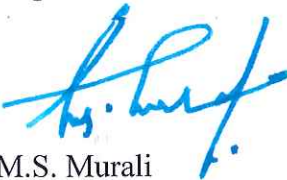
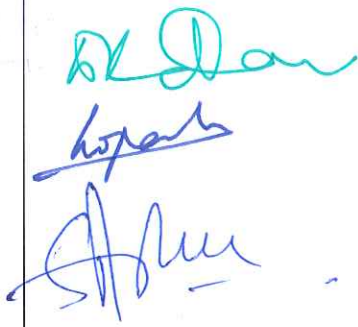
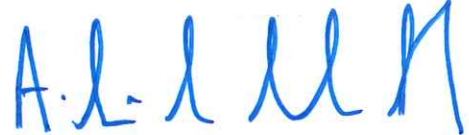


## FORM A

### Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Ashok Leyland Limited
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	<p>To be signed by -</p> <p><input type="checkbox"/> CEO/Managing Director</p> <p><input type="checkbox"/> CFO</p> <p><input type="checkbox"/> Audit Committee Chairman</p> <p><input type="checkbox"/> Auditor of the company</p> <p>For M.S. Krishnaswami &amp; Rajan Chartered Accountants Registration No.: 01554S</p>  <p>M.S. Murali Partner Membership No.26453</p> <p>May 12, 2015 Chennai</p>	 <p>Refer our Audit Report dated May 12, 2015 on the financial statement of the Company</p> <p>For DELOITTE HASKINS &amp; SELLS LLP Chartered Accountants Firm's Registration No.117366W/W-100018</p>  <p>A. Siddharth Partner Membership No.31467</p>

# DRIVING THE GREEN AMBITION

Annual Report 2014 - 15



**ASHOK LEYLAND**



HINDUJA GROUP



## FORWARD-LOOKING STATEMENT

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In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions. This report and other statement - written and oral - that we periodically make, contain forward-looking statements that set our anticipated results based on management plans and assumptions. We have tried, where possible, to identify such statements by using words such as 'anticipate', 'expect', 'project', 'intend', 'plan', believe, and words of similar substance in connection with any discussion of future performance.

We cannot, of course, guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. Achievement of results is subject to risks, uncertainties, and potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



# CHAIRMAN'S MESSAGE



Dear Shareholder,

I am happy as always to connect with you to reflect on the performance of Ashok Leyland in the year that went by and share with you our aspirations for the future.

Clearly, 2014-15 has been a watershed year for Ashok Leyland. Though the commercial vehicle industry had not fully recovered from the preceding years of slow down, Your Company posted commendable all-round performance. This was possible to a large measure due to the relentless pursuit of internal efficiencies, product and market actions and above all a greater thrust in customer orientation. The highlights of performance include

- ❖ Increase in market share of the Medium & Heavy Commercial Vehicle (M&HCV) segment from 26.1% to 28.6% in the face of fierce competition
- ❖ Increase in market share in the intermediate vehicle domain enabled by the newly introduced BOSS range
- ❖ Growth in export volume by 31.7% and maintaining leadership position in Sri Lanka, Middle East and Africa
- ❖ Strong growth in Defence and After-market businesses
- ❖ More than 11 times growth in profit after tax
- ❖ Among the best performing auto stocks globally

I would like to extend my appreciation to the entire Ashok Leyland team for their determination and efforts to make this possible. I truly believe that it is not a chance occurrence but a sustainable performance since structural changes have been effected in the operating business model. We should obviously not rest on our laurels or allow a sense of complacency to set in. With general economic conditions set to ease further, Your Company is poised to achieve even better in all areas in the coming year.

As Your Company marches another step in 2015-16 towards the Vision of becoming a global player of substance, due attention will be given to the concerns of our ecosystem, especially air pollution. It is not pleasant to read reports that Delhi is the most polluted city in the world and India has 13 of the global top 20 polluted cities and not act on it as responsible corporate citizens.

Your Company has always been at the forefront of pioneering new technologies into the Indian market even ahead of times, whether it be in trucks or buses and

whether it be safety or performance related. Some of the examples you are familiar with are multi-axle trucks for higher load carrying capacity, safety oriented air brakes, various mass transport applications such as integral bus, articulated bus, double deck and ultra low floor bus. In line with that approach, Your Company has now drawn a road map for introduction of alternate propulsion systems. With global trends moving towards zero emission cities, we already have a head start in hybrid and electric drive system capabilities. In addition to keeping pace with technological trends globally, Your Company is actively pursuing cost effective solutions through frugal engineering approach. Consistent with our philosophy to be ever ready in anticipation with appropriate technology for the markets served. It is heartening to note that government actively supports introduction of alternate propulsion vehicles giving the much-needed fillip to the initiatives being pursued by Your Company. A slew of innovative products will be launched progressively from next year.

In 2015-16, Your Company will continue to maintain momentum to the business transformation exercises that are underway and strive to achieve pole position in all fronts with an added impetus to the Green Initiative. I believe 2014-15 is an inflexion point in our journey having gained tremendously in our collective self-belief to overcome business challenges and face the future with greater optimism.

I am also happy to inform that as part of our CSR programme, we have decided to pursue the theme of Education for the Underprivileged with a holistic orientation combining health and education. We hope to see visible results from this endeavor shortly.

I would like to gratefully acknowledge the trust and confidence reposed in us by you and more importantly for your patience in seeing us through the recent turbulent times. The Management is conscious of your increasing expectations and is gearing to fulfill the same.

The continuing support and co-operation of our loyal family circle of customers, dealers, suppliers, financial institutions and partners have been valuable to Your Company's success and well-being and is much appreciated.

Thank you,

Yours sincerely,



**Dheeraj G. Hinduja**

Chairman

May 25, 2015

BOARD OF DIRECTORS	Dheeraj G. Hinduja, Chairman R. Seshasayee, Non-executive Vice Chairman Dr. Andreas H. Biagosch D. J. Balaji Rao A. K. Das Jean Brunol Manisha Girotra (w.e.f. 08.09.2014) Sanjay K. Asher F. Sahami Shardul S. Shroff Sudhindar K. Khanna (w.e.f. 12.05.2015) Vinod K. Dasari, Managing Director
CHAIRMAN EMERITUS	R. J. Shahaney
CHIEF FINANCIAL OFFICER	Gopal Mahadevan
COMPANY SECRETARY	N. Ramanathan
SENIOR MANAGEMENT	Anuj Kathuria N. V. Balachandar C. G. Belsare P. G. Chandramohan Gopalji Mehrotra P. Harihar Nandkumar Khandare Nitin Seth Rajive Saharia Dr. N. Saravanan R. Sivanesan T. Venkataraman B. Venkat Subramaniam
AUDITORS	M. S. Krishnaswami & Rajan Deloitte Haskins & Sells LLP
COST AUDITORS	Geeyes & Co.
DEBENTURE TRUSTEE	SBICAP Trustee Company Limited
BANKERS	Bank of America Bank of Baroda Canara Bank Central Bank of India Citi Bank N.A. Credit Agricole Corporate and Investment Bank Deutsche Bank A.G. HDFC Bank Ltd. ICICI Bank Ltd. IDBI Bank Indian Bank Punjab National Bank Standard Chartered Bank State Bank of India State Bank of Patiala The Bank of Tokyo - Mitsubishi UFJ Ltd. The Hong Kong and Shanghai Banking Corporation Ltd. The Royal Bank of Scotland N. V. Vijaya Bank
REGISTERED OFFICE	1, Sardar Patel Road, Guindy, Chennai 600 032
PLANTS	Chennai (Ennore) and Hosur, Tamil Nadu; Bhandara, Maharashtra; Alwar, Rajasthan; Pantnagar, Uttarakhand
WEBSITE	<a href="http://www.ashokleyland.com">www.ashokleyland.com</a>

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The Admission Slip/Proxy Form and AGM Notice are being sent by registered post / e-mail separately



# A HISTORICAL PERSPECTIVE OF THE COMPANY

₹ lakhs

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Sales Volume</b>										
Vehicles (numbers)	61,655	83,094	83,307	54,431	63,926	94,106	101,990	114,611	89,337	104,902
Engines (numbers)	7,171	8,202	11,757	21,447	19,050	17,377	16,170	21,757	17,441	14,023
Spare parts and others	78,380	54,684	79,124	79,969	88,506	106,194	155,400	181,458	121,257	139,169
<b>Revenue (Gross sales)</b>										
Revenue (Gross sales)	605,310	830,472	894,715	666,664	787,260	1,215,300	1,372,081	1,329,856	1,056,085	1,448,593
Profit before tax	45,230	60,451	63,815	20,845	54,477	80,180	68,998	47,071	(9,122)	44,220
Profit after tax	32,732	44,129	46,931	19,000	42,367	63,130	56,598	43,371	2,938	33,481
<b>Assets</b>										
Fixed assets	108,470	154,452	205,479	439,741	481,103	499,176	546,171	597,081	584,139	537,570
Non-Current Investments	36,818	22,109	60,990	26,356	32,615	123,000	153,448	233,763	240,531	224,038
Long term loans and advances	5,690	17,021	13,550	10,020	20,145	38,463	60,824	49,934	100,146	98,292
Other non-current assets	420	2,330	2,076	823	363	316	743	1,203	3,309	1,950
<b>Non-Current Assets</b>	<b>151,398</b>	<b>195,912</b>	<b>282,095</b>	<b>476,940</b>	<b>534,226</b>	<b>660,955</b>	<b>761,186</b>	<b>881,981</b>	<b>928,126</b>	<b>861,850</b>
Current Investments	-	-	-	-	-	-	-	-	38,438	40,845
Inventories	90,256	107,032	122,391	133,001	163,824	220,890	223,063	189,602	118,870	139,853
Trade Receivables	42,434	52,288	37,583	95,797	102,206	116,450	123,076	141,941	129,901	125,769
Cash and Bank balances	60,288	43,494	45,137	8,808	51,892	17,953	3,256	1,394	1,169	75,129
Short Term loans and Advances	24,573	49,937	68,864	68,934	75,901	33,439	72,657	87,134	47,201	56,882
Other current assets	310	112	154	146	155	9,644	8,337	7,618	17,095	30,821
<b>Current assets</b>	<b>217,861</b>	<b>252,863</b>	<b>274,129</b>	<b>306,686</b>	<b>393,978</b>	<b>398,376</b>	<b>430,389</b>	<b>427,689</b>	<b>352,674</b>	<b>469,300</b>
<b>Total</b>	<b>369,259</b>	<b>448,775</b>	<b>556,224</b>	<b>783,626</b>	<b>928,204</b>	<b>1,059,331</b>	<b>1,191,575</b>	<b>1,309,670</b>	<b>1,280,800</b>	<b>1,331,149</b>
<b>Financed by</b>										
Share capital	12,216	13,239	13,303	13,303	13,303	13,303	26,607	26,607	26,607	28,459
Reserves and surplus	129,029	176,218	201,595	334,470	352,327	382,993	394,626	418,903	418,182	483,411
<b>Shareholders funds</b>	<b>141,245</b>	<b>189,457</b>	<b>214,898</b>	<b>347,773</b>	<b>365,630</b>	<b>396,296</b>	<b>421,233</b>	<b>445,510</b>	<b>444,789</b>	<b>511,869</b>
Long term borrowings	60,641	46,152	70,632	185,826	211,819	234,813	229,335	273,784	329,650	256,634
Deferred tax liability - Net	17,969	19,693	25,382	26,344	38,454	44,389	49,037	52,737	40,677	51,027
Long-term provisions and Liabilities	7,113	8,860	9,286	9,410	11,421	7,846	7,656	8,029	7,024	8,067
<b>Non-current liabilities</b>	<b>85,723</b>	<b>74,705</b>	<b>105,300</b>	<b>221,580</b>	<b>261,694</b>	<b>287,048</b>	<b>286,028</b>	<b>334,550</b>	<b>377,351</b>	<b>315,728</b>
Short-term borrowings	69	14,328	-	-	-	-	10,175	76,698	58,741	2,500
Trade payables	104,595	143,368	173,511	177,129	233,168	230,851	257,097	248,537	221,415	282,832
Other current liabilities	18,578	25,354	37,278	19,746	42,264	103,442	175,005	173,507	169,691	192,615
Short-term provisions	19,049	1,563	25,237	17,398	25,449	41,694	42,037	30,868	8,813	25,605
<b>Current liabilities</b>	<b>142,291</b>	<b>184,613</b>	<b>236,026</b>	<b>214,273</b>	<b>300,880</b>	<b>375,987</b>	<b>484,314</b>	<b>529,610</b>	<b>458,660</b>	<b>503,552</b>
<b>Total</b>	<b>369,259</b>	<b>448,775</b>	<b>556,224</b>	<b>783,626</b>	<b>928,204</b>	<b>1,059,331</b>	<b>1,191,575</b>	<b>1,309,670</b>	<b>1,280,800</b>	<b>1,331,149</b>
Basic Earnings Per Share (₹)	2.74	3.38	3.53	1.43	3.18	2.37*	2.13*	1.63*	0.11*	1.20*
Dividend per share (₹) (Face value ₹ 1 each)	1.20	1.50	1.50	1.00	1.50	2.00	1.00	0.60	-	0.45
Employees (numbers)	11,845	12,125	13,304	11,938	13,662	15,812	15,734	14,668	11,552	11,204

\*Post Bonus Issue

Note: Though Figures for the periods prior to 2010-11 have been reclassified / rearranged / regrouped, wherever material, as per Revised Schedule - VI to the Companies Act, 1956 it may not be strictly comparable with figures for Financial year 2011-12 to Financial year 2014-15.



# DIRECTORS' REPORT

## Performance / Operations

The Directors have pleasure in presenting the Annual Report of the Company, together with the financial statements, for the year ended March 31, 2015.

## Financial Results

₹ Lakhs

	2014-15	2013-14
<b>Profit before tax</b>	<b>44,219.67</b>	<b>(9,121.89)</b>
Less: Tax Expense	10,739.07	(12,060.00)
<b>Profit after tax</b>	<b>33,480.60</b>	<b>2,938.11</b>
Balance profit from last year	115,169.99	110,486.65
Transfers:		
a) From Debenture Redemption Reserve to Statement of Profit and Loss	–	1,750.00
b) From Statement of Profit and Loss to Debenture Redemption Reserve	19,625.00	–
c) Adjustment pursuant to amalgamation	–	(4.77)
<b>Profit available for appropriation</b>	<b>129,025.59</b>	<b>115,169.99</b>
Appropriation:		
Proposed dividend	12,806.44	–
Corporate dividend tax thereon	2,607.09	–
<b>Balance profit carried to Balance Sheet</b>	<b>113,612.06</b>	<b>115,169.99</b>
Earnings Per Share (Face value ₹ 1/-)		
– Basic and Diluted (in ₹)	1.20	0.11

## Company Performance

During the year under review, your Company witnessed a modest recovery in the Indian economy, enabling the Medium & Heavy Commercial Vehicle (M&HCV) industry to signal an uptrend after two years of down cycle. Whilst overall commercial vehicle volumes declined by 2.8% over the previous year, the M&HCV segment volumes increased by 16%. Your Company improved its market share from 26.1% to 28.6% in the M&HCV segment, facilitated by appropriate product mix in the growth segments, a sustained focus on meeting customer requirements and initiatives in network expansion. M&HCV export volumes grew by 31.7% to 11,218 units from 8,511 units last year, enabled by growth in target export markets.

In the Light Commercial Vehicle segment, the industry volumes contracted by 13.4%. However, your Company has been able to sustain the market share in the small Commercial Vehicle (2-3.5T) segment supported by sustained product improvements and variants on DOST, which is the 2<sup>nd</sup> largest player in the segment. The new PARTNER range of products has also achieved significant market share in the 6-7.5T segment, its first full year after launch.

Power Solutions Business continued to have subdued demand due to improved power availability and slowdown in Industrial / Agricultural segments. The Spare Parts volumes have bounced back due to higher demand and focused actions at improving parts availability and competitiveness.

Highlights of performance are discussed in detail in the Management Discussion and Analysis Report attached as **Annexure-D** to this Report.

## Dividend

The Directors recommend a dividend of 45% (₹ 0.45 per equity share of ₹ 1/- each) for the financial year ended March 31, 2015. Payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting.

## Fund Raising

### Equity - Qualified Institutional Placement

During the year under review, your Company successfully placed 185,200,000 equity shares through the process of Qualified Institutional Placement (QIP) and raised an amount of ₹ 666.72 crore. The proceeds received through QIP were utilised for the purpose for which it was raised.

Consequent to the above, the paid up value of the equity share capital of the Company stands increased from ₹ 266.07 crore to ₹ 284.59 crore.

## Debt

### Secured Non-Convertible Debentures (NCD)

During the year, your Company redeemed in full NCD Series AL 14 placed in July 2010 amounting to ₹ 70 crore. No fresh NCDs were issued during the year.

### Rupee Term Loans

Your Company has repaid or prepaid Secured Rupee Term Loan availed from Banks to the tune of ₹ 450 crore during the year. No fresh Term Loan was availed during the year.

### External Commercial Borrowings (ECBs)

During the year under review, your Company repaid ECB loan instalments that fell due, equivalent to USD 71.66 Mn.

Your Company availed fresh ECBs for USD 20 Mn, from a Bank for an average tenor of 5 years on unsecured basis. The funds drawn under ECBs were utilised to fund capital expenditure program of the Company and other approved end uses as per extant Reserve Bank of India Guidelines and the terms of the loan.

As at March 31, 2015, long term borrowings stood at ₹ 3,325 crore as against ₹ 4,103 crore on March 31, 2014.

## Corporate Matters

### Human Resources

People are our most valuable asset and your Company places the engagement, development and retention of talent as its highest priority, to enable achievement of organisational vision. Structure, Process and Culture are the cornerstones of our Human Resources strategy and we have made strides in each area during the last year.

Employee involvement across Indian and International locations and recognition for individual and team achievements received another fillip. Chairman's Awards were celebrated with much fanfare with careful selection amongst highest contributing initiatives by an eminent external jury panel. IMPROVE, our signature program for cross functional teams to participate in innovation on an enterprise wide level, reached a new benchmark with more than 10,000 participants. The BLESSING scheme at Pantnagar delivered its first 133 graduates of the four year NTTF program being hosted by your Company for students from Uttarakhand. All of them qualified the rigorous technical test for absorption into the Company's Diploma Trainee program and have been posted to functions across locations for further inputs.

# DIRECTORS' REPORT

Your Company sustained harmonious and healthy industrial relations in all manufacturing plants and also signed a very forward looking long term settlement at the Bhandara unit which will set the trend in employee productivity, workforce flexibility and continuous introduction of technology.

## Particulars of Employees and Related disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annexure forming part of the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report.

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

## Corporate Governance

Your Company is fully compliant with the Corporate Governance guidelines, as laid out in Clause 49 of the Listing Agreement. All the Directors (and also the members of the Senior Management) have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company. The details of the Code of Conduct are furnished in the Corporate Governance Report attached as **Annexure-B** to this Report. The Managing Director has given a certificate of compliance with the Code of Conduct, which forms part of **Annexure-B**, as required under Clause 49 of the Listing Agreement.

The Statutory Auditors of the Company have examined the requirements of Corporate Governance with reference to Clause 49 of the Listing Agreement and have certified the compliance, as required under Clause 49 of the Listing Agreement. The Certificate in this regard is attached as **Annexure-C** to this Report.

The Managing Director / Chief Financial Officer (CEO/CFO) certification as required under Clause 41 of the Listing Agreement is attached as **Annexure-E** to this Report.

Related Party disclosures/transactions are detailed in Note 3.5 of the Notes to the financial statements.

## Consolidated Financial Statements

In accordance with the Accounting Standard (AS)-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

## Subsidiaries, Associates and Joint Ventures

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the

Company's Subsidiaries', Associates' and Joint Ventures (in Form AOC-1) is attached to the financial statements.

## Directors and Key Managerial Personnel

During the year under review, Mr. Anil Harish, Independent Director and Mr. Y. M. Kale, Alternate Director (to Mr. Dheeraj G. Hinduja) stepped down from the Board. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by them to the Board and the Company during their tenure as Directors.

Mr. F. Sahami, Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

Ms. Manisha Girotra and Mr. Sudhindar Krishan Khanna were appointed as Additional Directors (Independent) on the Board with effect from September 8, 2014 and May 12, 2015 respectively. We seek your confirmation for appointment of Ms. Manisha Girotra and Mr. Sudhindar Krishan Khanna as Independent Directors for a term upto five consecutive years i.e. from June 29, 2015 to June 28, 2020 respectively, on non-rotational basis.

The Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

At the Board Meeting held on May 22, 2014, Mr. Vinod K. Dasari, Managing Director, Mr. Gopal Mahadevan, Chief Financial Officer and Mr. N. Ramanathan, Company Secretary were designated as "Key Managerial Personnel" of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## Voluntary Delisting of Company's Equity Shares from the Madras Stock Exchange Limited

In terms of the circular issued by the Securities Exchange Board of India (SEBI) dated May 30, 2012, the Madras Stock Exchange Limited (MSE), exercised the option of voluntary de-recognition and exit as a Stock Exchange, consequent to the turnover target not attained post issuance of the aforesaid circular.

In view of the above, the Board of Directors at their meeting held on July 25, 2014, approved the proposal for voluntary delisting of equity shares from MSE, by complying with SEBI (Delisting of Equity Shares) Regulations, 2009.

On our application, MSE Listing Committee reviewed and approved to remove the name of the Company from the list of Listed Securities of the MSE with effect from September 25, 2014.

