be precise and to confine them to the operations/performance of the Company.

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

- Domestic and Global market share of the Company - Details
- M S Dhoni as Brand Ambassador - period of contract and the fees payable
- Why some Directors were absent in certain Board Meetings
- R&D Capex for 2012-13 – details and benefits
- Opportunity available in Construction Equipment sector
- Updation on Optare plc acquisition.
- Possibility of a Rights Issue in the near future
- Return on Capital Employed (ROCE) and Return on Net Worth (RONW) should be shown in the Performance Highlights page
- What is the usage and maintenance cost of Aircraft?
- Unclaimed Dividend amount is very high. What steps the Company has taken to distribute the same to the rightful shareholders.
- Quantum of dividend should be increased.
- Provide details of purchase of components and other performance details from our Joint Ventures and Associate Companies
- Strategy to be adopted in buyer's market to improve market share
- Annual Report posting - consider Speed Post / Courier
- Factory visit to be arranged for shareholders

The questions raised at the meeting were answered by Chairman. A summary of replies is given below:

- Domestic Market share was 26.31% for Quarter 1 of 2012-13.
- Company's global ranking is among the top 10. In trucks we stand at 16th place and 4th in Buses.
- Contract with M.S.Dhoni is for a period of 3 years and the Company expects tangible benefits in near future by engaging M S Dhoni as Brand Ambassador.
- Directors who could not be present during the Board Meetings convey their comments on the Agenda papers. Despite their absence, at the board meetings, they are actively engaged in the governance and operations of the company interacting with the Management from time to



- time With video conferencing now permitted, Directors located at remote centres have the opportunity of participation through video conference.
- The reason for not making a Rights Issue is that the offer price may be at a discount to the prevailing market price and the procedure may be time consuming.
 - Regarding investments in Associate Companies, in many cases, since it is a new venture, the Company cannot expect immediate returns. Joint venture with Nissan is performing well and the LCV DOST has been a success; hence value appreciation and dividend will be attractive in due course.
 - Investment Committee of the Board evaluates investment and acquisition opportunities
 - Exports have grown up to 12580 units. Export commission on an average ranges between 8-10%
 - The employees cost was 8% on the turnover
 - Around 60% of Company's requirement of power in Tamilnadu plants is met by windmills of 37 MW capacity installed by the Company.
 - ROCE is 15.6% and RONW is 19.6% for the past year
 - The pay-out ratio is between 45-55% in the past few years
 - New range of engine named 'Neptune' (180hp – 360hp) is likely to hit market soon , benchmarked against competition. The Company strongly believes that this will improve the performance of vehicles.
 - With regard to green energy, though electric buses are available in Optare plc and could be introduced in India as well, but right now it will be very expensive. Hybrid vehicles seem to be viable alternative for Indian market at the moment.
 - In respect of Associate Companies, the Company has provided the required disclosures.
 - The Company is benchmarking itself well with other companies in order to be competitive and retain talents.
 - Aircraft is used for travelling for e.g. Chennai to Pantnagar. It involves long distance travel and inconvenient connections. Looking at the alternatives, this is considered a good decision.
 - Research and development focuses on how to conserve fuel, fuel efficiency and exploring alternate fuel.
 - Regarding unclaimed Dividend / shares, steps are taken to reach out to the concerned shareholders and any specific suggestion will be looked into.



The resolution was then put to vote. The Chairman then declared the resolution as carried by requisite majority.

- 2. Mr R. Seshasayee, Executive Vice Chairman (DPID IN300441/ Client ID 10588301) and shareholder of the Company moved the following resolution as an Ordinary Resolution :**

"RESOLVED THAT a dividend at the rate of 100% (i.e. Rs.1.00 per equity share) as recommended by the Board of Directors, be and is hereby declared for the year ended March 31, 2012, on the paid-up Share capital of the Company as on the Book Closure date, and that the above dividend be paid to those shareholders whose names appear on the Register of Members as on July 13, 2012, in respect of shares held in physical form, and on the basis of beneficial ownership details furnished for this purpose by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in dematerialized form.