## Auditors

M/s. M. S. Krishnaswami & Rajan, Chartered Accountants and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Joint Statutory Auditors, retire at the close of this Annual General Meeting and are eligible for appointment. The Company has received confirmation from both the firms regarding their consent and eligibility under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for appointment as the Auditors of the Company.

As required under Clause 41 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

# DIRECTORS' REPORT

The Audit Committee and the Board of Directors have recommended the appointment of the Auditors for the financial year 2015-16. The necessary resolution is being placed before the shareholders for approval.

## Cost Auditor

The Board had appointed M/s. Geeyes & Co., (Regn No: 00044) Cost Auditors for the financial year 2014-15 to carry out the cost audit of Company's records in respect of motor vehicles and engineering industries (diesel engines). However, pursuant to a clarification provided by the Ministry of Corporate Affairs, the cost audit for the financial year 2014-15 was not applicable to the Company and hence for the financial year 2014-15, cost audit was not conducted.

Cost Audit Report for the financial year 2013-14 was filed on September 24, 2014 (due date- September 30, 2014).

## Compliance under Companies Act, 2013

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated below:

### Extract of Annual Return

An extract of Annual Return in Form MGT-9 as on March 31, 2015 is attached as **Annexure-F** to this Report.

### Board Meetings held during the year

During the year, 6 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as **Annexure-B** to this Report.

### Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) for the financial year ended March 31, 2015, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended March 31, 2015.
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual financial statements have been prepared on a going concern basis.
- e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## Remuneration Policy of the Company

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report which is attached as **Annexure-B** to this Report.

## Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Ms. B. Chandra, Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2015.

The Secretarial Audit Report (in Form MR-3) is attached as **Annexure-G** to this Report.

## Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note 3.15 of the Notes to the financial statements.

## Related Party Transactions

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Note 3.5 of the Notes to the financial statements.

During the year, your Company entered into a transaction with Ashok Leyland (UAE) LLC, Associate Company, to sell its 100% stake in Avia Ashok Leyland Motors s.r.o, an overseas subsidiary (which was disclosed as "Asset held for sale" in the financial statements for the year ended March 31, 2014). Details of the transaction are provided in Form AOC-2 which is attached as **Annexure-H** to this Report.

The Board had approved policies on Related Party Transactions and Material Subsidiary. The policies have been uploaded on the Company's website, under the web link:  
<http://www.ashokleyland.com/companies-act-2013-compliance>.

## Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2015 and May 12, 2015 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the Report (May 12, 2015).

## Risk Management Policy

Your Company has a robust Risk Management policy. The Company through a Steering Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

# DIRECTORS' REPORT

Your Company has an established Enterprise Risk Management (ERM) function that engages with all the business verticals for risk assessment and ensures that the risk mitigation plans are in place and validates its status regularly.

Your Board is delighted to share that the Company has been adjudged 'Firm of the Year' in the Auto Sector, at the first edition of the 'India Risk Management Awards' (IRMA) organised by ICICI Lombard Insurance Company and CNBC TV18 for its benchmark practices and significantly adding to the understanding and practice of ERM.

The details of Risk Management as practiced by the Company is provided as part of Management Discussion and Analysis Report attached as **Annexure-D** to this Report.

## Corporate Social Responsibility (CSR) initiatives

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company at the Board Meeting held on September 8, 2014 approved a Policy on CSR and the Policy was hosted on the website of the Company.

As part of CSR initiatives, your Company during the financial year 2014-15 has amongst other activities, undertaken projects in areas of promoting education, preventive health care and sanitation, environmental sustainability and measures for benefits of armed forces veterans. These projects are in accordance with Schedule VII of the Companies Act, 2013.

The report on CSR activities is attached as **Annexure-I** to this Report.

## Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, Performance of the Chairman and other Non-independent Directors.

The Board have undergone a formal review which comprised Board effectiveness survey, 360 degree and review of materials. This was delivered by an external specialist and resulted in a full Board effectiveness report and Directors' feedback. This is further supported by the Chairman's Annual Director Performance Review.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director).

The criteria for performance evaluation have been detailed in the Corporate Governance Report which is attached as **Annexure-B** to this Report.

## Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same was hosted on the website of the Company. This Policy *inter-alia* provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

Brief details about the policy are provided in the Corporate Governance Report attached as **Annexure-B** to this Report.

## Names of Companies which have ceased/ become Subsidiaries/ Joint Ventures/Associates

### (i) Subsidiaries

#### Avia Ashok Leyland Motors s.r.o

During the year, as part of restructuring of investments of the Company, your Company divested its entire stake of 100% ownership in Avia Ashok Leyland Motors s.r.o (Avia), an overseas Wholly-owned Subsidiary to Ashok Leyland (UAE) LLC (an Associate Company).

Consequently, Avia ceased to be a Wholly-owned subsidiary of the Company with effect from March 29, 2015.

#### Ashok Leyland Wind Energy Limited

Your Company divested its stake of 48.5% ownership in Ashok Leyland Wind Energy Limited (ALWEL) as part of sale of non-core assets of the Company.

Consequent to the above, ALWEL ceased to be the Subsidiary of the Company with effect from March 30, 2015 upon completion of all relevant closing formalities as per the agreements. Your Company continues to hold 11.5% stake in the equity share capital of ALWEL.

### (ii) Others

#### Hinduja Tech Limited (formerly Defiance Technologies Limited)

With a view to derive benefits from international markets, Hinduja Tech Limited (HTL), a Wholly-owned subsidiary of the Company, succeeded in getting Nissan International Holding B.V., (Nissan) as a strategic investor to subscribe to the equity share capital of HTL.

Consequent to the allotment of equity shares to Nissan, your Company's holding in HTL stands reduced to 62% with effect from October 30, 2014.

#### Global TVS Bus Body Builders Limited (formerly Irizar TVS Limited)

Your Company acquired the residual stake of 5% held by Irizar. S. Coop in Global TVS Bus Body Builders Limited (GTVS). Consequently, the equity holding of the Company increased from 61.67% to 66.67% of the paid up equity share capital of GTVS.

## Deposits

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

## Internal Control Systems and their Adequacy

Details of the same are provided in the Management Discussion and Analysis Report attached as **Annexure-D** to this Report.

## Research and Development, Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Your Company continues to focus on Research and Development activities with specific reference to emission conformance, fuel



# DIRECTORS' REPORT

efficiency, vehicular performance and enhancement of safety, aesthetics and ride comfort. Further development of the engine range and cabin is also a key result area. Expenditure incurred by way of capital and revenue on these activities is shown separately.

The particulars prescribed under Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished in **Annexure-A** to this Report.

## **Acknowledgement**

The Directors wish to express their appreciation for the continued co-operation of the Central and State Governments, bankers,

financial institutions, customers, dealers and suppliers and also the valuable assistance and advice received from the joint venture partners, the major shareholders Hinduja Automotive Limited, the Hinduja Group and all the shareholders. The Directors also wish to thank all the employees for their contribution, support and continued co-operation throughout the year.

On behalf of the Board of Directors

Chennai  
May 12, 2015

Dheeraj G. Hinduja  
Chairman

# ANNEXURE A TO THE DIRECTORS' REPORT

## PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

### (A) CONSERVATION OF ENERGY

- All manufacturing plants continue their efforts in conserving energy in various forms like energy conservation projects, use of alternate sources & resources, continuous monitoring etc.
  - About 18.61 Mn electrical units (38.8% additional savings realised from 2013-14 onwards) have been saved leading to significant savings in energy costs in 2014-15.
- This was achieved through high degree of awareness, intensive focus on more energy saving avenues through Mission Gemba Cost Management and Go Green initiatives.

#### Significant Initiatives

- 62% of total savings to the tune of ₹ 14.96 crore in cost through wind power.
- Use of Indian Energy Exchange (IEX) power has resulted in savings of ₹ 3.6 crore.
- Systematic monitoring and controlling the following aspects were taken care of yielding.
- A saving of ₹ 1.94 crore (8% of total saving) on the following initiatives:
  - Fixed elements were made into semi-variable in Plants.
  - Reducing peak hour demand.
  - Implemented "ON LINE Energy monitoring system in all Manufacturing Units" Maintenance of Power factor throughout the year with optimum use of capacitor banks.
  - Optimising Plant Power load to match the demand.
- ₹ 2.55 crore saving additionally realised through energy saving projects viz:
  - Optimised usage of Captive compressors.
  - Extensive focus on Air leaks.
  - Third Party Power purchase concept was introduced for the first time in Ennore.
  - Reducing idle running of machine tool accessories like Hydraulic pumps, etc.
  - Extending power saving projects through energy audit as proposed by PCRA.
- With all the continuous effort and endeavor on energy conservation, your Company has become Carbon Negative with respect to Scope 1 in 2014-15 and is moving towards becoming a "Greener and Cleaner" organisation.

#### Awards

- Hosur II bagged the 1st prize in automobile sector conducted by Bureau of Energy Efficiency, Ministry of Power, Government of India.

- Alwar Plant bagged 'Rajasthan Energy Conservation Award'.
- Hosur I bagged 'Energy Efficient Unit' and 'Innovative Project' Award in the 15th National Award for excellence in Energy Management 2014 organised by Confederation of Indian Industry, Hyderabad.

### (B) TECHNOLOGY ABSORPTION

#### 1. Specific areas in which R&D carried out by the Company

##### Engines & Aggregates

- Development of entire range of Euro IV engines.
- Development of a 250KVA CPCB II Genset on NEPTUNE platform.
- Development of Sleeper variants of Cab.

##### Vehicle models

- Launch of various models for JNNURM-2 requirements - JanBus, 12m RE and JanBus midi.
- Launch of 8x2 and 10x2 Haulage with Factory Built Cabs.

#### 2. Benefits derived as a result of R&D

- Market introduction of new engine families with improved fuel performance.
- New vehicles launched with superior price-performance value proposition.
- Improved market penetration of new platforms and models.
- More than 10 provisional patents filed during 2014-15.

#### 3. Future plan of action

- Introduction of entire range of Euro IV variants.
- Introduction of new variants in 'CAPTAIN' Platform.
- Introduction of Hybrid & Electric Bus.

#### 4. Expenditure on R & D

	₹ Lakhs 2014-15
Capital	<b>1,060.86</b>
Revenue (excluding depreciation)	<b>19,341.35</b>
Less: Amount received by R & D Facilities	<b>729.49</b>
<b>Total</b>	<b>19,672.71</b>
Total R & D Expenditure as a % of total turnover	<b>1.36%</b>

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of earnings accrued and expenditure incurred in foreign currency are given in Note 3.2 of the Notes to the financial statements. The Company continues its efforts to improve its earnings from exports.

# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

### Corporate Governance

The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders and strong commitment to values, ethics and business conduct. Your Company is committed to good Corporate Governance, based on an effective independent Board, separation of supervisory role from the executive management and the constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and consumer satisfaction.

#### Ashok Leyland's Philosophy

Ashok Leyland's Corporate Governance philosophy is about intellectual honesty whereby the governance is not just about encompassing regulatory and legal requirements but also strives to enhance stakeholders' value as a whole. Your Company belongs to a legacy where the visionary founders laid the stone for good governance through the philosophies of **"work to give"**, implying the duty to work diligently carries the responsibility that one should give something back to others and society and **"word is a bond"** - which enables one to build trust and confidence with one's stakeholders, including employees, customers and suppliers, where long term relationships could be developed for the benefit of everyone. Thus the standards of governance are guided by the principles of:

- Clear and ethical strategic direction and sound business decisions.
- Prudent financial management.
- Transparent and professional decision making.
- Excellence in Corporate Governance by abiding the guidelines and continuous assessment of Board processes and the management systems for constant improvisation.

#### Rights of Shareholders

Your Company protects and facilitates shareholders' rights, provides adequate and timely information, opportunity to participate effectively in general meeting and ensure equitable treatment to all shareholders.

#### Role of stakeholders in Corporate Governance

Your Company recognises the rights of stakeholders and encourages co-operation between the Company and stakeholders to enable participation in Corporate Governance process.

### Disclosures and transparency

Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

#### Board of Directors

As on March 31, 2015 Your Company's Board comprised of 11 Directors (out of which more than 50% of the Directors are Independent Directors) with Mr. Dheeraj G. Hinduja as Non-executive Chairman.

#### Composition of the Board:

Names of the Director	% to the total number of Directors
<b>I) Independent Directors</b>	
Dr. Andreas H. Biagosch	54.55
Mr. D. J. Balaji Rao	
Mr. Jean Brunol	
Ms. Manisha Girotra (*)	
Mr. Sanjay K. Asher	
Mr. Shardul S. Shroff	
<b>II) Non-executive Directors</b>	
Mr. Dheeraj G. Hinduja, Chairman	36.36
Mr. A. K. Das	
Mr. F. Sahami	
Mr. R. Seshasayee, Vice Chairman	
<b>III) Managing Director</b>	
Mr. Vinod K. Dasari	9.09

(\*) Ms. Manisha Girotra - Appointed as an Additional Director (Independent Director) at the Board Meeting held on September 8, 2014.

None of the above Directors are related to each other.

The Board evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices.

Further, the Board fulfills the key functions as prescribed under Clause 49 of the Listing Agreement.

# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

### Attendance at Board Meetings and last Annual General Meeting (AGM) and details of memberships of Directors' in Boards and Board Committees

Names of Director	No. of Board meetings attended during the year 2014-15	Whether attended last AGM held on July 26, 2014	No. of Directorship(s) as on 31.03.2015 (including Ashok Leyland) (&&)		No. of Membership(s)/ Chairmanship (s) of Board Committees as on 31.03.2015 (including Ashok Leyland)	
			as Director	as Chairman	as Member	as Chairman
Mr. Dheeraj G. Hinduja	6	Yes	4	1	Nil	Nil
Mr. R. Seshasayee	5	Yes	4	5	4	1
Dr. Andreas H. Biagosch	6	Yes	1	Nil	Nil	Nil
Mr. Anil Harish (\$)	2	Yes	NA			
Mr. D. J. Balaji Rao	5	Yes	7	Nil	4	3
Mr. A. K. Das	5	Yes	10	1	Nil	Nil
Ms. Manisha Girotra (*)	3	NA	3	Nil	Nil	Nil
Mr. Jean Brunol	5	Yes	1	Nil	1	Nil
Mr. F. Sahami	6	Yes	1	Nil	1	Nil
Mr. Sanjay K. Asher	5	Yes	20	Nil	3	4
Mr. Shardul S. Shroff	3	No	14	Nil	1	Nil
Mr. Vinod K. Dasari	6	Yes	4	2	3	Nil
<b>Alternate Director</b> Mr. Y. M. Kale (#)	Nil	No	NA			

(\$) Resigned as a Director w.e.f. September 30, 2014.

(\*) Appointed as an Additional Director (Independent) w.e.f. September 8, 2014.

(#) Ceased to be an Alternate Director w.e.f. September 8, 2014.

(&&) includes Private Limited Companies, but excludes Foreign Companies.

The Companies Act, 2013 read with relevant Rules made thereunder, facilitates the participation of the Director in Board / Committee meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the meeting was made available for the Directors except in respect of such meetings /items which are not permitted to be transacted through video conferencing.

The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

The details of shares held by the Directors of the Company in their individual names as on March 31, 2015 are furnished below:

Name of the Director	No. of equity shares held	Designation
Mr. R. Seshasayee	22,472	Vice Chairman
Mr. Vinod K. Dasari	260,000	Managing Director

### Board Meetings held during the year 2014-15

Date of Meetings	Total no. of Directors	No. of Directors present
1) May 22, 2014	11	8
2) July 25, 2014	11	10
3) September 8, 2014	12	9
4) November 6, 2014	11	11
5) January 29, 2015	11	8
6) March 9 and 10, 2015	11	11

### Independent Directors

Your Company appointed Independent Directors who are renowned people having expertise/experience in their respective field/profession. None of the Independent Directors are Promoters or related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.



# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as required under Section 149(7) of the Companies Act, 2013.

All Independent Directors maintain their limits of directorships as required under Clause 49 of the Listing Agreement.

The Company had issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company.

### Performance evaluation of Directors

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

#### Role & Accountability

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

#### Objectivity

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

#### Leadership & Initiative

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

#### Personal Attributes

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

### Meeting of Independent Directors

During the year, meeting of Independent Directors was held to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Dr. Andreas H. Biagosch, Chairman of the Meeting presented the views of the Independent Directors on matters relating to Board processes and the overall affairs of the Company to the full Board.

### Familiarisation Programme

Your Company follows a structured orientation and familiarisation programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis.

Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

The details of familiarisation programme have been posted in the website of the Company under the web link <http://www.ashokleyland.com/companies-act-2013-compliance>.

### Non-executive Directors' compensation and disclosures

All fees/compensation paid to Non-executive Directors (including Independent Directors) are fixed by the Board and approved by the shareholders in the General Meeting and the compensation is within the limits prescribed under the Companies Act, 2013.

### Other Provisions as to Board and Committees

The Board met six times during the year and the time gap between any two meetings did not exceed 120 days.

During the year under review, none of the Directors of the Company was a member of more than 10 specified Committees or Chairman of more than 5 such Committees in companies in which he/she was a Director.

Your Company's Directors promptly notify any change(s) in the committee positions as and when they take place.

### Code of Conduct

Your Company has adopted a Code of Conduct for members of the Board (incorporating duties of Independent Directors) and the Senior Management. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. Your Company has received confirmations from all concerned regarding their adherence to the said Code.

Pursuant to Clause 49(II)(E) of the Listing Agreement, the Managing Director of the Company confirmed compliance with the Code by all members of the Board and the Senior Management.

The full text of the Code is furnished in this Report and also hosted on the Company's website under the web link <http://www.ashokleyland.com/corporategovernance>.

### Code of Conduct for prohibition of insider trading

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992.

### Whistle Blower Policy

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Whistle Blower Policy has been disclosed on the Company's website under the web link <http://www.ashokleyland.com/companies-act-2013-compliance> and circulated to all the Directors / employees.

### Audit Committee

The Audit Committee which acts as a link between the management, external and internal auditors and the Board

# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

of Directors of the Company is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits.

### Composition

The Audit Committee comprises of Mr. Sanjay K. Asher, Independent Director as Chairman, Mr. D. J. Balaji Rao, Mr. Jean Brunol, Independent Directors as Members and Mr. F. Sahami, Non-executive Director as Member.

During the year, Mr. Anil Harish who was the Chairman of Audit Committee resigned from the Board w.e.f. September 30, 2014 and consequently his membership in the Committee also ceased. Mr. Jean Brunol was inducted as a Member of the Committee w.e.f. November 6, 2014.

All members of the Audit Committee are financially literate and one-half of the members have expertise in accounting/financial management.

Mr. Anil Harish, the then Chairman – Audit Committee was present at the Annual General Meeting held on July 26, 2014.

The Managing Director, President Finance and Chief Financial Officer and Vice President – Internal Audit and Risk Management attended meetings of the Committee as invitees.

The representatives of Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Audit Committee meetings held during the year.

Mr. N. Ramanathan, Company Secretary is the Secretary to the Committee.

### Meetings and Attendance

The Audit Committee met five times during the year and the time gap between any two meetings did not exceed more than four months.

Date of Meetings	Total No. of Members	No. of Members present
May 22, 2014	4	3
July 25, 2014	4	4
November 6, 2014	3	3
January 28, 2015	4	3
March 10, 2015	4	4

The Company is governed by a charter adopted pursuant to the regulatory requirements and the Committee reviews the mandatory information as per requirement.

### Terms of Reference in brief:

#### Financials

- Review of the quarterly/half-yearly/annual financial statements with reference to changes, if any in accounting policies and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management, adjustments, if any arising out of audit findings.
- Compliance with listing and legal requirements relating to financial statements, qualifications, if any in the draft audit report.

#### Internal controls and risk management

- Review of internal audit function and discussion on internal audit reports.

- Review of vigil mechanism and above all adequacy of internal control systems.
- Review of risk management policies especially enterprise level risk management.

### Compliance and other related aspects

- Disclosure of related party transactions and subsequent modifications, if any.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company.
- Uses/application of funds raised through an issue.
- Review and recommendation of appointment, remuneration and terms of appointment of statutory auditors.
- Review of other services rendered by the statutory auditors.
- Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.

The Audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Agreement and provisions of Section 177 of the Companies Act, 2013.

### Nomination and Remuneration Committee

In line with the Companies Act, 2013 / Clause 49 of the Listing Agreement requirements, the nomenclature of this Committee has been changed to Nomination and Remuneration Committee.

### Composition

The Nomination and Remuneration Committee comprises of Mr. D. J. Balaji Rao, Independent Director as Chairman, Ms. Manisha Girotra, Independent Director as Member, Mr. A. K. Das and Mr. Dheeraj G. Hinduja, Non-executive Directors as Members of the Committee.

Mr. Anil Harish stepped down as a Director w.e.f. September 30, 2014 and consequently, his membership in the Committee (wherein he was a member) also ceased.

Ms. Manisha Girotra was inducted as a Member of the Committee w.e.f. September 30, 2014.

The Remuneration Policy is annexed at the end of this Report.

Details of remuneration paid to all Directors are provided under the head "Disclosures" in this Report.

### Meetings and attendance

Date of Meetings	Total No. of Members	No. of Members present
May 21, 2014	4	3
July 25, 2014	4	4
September 8, 2014	4	3
November 5, 2014	4	3
January 29, 2015	4	4

### Terms of Reference in brief:

- Formulate Remuneration Policy and a policy on Board Diversity.

# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

- Formulate criteria for evaluation of Directors and the Board.
- To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### Subsidiary Companies

Your Company monitors performance of subsidiary companies (list of subsidiary companies has been provided in the financial statements), *inter-alia*, by the following means:

- The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary.
- The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary company.
- The minutes of the Board Meetings of the unlisted subsidiary companies were placed at the Board Meeting of the Company.
- Your Company formulated a Policy on Material Subsidiary as required under Clause 49(V)(D) and the policy is hosted on the website of the Company under the web link <http://www.ashokleyland.com/companies-act-2013-compliance>.

### Risk Management

Your Company laid down procedures to inform Board members about risk assessment and minimisation and has implemented the Risk Management plan and continuously monitors it.

Details of Risk Management by the Company have been provided in the Management Discussion and Analysis Report which is attached as **Annexure-D** to the Directors' Report.

The Company also has constituted a Risk Management Committee (Non-Mandatory) which ensures that the Company has an appropriate and effective Enterprise Risk Management system with appropriate policies and processes which carries out risk assessment and ensures that risk mitigation plans are in place by validating the same at regular intervals.

A Risk Management status report is provided to the Audit Committee for its information on a regular basis.

### Related Party Transactions

Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transactions.

Omnibus approval was granted by the Audit Committee for transactions entered with related parties for the financial year 2014-15 and the same was reviewed/cleared by the Audit Committee at regular intervals.

The necessary disclosures regarding the transactions with related parties are given in the Notes to the financial statements.

During the year under review, Your Company had not entered into any material transaction with any of its related parties.

### Disclosures

#### i) Related Party Transactions

The policy on Related Party Transactions is hosted on the website of the Company under the web link <http://www.ashokleyland.com/companies-act-2013-compliance>.

#### ii) Disclosure of Accounting Treatment

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

#### iii) Remuneration of Directors

##### Criteria for making payments to Non-executive Directors (including Independent Directors)

The Non-executive Directors (including Independent Directors) of the Company are paid remuneration by way of profit related Commission based on the criteria laid down by the Nomination and Remuneration Committee and the Board

- Performance of the Company.
- Members' attendance, position held in the Committee(s); and
- Time spent.

Non-executive Directors are entitled to a Sitting Fee for attending each meeting of the Board or any Committee(s) of the Board and profit related Commission. Details of payment of Sitting Fee and Commission for the year 2014-15 are as follows.

₹		
Names of the Director	Sitting fees (#)	Commission
Mr. Dheeraj G. Hinduja (**)	NIL	10,000,000
Mr. R. Seshasayee (**)	NIL	1,471,000
Dr. Andreas H. Biagosch	660,000	2,445,000
Mr. Anil Harish	240,000	631,000
Mr. D. J. Balaji Rao	1,060,000	1,745,000
Mr. A. K. Das (**)	80,000	867,000
Mr. Jean Brunol	760,000	1,727,000
Ms. Manisha Girotra	420,000	600,000
Mr. F. Sahami	780,000	906,000
Mr. Sanjay K. Asher	630,000	2,157,000
Mr. Shardul S. Shroff	330,000	451,000
<b>TOTAL</b>	<b>4,960,000</b>	<b>23,000,000</b>

(#) excluding reimbursement of travel and other expenses incurred for the Company's business/meetings.

(\*\*) **Sitting Fees Waiver:** Based on the advice received from Mr. Dheeraj G. Hinduja (dated July 26, 2013), Mr. R. Seshasayee (dated July 17, 2013) and Mr. A. K. Das (dated August 13, 2014) the Board of Directors, approved waiver of their sitting fee for Board and Committee meetings as relevant until further notice from them.

# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

### Details of Remuneration to Managing Director (Executive Director) for the financial year ended March 31, 2015

₹

Name	Fixed Component			Variable component		
	Salary	Special Allowance	Perquisites and other allowances (**) (\$)	Commission (@) (#)	Contribution to PF and SAF	Total
Mr. Vinod K. Dasari	9,120,000	9,120,000	14,108,316	31,590,000	2,462,400	<b>66,400,716</b>

(\$) ₹ 2,123,595 relates to FY 2013-14, paid in FY 2014-15.

(\*\*) Certain perquisites are valued as per the Income Tax Rules.

(@) The Commission amount includes:

- Annual Performance Pay; and
- Long Term Incentive Plan (LTIP) as applicable/payable for FY 2014-15.

(#) LTIP approved/payable to Mr. Vinod K. Dasari is ₹ 342 lakhs over a period of 4 years as per Policy from FY 14-15. Out of the approved LTIP amount, only 20% i.e. ₹ 68.40 lakhs is payable for 2014-15 as per Policy.

The above have been approved by the Nomination and Remuneration Committee at its Meeting held on May 12, 2015.

Tenure of office of the Managing Director is for a term of three years from the date of appointment and can be terminated by either the Company or the Managing Director by giving 3 months' notice in advance or salary in lieu thereof.

The Company has no Employee Stock Options Scheme in force at present.

#### iv) Management

Management Discussion and Analysis Report comprising of all information as prescribed under Clause 49 (VIII)(D) of the Listing Agreement is attached as **Annexure-D** to the Directors' Report.

Disclosures have been made by the Senior Management relating to all material, financial and commercial transactions with personal interests, if any. Based on the declarations made, no transaction was in conflict with the interest of the Company.

#### v) Shareholders

The details relating to appointment and re-appointment of Directors as required under Clause 49(VIII)(E) of the Listing Agreement is provided in the Notice to the Annual general Meeting.

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

In line with the Companies Act, 2013 / Clause 49 of the Listing Agreement requirements, the nomenclature of this Committee has been changed to Stakeholders' Relationship Committee.

The Committee consists of Mr. Sanjay K. Asher, Independent Director as Chairman, Mr. D. J. Balaji Rao, Independent Director as Member and Mr. R. Seshasayee, Non-executive Director as Member.

The Committee considers and resolves the grievances of the security holders.

The Committee also reviews the manner and time-lines of dealing with complaint letters received from Stock Exchanges/ SEBI/ Ministry of Corporate Affairs etc., and the responses thereto.

Based on the delegated powers of the Board of Directors, Non-executive Vice Chairman/ Managing Director approve the share transfers/ transmissions on a regular basis and the same is reported at the next meeting of the Committee, normally held every quarter.

Mr. N. Ramanathan, Company Secretary is the Secretary to the Committee and the Compliance Officer appointed for the compliance of capital market related laws.

#### Meetings and Attendance

Date of Meeting	Total no. of Members	No. of Members present
May 22, 2014	3	2
July 25, 2014	3	3
November 6, 2014	3	3
January 29, 2015	3	2

During the year, 1215 correspondence and 394 complaint letters were received from investors (including 13 letters from Stock Exchanges/SEBI SCORES). No complaint was pending as on March 31, 2015.

#### Details of Complaints /other Correspondence

Subject Matter of Correspondence	Pending as on 31/03/2014	During the year		Pending as on 31/03/2015
		Letters Received	Letters replied / completed	
Non-receipt of Share Certificates	-	59	59	-
Non-receipt of Debenture Redemption	1	2	3	-
Non-receipt of Dividend/Interest	-	215	215	-
Non-receipt of Annual Report	-	117	117	-
Query -Transfer of shares	-	1	1	-
<b>Total complaints</b>	<b>1</b>	<b>394</b>	<b>395</b>	<b>Nil</b>



# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

Subject Matter of Correspondence	Pending as on	During the year		Pending as on
	31/03/2014	Letters Received	Letters replied / completed	31/03/2015
Revalidation of Dividend / Interest	1	278	279	-
Issue of Duplicate Share Certificates	-	47	47	-
Loss of share certificate	-	61	61	-
Issue of Duplicate Dividend/Interest	1	125	126	-
Procedure for Transmission	2	128	130	-
Change of Address / Bank Mandate	-	332	332	-
Other Correspondence	-	93	93	-
Unclaimed share certificate	-	44	44	-
Unclaimed Dividend	-	107	73	34
<b>Total correspondence</b>	<b>4</b>	<b>1215</b>	<b>1185</b>	<b>34</b>

As on March 31, 2015, there were no share transfers pending.

### vi) Proceeds from Preferential Issue

Your Company raised ₹ 666.72 crore through the process of Qualified Institutional Placement (QIP) by placing 185,200,000 equity shares of ₹ 1/- each at a price of ₹ 36 per equity share (including ₹ 35 as Premium) and the funds were utilised for the purpose for which it was raised.

### vii) Strictures and penalties

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.

Your Company has complied with the mandatory requirements and adopted the non-mandatory requirements of the Listing Agreement.

## GENERAL INFORMATION

### a) General Body Meetings

Details of location and time of holding the last three AGMs

Year	Location	Date & Time
65 <sup>th</sup> AGM – 2014	IMAGE Auditorium, 3 Thandavarayan Street, MRC Nagar Raja Annamalaipuram, Chennai 600 028	July 26, 2014 10.30 a.m.
64 <sup>th</sup> AGM – 2013	The Music Academy, Madras, 168 TTK Road, Royapettah, Chennai 600 014	July 16, 2013 2.45 p.m.
63 <sup>rd</sup> AGM – 2012	The Music Academy, Madras, 168 TTK Road, Royapettah, Chennai 600 014	July 24, 2012 2.45 p.m.

The Chairman of the Audit Committee was present at all the above AGMs.

No EGM was held in the last three years.

Special Resolutions have been passed in the previous three Annual General Meetings held in 2012, 2013 and 2014.

During the year 2014-15, no postal ballot was conducted.

### b) Means of Communication

- Quarterly results:** Results have been published in one leading national (English) business newspaper and in one vernacular (Tamil) newspaper. The quarterly results and presentations are also displayed on the Company's website [www.ashokleyland.com](http://www.ashokleyland.com).
- Website:** The Company's website contains a dedicated section "Investor" which displays details / information of interest to various stakeholders, including press releases.
- News releases:** Official press releases are sent to Stock Exchanges and the same is hosted on the website of the Company.
- Presentations to institutional investors/analysts:** Detailed presentations are made to institutional investors and analysts on a quarterly basis.

# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

v) **A greener environment - Now and for future:**

The Company's philosophy focuses on making the environment greener for the benefit of posterity. In this regard, Your Company requests its shareholders to register / update the e-mail IDs for communication purpose thereby contributing to our environment.

c) **General shareholder information**

<b>a. 66<sup>th</sup> Annual General Meeting</b>		
Day, Date and Time		Monday, June 29 ,2015, 2.30 p.m.
Venue		Kamaraj Memorial Hall, 492 Anna Salai, Teynampet, Chennai 600 006.
<b>b. Financial Calendar</b>		
Unaudited results for the quarter ending June 30, 2015		2 <sup>nd</sup> week of August 2015
Unaudited results for the quarter/half-year ending September 30, 2015		1 <sup>st</sup> week of November 2015
Unaudited results for the quarter ending December 31, 2015		2 <sup>nd</sup> week of February 2016
Audited Results for the year ending March 31, 2016		Before end of May 2016
<b>c. Book Closure Date</b>		From 19/6/2015 to 29/6/2015 (both days inclusive).
<b>d. Dividend Payment Date</b>		Commencing on July 4, 2015 –to be completed within the statutory time limit.
<b>e. (i) Listing of Equity Shares</b>		Madras Stock Exchange Limited(**) BSE Limited National Stock Exchange of India Limited <i>(**)delisted w.e.f. September 25, 2014</i>
<b>(ii) Listing of Global Depository Receipts(GDRs)</b>		London Stock Exchange
<b>(iii) Listing of Privately Placed Debentures</b>		National Stock Exchange of India Limited
<b>Listing Fee</b>		Annual listing fee for the financial year 2014-15 paid to all the Stock Exchanges.
<b>Depository Fee</b>		Annual custody fee for the financial year 2014-15 paid to National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL).
<b>f. Stock Code</b>		
i) Trading Symbol at		BSE Limited
		(Physical)
		(Demat)
		National Stock Exchange of India Ltd
ii) Demat ISIN Numbers in NSDL & CDSL		Equity Shares
iii) Demat ISIN Numbers in NSDL & CDSL		Privately Placed Debentures
		Ashok Leyland 8.20% 2015(Sr-AL15)
		Ashok Leyland 10.25% 2016(Sr-AL16)
		Ashok Leyland 10.10% 2015(Sr-AL17)
		Ashok Leyland 10.20% 2017(Sr-AL18)
		Ashok Leyland 10.05% 2015(Sr-AL19)
		Ashok Leyland 10.15% 2017(Sr-AL20)
		Ashok Leyland 9.70% 2016(Sr-AL21)
		Ashok Leyland 9.85% 2018(Sr-AL22)

# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

<b>g. Details of Debenture Trustees</b>	
Name of the Debenture Trustee and Contact Details	SBICAP Trustee Company Limited Apeejay House, 6 <sup>th</sup> floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai-400 020 Tel No. 022-4302 5555 Fax No. 022-2204 0465 Website www.sbicaptrustee.com

### h. Stock Market Data

Month	BSE Limited				National Stock Exchange of India Limited			
	Share Price		Sensex Points		Share Price		CNX Nifty Points	
	High	Low	High	Low	High	Low	High	Low
	(₹)	(₹)			(₹)	(₹)		
April 2014	25.20	22.05	22,939.31	22,197.51	25.25	21.95	6,869.85	6,650.40
May 2014	35.75	21.80	25,375.63	22,277.04	35.85	21.70	7,563.50	6,638.55
June 2014	39.00	30.80	25,725.12	24,270.20	39.00	30.80	7,700.05	7,239.50
July 2014	38.10	29.05	26,300.17	24,892.00	38.15	29.05	7,840.95	7,422.15
Aug 2014	38.30	33.30	26,674.38	25,232.82	38.30	33.30	7,968.25	7,540.10
Sep 2014	42.65	36.45	27,354.99	26,220.49	42.70	36.50	8,180.20	7,841.80
Oct 2014	46.80	41.15	27,894.32	25,910.77	46.80	41.00	8,330.75	7,723.85
Nov 2014	56.15	46.25	28,822.37	27,739.56	56.20	46.30	8,617.00	8,290.25
Dec 2014	55.75	43.20	28,809.64	26,469.42	55.75	43.15	8,626.95	7,961.35
Jan 2015	69.20	51.10	29,844.16	26,776.12	69.15	51.15	8,996.60	8,065.45
Feb 2015	71.15	56.10	29,560.32	28,044.49	71.15	56.00	8,941.10	8,470.50
Mar 2015	76.05	66.85	30,024.74	27,248.45	76.10	66.90	9,119.2	8,269.15

### i. Share Price performance in comparison to broad based indices – BSE Sensex and NSE Nifty Share Price Movement (BSE and NSE)

See Table above and Chart on Page 146

### j. Registrar and Transfer Agents

M/s. Integrated Enterprises (India) Limited., 2nd Floor, Kences Towers, 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600 017 deal with all aspects of investor servicing relating to shares in both physical and demat form.

### k. Share Transfer System

In order to further improve and speed up investor servicing, the Board has authorised Non-executive Vice Chairman/Managing Director to approve all routine transfers, transmissions, etc., of shares. Such approval is being given by the Non-executive Vice Chairman / Managing Director at frequent intervals (52 times during 2014-15).

Transfers, transmissions, etc., were generally approved within 15 days; requests for dematerialisation were confirmed within 7 days (as against the norm of 15 days).

### l. Details of Unclaimed Securities Suspense Account

As per SEBI directive, outstanding unclaimed shares have been transferred to Unclaimed Securities Suspense Account and the voting rights on these shares remain frozen till the rightful owner claims such shares.

Particulars	No. of Shares	No. of Shareholders
Unclaimed shares at the beginning of the year	2498391	2637
Transfers from unclaimed securities suspense account during the year	48650	30
Unclaimed shares at the end of the year	2449741	2607

Shares arising out of the certificates that have been returned undelivered to the Company are lying in the unclaimed securities suspense account. In view of the same, shareholders shall approach the Company/Registrar and Share transfer Agents (R&TA) with proper supporting documents for claiming such shares.

# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

### m. (i) Distribution of Shareholding as on March 31, 2015

No. of Shares	Shareholders		No. of shares	
	Number	%	Number	%
Upto 50	69528	21.49	1685532	0.06
51-100	51758	15.99	4806528	0.17
101-200	54700	16.90	10001234	0.35
201-500	58112	17.96	22269570	0.78
501-1000	40322	12.46	34124903	1.20
1001-2000	23290	7.20	38142783	1.34
2001-5000	17170	5.31	57685177	2.03
5001-10000	5388	1.66	39467701	1.39
10001 & above	3342	1.03	2637693206	92.68
<b>Total</b>	<b>323610</b>	<b>100.00</b>	<b>2845876634</b>	<b>100.00</b>

#### Details of shares

Mode	No. of Shares	% to paid up Capital	No. of holders
Physical	26088136	0.92	14173
<u>Electronic</u>			
NSDL	2674655677	93.98	211562
CDSL	145132821	5.10	97875
	<b>2845876634</b>	<b>100.00</b>	<b>323610</b>

### (ii) Shareholding pattern as on March 31, 2015

Sl. No.	Category	No. of Holders	No. of Shares	% to paid up capital
1	Promoter - Hinduja Automotive Ltd. (Includes 329200140 shares in GDR Form)	2	1433847039	50.38*
2	Residents (Individuals / Clearing Members)	317547	280669566	9.86
3	Financial Institutions/Insurance Co. / State Govt. / Govt. Companies/UTI	21	242338160	8.52
4	Foreign Institutional Investors	155	580209131	20.39
5	Non-Resident Indians / OCB / Corporate Bodies - Foreign / Bank - Foreign / Foreign Nationals/ ForeignPort Folio Investor-corporate	4039	50599915	1.78
6	Corporate Bodies/ Limited Liability Partnership	1725	134068670	4.71
7	Mutual Funds	66	100470517	3.53
8	Trusts	24	413066	0.01
9	Banks	29	215070	0.01
10	Others - GDR	2	23045500	0.81
	<b>TOTAL</b>	<b>323610</b>	<b>2845876634</b>	<b>100.00</b>

(\*) Please refer note given in point (IV) of **Annexure-F** to the Directors' Report (Page 36)

Your Company does not have any outstanding instruments for conversion into shares.

### n. Dematerialisation of shares and liquidity

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialisation form.



# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

Status of dematerialisation of shares - as on March 31, 2015

	Physical		Demat		Total	
Holders	No. of Shares	% to paid-up capital	No. of Shares (**)	% to paid-up capital	No. of Shares (**)	% to paid-up capital
Hinduja Automotive Limited (**)	--	--	1433847039	50.38	1433847039	50.38
Others	26088136 (***)	0.92	1385941459	48.70	1412029595	49.62

(\*\*) including in GDR Form

(\*\*\*)held by 14173 holders

Your Company confirms that the entire Promoter's holdings are in electronic form and the same is in line with the direction issued by SEBI.

The equity shares of the Company is regularly traded in BSE Limited and National Stock Exchange of India Limited (NSE), and hence has good liquidity.

**o. Outstanding GDR/ Warrants and Convertible Notes, Conversion date and likely impact on the equity.**

No GDR is outstanding as on March 31, 2015 having an impact on equity.

**p. Plant Locations**

**Ennore**

Kathivakkam High Road  
Ennore  
Chennai 600 057  
Tamil Nadu

**Hosur – Unit I**

175 Hosur Industrial Complex  
Hosur 635 126  
Tamil Nadu

**Hosur – Unit II**

77 Electronic Complex  
Perandapalli Village  
Hosur 635 109  
Tamil Nadu

**Hosur – Unit IIA**

Cab Panel Press Shop  
SIPCOT Industrial Complex  
Mornapalli Village  
Hosur 635 109  
Tamil Nadu

**Bhandara**

Plot No.1 MIDC Industrial Area  
Village Gadegaon,Sakoli Taluk,  
Bhandara 441 904  
Maharashtra

**Alwar**

Plot No.SPL 298  
Matsya Indl. Area  
Alwar 301 030  
Rajasthan

**Technical Centre**

Vellivoyalchavadi  
Via Manali New Town  
Chennai 600 103  
Tamil Nadu

**Pantnagar**

Plot No.1 Sector XII  
II E Pantnagar  
Pin -263 153  
Uttarakhand

**q. Address forCorrespondence**

Registrar & Share Transfer Agents  
(R&TA)  
(matters relating to Shares, Dividends,  
Annual Reports)

M/s. Integrated Enterprises  
(India) Limited  
2nd Floor, Kences Towers  
1, Ramakrishna Street  
North Usman Road  
T.Nagar, Chennai 600 017

Tel :91-44 - 2814 0801 / 03  
Fax :91-44 - 2814 2479  
e-mail:corpserv@integratedindia.in

For any other general matters or in case  
of any difficulties/ grievances

Secretarial Department  
Ashok Leyland Limited  
No.1 Sardar Patel Road  
Guindy, Chennai 600 032

Tel : 91-44-2220 6000  
Fax : 91-44-2230 4410  
e-mail : secretarial@ashokleyland.com  
corpserv@integratedindia.in

Website address

www.ashokleyland.com

Email ID of Investor Grievances Section

secretarial@ashokleyland.com

Name of the Compliance Officer

N. Ramanathan, Company Secretary

# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

### Code of Conduct

Members of the Board and the Senior Management, shall

- a) Always act in good faith and in the best interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- b) Adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with all matters relating to the Company.
- c) Apply themselves diligently and objectively in discharging their responsibilities and contribute to the conduct of the business and the progress of the Company, and not be associated simultaneously with competing organisations either as a Director or in any managerial or advisory capacity, without the prior approval of the Board.
- d) Always adhere and conform to the various statutory and mandatory regulations/guidelines applicable to the operations of the Company avoiding violations or non-conformities.
- e) Not derive personal benefit or undue advantages (financial or otherwise) by virtue of their position or relationship with the Company and for this purpose
  - i) shall adopt total transparency in their dealings with the Company.
  - ii) shall disclose full details of any direct or indirect personal interests in dealings/transactions with the Company.
  - iii) shall not be party to transactions or decisions involving conflict between their personal interest and the Company's interest.
  - iv) shall not assign his/her office and any assignment so made shall be void.
- f) Conduct themselves and their activities outside the Company in such manner as not to adversely affect the image or reputation of the Company.
- g) Inform the Company immediately if there is any personal development (relating to his/her business/professional activities) which could be incompatible with the level and stature of his/her position and responsibility with the Company.
- h) Bring to the attention of the Board, Chairman or the Managing Director as appropriate, any information or

development either within the Company (relating to its employees or other stakeholders) or external, which could impact the Company operations and which in the normal course, may not have come to the knowledge of the Board/Chairman or Managing Director.