Mr N G Ramanathan (IN301080 / 22002339) seconded the Resolution.

The resolution was then put to vote. The Chairman then declared the resolution as carried unanimously.

- 3. Thereafter, Mr. N G Ramanathan (DPID IN301080/ Client ID 22002339) moved the following Ordinary Resolution :**

"RESOLVED THAT Mr. Shardul S Shroff, who retires by rotation under Article 106 of the Articles of Association of the Company, be and is hereby re-appointed as a Director of the Company."

Mr. E H Ramanarayanan (Folio No : 8738) seconded the resolution.

The resolution was then put to vote. The Chairman then declared the resolution as carried unanimously.



4. Thereafter, Mr. Yuvaraj (Folio No : 34814) moved the following Ordinary Resolution :

"RESOLVED THAT Mr. A K Das, who retires by rotation under Article 106 of the Articles of Association of the Company, be and is hereby re-appointed as a Director of the Company".

Mr Saravanan K (Folio No : DPID IN303028 Client ID 52451649) seconded the resolution.

The resolution was then put to vote. The Chairman then declared the resolution as carried unanimously.

5. Mr E H Ramanarayanan (Folio No : 8738) a shareholder of the Company moved the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. F Sahami, who retires by rotation under Article 106 of the Articles of Association of the Company, be and is hereby re-appointed as a Director of the Company".

Mr G Sankararaman (Folio No : 6631) seconded the resolution.

The resolution was then put to vote. The Chairman then declared the resolution as carried unanimously.

6. Mr N Mohanakrishnan, (DP ID IN30047640905604) a shareholder of the Company moved the following resolution as an Ordinary Resolution :

"RESOLVED THAT Messrs M S Krishnaswami & Rajan (Registration No.01554S), Chartered Accountants, and Messrs Deloitte Haskins & Sells (Registration No.117366W), Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting on a remuneration of Rs.35 lakhs (Rupees thirty five lakhs only) to each of the auditors, in addition to reimbursement of out-of-pocket expenses incurred".

Mr. Yuvaraj seconded the resolution.

The resolution was then put to vote. The Chairman then declared the resolution as carried by requisite majority.



7. Since the item of business may be deemed to include investment by Promoters, Chairman requested Mr. Anil Harish, Director, Chairman-Audit Committee to take the Chair.

Mr. P K Ranganathan (DP ID IN30131321157661) a shareholder of the Company moved the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, including any amendment thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“**SEBI Regulations**”) and the provisions of the Foreign Exchange Management Act, 1999, and Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depositary Receipt Mechanism) Scheme, 1993, as amended, and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time and issued by the Government of India (“**GOI**”), the Reserve Bank of India (“**RBI**”), the Foreign Investment Promotion Board (“**FIPB**”), the Securities and Exchange Board of India (“**SEBI**”), the stock exchanges where the equity shares of the Company (“**Equity Shares**”) are listed (“**Stock Exchanges**”) and any other appropriate authorities, institutions or bodies, as may be applicable in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with each of the Stock Exchanges (“**Listing Agreements**”), and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, FIPB, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction, the consent of the shareholders be and is hereby accorded to permit the Board of Directors (hereinafter referred to as the “**Board**” which shall be deemed to include any Committee thereof, constituted or to be constituted to exercise its powers) in its absolute discretion, to create, offer, issue and allot from time to time, in one or more tranches, in the course of one or more domestic and/or international offerings in one or more foreign markets or domestic markets, to one or more eligible investors, whether or not they are members of the Company or are residents or non-residents in India, including but not limited to Qualified Institutional Buyers (“**QIBs**”) as defined under the SEBI Regulations, through a Qualified Institutions Placement (“**QIP**”) within the meaning of Chapter VIII of the SEBI Regulations of Equity Shares, non-convertible debt instruments along with warrants and convertible securities other than warrants, or by way of an issuance of Equity Shares or American Depositary Receipts (“**ADRs**”) or Global Depositary Receipts