- i) Always abide by the above Code of Conduct, and shall be accountable to the Board for their actions/violations/defaults.

In addition to the above, an Independent Director on the Board of the Company shall:

1. exercise his/her responsibilities in a bona fide manner in the interest of the Company;
2. devote sufficient time and attention to his/her professional obligations for informed and balanced decision making;
3. not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
4. not abuse his/her position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or disadvantage for any associated person;
5. refrain from any action that would lead to loss of his/her independence;
6. where circumstances arise which make an independent director lose his/her independence, the independent director must immediately inform the Board accordingly;
7. assist the Company in implementing the best corporate governance practices.

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### Code of Conduct for the Senior Management

This is to confirm that for the financial year ended March 31, 2015 all members of the Senior Management have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

May 12, 2015  
Chennai

Vinod K. Dasari  
Managing Director

# ANNEXURE B TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

### REMUNERATION POLICY

#### 1. Objective

The objective of Ashok Leyland's (AL) remuneration policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of AL's stakeholders.

#### 2. The Nomination & Remuneration Committee

The Nomination & Remuneration Committee (Committee) is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, Key Managerial Personnel (KMP) and Senior Executives of AL from time to time.

#### 3. Remuneration for Non-executive Directors

Non-executive Directors (NED) are remunerated by way of Sitting Fee for each meeting of the Board/ Committees of the Board attended by them and an annual commission on the profits of the Company. Commission to respective NED is determined on the basis of an objective criteria discussed and agreed upon by the Committee Members unanimously. NED's are reimbursed of any out of pocket expenses incurred by them for the purpose of the Company.

#### 4. Remuneration for Executive Director, Key Managerial Personnel (KMP) and Senior Executives

The following elements are taken into consideration for determining the Remuneration of Executive Director, KMP and Senior Executives:

- The remuneration policy reflects a balance between the interests of AL's main stakeholders as well as a balance between the Company's short term and long term strategy. As a result, the structure of the remuneration package for the Directors, KMP and Senior Executives is designed to balance short term operational performance with the medium and long term objective of creating sustainable value within the Company, while taking into account the interests of its stakeholders. AL strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment.
- To ensure that highly skilled and qualified KMP/Senior Executives can be attracted and retained, AL aims for a total remuneration level that is comparable to levels provided by other companies that are similar to AL in terms of size and complexity.
- In designing and setting the levels of remuneration for the Directors, KMP and Senior Executives, the Committee also takes into account the relevant statutory provisions and provisions of the Corporate Governance regulations, societal and market trends and the interests of stakeholders.
- AL's policy is to offer the Directors, KMP and Senior Executives a total compensation comparable to the peer group.

#### Total Compensation (TC)

The total compensation of the Managing Director and Senior Executives consists of the following components:

1. Base salary
2. Variable income –
  - Annual Performance Pay (APP)
  - Performance-related Long-Term Incentive Plan (LTIP)

#### Base salary

On joining the Company, the Managing Director, KMP and Senior Executives receive a base salary comparable to the peer group. Every year, base salary levels are reviewed by the Committee.

#### Variable income

The variable income part of remuneration consists of APP and LTIP. The distribution between APP and LTIP for (on target) performance aims to achieve a proper balance between short term result and long term value creation. Further, the LTIP helps enhance retention of key executives. The parameters relating to the various elements of the variable income part of the remuneration are established and where necessary adjusted by and at the discretion of the Committee, taking into account the general rules and principles of the remuneration policy itself.

The targets are determined each year by the Committee in consultation with the respective Director/KMP/ Executive, based on historical performance, the operational and strategic outlook of the Company in the short term and expectations of the Company's management and stakeholders, among other things. The targets contribute to the realization of the objective of long term value creation.

It is one of the long term objectives to reach the proportion of variable compensation upto 50% of the total compensation.

#### 5. Remuneration for other Employees

Remuneration of middle and lower level employees of the Company consists mostly of fixed pay and a reasonable performance pay which is reviewed on an annual basis. Increase in the remuneration of employees is effected based on an annual review taking into account performance of the employee and the performance of the Company also.

#### 6. Remuneration for Workmen

Remuneration of workmen employed in the factories of the Company consists of fixed pay and performance incentives, which is negotiated and agreed upon on periodical basis. Increase in the remuneration of workmen is effected based on a review of performance of the Company and increase in the general price levels / cost of living index, etc.

#### 7. Employee Stock Options

It is a long term objective of the Company to introduce employee stock options to inculcate a sense of ownership among the employees of the Company.

#### 8. Alignment of Remunerations

The Committee strives to achieve that the remunerations of the Directors, Senior Executives, middle and lower level employees of AL are aligned to each other.

#### 9. Term of Appointment

Term of Managing Director is generally for a period of 3 years and renewed for similar periods from time to time. However, the Board reserves the right to increase/decrease the period as it may deem fit. Whereas, term of the other employees, generally is upto the age of superannuation. However, Company also employs contractual employees as 'consultants' for shorter periods on need basis.

#### 10. Post-retirement Benefits

The Managing Director and employees are entitled for retirement benefits such as provident fund, superannuation fund and gratuity.

#### 11. Severance Arrangements

Contracts of employment with Executive Director and regular employees, provide for compensation of upto 3 months' pay or advance notice of similar period.

#### 12. Loans

There is no system of granting of loans to Directors, KMP and employees of the Company.

# ANNEXURE C TO THE DIRECTORS' REPORT

## AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

### To the Members of Ashok Leyland Limited

1. We have examined the compliance with the conditions of Corporate Governance by **Ashok Leyland Limited** (the Company) for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof,

For M.S. Krishnaswami & Rajan  
Chartered Accountants  
Registration No: 015545

M.S. Murali  
Partner  
Membership No.26453

May 12, 2015  
Chennai

adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.

3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's Registration No: 117366W/W-100018

A. Siddharth  
Partner  
Membership No. 31467

May 12, 2015  
Mumbai

# ANNEXURE D TO THE DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. MARKET TRENDS

#### Economy – India

In 2014, the global economy grew by 2.6% (United Nations WESP report 2015). Growth was driven by developing economies, sustained growth in the United States (US) and a moderate revival in European Union.

The Indian economy posted 7.4% growth in the financial year 2014-15 (Central Statistics Office 2011-12 base years, Advance Estimates) as against 6.9% in the financial year 2013-14. Industrial sector gained momentum with Manufacturing, Construction and Electricity & Utilities growing by 6.8%, 4.5% and 9.6% respectively as against 5.3%, 2.5% and 4.8% in the previous year. However mining slowed down to 2.3% from 5.4% and the Agricultural sector slowed down to 1.1% from 3.7% in the previous year. Overall, improved business sentiment, lower oil prices and policy measures helped the economy to build momentum.

According to International Monetary Fund, the global economy is expected to grow at 3.5% in 2015 and 3.8% in 2016. However, Global recovery will continue to be moderate and uneven. While developed economies are expected to strengthen, aided by lower oil prices and low interest rates, most emerging economies are expected to slow down moderately, due to country specific reasons-with India being an exception. The Indian economy is expected to grow by 7.5% in 2015-16.

Most economists believe that the Indian economy is at an inflexion point and is set for sustained growth in coming years. Lower oil prices, contained inflation, stable financial sector and expected policy actions will support growth this year. Year 2015-16 is also expected to see growth picking up in the mining sector, particularly Iron Ore and Coal.

Downside risks include poor monsoon, increase in interest rates in US leading to capital outflow, infrastructure bottlenecks and pending structural reforms.

#### Commercial Vehicle industry

The domestic Commercial Vehicle industry, while continuing to contract on an overall basis, has shown significant growth in select segments. After a decline of 2% and 20.2% in the financial years 2012-13 and 2013-14 respectively, the total industry volumes further contracted by 2.8% in the financial year 2014-15.

Medium & Heavy Commercial Vehicle (M&HCV) segment, after dropping by 23% and 25% in the financial years 2012-13 and 2013-14 respectively, grew by 16% in the financial year 2014-15. However Light Commercial Vehicle (LCV) segment, which grew by 14% in the financial year 2012-13 and dropped by 17.6% in the financial year 2013-14, continued to contract by 11.6% in the financial year 2014-15.

Exports of Commercial Vehicles in the financial year 2014-15 grew by 11.3% to reach 85,782 vehicles overall.

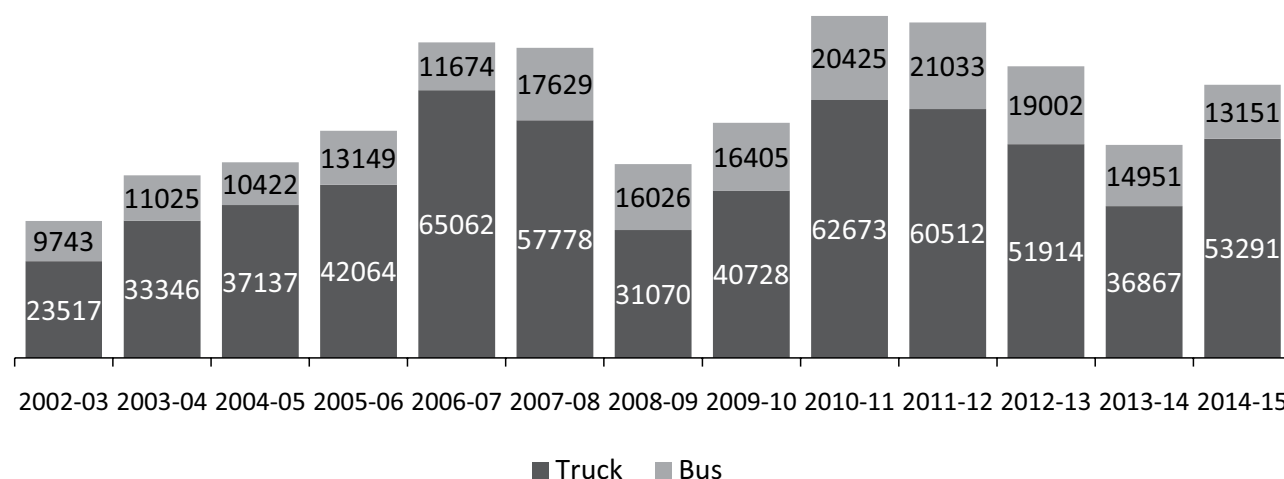
The Table below provides statistics of domestic and exports sales performance by segment

Segment	Domestic			Exports		
	2014-15	2013-14	Change (%)	2014-15	2013-14	Change (%)
M&HCV Buses	36,837	38,709	-4.8%	11,980	7,104	68.6%
M&HCV Trucks	195,918	161,909	21.0%	18,672	16,709	11.7%
M&HCV Total	232,755	200,618	16.0%	30,652	23,813	28.7%
LCV Buses	44,816	42,799	4.7%	4,064	2,254	80.3%
LCV Trucks	337,390	389,434	-13.4%	51,066	50,983	0.2%
LCV Total	382,206	432,233	-11.6%	55,130	53,237	3.6%
CV Total	614,961	632,851	-2.8%	85,782	77,050	11.3%

Given the expected growth in industrial, construction and mining sectors, M&HCV sales are likely to keep up the momentum in the financial year 2015-16. For the year 2015-16, Society of Indian Automobile Manufacturers (SIAM) has projected growth rates of 13%-15% for M&HCV's and 3%-5% for LCV's.

### B. ASHOK LEYLAND – THE YEAR (2014-15) IN BRIEF

Due to its continued investments in product and network, Ashok Leyland increased its market share in the domestic market in the year 2014-15. Your Company sold 66,442 M&HCV in the domestic market, which included 13,151 M&HCV buses and 53,291 M&HCV Trucks. 28% growth in M&HCV volumes demonstrated the agility of the Company in exploiting upturns in the M&HCV space.





# ANNEXURE D TO THE DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

M&HCV export volumes grew by 31.8% to 11,218 units from 8,511 units (including defence vehicles) last year, supported by robust volumes in most major export markets, in particular, Your Company maintained its leadership in the Middle East and Sri Lankan bus segments, and also grew in Africa.

Your Company has been giving considerable emphasis on product development to meet evolving customer expectations. BOSS range of Intermediate Commercial Vehicles (ICV) has achieved leadership in premium ICV segment. BOSS sales have significantly contributed to the overall market share in the ICV segment.

The CAPTAIN series of next generation Heavy Commercial Vehicles (HCV) has been launched in select markets. CAPTAIN has established new benchmarks in reliability, performance and "ride comfort". With economic activity picking up in Iron Ore and Coal mining, the CAPTAIN range of products are strategically positioned to exploit growth in these sectors.

In the 10x2 Multi Axle Vehicle (MAV) segment, 3718 model has maintained its dominant leadership position for the 2<sup>nd</sup> year since launch, with the customers gaining from higher operating efficiency.

Your Company continued to spread its network not only widely but also smartly. 58 new outlets were dedicated to customer service this year, in various innovative formats, adding up to an overall total of 545 outlets, for M&HCV alone. Improved customer experience and engagement have continued to be the focus of the pre-sales, sales and service processes.

In 2014-15, Your Company completed its third full year of participation in LCV segment. This year, Your Company, in partnership with Nissan, improved the range of products in the LCV segment by launching DOST Strong, four tyre version of PARTNER and an improved MiTR bus. We added around 50 touch points to the existing LCV network bringing the total to 350 touch points. Nearly 100,000 nos of DOST, our premium Small Commercial Vehicle, are on the road. In a contracting market and facing tough competition, DOST maintained its market share and sold over 25,000 nos this year. The new PARTNER range of products (6-7.5T segment), has achieved substantial market share in its first full year after launch. Ashok Leyland's LCV models are perceived to be technologically superior to those on offer and command premiums. Your Company continues to expand its export markets with 51% growth coming this year.

The Power Solutions Business continued to be affected by demand contraction. Improved power availability, de-growth in Industrial segment and the un-seasonal monsoon resulting in poor harvest as well as poor fishing seasons pulled down the overall engines demand.

Revenue from the Spare Parts business improved by 14.9 % based on better demand and improved operations. Improved service inflow in workshops and competitive presence in independent aftermarket helped to create a "pull" for parts.

The Defence business gained momentum this year with increased domestic kits dispatches as well as substantial export volumes. Your Company has also won major tenders from Defence establishments with newer products this year.

Your Company is on the path to building capabilities in the identified five focus areas – quality, people, brand, innovation and efficiency which will position Your Company among high performers in the industry.

In summary, Your Company having used the recent challenging economic scenario to transform itself in to an agile player, is appropriately positioned for sustainable growth as well as to effectively exploit market upturns.

### C. OPPORTUNITIES AND THREATS

Having lowered the breakeven point in last two years through various cost measures, any significant upturn in industry volumes will significantly improve the profitability of Your Company. In addition, Your Company has adequate production capacity to meet the surge in demand. Restart in mining activity is expected to stimulate tipper segment in which Your Company has competitive product portfolio. Lower oil prices will continue to benefit customers and will support faster replacement cycle.

Enforcement of overload regulation will change the industry habits and accordingly the products needs re-adjustment to retain competitiveness. Though the industrial sector is showing growth, the same needs to be supported and sustained by newer investments aided by policy actions.

### D. RISK MANAGEMENT

During the year, Your Company's rate of growth in sales volumes has outgrown the industry growth rate, which was made possible through several measures implemented by the Management. Managing risks while strategising was key in the successful outcome of these initiatives. Enhancing service outlets and brand image, new product launches, targeting new domestic markets particularly in the North, developing alternate International Markets and focusing on cost control and debt reduction were some of the key risk mitigation actions executed during the year. These measures have enabled the Company to deliver superior value to its customers, strengthen dealer relationship and achieve substantial reduction in interest cost.

Impending legislation of emission norms and safety standards continue to put pressure on improving the technology level requiring enhanced investment with attendant increase in product cost. To address these emerging risks, Your Company has proactively launched programs with strategic partners to develop powertrains and vehicles that would meet upcoming regulatory prescriptions. Other expected legislative norms like bus body code etc., are being adequately addressed through upcoming products in a full measure by the Company.

The Company is also continually developing and launching new and improved products to stay ahead of competition. In both the value and premium product segments, Your Company has introduced models and variants which promise customers, superior value and lower cost of ownership than the competition.

The Company has an established Enterprise Risk Management function that engages with all the business verticals for risk assessment, ensures that the risk mitigation plans are in place and validates the risk mitigation status regularly. Action plans are incorporated into the corporate plans of Your Company.

The Steering Committee (Committee) consisting of core Business vertical Heads oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Committee, chaired by the Managing Director, reviews on a quarterly basis the enterprise risks to the achievement of the business objectives. The Steering Committee updates the Risk Management Committee comprising of Independent Directors and Non-executive Director on the enterprise risks and the actions taken thereon.

# ANNEXURE D TO THE DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Given the nature of business and size of operations, Your Company's Internal Control System has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

The Internal Control System provides for well documented policies/guidelines, authorisations and approval procedures. Your Company, through its own Internal Audit Department, carried out periodic audits at all locations and functions based on the plan approved by the Audit Committee and brought out any deviation to Internal Control procedures. The observations arising out of the audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations and status of implementation are submitted to the Audit Committee. The status of implementation of the recommendations is reviewed by the Audit Committee on a regular basis and concerns, if any, are reported to the Board.

#### Information Security and Intellectual Property Rights (IPR) protection initiatives

Ashok Leyland, among the first Auto Majors in India to be certified under BS7799 in 2005 (for its Data Center at Ennore), strategically decided to expand the scope in a modular manner to critical areas, particularly handling IPR and / or sensitive information. Your Company migrated to ISO 27001 during 2006 and expanded the scope to Business Continuity and Disaster Recovery site in 2010. Subsequently, Your Company expanded the scope of certification to cover the entire Corporate Office building at Chennai and one end operation point (Regional Office at Bangalore). The ISO 27001 Certificate is valid till November 2017. Your Company is now in the process of migrating to ISO 27001:2013.

### F. FINANCIAL REVIEW

Summary of Statement of Profit and Loss Account is given below.

	2014-15	2013-14	Inc/(Dec) %
<b>INCOME</b>			
Sales (net of excise duty)	13,562.18	9,943.43	36.4
Other income	124.47	116.19	7.1
<b>Total</b>	<b>13,686.65</b>	<b>10,059.62</b>	<b>36.1</b>
<b>EXPENDITURE</b>			
Material Costs	9,965.21	7,602.59	31.1
Employee benefits expense	1,184.00	999.67	18.4
Other expenses	1,386.33	1,224.27	13.2
Depreciation and amortization expense	416.34	377.04	10.4
Finance cost	393.51	452.93	(13.1)
<b>Total</b>	<b>13,345.39</b>	<b>10,656.50</b>	<b>25.2</b>
Profit before exceptional items	341.26	(596.88)	157.2
Exceptional items	100.94	505.66	(80.0)
Profit before tax	442.20	(91.22)	584.8

₹ Cr.

	2014-15	2013-14	Inc/(Dec) %
<b>Tax expense:</b>			
Current tax	3.89	-	-
Deferred tax	103.50	(120.60)	-
Profit after tax	334.81	29.38	1,039.6
Basic Earnings per Share (₹)	1.20	0.11	

#### Revenues:

Your Company's revenues improved by 36% primarily aided by 29% increase in M&HCV sale volumes, better growth in higher tonnage segments, stable discounts (at higher levels) as well as upward revision in prices.

#### Costs:

- **Material Cost** Your Company could contain cost increases to 0.5% during the year. The Company had to concede around 1% towards commodity cost increases during the year which was offset by 0.5% saving through internal cost reduction measures.
- **Staff Cost** Employee expenses are up by 18% predominantly reflecting the full year impact of the last year's wage settlements at all manufacturing locations, withdrawal of 5% salary cut for executives as well as higher provisioning requirements for bonus and performance related compensation consequent to better performance this year.
- **Other expenses** could be contained at 10.1% of revenue from operations in current year as against 12.2% last year primarily due to various cost reduction initiatives undertaken during the year.
- **Depreciation** for the year was at ₹ 416 crore which is higher than last year reflecting the higher number of working days and shifts as well as increased provisioning requirements as per revised useful life prescribed by the Companies Act, 2013.
- **Finance cost** decreased to ₹394 crore during the year from ₹453 crore in the previous year reflecting lower working capital levels as well as repayment of the term loans from proceeds of Qualified Institutional Placement (QIP) received during the year.
- **Capital Employed** Total capital employed by your Company increased by 4% from ₹12,808 crore to ₹13,311 crore reflecting the increase in activity levels.

Total shareholders' funds as at March 31, 2015 after providing for dividend including distribution tax of ₹ 154 crore stood at ₹5,119 crore which is an increase of ₹ 671 crore over March 31, 2014 amounted to ₹ 4,448 crore. This increase is predominantly due to increase of ₹ 667 crore in equity share capital (including share premium) by way of issue of equity shares under QIP.

Summary of Balance Sheet is given below.

₹ Cr.

	31.03.2015	31.03.2014	Inc/(Dec) %
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds	5,118.69	4,447.88	15.1
Non - current liabilities	3,157.28	3,773.51	(16.3)
Current liabilities	5,035.52	4,586.60	9.8
<b>Total</b>	<b>13,311.49</b>	<b>12,807.99</b>	<b>3.9</b>

# ANNEXURE D TO THE DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

	₹ Cr.		
	31.03.2015	31.03.2014	Inc/(Dec) %
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	5,375.70	5,841.39	(8.0)
Investments	2,240.38	2,405.31	(6.9)
Loans & other Non - Current Assets	1,002.41	1,034.55	(3.1)
Current Assets	4,693.00	3,526.74	33.1
<b>Total</b>	<b>13,311.49</b>	<b>12,807.99</b>	<b>3.9</b>

### Capital Expenditure and Investments

During the year, Your Company incurred ₹ 70 crore towards capital expenditure, predominantly towards sustenance of existing capacity and product development activities. Further, exchange difference of ₹ 71 crore has been capitalised during the year. This is on account of the weakening of the INR against US\$ during the year. Your Company had also made payments to suppliers of capital goods to the tune of ₹ 122 crore during the year. Investments (current & non-current) have come down by ₹ 141 crore during the year.

Your Company has invested in cash ₹37 crore in the AL-Nissan JV, ₹ 12 crore in Albonair GmbH, ₹33 crore in AL-John Deere JV, ₹ 8 crore in Ashley Alteams India Limited, ₹ 2 crore in Global TVS Bus Body Builders Limited and ₹ 3 crore in other Associates. Thus in all Your Company had invested ₹ 95 crore in cash in Joint Venture (JV) / Associates / Subsidiaries during the year.

Your Company, after studying its intrinsic value of investments in Nissan JV using independent valuer has made an impairment provision of ₹ 214 crore out of total investment of ₹ 509 crore in the three Nissan JV entities.

Further there has been sale of non-core investments including windmill business during the year.

Current Assets as at March 31, 2015 were higher at ₹ 4,693 crore compared with previous year level of ₹3,527 crore. This increase was predominantly driven by favourable cash and bank balances as of March 31, 2015. Cash and bank balances as at March 31, 2015 were at ₹ 751 crore which is higher than ₹ 12 crore as on March 31, 2014. Short term loans and advances increased by ₹97 crore. Inventories increased from ₹ 210 crore to ₹ 1,399 crore as at March 31, 2015 compared to ₹1,189 crore as at March 31, 2014 mainly due to increase in finished vehicle inventories. Trade Receivables decreased by ₹ 41 crore to ₹1,258 crore as at March 31, 2015 from ₹1,299 crore as on March 31, 2014. Other current assets increased by ₹ 137 crore to end at ₹ 308 crore as on March 31, 2015.

### Liquidity

Your Company continued with the "Cash and Carry" system of sales during the year which has been effective since May 2009. This has enabled Your Company to better manage the increased liquidity requirements. During the year, Your Company raised ₹ 666.72 crore by way placement of equity shares under QIP in July 2014. Proceeds from QIP were utilised to repay the loans. Further, Your Company also raised an unsecured ECB loan of US\$ 20 Mn, (₹ 125 crore) during the year. ECB loan proceeds were utilised to meet the capital expenditure. Your Company manages its liquidity through rigorous weekly monitoring of cash flows.

### Profitability

Your Company's profitability improved due to increase in volumes

in the financial year 2014-15. This volume improvement was largely supported by replacement demand. Improvement in demand off-take in MAV especially in South has led to higher volumes and better market share for your Company. As such industrial activity (trend in Index of Industrial Production) continues to be sluggish. Sustained price increases, tighter control on material costs and operating expenses have resulted in improvement in profits during the year. Your Company could secure benefits on account of exemptions from levy of excise duty and income tax consequent to increase in excise duty by 4% from January 1, 2015. To maximise the benefits, your Company manufactured 10,890 vehicles during January – March 2015 as against 13,688 manufactured in the nine months period ending December 31, 2014.

Presently, your Company's debts have been rated by Investment Information and Credit Rating Agency (ICRA) . Details are as follows:

Agency	Long Term Loan	Short Term Loan
ICRA	A+ (stable outlook)	A1+

During the year, your Company has serviced all its debt obligations on time.

### Results of Operations

Your Company generated an after tax profits from operations of ₹1,072 crore in 2014-15 which was higher as compared to ₹ 186 crore generated last year. With further reduction in working capital, your Company registered a net cash inflow of ₹1,767 crore from its operations which is significantly higher compared to ₹ 556 crore generated last year.

Cash outflow for acquisition of assets and investing activities for 2014-15 dropped significantly to ₹ 214 crore as against outflow of ₹ 717 crore in 2013-14. Fresh loans for ₹ 125 crore were raised to meet capital expenditure and investment activities. Further, your Company has also disposed some of its non-core assets and investments during the year which has improved the cash flow. During 2014-15, your Company realised ₹ 326 crore by way of sale of immovable properties and long term investments as against ₹ 607 crore last year.

Profit before tax and exceptional items stood at ₹ 341 crore as against a loss of ₹ 597 crore last year.

After reckoning a current and deferred tax liability of ₹107 crore, Profit after tax for the current year stood at ₹ 335 crore. The earning per share increased close to ten times from ₹0.11 in 2013-14 to ₹1.20 in the year under review.

Your Company has continued to publish consolidated accounts of its Subsidiaries, Associates and JV's in line with last year.

### Cash flow statement

	₹ Cr.	
	31.03.2015	31.03.2014
Profit from operations after tax	1,071.79	186.38
(Inc) / Dec in Net working capital	694.76	416.80
VRS compensation paid – exceptional	-	(46.75)
Net cash flow from operating activities	1,766.55	556.43

# ANNEXURE D TO THE DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

	₹ Cr.	
	31.03.2015	31.03.2014
Payment for acquisition of assets – net	(205.87)	(207.06)
Cash outflow for investing activities	(8.20)	(510.07)
Proceeds from sale of immovable properties & long term investments	325.77	606.99
Cash flow from financing activities	(1,179.17)	(448.64)
Net cash inflow / (outflow)	699.08	(2.35)

### The Year Ahead

The domestic Commercial Vehicle industry appears to be coming out of the down cycle after two continuous years of demand slowdown. In March 2015, the industry reported a growth of 2% on Year on Year basis driven by strong growth in the M&HCV Truck segment (23%) as well as pick up in the bus segment (24%). Within the Commercial Vehicle segment, M&HCV reported a growth of 23% in unit sales while the LCV segment witnessed de-growth of 10%. The improvement in operating environment for fleet operators, expectations of pick up in investments in infrastructure as well as manufacturing space along with renewal of mining activities in some parts of the country suggest that the down cycle in M&HCVs has bottomed out. Likewise, the slowdown in LCV segment also appears to be tapering off with the segment reporting lower decline in unit sales over the past couple of months.

The industry's view is that, the M&HCV Truck segment is likely to register low double digit growth in financial year 2015-16

driven by continuing trend towards replacement of ageing fleet and expectations of pick up demand from infrastructure and industrial sectors in view of the reforms being initiated by the Government. Over the medium term, the Commercial Vehicles will also be shaped by gradual acceptance of advanced trucking platforms, progression to stricter emission norms and introduction of technologies such as Anti-lock Braking System (ABS), which may lead to some advance purchases by fleet operators. LCV segment is expected to grow at a modest pace in the financial year 2015-16 as segment prospects continue to be influenced by overcapacity issues and constrained financing environment amidst rising delinquencies. Nevertheless, driven by certain structurally favourable sector, the segment's growth prospects over the medium term remain intact.

The product variants chosen by your Company for launch in domestic and select export markets in last one year across the segments has improved market share in domestic market as well as increase in export sales. Your Company had also focused on improving the network on cost effective basis particularly in North, Central and Eastern regions. The transformational sales and marketing processes had enabled your Company to penetrate new markets and face fierce competition actions in the previous year. Your Company is also focusing key initiatives which is driving down the costs and improving the profitability. In summary, your Company is perfectly positioned to capture the demand surge in the year to come.

### G. HUMAN RESOURCES

During the year under review, the total number of people on the rolls of the Company is 11,204.

Material developments in the Human Resource/ Industrial Relations front have been detailed under the head "Human Resources" in the Directors' Report.

# ANNEXURE E TO THE DIRECTORS' REPORT

## CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

We, Vinod K. Dasari, Managing Director and Gopal Mahadevan, Chief Financial Officer of Ashok Leyland Limited, certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. We have indicated to the Auditors and to the Audit Committee:
  - a) that there are no significant changes in internal control over financial reporting during the year;
  - b) that there are no significant changes in accounting policies during the year;
  - c) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

Vinod K. Dasari  
Managing Director

Gopal Mahadevan  
Chief Financial Officer

May 12, 2015  
Chennai



# ANNEXURE F TO THE DIRECTORS' REPORT

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015.

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I REGISTRATION AND OTHER DETAILS:

<b>CIN</b>	L34101TN1948PLC000105
<b>Registration Date</b>	September 7, 1948
<b>Name of the Company</b>	M/s Ashok Leyland Limited
<b>Category / Sub-Category of the Company</b>	Company limited by shares/ Indian- non Government Company
<b>Address of the Registered office and contact details</b>	No. 1, Sardar Patel Road, Guindy, Chennai 600 032, Tamil Nadu. <a href="mailto:reachus@ashokleyland.com">reachus@ashokleyland.com</a> Ph: 044-2220 6000 Fax: 044- 2220 6001
<b>Whether listed company Yes / No</b>	Yes

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Trucks	29102	57.7%
2	Bus	29109	22.0%

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN	Holding/ Subsidiary/ Associate Company	% of shares held	Applicable Section under Companies Act, 2013
1.	Hinduja Automotive Limited, U.K	New Zealand House, 80 Haymarket, London, SW1Y4TE	Foreign Company	Holding	50.38	2(46)
2.	Global TVS Bus Body Builders Limited (formerly Irizar TVS Limited)	TVS Building, 7-B West Veli Street, Madurai 625 001	U35202TN1998PLC041466	Subsidiary	66.67	2(87)
3.	Lanka Ashok Leyland PLC	Panagoda, Homagama, Sri Lanka	Foreign Company	Associate	27.85	2(6)
4.	Gulf Ashley Motor Limited	No.1, Sardar Patel Road, Guindy, Chennai 600 032	U34102TN2004PLC052489	Subsidiary	91.62	2(87)
5.	Ashok Leyland (UAE) LLC	P. O. Box 31376, N-176, RAK Manamma Highway, Ras Al Khaimah, UAE	Foreign Company	Associate	49	2(6)
6.	Mangalam Retail Services Limited	XI Floor, Eastwing Thaalamuthu Natarajan Building, 1, Gandhi Irwin Road, Egmore, Chennai 600 008	U51909TN2006PLC059710	Associate	37.51	2(6)
7.	Albonair GmbH	Carlo-Schmid-Allee 1, 44263 Dortmund, Germany	Foreign Company	WOS	100	2(87)
8.	Albonair Automotive Technology Co., Ltd, China	East Shanghai Road, Caifu Building, Room 501, 215400 Taicang, Jiangsu Province, P. R. China	Foreign Company	WOS	100	2(87)
9.	Ashok Leyland Nissan Vehicles Limited	Kochar Towers, 19 Venkatnarayana Road, T. Nagar, Chennai 600 017	U34102TN2008PLC067839	Subsidiary	51	2(87)

# ANNEXURE F TO THE DIRECTORS' REPORT

Sl. No.	Name of the Company	Address of the Company	CIN	Holding/ Subsidiary/ Associate Company	% of shares held	Applicable Section under Companies Act, 2013
10.	Hinduja Leyland Finance Limited	No.1, Sardar Patel Road, Guindy, Chennai 600 032	U65993TN2008PLC069837	Subsidiary	57.51	2(87)
11.	HLF Services Limited	No.1, Sardar Patel Road, Guindy, Chennai 600 032	U67190TN2010PLC076750	Subsidiary	54	2(87)
12.	Hinduja Tech Limited (formerly Defiance Technologies Limited)	Triton Square, C3 - C7, Tiruvika Industrial Estate, Guindy, Chennai 600 032	U72400TN2009PLC072067	Subsidiary	62	2(87)
13.	Hinduja Tech GmbH (formerly Defiance Tech GmbH)	Charles-de-Gaulle-Platz 1 F, 50679, Koln	Foreign Company	Subsidiary	62	2(87)
14.	Hinduja Technologies Inc., USA (formerly Defiance Technologies Inc., USA)	39555, Orchard Hill Place, Suite 600, Novi, Michigan 48375	Foreign Company	Subsidiary	62	2(87)
15.	Albonair (India) Private Limited	No.1, Sardar Patel Road, Guindy, Chennai 600 032	U35914TN2009PTC073654	WOS	100	2(87)
16.	Optare PLC	Unit 3, Hurricane Way South Sherburn in Elmet, Leeds, North Yorkshire, LS25 6PT	Foreign Company	Subsidiary	75.11	2(87)
17.	Optare UK Limited	Unit 3, Hurricane Way South Sherburn in Elmet, Leeds, North Yorkshire, LS25 6PT	Foreign Company	Subsidiary	75.11	2(87)
18.	Optare Group Limited	Unit 3, Hurricane Way South Sherburn in Elmet, Leeds, North Yorkshire, LS25 6PT	Foreign Company	Subsidiary	75.11	2(87)
19.	Jamesstan Investments Limited	Unit 3, Hurricane Way South Sherburn in Elmet, Leeds, North Yorkshire, LS25 6PT	Foreign Company	Subsidiary	75.11	2(87)
20.	Optare Holding Limited	Unit 3, Hurricane Way South Sherburn in Elmet, Leeds, North Yorkshire, LS25 6PT	Foreign Company	Subsidiary	75.11	2(87)
21.	Optare (Leeds) Limited	Unit 3, Hurricane Way South Sherburn in Elmet, Leeds, North Yorkshire, LS25 6PT	Foreign Company	Subsidiary	75.11	2(87)
22.	East Lancashire Bus Builders Limited	Unit 3, Hurricane Way South Sherburn in Elmet, Leeds, North Yorkshire, LS25 6PT	Foreign Company	Subsidiary	75.11	2(87)
23.	Ashok Leyland Defence Systems Limited	No.1, Sardar Patel Road, Guindy, Chennai 600 032	U34200TN2008PLC080987	Associate	25.99	2(6)
24.	Ashok Leyland (UK) Limited	Hurricane Way South, Sherburn in Elmet, Leeds, North Yorkshire, LS25 6PT	Foreign Company	WOS	100	2(87)
25.	Ashok Leyland Nigeria Limited	KM 33, Lekki-Epe Expressway, Eputu Town, Ibeju-Lekki, Lagos	Foreign Company	WOS	100	2(87)
26.	Ashley Aviation Limited	Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai 400 018	U66030MH2008PLC180206	Associate	49	2(6)
27.	Ashok Leyland (Chile), S.A	Serrano No. 389, Oficina 702 Iquique - 76.178.636-9	Foreign Company	Subsidiary	99.97	2(87)

**WOS- Wholly-owned Subsidiary**

# ANNEXURE F TO THE DIRECTORS' REPORT

## IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoter (1)</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	
b) Central Govt	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	-	-	-	-	-	-	-	
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any Other	-	-	-	-	-	-	-	-	
<b>Sub-total (A) (1):-</b>	-	-	-	-	-	-	-	-	
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.	1,104,646,899	-	1,104,646,899	41.52	1,104,646,899		1,104,646,899	38.82	-
d) Banks / FI									
e) Any Other		-	-						
<b>Sub-total (A) (2):-</b>	1,104,646,899	-	1,104,646,899	41.52	1,104,646,899		1,104,646,899	38.82	-
<b>Total shareholding of Promoter (A) = (A)(1)+ (A)(2)</b>	<b>1,104,646,899</b>	<b>-</b>	<b>1,104,646,899</b>	<b>41.52</b>	<b>1,104,646,899</b>		<b>1,104,646,899</b>	<b>38.82</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	43,670,676	79,220	43,749,896	1.64	100,633,017	74,220	100,707,237	3.54	2.00
b) Banks / FI	244,936,791	34,790	244,971,581	9.21	189,753,551	34,790	189,788,341	6.67	(1.94)
c) Central Govt									
d) State Govt(s)	1,858,720	360,000	2,218,720	0.08	1,853,720	360,000	2,213,720	0.08	(0.00)
e) Venture Capital Funds									
f) Insurance Companies	62,769,449	1,000	62,770,449	2.36	50,313,449	1,000	50,314,449	1.77	(0.44)
g) FIIs	338,407,397	96,640	338,504,037	12.72	580,112,491	96,640	580,209,131	20.39	8.49

# ANNEXURE F TO THE DIRECTORS' REPORT

## (i) Category-wise Share Holding (Continued)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) – Foreign Banks	1,000	-	1,000	0.00	1,000	-	1,000	0.00	-
<b>Sub-total (B)(1):-</b>	691,644,033	571,650	692,215,683	26.02	922,667,228	566,650	923,233,878	32.44	8.12
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	165,311,201	561,078	165,872,279	6.23	133,305,241	537,078	133,842,319	4.70	(1.13)
ii) Overseas	2,000	-	2,000	0.00	2,000	-	2,000	0.00	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	256,723,736	25,408,991	282,132,727	10.60	227,158,706	23,806,528	250,965,234	8.82	(1.10)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	18,214,125	1,020,660	19,234,785	0.72	20,062,864	1,020,660	21,083,524	0.74	0.06
<b>c) Others – Clearing members</b>	23,244,617	-	23,244,617	0.87	6,171,067	-	6,171,067	0.22	(0.60)
- Trusts	889,573	-	889,573	0.03	413,066	-	413,066	0.01	(0.02)
Corporate Body Foreign Bodies	109,388	-	109,388	0.00	84	-	84	0.00	(0.00)
NRI	17,354,952	68,720	17,423,672	0.65	9,255,759	68,720	9,324,479	0.33	(0.28)
Foreign Nationals	160,400	-	160,400	0.01	263,400	-	263,400	0.01	0.00
Limited Liability partnership	580	-	580	0.00	226,351	-	226,351	0.01	0.01
Unclaimed Securities Suspense A/c	2,498,391	-	2,498,391	0.09	2,449,741	-	2,449,741	0.09	(0.00)
Foreign Portfolio Investor Corporate	-	-	-	-	41,008,952	-	41,008,952	1.44	1.44
<b>Sub-total (B)(2):-</b>	484,508,963	27,059,449	511,568,412	19.23	440,317,231	25,432,986	465,750,217	16.37	(1.61)
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1,176,152,996</b>	<b>27,631,099</b>	<b>1,203,784,095</b>	<b>45.24</b>	<b>1,362,984,459</b>	<b>25,999,636</b>	<b>1,388,984,095</b>	<b>48.81</b>	<b>6.51</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	352,157,140	88,500	352,245,640	13.24	352,157,140	88,500	352,245,640	12.38	-
<b>Grand Total (A+B+C)</b>	<b>2,632,957,035</b>	<b>27,719,599</b>	<b>2,660,676,634</b>	<b>100.00</b>	<b>2,819,788,498</b>	<b>26,088,136</b>	<b>2,845,876,634</b>	<b>100.00</b>	<b>6.51</b>

# ANNEXURE F TO THE DIRECTORS' REPORT

## (ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares (includes GDR)	No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares (includes GDR)	
1	<b>Hinduja Automotive Limited, U.K</b>							
	Equity shares	1,104,646,899	41.52	17.82	1,104,646,899	38.82*	4.93	2.70*
	Shares underlying GDR	329,200,140	12.37		329,200,140	11.56		0.81*

\* The reason for decrease in percentage is given in the Note under item (iii)

## (iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
1	<b>Hinduja Automotive Limited, U.K</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Equity	1,104,646,899	41.52		
	Shares underlying GDR	329,200,140	12.37		
	Date wise: July 4, 2014 Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	<b>Please refer note below</b>		1,433,847,039	50.38
	At the End of the year			1,433,847,039	50.38

**Note:** During the year, the Company raised funds by issuance of equity shares through Qualified Institutional Placement (QIP) to Institutional Investors. In view of the same, the paid up equity share capital increased to an extent of 185,200,000 equity shares. Since the promoters did not participate in the QIP there is a decrease in the percentage of holding of the Promoters (by 3.51%), though there is no actual change in the no. of shares held by them.