("GDRs") or Foreign Currency Convertible Bonds ("FCCBs"), whether or not to be listed on any Indian stock exchange in India or overseas, to eligible investors including foreign institutions, corporate bodies, mutual funds, banks, insurance companies, pension funds or individuals (including the Promoters or any persons or companies associated with the Promoters), whether Rupee denominated or denominated in any foreign currency (such securities, "**Specified Securities**"), upto 2,780 lakh Equity Shares of face value of Re.1/- each, constituting 10.5% of the issued Equity Share capital of the Company at a price to be determined by the Board at the time of issue, but not less than price calculated in accordance with applicable law, without requiring any further approval or consent from the shareholders of the Company and subject to the applicable regulations/guidelines in force.

RESOLVED FURTHER THAT in the event of a QIP or issuance of ADRs/GDRs/FCCBs as abovementioned, the relevant date for determining the price of the Specified Securities to be allotted, if any, shall mean, in case of allotment of Equity Shares, the date of the meeting in which the Board or a Committee thereof decides to open the proposed issue and in case of allotment of convertible securities, either the date of the meeting in which the Board or a Committee thereof decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as provided under applicable law, or such other time as may be prescribed by applicable law from time to time.

RESOLVED FURTHER THAT in the event of a QIP, in terms of Chapter VIII of the SEBI Regulations, in accordance with Regulation 86(1)(a) of the SEBI Regulations, a minimum of 10% of the Specified Securities shall be allotted to mutual funds and if the mutual funds do not subscribe to the said minimum percentage or part thereof, such minimum portion or part thereof, may be allotted to other QIBs, and that no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to promoters of the Company.

RESOLVED FURTHER THAT the issue of Specified Securities shall be subject to the following terms and conditions:

- i) The Equity Shares that may be issued and allotted directly or on conversion of other convertible or exchangeable securities issued as aforesaid shall rank pari passu with the then existing Equity Shares of the Company in all respects including dividend;
- ii) The number and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion of other convertible securities that may be issued as aforesaid shall be appropriately



adjusted for corporate actions such as bonus issue, rights issue, stock split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring;

iii) In the event of a QIP as aforesaid, the allotment of the Specified Securities shall be completed within twelve months from the date of passing of this resolution under Section 81(1A) of the Companies Act, 1956;

iv) In case Specified Securities other than Equity Shares are issued pursuant to a QIP as aforesaid, such securities shall be converted into equity shares within sixty months from the date of allotment; and

v) In the event of a QIP as aforesaid, no subsequent QIP shall be made until the expiry of six months from the date of the prior QIP approved by way of this special resolution.

RESOLVED FURTHER THAT such of the Specified Securities as are not subscribed for may be disposed of by the Board in its absolute discretion in such manner as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and matters as may be necessary and also to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of the Board or to any Director of the Company or to any other officer(s) or employee(s) of the Company or any professional as it may consider appropriate in order to give effect to this Resolution.

Mr. G Sankararaman (Folio No : 6631) seconded the resolution.

The resolution was then put to vote. The Chairman then declared the resolution as carried by requisite majority.

Mr Anil Harish then handed over the Chair back to Mr D G Hinduja.

Mr D G Hinduja thanked Mr Anil Harish and resumed the Chair.



8. Mr G Sankararaman (Folio No : 6631) a shareholder of the Company moved the following resolution as an Ordinary Resolution :

“RESOLVED that the Authorised Share Capital of the Company be increased from Rs.300,00,00,000 (Rupees three hundred crores only) to Rs.400,00,00,000 (Rupees four hundred crores only) divided into 400,00,00,000 Equity Shares of Re.1/- each

RESOLVED FURTHER THAT the Clause V of Memorandum of Association of the Company be and is hereby amended as follows:

“V. The Capital of the Company is Rs.400,00,00,000 (Rupees four hundred crores only) divided into 400,00,00,000 shares of Re.1/- each.”