# ANNEXURE F TO THE DIRECTORS' REPORT

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA					
	At the beginning of the year		240,515,574	9.04	240,515,574	9.04
	04-04-2014	Transfer	(-)700,000	(0.03)	239,815,574	9.01
	11-04-2014	Transfer	(-)1,050,000	(0.04)	238,765,574	8.97
	18-04-2014	Transfer	(-)500,000	(0.02)	238,265,574	8.96
	25-04-2014	Transfer	(-)100,000	(0.00)	238,165,574	8.95
	09-05-2014	Transfer	(-)700,000	(0.03)	237,465,574	8.93
	16-05-2014	Transfer	(-)1,600,000	(0.06)	235,865,574	8.86
	23-05-2014	Transfer	(-)1,200,000	(0.05)	234,665,574	8.82
	30-05-2014	Transfer	(-)1,000,000	(0.04)	233,665,574	8.78
	06-06-2014	Transfer	(-)1,240,000	(0.05)	232,425,574	8.74
	13-06-2014	Transfer	(-)30,000	(0.00)	232,395,574	8.73
	30-06-2014	Transfer	(-)1,320,000	(0.05)	231,075,574	8.68
	04-07-2014	Transfer	(-)300,000	(0.01)	230,775,574	8.11
	11-07-2014	Transfer	(-)500,000	(0.02)	230,275,574	8.09
	21-07-2014	Transfer	(-)805,000	(0.03)	229,470,574	8.06
	25-07-2014	Transfer	(-)302,214	(0.01)	229,168,360	8.05
	01-08-2014	Transfer	(-)1,050,000	(0.04)	228,118,360	8.02
	08-08-2014	Transfer	(-)875,384	(0.03)	227,242,976	7.98
	15-08-2014	Transfer	(-)600,000	(0.02)	226,642,976	7.96
	12-09-2014	Transfer	(-)170,000	(0.01)	226,472,976	7.96
	30-09-2014	Transfer	(-)42,000	(0.00)	226,430,976	7.96
	10-10-2014	Transfer	(-)1,000,000	(0.04)	225,430,976	7.92
	17-10-2014	Transfer	(-)1,987,682	(0.07)	223,443,294	7.85
	24-10-2014	Transfer	(-)625,209	(0.02)	222,818,085	7.83
	31-10-2014	Transfer	(-)8,981,590	(0.32)	213,836,495	7.51
	07-11-2014	Transfer	(-)6,434,867	(0.23)	207,401,628	7.29
	19-12-2014	Transfer	(-)45	(0.00)	207,401,583	7.29
	09-01-2015	Transfer	(-)5,500,000	(0.19)	201,901,583	7.09
	16-01-2015	Transfer	(-)5,443,519	(0.19)	196,458,064	6.90
	23-01-2015	Transfer	(-)5,500,000	(0.19)	190,958,064	6.71
	02-02-2015	Transfer	(-)2,500,000	(0.09)	188,458,064	6.62
	06-02-2015	Transfer	(-)800,000	(0.03)	187,658,064	6.59
	31-03-2015	Transfer	(-)55,839	(0.00)	187,602,225	6.59
At the end of the year					187,602,225	6.59
2	AMANSA CAPITAL PTE LIMITED A/C AMANSA HOLDINGS PRIVATE LIMITED					
	At the beginning of the year		53,542,315	2.01	53,542,315	2.01
	07-11-2014	Transfer	(-)542,315	(0.02)	53,000,000	1.86
	30-01-2015	Transfer	(-)1,000,000	(0.04)	52,000,000	1.83
	At the end of the year				52,000,000	1.83

# ANNEXURE F TO THE DIRECTORS' REPORT

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	BAYTREE INVESTMENTS (MAURITIUS) PTE LTD					
	At the beginning of the year		46,350,000	1.74	46,350,000	1.74
	06-06-2014	Transfer	(-)16,885,000	(0.63)	29,465,000	1.11
	13-06-2014	Transfer	(-)22,315,000	(0.84)	7,150,000	0.27
	27-06-2014	Transfer	(-)7,150,000	(0.27)	-	-
	At the end of the year				-	-
4	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED					
	At the beginning of the year		41,307,026	1.55	41,307,026	1.55
	25-04-2014	Transfer	(-)620,000	(0.02)	40,687,026	1.53
	30-05-2014	Transfer	(-)2,118,302	(0.08)	38,568,724	1.45
	13-06-2014	Transfer	(-)2,547,809	(0.10)	36,020,915	1.35
	20-06-2014	Transfer	(-)3,835,000	(0.14)	32,185,915	1.21
	30-06-2014	Transfer	(-)17,483,338	(0.66)	14,702,577	0.55
	04-07-2014	Transfer	(-)2,500,000	(0.09)	12,202,577	0.43
	11-07-2014	Transfer	(-)2,275,288	(0.08)	9,927,289	0.35
	18-07-2014	Transfer	(-)801,086	(0.03)	9,126,203	0.32
	12-09-2014	Transfer	(-)500,000	(0.02)	8,626,203	0.30
	12-12-2014	Transfer	(-)44	(0.00)	8,626,159	0.30
	13-03-2015	Transfer	(-)200,000	(0.01)	8,426,159	0.30
	27-03-2015	Transfer	(-)573,382	(0.02)	7,852,777	0.28
	At the end of the year				7,852,777	0.28
5	GENERAL INSURANCE CORPORATION OF INDIA					
	At the beginning of the year		30,320,000	1.14	30,320,000	1.14
	30-05-2014	Transfer	(-)320,000	(0.01)	30,000,000	1.13
	03-10-2014	Transfer	(-)200,000	(0.01)	29,800,000	1.05
	10-10-2014	Transfer	(-)100,000	(0.00)	29,700,000	1.04
	24-10-2014	Transfer	(-)50,000	(0.00)	29,650,000	1.04
	31-10-2014	Transfer	(-)150,000	(0.01)	29,500,000	1.04
	23-01-2015	Transfer	(-)300,000	(0.01)	29,200,000	1.03
	02-02-2015	Transfer	(-)700,000	(0.02)	28,500,000	1.00
	31-03-2015	Transfer	(-)500,000	(0.02)	28,000,000	0.98
	At the end of the year				28,000,000	0.98
6	MATTHEWS INDIA FUND					
	At the beginning of the year		29,622,554	1.11	29,622,554	1.11
	09-05-2014	Transfer	(-)4,500,000	(0.17)	25,122,554	0.94
	16-05-2014	Transfer	(-)6,266,402	(0.24)	18,856,152	0.71
	At the end of the year				18,856,152	0.66
7	VIDYA INVESTMENT AND TRADING CO PVT LTD					
	At the beginning of the year		24,362,753	0.92	24,362,753	0.92
	02-05-2014	Transfer	1,039,759	0.04	25,402,512	0.95
	At the end of the year				25,402,512	0.89

# ANNEXURE F TO THE DIRECTORS' REPORT

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	NAPEAN TRADING AND INVESTMENT CO PVT LTD					
	At the beginning of the year		23,197,882	0.87	23,197,882	0.87
	02-05-2014	Transfer	1,200,000	0.05	24,397,882	0.92
	17-10-2014	Transfer	(-)1,661,045	(0.06)	22,736,837	0.80
	24-10-2014	Transfer	(-)1,705,000	(0.06)	21,031,837	0.74
	31-10-2014	Transfer	(-)1,275,000	(0.04)	19,756,837	0.69
	14-11-2014	Transfer	(-)2,000,000	(0.07)	17,756,837	0.62
	21-11-2014	Transfer	(-)1,630,000	(0.06)	16,126,837	0.57
	20-03-2015	Transfer	(-)16,126,837	(0.57)	0	0.00
	At the end of the year				-	-
9	DIMENSIONAL EMERGING MARKET VALUE FUND					
	At the beginning of the year		20,205,663	0.76	20,205,663	0.76
	20-06-2014	Transfer	(-)1,471,536	(0.06)	18,734,127	0.70
	30-06-2014	Transfer	(-)1,111,612	(0.04)	17,622,515	0.66
	04-07-2014	Transfer	(-)331,420	(0.01)	17,291,095	0.61
	11-07-2014	Transfer	(-)647,229	(0.02)	16,643,866	0.58
	18-07-2014	Transfer	(-)1,851,472	(0.07)	14,792,394	0.52
	25-07-2014	Transfer	(-)328,702	(0.01)	14,463,692	0.51
	01-08-2014	Transfer	(-)276,987	(0.01)	14,186,705	0.50
	08-08-2014	Transfer	(-)762,525	(0.03)	13,424,180	0.47
	15-08-2014	Transfer	(-)1,125,251	(0.04)	12,298,929	0.43
	29-08-2014	Transfer	(-)2,151,857	(0.08)	10,147,072	0.36
	05-09-2014	Transfer	(-)782,090	(0.03)	9,364,982	0.33
	12-09-2014	Transfer	(-)1,063,181	(0.04)	8,301,801	0.29
	19-09-2014	Transfer	(-)947,096	(0.03)	7,354,705	0.26
	30-09-2014	Transfer	(-)1,480,605	(0.05)	5,874,100	0.21
	03-10-2014	Transfer	(-)240,333	(0.01)	5,633,767	0.20
	10-10-2014	Transfer	(-)446,927	(0.02)	5,186,840	0.18
	17-10-2014	Transfer	(-)161,298	(0.01)	5,025,542	0.18
	24-10-2014	Transfer	(-)296,239	(0.01)	4,729,303	0.17
	31-10-2014	Transfer	(-)189,807	(0.01)	4,539,496	0.16
	21-11-2014	Transfer	(-)419,808	(0.01)	4,119,688	0.14
	28-11-2014	Transfer	(-)770,464	(0.03)	3,349,224	0.12
	05-12-2014	Transfer	(-)1,929,599	(0.07)	1,419,625	0.05
	12-12-2014	Transfer	(-)587,111	(0.02)	832,514	0.03
	19-12-2014	Transfer	(-)500,155	(0.02)	332,359	0.01
	31-12-2014	Transfer	(-)332,359	(0.01)	0	0.00
	At the end of the year				-	-
10	IDL SPECIALITY CHEMICALS LIMITED					
	At the beginning of the year		20,000,000	0.75	-	-
	25-04-2014	Transfer	(-)20,000,000	(0.75)	-	0.00
	At the end of the year				-	-

# ANNEXURE F TO THE DIRECTORS' REPORT

## (v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Directors of the Company and KMP				
	<b>Directors</b>				
<b>1</b>	<b>Mr. Vinod K. Dasari, Managing Director &amp; KMP</b>				
	At the beginning of the year	160,000	0.01		
	Date wise Increase in Shareholding during the year Acquisition of shares on 2/5/2014	100,000	0.00	260,000	0.01
	At the End of the year	260,000	0.01		
<b>2</b>	<b>Mr. R. Seshasayee, Non-executive Vice Chairman</b>				
	At the beginning of the year	22,472	0.00		
	Date wise Increase/Decrease in Shareholding during the year	-	-		
	At the End of the year	22,472	0.00		
	<b>Other KMPs</b>				
<b>1</b>	<b>Mr. Gopal Mahadevan, Chief Financial Officer</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	-	-	-	-
<b>2</b>	<b>Mr. N Ramanathan, Company Secretary</b>	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	-	-	-	-

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	23,023,032,263	23,880,176,248	-	46,903,208,511
ii) Interest due but not paid	5,947,581	3,070,140	-	9,017,721
iii) Interest accrued but not due	741,894,965	148,317,450	-	890,212,415
<b>Total (i+ii+iii)</b>	<b>23,770,874,809</b>	<b>24,031,563,838</b>		<b>47,802,438,647</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	39,712,037,339	42,028,332,630(#)	-	81,740,369,969(#)
• Reduction	48,246,602,378	47,066,686,555	-	95,313,288,933
<b>Net Change</b>	<b>(8,534,565,039)</b>	<b>(5,038,353,925)</b>		<b>(13,572,918,964)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14,583,333,333	18,913,943,409	-	33,497,276,742
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	652,976,436	79,013,401	-	731,989,837
<b>Total (i+ii+iii)</b>	<b>15,236,309,769</b>	<b>18,992,956,810</b>		<b>34,229,266,579</b>

(#) Includes exchange difference

# ANNEXURE F TO THE DIRECTORS' REPORT

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Mr. Vinod K. Dasari, Managing Director and Key Managerial Personnel

₹

Sl. No.	Particulars of Remuneration	Mr. Vinod K. Dasari, Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	29,629,500	
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961.	3,971,816	<b>33,601,316</b>
2	Commission:		
	Performance Bonus	24,750,000	-
	Long Term Incentive Plan (LTIP) #	6,840,000	<b>31,590,000</b>
3	Others - Retirement benefits	1,209,400	<b>1,209,400</b>
	<b>Total (A)</b>	-	<b>66,400,716</b>
	Ceiling as per the Act	5% of the Net profit	

(#) LTIP approved/payable is ₹ 342 lakhs over a period of 4 years as per Policy from FY 14-15. Out of the approved LTIP amount, only 20% i.e. ₹ 68.40 lakhs is payable for 2014-15 as per Policy and included in item (2) above.

### B. Remuneration to other directors

#### 1. Independent Directors

₹ Lakhs

Particulars of Remuneration	Dr. Andreas H. Biagosch	Mr. Anil Harish	Mr. D. J. Balaji Rao	Mr. Jean Brunol	Ms. Manisha Girotra	Mr. Sanjay K. Asher	Mr. Shardul S. Shroff	Total Amount
Fee for attending Board / committee meetings*	6.60	2.40	10.60	7.60	4.20	6.30	3.30	<b>41.00</b>
Commission	24.45	6.31	17.45	17.27	6.00	21.57	4.51	<b>97.56</b>
Others, please specify	-	-	-	-	-	-	-	-

**(\*) excluding reimbursement of travel and other expenses incurred for the Company's business / meetings.**

#### 2. Non-executive Directors

₹ Lakhs

Sl. No.	Particulars of Remuneration	Mr. Dheeraj G. Hinduja **	Mr. A. K. Das**	Mr. F. Sahami	Mr. R. Seshasayee **	Total Amount
	Fee for attending Board / committee meetings*	NIL	0.80	7.80	NIL	<b>8.60</b>
	Commission	100	8.67	9.06	14.71	<b>132.44</b>
	Others, please specify	-	-	-	-	-

**(\*) excluding reimbursement of travel and other expenses incurred for the Company's business / meetings.**

**(\*\*) Sitting Fees Waiver:** Based on the advice received from Mr. Dheeraj G. Hinduja (dated July 26, 2013), Mr. R. Seshasayee (dated July 17, 2013) and Mr. A. K. Das (dated August 13, 2014), the Board of Directors, approved waiver of their sitting fee for Board and Committee as relevant until further notice from them.



# ANNEXURE F TO THE DIRECTORS' REPORT

## C. Remuneration to Key Managerial Personnel

₹

Sl. No.	Particulars of Remuneration	Mr. Gopal Mahadevan, Chief Financial officer	Mr. N Ramanathan Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	17,671,442	5,447,317	23,118,759
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961.	489,022	13,125	502,147
2	Others - retirement benefit	525,220	151,800	677,020
	<b>Total (A)</b>	<b>18,685,684</b>	<b>5,612,242</b>	<b>24,297,926</b>

## VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
Penalty		NIL			
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty		NIL			
Punishment					
Compounding					

# ANNEXURE G TO THE DIRECTORS' REPORT

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### SECRETARIAL AUDIT REPORT OF M/S ASHOK LEYLAND LIMITED FOR THE FINANCIAL YEAR ENDED

31<sup>ST</sup> MARCH 2015

To,  
The Members,  
M/s. Ashok Leyland Limited  
No 1 Sardar Patel Road,  
Guindy, Chennai 600 032

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Ashok Leyland Limited, CIN L34101TN1948PLC000105** ("the Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of

Capital and Disclosure Requirements) Regulations, 2009;

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. The other laws as may be applicable specifically to the Company are:- Based on the reports of the heads of the Departments of the factories located in Ennore, Hosur, Bhandara, Pantnagar and the compliance reports made by the occupier of the factories submitted to the Board of Directors of the Company, I /We report that the Company has substantially complied with the provisions of those Acts that are applicable to companies having factories which manufacture Automobiles including Factories Act, Motor Vehicles Act 1988, Explosives Act 1884, The Motor Transport Workers Act 1961, The Petroleum Act, Environmental Protection Act 1986, other laws related to maintenance of Factories, Laws related to Human resources including Employees Provident Fund Act, Employees State Insurance Act. Based on the information, explanations and management representation, the Company has substantially complied with the Tax laws applicable to the Company.

I/We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) namely BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Listing Agreement with Stock Exchanges, Guidelines, Standards, etc. mentioned above, subject to the following observations:

### I/We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the

# ANNEXURE G TO THE DIRECTORS' REPORT

Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

3. **I/We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I/We further report that** during the audit period the Company has issued 185,200,000 equity shares of face value ₹ 1/- each (i.e. with a premium of ₹ 1.70/- per equity share

on the floor price of ₹ 34.30/- per equity share) through Qualified Institutional Placement, the offer for which was made on 26<sup>th</sup> June 2014 pursuant to Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and allotment was made on 4<sup>th</sup> July 2014.

***The FC-GPR in respect of the above was filed electronically on 31<sup>st</sup> July 2014 with the authorised dealer (within 30 days of the allotment)***

Name of Company Secretary in practice : B Chandra

ACS/FCS No. : 20879

C P No. : 7859

Place : Chennai

Date : May 12, 2015

# ANNEXURE H TO THE DIRECTORS' REPORT

## FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
  - a) Name(s) of the related party and nature of relationship: NIL
  - b) Nature of contracts/arrangements/transactions: NIL
  - c) Duration of the contracts / arrangements/transactions: NIL
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
  - e) Justification for entering into such contracts or arrangements or transactions: NIL
  - f) Date(s) of approval by the Board: NIL
  - g) Amount paid as advances, if any: NIL
  - h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: NIL

2. Details of material contracts or arrangements or transactions at arm's length basis:

- a) Name of the related party and nature of relationship:

**Ashok Leyland (UAE), LLC (AL UAE), Associate Company.**

- b) Nature of transaction:

**Sale of stake (100%) held by the Company in Avia Ashok Leyland Motors Limited s.r.o (Avia) to AL UAE.**

- c) Duration of transaction: **One time transaction.**

- d) Salient terms of the transaction including the value, if any:

**AL UAE purchased the entire holding in Avia for an Enterprise Value, (loan with interest due to the Company and value for the shares).**

USD

Transfer of 100% ownership in Avia	300,000
Loan Repayment to be made by AL UAE on behalf of Avia with interest accrued	10,666,500
<b>Total Enterprise Value</b>	<b>10,966,500</b>

- e) Date of approval by the Board, if any: **March 10, 2015.**

- f) Amount paid as advances, if any: **NIL**

On behalf of the Board of Directors

Chennai  
May 12, 2015

Dheeraj G. Hinduja  
Chairman

# ANNEXURE I TO THE DIRECTORS' REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

**Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company's CSR policy has been uploaded in the website of the Company under the web-link:

<http://www.ashokleyland.com/companies-act-2013-compliance>

### Composition of the CSR Committee

Mr. Dheeraj G. Hinduja, Chairman - Non-executive Director;

Mr. Vinod K. Dasari – Executive Director;

Ms. Manisha Girotra – Independent Director; and

Mr. Shardul S. Shroff – Independent Director

The Committee met twice during the year under review.

### Average net profit of the Company for the last three financial years

Average net profit: ₹ 860,004,518

### Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2014-15 is required to spend ₹ 17,200,090 towards CSR.

### Details of CSR spent during the financial year:

a) Total amount spent for the financial year; ₹ 17,716,266

b) Amount unspent, if any; NIL

### Manner in which amount spent during the financial year is detailed below:

₹ Lakhs

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Locations (Unit)	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
1	Health Check-up - Free Medicine and Medical Check-up for poor people at Gadegaon Village, Health Care activities, Health awareness camp - for organising Blood Donation camp, Vehicle aid provided to a welfare centre. <u>Donation to Cancer Institute:</u> Bus chassis sold to "Cancer Institute"; and Donation of 1010 KVA DG Set and related accessories.	Promoting preventive health care and sanitation.	Bhandara (Maharashtra), Hosur I (Tamil Nadu), Hosur II (Tamil Nadu), Power Solution Business Unit (Chennai- Tamil Nadu), Vellivoyalchavadi (Chennai- Tamil Nadu), Corporate (Chennai- Tamil Nadu).	99.65	99.65	99.65
2	Training to College / Institution Students, Scholarship to children, Vocational Skills, Donations to Institutions and promoting education.	Promoting education, including special education and vocation skills.	Bhandara (Maharashtra), Regional Office - South, Pantnagar (Uttarakhand), Ennore (Chennai - Tamil Nadu) Corporate (Chennai - Tamil Nadu), Vellivoyalchavadi (Chennai - Tamil Nadu).	77.45	77.45	77.45
3	Tree plantations in villages.	Ensuring environmental sustainability.	Alwar (Rajasthan), Bhandara (Maharashtra).	0.04	0.04	0.04
4	Armed forces flag day fund.	Measures for the benefit of armed forces.	Hosur II (Tamil Nadu).	0.02	0.02	0.02
	<b>TOTAL</b>			<b>177.16</b>	<b>177.16</b>	<b>177.16</b>

### Responsibility Statement by the Corporate Social Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Chennai  
May 12, 2015

Vinod K. Dasari  
Managing Director

Dheeraj G. Hinduja  
Chairman

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF ASHOK LEYLAND LIMITED

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Ashok Leyland Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements – Also Refer Note 3.2.7 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### For M. S. Krishnaswami & Rajan

Chartered Accountants  
Registration No. 015545

### M. S. Murali

Partner  
Membership No. 26453

May 12, 2015

Chennai

### For Deloitte Haskins & Sells LLP

Chartered Accountants  
Firm's Registration No. 117366W/W-100018

### A. Siddharth

Partner  
Membership No. 31467

May 12, 2015

Mumbai



# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Ashok Leyland Limited ("the Company") for the year ended March 31, 2015)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - In our opinion and according to the information and explanations given to us, the Company has generally maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and accordingly, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and for the sale of goods and services, and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to information and explanations given to us, the Company has not accepted any deposits and accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.
- (vii) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:

- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- There are no dues of Wealth Tax and Customs Duty which have not been deposited on account of any dispute with the relevant authorities. Details of dues towards Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Cess that have not been deposited as at March 31, 2015 on account of disputes are as stated below:

₹ Lakhs

Nature of Dues	Disputed Dues	Period to which the amount relates	Forum where the dispute is pending	Amount stayed out of disputed dues
Income Tax	7,390.63	Assessment years 2005-06, 2006-07 and 2008-09	Appellate authority – Income Tax Appellate Tribunal	7,390.63
Sales Tax and Value Added Tax	21,724.88	Various periods from 1993 – 2014	Appellate authority – upto Commissioner level	6,210.84
	268.69	Various periods from 1987 – 2013	Appellate authority – Tribunal	232.85
	723.81	Various periods from 1986 – 2012	High Court	655.69
Excise Duty and cess thereon	62.43	Various periods from 2008 – 2012	Appellate authority – upto Commissioner level	-
	1,251.75		Appellate authority – Tribunal	1,246.75
Service Tax and cess thereon	40.89	Various periods from 2011 – 2014	Appellate authority – upto Commissioner level	-

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Ashok Leyland Limited ("the Company") for the year ended March 31, 2015)

- c) The amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder, have been transferred to such fund within time.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company in earlier years, for loans taken by a subsidiary and a joint venture company from banks or financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on the Company or no fraud by the Company has been noticed or reported during the year.

**For M. S. Krishnaswami & Rajan**

Chartered Accountants  
Registration No. 015545

**M. S. Murali**

Partner  
Membership No. 26453

May 12, 2015

Chennai

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**A. Siddharth**

Partner  
Membership No. 31467

May 12, 2015

Mumbai

# BALANCE SHEET AS AT MARCH 31, 2015

Particulars		As at March 31, 2015		As at March 31, 2014
	Note No.	₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share capital	1.1	28,458.80		26,606.80
Reserves and surplus	1.2	483,410.58		418,181.63
			511,869.38	444,788.43
<b>Non-current liabilities</b>				
Long-term borrowings	1.3	256,633.61		329,650.51
Deferred tax liabilities (Net)	1.4	51,026.69		40,676.69
Other Long term liabilities	1.5	206.04		237.12
Long-term provisions	1.6	7,861.36		6,786.62
			315,727.70	377,350.94
<b>Current liabilities</b>				
Short-term borrowings	1.7	2,500.00		58,740.81
Trade payables	1.8	282,831.87		221,415.37
Other current liabilities	1.9	192,615.47		169,691.35
Short-term provisions	1.10	25,604.60		8,812.67
			503,551.94	458,660.20
<b>TOTAL</b>			<b>1,331,149.02</b>	<b>1,280,799.57</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed assets				
Tangible assets	1.11	488,248.30		522,192.70
Intangible assets	1.12	37,306.99		43,794.02
Capital work-in-progress	1.11	6,979.70		15,513.03
Intangible assets under development	1.12	5,034.66		2,639.69
		537,569.65		584,139.44
Non-current investments	1.13	224,038.13		240,531.11
Long-term loans and advances	1.14	98,291.76		100,146.29
Other non-current assets	1.15	1,949.96		3,308.99
			861,849.50	928,125.83
<b>Current assets</b>				
Current investments	1.16	40,845.20		38,437.48
Inventories	1.17	139,852.72		118,870.31
Trade receivables	1.18	125,769.25		129,901.05
Cash and bank balances	1.19	75,128.79		1,169.06
Short-term loans and advances	1.20	56,882.17		47,201.34
Other current assets	1.21	30,821.39		17,094.50
			469,299.52	352,673.74
<b>TOTAL</b>			<b>1,331,149.02</b>	<b>1,280,799.57</b>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

**Gopal Mahadevan**  
Chief Financial Officer

For and on behalf of the Board

**N. Ramanathan**  
Company Secretary

**Dheeraj G. Hinduja**  
Chairman  
DIN : 00133410

**Vinod K. Dasari**  
CEO and Managing Director  
DIN : 00345657

This is the Balance Sheet referred to in our report of even date.

**For M.S. Krishnaswami & Rajan**  
Chartered Accountants

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**M. S. Murali**  
Partner  
May 12, 2015  
Chennai

**A. Siddharth**  
Partner  
May 12, 2015  
Mumbai

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars		Year ended March 31, 2015	Year ended March 31, 2014
	Note No.	₹ Lakhs	₹ Lakhs
<b>Income</b>			
Revenue from operations	2.1	1,448,593.35	1,056,084.53
Less: Excise Duty		92,374.99	61,741.86
Revenue from operations (Net)		1,356,218.36	994,342.67
Other income	2.2	12,447.13	11,619.54
<b>Total Revenue</b>		<b>1,368,665.49</b>	<b>1,005,962.21</b>
<b>Expenses</b>			
Cost of materials consumed	2.3	862,663.52	590,969.47
Purchases of Stock-in-Trade - Traded goods	2.4	139,118.72	126,902.76
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.5	(5,261.26)	42,387.10
		996,520.98	760,259.33
Employee benefits expense	2.6	118,400.38	99,967.23
Finance costs	2.7	39,350.75	45,292.48
Depreciation and amortisation expense	2.8	41,633.67	37,703.60
Other expenses	2.9	138,633.63	122,427.35
<b>Total Expenses</b>		<b>1,334,539.41</b>	<b>1,065,649.99</b>
Profit / (Loss) before exceptional items and tax		34,126.08	(59,687.78)
<b>Exceptional items</b>	2.10	10,093.59	50,565.89
<b>Profit / (Loss) before tax</b>		<b>44,219.67</b>	<b>(9,121.89)</b>
<b>Tax expense:</b>			
Current tax (Refer Note 3.12 to the Financial Statements)		389.07	-
Deferred tax		10,350.00	(12,060.00)
		10,739.07	(12,060.00)
<b>Profit for the year from continuing operations</b>		<b>33,480.60</b>	<b>2,938.11</b>
Earnings per share (Face value ₹ 1 each) - Basic and Diluted (in ₹) [Refer Note 3.3 to the Financial Statements]		1.20	0.11

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss.

**Gopal Mahadevan**  
Chief Financial Officer

For and on behalf of the Board

**N. Ramanathan**  
Company Secretary

**Dheeraj G. Hinduja**  
Chairman  
DIN : 00133410

**Vinod K. Dasari**  
CEO and Managing Director  
DIN : 00345657

This is the Statement of Profit and Loss referred to in our report of even date.

**For M.S. Krishnaswami & Rajan**  
Chartered Accountants

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**M. S. Murali**  
Partner  
May 12, 2015  
Chennai

**A. Siddharth**  
Partner  
May 12, 2015  
Mumbai

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	March 31, 2015	March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>Cash flow from operating activities</b>		
<b>Profit / (Loss) before tax</b>	<b>44,219.67</b>	<b>(9,121.89)</b>
Adjustments for :		
Depreciation, amortisation and impairment - net of capitalisation	41,633.67	37,703.60
Other amortisations	188.01	189.04
Bad and doubtful debts / advances provided / written-off (net of recovery)	8.84	524.85
Foreign exchange (gains) / losses	323.31	733.26
Profit on disposal of tangible assets	(37,074.67)	(20,266.16)
Loss / (Profit) on sale of investments	4,030.33	(36,870.91)
Provision for diminution in value of long-term investments	22,419.47	957.32
Voluntary Retirement Scheme expense	-	4,674.94
Finance costs - net of capitalisation	39,350.75	45,292.48
Interest income	(2,623.69)	(1,733.54)
Dividend income	(277.32)	(470.52)
<b>Operating profit before working capital changes</b>	<b>112,198.37</b>	<b>21,612.47</b>
Adjustments for changes in :		
Liabilities and provisions	108,062.45	(33,756.72)
Trade receivables	4,400.35	11,680.51
Inventories	(20,982.41)	70,731.77
Loans and Advances	(19,289.61)	(8,448.02)
Other non-current and current assets	(2,715.06)	1,472.01
Voluntary Retirement Compensation paid - Exceptional item	-	(4,674.94)
<b>Cash generated from operations</b>	<b>181,674.09</b>	<b>58,617.08</b>
Income tax paid	(5,018.90)	(2,974.07)
<b>Net cash flow from operating activities</b> [A]	<b>176,655.19</b>	<b>55,643.01</b>
<b>Cash flow from investing activities</b>		
Payments for acquisition of assets	(21,123.90)	(21,975.40)
Proceeds on sale of fixed assets	536.39	1,269.65
Proceeds on sale of immovable properties - Exceptional item	30,004.86	9,733.47
Proceeds from sale of long-term investments - Exceptional item	2,572.24	50,965.55
Purchase of long-term investments *	(9,995.81)	(53,792.90)
Movement in other bank balances	(4,000.00)	-
Inter Corporate Deposits - given	(1,230.00)	(5,000.00)
Inter Corporate Deposits - repaid	4,230.00	2,000.00
Interest received	2,553.61	1,436.40
Dividend received	253.89	470.52
Related Party Loans and advances given / repaid (Net) *	7,588.81	4,082.67
Taxes paid	(220.70)	(204.06)
<b>Net cash flow from / (used in) investing activities</b> [B]	<b>11,169.39</b>	<b>(11,014.10)</b>

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	March 31, 2015	March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	66,672.00	-
Proceeds from long-term borrowings	15,714.05	120,094.11
Repayments of long-term borrowings	(100,640.76)	(85,060.82)
Proceeds from short-term borrowings	760,030.00	1,367,178.54
Repayments of short-term borrowings	(817,496.93)	(1,383,939.80)
Debenture / Loan raising / Share issue expenses paid	(1,632.52)	(880.38)
Interest paid	(40,562.63)	(43,578.14)
Dividend paid and tax thereon	-	(18,677.15)
<b>Net cash flow (used in) financing activities [C]</b>	<b>(117,916.79)</b>	<b>(44,863.64)</b>
<b>Net cash Inflow / (outflow) [A+B+C]</b>	<b>69,907.79</b>	<b>(234.73)</b>
<b>Opening cash and cash equivalents</b>	<b>505.90</b>	<b>781.09</b>
Add: Pursuant to amalgamation	-	28.04
Exchange fluctuation on foreign currency bank balances	124.82	(68.50)
<b>Closing cash and cash equivalents [Refer Note 1.19 a to the Financial Statements]</b>	<b>70,538.51</b>	<b>505.90</b>

## Note:

\* Net of share application money aggregating ₹ 1,395.07 lakhs and loans and advances including interest accrued aggregating ₹ 3,409.27 lakhs given to a related party converted into investment in share capital during the year.

**Gopal Mahadevan**  
Chief Financial Officer

For and on behalf of the Board

**N. Ramanathan**  
Company Secretary

**Dheeraj G. Hinduja**  
Chairman  
DIN : 00133410

**Vinod K. Dasari**  
CEO and Managing Director  
DIN : 00345657

This is the Cash Flow Statement referred to in our report of even date.

**For M.S. Krishnaswami & Rajan**  
Chartered Accountants

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**M. S. Murali**  
Partner  
May 12, 2015  
Chennai

**A. Siddharth**  
Partner  
May 12, 2015  
Mumbai



# STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 1. Accounting convention

- 1.1 The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at re-valued amounts.
- 1.2 All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the 2013 Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.
- 1.3 Use of estimates  
The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that are considered in the reported amounts of assets including decline in carrying value of investments and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known / materialize.

## 2. Tangible and Intangible Fixed assets and depreciation / amortisation

- 2.1 Cost of all civil works (including electrification and fittings) is capitalised with the exception of alterations and modifications of a capital nature to existing structures where the cost of such alteration or modification is ₹ 100,000 and below. Other fixed assets, including intangible assets and assets given on lease, where the cost exceeds ₹ 10,000 and the estimated useful life is two years or more, is capitalised. Cost of initial spares and tools is capitalised along with the respective assets. Cost of fixed assets is net of eligible credits under CENVAT / VAT Scheme. Expenditure directly related and incidental to construction / development and borrowing costs in para 3 below are capitalised upto the date the assets are ready for their intended use. Exchange differences are capitalised to the extent dealt with in para 6.2 below.  
Certain categories of fixed assets were revalued and are carried at the revalued amounts less accumulated depreciation and impairment loss, if any. Increase in the net book value on such revaluation is credited to "Revaluation Reserve Account". Upon the sale, disposal, extinguishment of the revalued assets the amount of revaluation reserve against such assets is adjusted against their carrying values and the difference between the sale proceeds of such assets and the adjusted carrying value are recognised in the Statement of Profit and Loss.
- 2.2 Tangible fixed assets and Intangible assets, that are not yet ready for their intended use, are carried at costs, comprising direct cost, and other incidental / attributable expenses and reflected under Capital work in progress / Intangible assets under development, respectively.
- 2.3 Assets are depreciated / amortised on straight line basis over their estimated useful life as below:
  - a) Leasehold land over the period of lease;
  - b) Leasehold land and buildings as revalued, is calculated on the respective revalued amounts, over the balance useful life as determined by the valuers in the case of buildings and as per (a) above in the case of land;
  - c) Assets subject to impairment, on the asset's revised carrying amount, over its remaining useful life.
  - d) All other tangible and intangible assets (including assets given on lease and assets in leased / customer premises) are depreciated / amortised over their estimated useful lives. Estimated useful life of assets are determined based on internal technical parameters / assessment and supported by external technical advice obtained periodically.
 The aforesaid estimated useful life for computing depreciation / amortisation are different in certain cases from the life specified in the Schedule II to the 2013 Act and such differences are disclosed in Note 3.2.9 to the financial statements.
- 2.4 Depreciation / amortisation is provided on a pro-rata basis from the month the assets are put to use during the financial year. In respect of assets sold or disposed off during the year, depreciation / amortisation is provided upto the month of sale or disposal of the assets.
- 2.5 The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount.

## 3. Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. Expenditure incurred on issue of debentures is adjusted against Securities Premium Account. Expenditure incurred on raising loans is amortised over the period of such borrowings. Premium paid on prepayment of borrowing is amortised over the unexpired period thereof or six months, whichever is less. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## 4. Investments

Long term investments are carried individually at cost. However, provision for diminution is made to recognise a decline, if any, other than temporary, in the carrying value of the investment. Current investments are carried individually at lower of cost and fair value.

## 5. Inventories

- 5.1 Inventories are valued at lower of cost and net realisable value; cost being ascertained on the following basis:
  - Stores, raw materials and components and work-in-progress: On monthly moving weighted average basis.

# STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- spares, consumable tools : weighted average basis  
In respect of works-made components, cost includes applicable production overheads.
- Finished / trading goods: under absorption costing method.

5.2 Cost includes taxes and duties and is net of eligible credits under CENVAT / VAT Schemes.

5.3 Cost of patterns and dies is amortised over a period of five years.

5.4 Surplus / obsolete / slow moving inventories are adequately provided for.

## 6. Foreign currency transactions and derivatives

The Company's foreign operations (including foreign branches) are an integral part of the Company's activities. The foreign currency transactions / foreign currency monetary and non-monetary items in such operations and others are recorded / translated as mentioned below:

- 6.1 Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at closing rate. Exchange differences arising on settlement or translation of monetary items other than those mentioned in para 6.2 below are recognised as income or expense in the Statement of Profit and Loss in the period it arises.
- 6.2 Exchange differences on translation or settlement of long term foreign currency monetary items (i.e. whose term of settlement exceeds twelve months from date of its origination) at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets are adjusted to the cost of the assets and depreciated over remaining useful life of such assets. In other cases, these are accumulated in "Foreign currency monetary item translation difference account" and amortised by recognition as income or expense in each period over the balance term of such items till settlement occurs but not beyond March 31, 2020.
- 6.3 The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions. The company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard - 30 "Financial Instruments - Recognition and measurement" issued by ICAI. Gains and losses on these forward contracts designated as "effective Cash flow hedges" are recognised in the "Hedge Reserve Account" till the underlying forecasted transaction occurs. Any ineffective portion however, is recognised immediately in the Statement of Profit and Loss.
- 6.4 Gains and losses on all other derivatives (including forward contracts not designated as Cash flow hedge) are recognised in the Statement of Profit and Loss in the period it arises. Premium or discount on forward contracts is amortized over the life of the contract.
- 6.5 Non-monetary items of the Company's integral foreign operations are carried at historical cost.
- 6.6 Investments in equity capital of companies registered outside India are carried in the Balance Sheet at the rates prevailing on the date of the transaction.

## 7. Segment Reporting

The Company's primary segment is identified as business segment based on nature of product, risks, returns and the internal business reporting system and secondary segment is identified based on geographical location of the customers as per Accounting Standard – 17. The Company is principally engaged in a single business segment viz. Commercial vehicles and related components.

## 8. Revenue recognition

- a) Sale of goods  
Revenue from sale of products net of returns, is recognised on despatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty. Price escalation claims are recognised to the extent there is reasonable certainty of its realisation.
- b) Sale of Services  
Revenue from services is recognised in accordance with the specific terms of contract on performance.
- c) Other operating revenues  
Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.
- d) Other Income  
Interest income is accounted on accrual basis. Dividend income is accounted as and when the right to receive the dividend is established.

## 9. Leases

Where the company is a lessor

- a) Leases in which the Company transfers substantially all the risks and rewards of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After the initial recognition, the Company apportions lease rentals between principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc., are recognised immediately in the Statement of Profit and Loss.
- b) Leases in which the company does not transfer substantially all the risks and rewards of ownership of the asset are classified

# STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight line basis over the lease terms. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs etc. are charged to the Statement of Profit and Loss in the period of incurrence.

## 10. Government grants

Grants in the form of capital / investment subsidy are treated as Capital reserve. Export incentives and incentives in the nature of subsidies given by the Government are reckoned in revenue in the year of eligibility.

## 11. Research and Development Costs

Expenditure on the design and production of prototypes is charged to the Statement of Profit and Loss as and when incurred. Product development costs, including know how developed / acquired, incurred on new vehicle / engine platforms, variants on existing platforms and aggregates are recognised as Intangible assets only when product's technical feasibility is established and amortised over their estimated useful life.

## 12. Employee benefits

12.1 Employee benefit expenses include salary, wages, performance incentives, compensated absences, medical benefits and other perquisites. It also includes post-employment benefits such as provident fund, superannuation fund, gratuity, pensionary benefits etc.

12.2 Short term employee benefit obligations are estimated and provided for.

12.3 Post-employment benefits and other long term employee benefits

- Defined contribution plans:

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

In respect of provident fund, contributions made to a trust administered by the Company, the interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act 1952 and shortfall, if any, shall be contributed by the Company and charged to the Statement of Profit and Loss.

- Defined benefit plans and compensated absences:

Company's liability towards gratuity, other retirement benefits and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence.

12.4 Termination benefits

Expenditure on termination benefits (including expenditure on Voluntary Retirement scheme) is recognised in the Statement of Profit and Loss in the period of incurrence.

## 13. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Provision for product warranties is made for contractual obligations in accordance with the policy in force and is estimated for the unexpired period.

## 14. Income taxes

14.1 Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Company resulting in payment of normal income tax.

14.2 Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

## 15. Cash Flow statement

Cash flow statements are reported using the indirect method, whereby profit / (loss) before extra-ordinary items / exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipt or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information including taxes paid relating to these activities.

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.1 CAPITAL</b>		
<b>Authorised</b>		
a) 2535,60,00,000 (2014: 2535,60,00,000) Equity shares of ₹ 1 (2014: ₹ 1) each	253,560.00	253,560.00
b) 3,65,00,000 (2014: 3,65,00,000) Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 10 (2014: ₹ 10) each	3,650.00	3,650.00
c) 20,00,000 (2014: 20,00,000) Non-Convertible Redeemable Preference Shares of ₹ 100 (2014: ₹ 100) each	2,000.00	2,000.00
	<b>259,210.00</b>	<b>259,210.00</b>
<b>Issued</b>		
a) 219,97,66,829 (2014: 201,45,66,829) Equity shares of ₹ 1 (2014: ₹ 1) each	21,997.67	20,145.67
b) 64,63,14,480 (2014: 64,63,14,480) Equity shares of ₹ 1 (2014: ₹ 1) each issued through Global Depository Receipts	6,463.14	6,463.14
	<b>28,460.81</b>	<b>26,608.81</b>
<b>Subscribed and fully paid up</b>		
a) 219,95,62,154 (2014: 201,43,62,154) Equity shares of ₹ 1 (2014: ₹ 1) each	21,995.62	20,143.62
b) 64,63,14,480 (2014: 64,63,14,480) Equity shares of ₹ 1 (2014: ₹ 1) each issued through Global Depository Receipts	6,463.14	6,463.14
	28,458.76	26,606.76
Add: Forfeited shares (amount originally paid up in respect of 760 shares)	0.04	0.04
	<b>28,458.80</b>	<b>26,606.80</b>

## Notes:

- The Company issued and allotted on July 4, 2014, 18,52,00,000 equity shares of ₹ 1 each at a premium of ₹ 35 per share through Qualified Institutional Placement (QIP), aggregating to ₹ 66,672.00 Lakhs of which an amount of ₹ 1,852.00 Lakhs was towards the equity share capital with Face value of ₹ 1 each and balance of ₹ 64,820.00 Lakhs representing share premium was credited to Securities Premium account.

	2015	2014
<b>2. Reconciliation of number of Equity shares subscribed:</b>		
Balance as at the beginning of the year	266,06,76,634	266,06,76,634
Add: Issued during the year	18,52,00,000	-
Balance as at the end of the year	<b>284,58,76,634</b>	<b>266,06,76,634</b>

## 3. Shares issued in preceeding 5 years

The Company had issued and allotted during the year 2011-12, 133,03,38,317 equity shares as fully paid-up bonus shares by utilisation of securities premium reserve in the ratio of 1:1.