Mr. Saravanan K (DPID IN303028 Client ID 52451649) seconded the resolution.

The resolution was then put to vote. The Chairman then declared the resolution as carried unanimously.

9. Mr. E H Ramanarayanan (Folio No : 8738) a shareholder of the Company moved the following resolution as an Special Resolution:

RESOLVED THAT Article 3 of the Articles of Association be and is hereby altered as follows:

CAPITAL

3. The Capital of the Company is Rs.400,00,00,000 (Rupees four hundred crores only) divided into 400,00,00,000 shares of Re.1/- each.

Mr M T Yuvaraj (Folio No : 34814) seconded the resolution.

The resolution was then put to vote. The Chairman then declared the resolution as carried unanimously.



10. Mr N G Ramanathan (DPID IN301080/ Client ID 22002339) a shareholder of the Company moved the following resolution as an Ordinary Resolution:

RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956:

- (i) to mortgaging and/or charging by the Board of Directors of the Company, of all the immovable and/or movable properties of the Company, wheresoever situate, present and future and the whole of the undertaking of the Company, together with power to take over the management of the business of the Company only on the occurrence of certain events, to or in favour of all, or any of the Banks / Financial Institutions / Mutual Funds as lenders / trustees for fresh Non-Convertible Debentures / Term Loans / External Commercial Borrowings / Perpetual Bonds upto Rs.1,650 Crores to be contracted during the financial year 2012-13 together with the interest payable on such loans at the respective agreed rates, compound/additional interest, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to Banks / Financial Institutions / Mutual Funds as lenders/ trustees in terms of their Loan Agreements / Trust Deed entered into/to be entered into by the Company in respect of the said Non-Convertible Debentures / Term Loans / External Commercial Borrowings / Perpetual Bonds.
- (ii) to create a first charge by way of hypothecation and/pledge of the borrower's current assets, namely stocks and spares not relating to plant and machinery (consumable stores & spares), Bills receivable & Book Debts and all other movables both present and future excluding such movables as may be permitted by banks from time to time, by the Board of Directors of the Company, together with power to take over the management of the business and concern of the Company to be exercised only on the occurrence of certain events, to or in favour of State Bank of India and the Consortium of Banks to secure the repayment of working capital limits of Rs.1,650 Crores together with interests (comprising of Rs.900 Crores in respect of fund based limits and Rs.750 Crores in respect of non-fund based limits) and the Board of Directors of the Company be and are hereby authorized to finalise with State Bank of India and the Consortium of banks for their working capital limits of Rs.1,650 Crores, the documents for creating the aforesaid charge by way of hypothecation and pledge of the borrower's current assets, namely stocks and spares not relating to plant and machinery (consumable stores & spares), Bills receivable & Book Debts and all other movables (not specifically offered / charged to any



other credit facility) both present and future excluding such movables as may be permitted by banks from time to time and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution.

RESOLVED FURTHER THAT the actions already initiated by the Board of Directors on this matter be and are hereby ratified/ approved.

Mr. E H Ramanarayanan (Folio No : 8738) seconded the resolution.

The resolution was then put to vote. The Chairman then declared the resolution as carried by requisite majority.

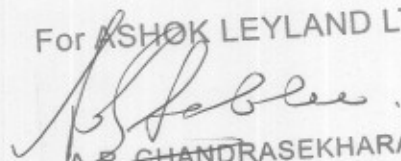
The meeting was then declared "Closed" by the Chairman thanking all those present.

Chennai

August 20, 2012

CHAIRMAN

For ASHOK LEYLAND LTD.


A.R. CHANDRASEKHARAN
Executive Director &
Company Secretary