## 4. Shares held by the Holding Company

Hinduja Automotive Limited, the holding company, holds 110,46,46,899 (2014: 110,46,46,899) Equity shares and 54,86,669 (2014: 54,86,669) Global Depository Receipts (GDRs) equivalent to 32,92,00,140 (2014: 32,92,00,140) Equity shares of ₹ 1 (2014: ₹ 1) each aggregating to 50.38% (2014: 53.89%) of the total share capital.

## 5. Shareholders other than the Holding Company holding more than 5% of the total share capital

Life Insurance Corporation of India holds 18,76,02,225 (2014: 24,05,15,574) Equity shares of ₹ 1 (2014: ₹ 1) each aggregating to 6.59% (2014: 9.04%).

## 6. Rights, preferences and restrictions in respect of equity shares and GDRs issued by the Company

- The Equity share holders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 2013.
- The rights, preferences and restrictions of the GDR holders are governed by the terms of their issue, and the provisions of the Companies Act, 2013. Each GDR holder is entitled to receive 60 equity shares [ 2014: 60 equity shares ] of ₹ 1 each, per GDR, and their voting rights can be exercised through the Depository.

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		As at March 31, 2015	As at March 31, 2014
		₹ Lakhs	₹ Lakhs
<b>1.2</b>	<b>RESERVES AND SURPLUS</b>		
<b>a)</b>	<b>Capital Reserve</b>		
	Balance as at the beginning of the year	8,882.60	89.50
	Add: Adjustment pursuant to amalgamation	-	8,793.10
	Balance as at the end of the year	<b>8,882.60</b>	<b>8,882.60</b>
<b>b)</b>	<b>Securities Premium Account</b>		
	Balance as at the beginning of the year	75,359.50	75,476.83
	Add: Premium on issue of shares	64,820.00	-
	Less: Expenses incurred on issue of Shares / Debentures	1,482.85	117.33
	Balance as at the end of the year	<b>138,696.65</b>	<b>75,359.50</b>
<b>c)</b>	<b>Debenture Redemption Reserve</b>		
	Balance as at the beginning of the year	7,250.00	9,000.00
	Add: Transferred from Surplus in Statement of Profit and Loss	19,625.00	-
	Less: Transferred to Surplus in Statement of Profit and Loss	-	1,750.00
	Balance as at the end of the year	<b>26,875.00</b>	<b>7,250.00</b>
<b>d)</b>	<b>Revaluation Reserve</b>		
	Balance as at the beginning of the year	117,392.67	129,665.12
	Less: Transferred to Statement of Profit and Loss		
	[Refer Note 3.2.9 (d) to the Financial Statements]	1,520.45	1,515.89
	Adjustment on sale of revalued assets	13,691.32	10,756.56
	Balance as at the end of the year	<b>102,180.90</b>	<b>117,392.67</b>
<b>e)</b>	<b>General Reserve</b>		
	Balance as at the beginning / end of the year	<b>94,341.48</b>	<b>94,341.48</b>
<b>f)</b>	<b>Hedge Reserve [Refer note 3.8.2 to the Financial Statements]</b>		
	Balance as at the beginning of the year	378.28	(59.57)
	Add: Unrealised gain / (loss) on cash flow hedges outstanding (net)	246.74	378.28
	Less: Gain / (loss) on cash flow hedges recognised in the Statement of Profit and Loss upon settlement	378.28	(59.57)
	Balance as at the end of the year	<b>246.74</b>	<b>378.28</b>
<b>g)</b>	<b>Foreign currency monetary item translation difference [Refer Note 3.8.1 to the Financial Statements]</b>		
	Balance as at the beginning of the year	(592.89)	(96.35)
	Add: Exchange difference on translation of outstanding loan balances	(1,307.41)	(441.78)
	Less: Exchange difference amortised in the Statement of Profit and Loss	(475.45)	54.76
	Balance as at the end of the year	<b>(1,424.85)</b>	<b>(592.89)</b>
<b>h)</b>	<b>Surplus in Statement of Profit and Loss</b>		
	Balance as at the beginning of the year	115,169.99	110,486.65
	Add: Current year profit	33,480.60	2,938.11
	Transferred from Debenture Redemption Reserve	-	1,750.00
	Adjustment pursuant to amalgamation	-	(4.77)
	Less: Transferred to Debenture Redemption Reserve	19,625.00	-
	Proposed Dividend [₹ 0.45 (2014: Nil) per share]	12,806.44	-
	Corporate dividend tax thereon	2,607.09	-
	Balance as at the end of the year	<b>113,612.06</b>	<b>115,169.99</b>
		<b>483,410.58</b>	<b>418,181.63</b>

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.3 LONG TERM BORROWINGS</b>		
<b>a) Secured Borrowings</b>		
i. Debentures	61,000.00	107,500.00
ii. Term Loan from banks	30,000.00	58,333.33
<b>b) Unsecured Borrowings</b>		
i. Long term monetary item in foreign currency External Commercial Borrowings from banks	154,166.67	155,779.00
ii. Other loans and advances		
Interest free sales tax loans	11,466.94	7,931.22
Loans from others	-	106.96
	<b>256,633.61</b>	<b>329,650.51</b>

Notes:

- Refer Note 1.9 to the Financial Statements for Current Maturities of Long term borrowings.
- Security and terms of repayment in respect of the above borrowings are detailed in Note 3.13 to the Financial Statements.

<b>1.4 DEFERRED TAX LIABILITIES (NET)</b>		
<b>a) Deferred tax liability due to</b>		
i. Depreciation / Research and development expenditure	59,304.20	60,718.53
ii. Other timing differences	1,802.28	1,697.86
<b>b) Deferred tax asset arising out of</b>		
i. Voluntary retirement scheme compensation	(987.10)	(1,281.84)
ii. Carry forward of Losses - Unabsorbed depreciation	(4,676.68)	(16,789.65)
iii. Provision for Compensated absences	(2,335.65)	(1,971.87)
iv. Other timing differences	(2,080.36)	(1,696.34)
	<b>51,026.69</b>	<b>40,676.69</b>

<b>1.5 OTHER LONG TERM LIABILITIES</b>		
a) Income received in advance	85.89	13.00
b) Others		
- Capital creditors	120.15	224.12
	<b>206.04</b>	<b>237.12</b>

<b>1.6 LONG-TERM PROVISIONS</b>		
<b>a) Provision for Employee Benefits</b>		
i. Compensated absences	5,646.85	4,927.32
ii. Post retirement benefits	446.35	425.53
iii. Post retirement medical benefits	78.01	98.83
<b>b) Provision for Product warranties</b>	1,690.15	1,334.94
	<b>7,861.36</b>	<b>6,786.62</b>

Movement in respect of provision :

₹ Lakhs

Particulars	Year	Opening balance	Net additions / (utilizations)	Closing balance
Provision for product warranties	2015	1,334.94	355.21	1,690.15
	2014	1,759.52	(424.58)	1,334.94



# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.7 SHORT TERM BORROWINGS</b>		
<b>Secured Borrowings</b>		
Loans from Banks	-	27,896.99
(Includes cash credit, Working capital demand loans, Packing credit, etc)		
<b>Unsecured Borrowings</b>		
Short term loans (STL) from Banks	2,500.00	30,843.82
	<b>2,500.00</b>	<b>58,740.81</b>

Notes:

- Maximum balance outstanding during the year for Commercial Paper is ₹ 120,000.00 lakhs (2014: ₹ 60,000.00 lakhs)
- Terms of repayment in respect of the above borrowings are detailed in Note 3.14 to the Financial Statements

<b>1.8 TRADE PAYABLES</b>		
Trade payables - including acceptances		
i. Micro, Small and Medium enterprises [Refer Note 3.10 to the Financial Statements]	736.67	2,190.11
ii. Other Trade Payables	282,095.20	219,225.26
	<b>282,831.87</b>	<b>221,415.37</b>

<b>1.9 OTHER CURRENT LIABILITIES</b>		
a) Current maturities of Long-term debts	75,839.15	80,640.76
b) Interest accrued but not due on borrowings	7,318.60	8,957.45
c) Income received in advance	108.78	191.32
d) Unclaimed dividends	590.28	659.59
e) Advance from Customers	28,690.87	14,162.95
f) Statutory Liabilities	24,434.09	15,984.09
g) Other payables	55,633.70	49,095.19
	<b>192,615.47</b>	<b>169,691.35</b>

Note:

1. Details of security and terms of repayment in respect of the current maturities of long term debts are detailed in Note 3.13 to the Financial Statements.		
Other payables include:		
- Contribution payable to Gratuity Fund	1,400.57	1,749.54
- Foreign exchange (gain) / loss on Forward contracts - net	-	2,084.80
- Employee benefits	20,620.39	9,387.20
- Capital creditors	2,581.05	14,678.86

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.10 SHORT-TERM PROVISIONS</b>		
<b>a) Provision for employee benefits</b>		
i. Compensated absences	1,102.02	874.00
ii. Post retirement benefits	127.14	132.81
iii. Post retirement medical benefits	31.14	37.73
<b>b) Others</b>		
i. Proposed dividend	12,806.44	-
ii. Corporate dividend tax on proposed dividend	2,607.09	-
iii. Product warranties	8,930.77	7,768.13
	<b>25,604.60</b>	<b>8,812.67</b>

Movement in respect of provision :

₹ lakhs

Particulars	Year	Opening balance	Net additions/(utilisations)	Closing balance
Provision for product warranties	2015	7,768.13	1,162.64	8,930.77
	2014	10,745.12	(2,976.99)	7,768.13

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1.11 TANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

DESCRIPTION	GROSS BLOCK (COST / VALUATION)				DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK
	01.04.2014	Additions / Adjustments	Disposals	31.03.2015	Upto 31.03.2014	Charge during the year	Disposals / Adjustments	
TANGIBLE ASSETS								
Land								
- Freehold land	66,043.97	2.10	13,196.09	52,849.98	-	-	-	-
- Leasehold land	42,370.78	-	-	42,370.78	2,880.94	521.00	-	3,401.94
- Leasehold land given on lease	126.41	-	-	126.41	19.31	1.28	-	20.59
Buildings	154,690.43	4,658.12	929.73	158,418.82	31,002.41	5,155.21	161.79	35,995.83
Building given on lease	1,144.49	0.41	-	1,144.90	118.48	21.61	-	140.09
Plant and equipment	480,224.56	13,597.78	17,466.82	476,355.52	202,543.29	26,036.82	14,133.56	214,446.55
Plant and equipment given on lease	6.00	-	-	6.00	2.27	0.28	-	2.55
Furniture and fittings	8,785.80	172.04	7.88	8,949.96	5,405.09	1,038.18	7.45	6,435.82
Furniture and fittings given on lease	88.87	-	-	88.87	56.12	10.82	-	66.94
Vehicles and aircraft	14,909.86	218.70	323.39	14,805.17	7,715.20	960.77	301.48	8,374.49
Vehicles given on lease	0.24	-	-	0.24	0.24	-	-	0.24
Office Equipment	20,557.18	549.98	9.53	21,097.63	17,015.16	2,074.23	7.74	19,081.65
Office Equipment given on lease	43.97	-	-	43.97	41.35	1.91	-	43.26
TOTAL	788,992.56	19,199.13	31,933.44	776,258.25	266,799.86	35,822.11	14,612.02	288,009.95
Less: Transfer from Revaluation Reserve pertaining to Buildings						1,186.18		
Amount considered as Rent [Refer Note 2.9 to the Financial Statements]						522.28		
TOTAL						34,113.65		
Capital Work-in-Progress								
								6,979.70

(2014-15) - ₹ Lakhs

### Notes:

- Buildings include service installations of gross value ₹ 16,816.54 lakhs ( March 2014: ₹ 16,123.14 lakhs).
- Land and Buildings (other than those given on lease and installations) have been revalued as at March 31, 2009 after considering depreciation / amortisation upto that date as per external valuer's report, on the governing principles of current cost. The amount of increase on the revaluation done on March 31, 2009 was ₹ 1,36,486.44 lakhs and the revalued amount substituted for historical cost of the fixed assets as at that date was ₹ 2,03,737.92 lakhs.
- A portion of the Buildings in Bhandara revalued at ₹ 950 lakhs is on a land, the title for which is yet to be transferred to the Company.
- Sale deeds in respect of certain immovable properties (aggregating ₹ 20,000 lakhs in value) transferred during the year is pending execution / registration.
- Cost of Buildings as at March 31, 2015 includes:
  - ₹ 3.42 lakhs (March 2014: ₹ 3.42 lakhs) being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings thereat.
  - ₹ 132.38 lakhs (March 2014: ₹ 132.38 lakhs) representing cost of residential flats including undivided interest in land.
- Additions to Tangible Assets and Capital work-in-progress include:
  - Exchange (gain) / loss on specific loans aggregating to ₹ 6,884.88 lakhs (March 2014: ₹ 22,050.59 lakhs) capitalised as under:
    - Land ₹ 2.10 lakhs (March 2014: ₹ 364.89 lakhs), Building ₹ 1,064.63 lakhs (March 2014: ₹ 2,654.21 lakhs), Plant and equipment ₹ 5,734.93 lakhs (March 2014: ₹ 15,561.19 lakhs), Furniture and fittings ₹ 92.36 lakhs (March 2014: ₹ 358.27 lakhs), Vehicles and aircraft ₹ 6.08 lakhs (March 2014: ₹ 35.35 lakhs), Office equipment ₹ 112.94 lakhs (March 2014: ₹ 435.58 lakhs), Capital Work-in-progress ₹ (128.16) lakhs (March 2014: ₹ 2,641.10 lakhs).
  - Borrowing cost capitalised during the year : Nil (March 2014: ₹ 303.90 lakhs).
- Other expenses capitalised: Nil (March 2014: ₹ 37.97 lakhs) - Refer Notes 2.3 to the Financial Statements.

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1.11 TANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS (CONTINUED)

DESCRIPTION	GROSS BLOCK (COST / VALUATION)				DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK
	01.04.2013	Additions / Adjustments	Disposals	31.03.2014	Upto 31.03.2013	Charge during the year	Disposals / Adjustments	Upto 31.03.2014
Land								
- Freehold land	76,806.58	8.96	10,771.57	66,043.97	-	-	-	66,043.97
- Leasehold land	42,115.59	255.19	-	42,370.78	2,358.06	522.03	(0.85)	39,489.84
- Leasehold land given on lease	126.41	-	-	126.41	18.88	1.28	0.85	107.10
Buildings	143,370.04	12,518.21	1,197.82	154,690.43	26,114.21	5,166.74	278.54	123,688.02
Building given on lease	1,140.15	4.34	-	1,144.49	111.09	21.34	13.95	1,026.01
Plant and equipment	427,686.76	60,701.61	8,163.81	480,224.56	187,799.86	22,493.85	7,750.42	277,681.27
Plant and equipment given on lease	6.00	-	-	6.00	2.29	0.28	0.30	3.73
Furniture and fittings	8,163.76	853.70	231.66	8,785.80	4,498.14	1,117.90	210.95	3,380.71
Furniture and fittings given on lease	88.87	-	-	88.87	52.42	11.11	7.41	32.75
Vehicles and aircraft	15,005.54	84.78	180.46	14,909.86	6,854.24	1,038.74	177.78	7,194.66
Vehicles given on lease	0.24	-	-	0.24	0.24	-	-	-
Office Equipment	20,638.03	597.94	678.79	20,557.18	15,495.34	2,183.62	663.80	3,542.02
Office Equipment given on lease	43.97	-	-	43.97	43.75	2.00	4.40	2.62
<b>TOTAL</b>	<b>735,191.94</b>	<b>75,024.73</b>	<b>21,224.11</b>	<b>788,992.56</b>	<b>243,348.52</b>	<b>32,558.89</b>	<b>9,107.55</b>	<b>522,192.70</b>
<b>Less:</b> Transfer from Revaluation Reserve pertaining to Buildings						1,181.62		
Amount considered as Rent [Refer Note 2.9 to the Financial Statements]						523.31		
<b>TOTAL</b>						<b>30,853.96</b>		
<b>Capital Work-in-Progress</b>								<b>15,513.03</b>

(2013-14) - ₹ Lakhs

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1.12 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(2014-15) - ₹ Lakhs

DESCRIPTION	GROSS BLOCK (COST / VALUATION)				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK
INTANGIBLE ASSETS	01.04.2014	Additions / Adjustments	Disposals	31.03.2015	Upto 31.03.2014	Charge during the year	Disposals / Adjustments	Upto 31.03.2015	31.03.2015
Computer software									
- Developed	15,529.58	-	-	15,529.58	4,709.39	1,332.54	-	6,041.93	9,487.65
- Acquired	11,718.69	937.27	-	12,655.96	9,224.63	1,513.49	-	10,738.12	1,917.84
Others									
Technical knowhow									
- Developed	24,413.79	-	-	24,413.79	10,126.50	2,037.77	-	12,164.27	12,249.52
- Acquired	26,577.69	95.72	-	26,673.41	10,385.21	2,636.22	-	13,021.43	13,651.98
TOTAL	78,239.75	1,032.99	-	79,272.74	34,445.73	7,520.02	-	41,965.75	37,306.99
Intangible assets under development									5,034.66

### Notes:

- Additions to Intangible assets and Intangible assets under development include:
  - Exchange (gain) / loss on specific loans aggregating to ₹ 193.78 lakhs (March 2014: ₹ 520.96 lakhs) capitalised as under :  
Software ₹ 278.42 lakhs (March 2014: ₹ 284.04 lakhs), Technical Knowhow ₹ 7.81 lakhs (March 2014: ₹ 10.17 lakhs), Intangible assets under development ₹ (92.45) lakhs (March 2014: ₹ 226.75 lakhs).
  - Borrowing cost capitalised during the year: Intangible assets Nil (March 2014: ₹ 310.18 lakhs) and Intangible assets under development ₹ 41.59 lakhs (March 2014: ₹ 72.56 lakhs).
  - Other expenses capitalised ₹ 363.11 lakhs (March 2014: ₹ 1,939.50 lakhs) - Refer Notes 2.6 and 2.9 to the Financial Statements.
- Intangible assets under development amounting to Nil (2014: ₹ 1,060.34 lakhs) has been written off during the year and included under Research and Development under Note 2.9 'Other Expenses' to the Financial Statements.

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1.12 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT (CONTINUED)

(2013-14) - ₹ Lakhs

DESCRIPTION	GROSS BLOCK (COST / VALUATION)				DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK
	01.04.2013	Additions / Adjustments	Disposals	31.03.2014	Upto 31.03.2013	Charge during the year	Disposals / Adjustments	Upto 31.03.2014
<b>Computer software</b>								
- Developed	15,162.42	367.16	-	15,529.58	3,380.40	1,328.99	-	4,709.39
- Acquired	11,247.69	471.00	-	11,718.69	7,569.30	1,655.33	-	9,224.63
<b>Others</b>								
Technical knowhow								
- Developed	24,355.44	58.35	-	24,413.79	8,088.74	2,037.76	-	10,126.50
- Acquired	13,175.40	13,402.29	-	26,577.69	8,557.65	1,827.56	-	10,385.21
<b>TOTAL</b>	<b>63,940.95</b>	<b>14,298.80</b>	<b>-</b>	<b>78,239.75</b>	<b>27,596.09</b>	<b>6,849.64</b>	<b>-</b>	<b>43,794.02</b>
<b>Intangible assets under development</b>								<b>2,639.69</b>



# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1.13 NON-CURRENT INVESTMENTS

DESCRIPTION	As at March 31, 2015		As at March 31, 2014	
	Nos.	₹ Lakhs	Nos.	₹ Lakhs
<b>LONG TERM INVESTMENTS</b>				
<b>A) Trade Investments</b>				
<b>I) Investment in Equity Instruments</b>				
<b>1) Subsidiaries</b>				
<b>a) Equity Shares of ₹ 10 each</b>				
Hinduja Tech Limited (Formerly Defiance Technologies Limited)	95,450,000	9,737.41	80,000,000	8,192.41
Ashok Leyland Nissan Vehicles Limited	409,349,418	40,987.63	372,374,418	37,290.13
Global TVS Bus Body Builders Limited (Formerly Irizar TVS Limited)	6,600,000	1,449.57	6,105,000	1,287.26
HLF Services Limited	27,000	55.74	27,000	55.74
Ashok Leyland Wind Energy Limited	-	-	18,031,250	7,802.12
Hinduja Leyland Finance Limited	217,499,800	77,849.92	217,499,800	77,849.92
<b>b) Equity Shares of ₹ 100 each</b>				
Gulf Ashley Motor Limited	1,724,018	1,756.18	1,286,000	1,318.16
<b>c) Equity Shares</b>				
Optare PLC				
Ordinary shares of British Pence 0.1 each	1,678,704,162	14,989.44	1,678,704,162	14,989.44
Deferred shares of British Pence 0.9 each	195,557,828	-	195,557,828	-
<b>d) Equity shares of GBP 1 each</b>				
Ashok Leyland (UK) Limited	105,300	102.10	105,300	102.10
<b>e) Equity shares of Naira 1 each</b>				
Ashok Leyland (Nigeria) Limited	9,999,999	35.71	9,999,999	35.71
<b>f) Equity shares of USD 20 each</b>				
Ashok Leyland (Chile) Limited	3,499	39.54	3,499	39.54
<b>2) Associates</b>				
<b>a) Equity Shares of ₹ 10 each</b>				
Ashok Leyland Defence Systems Limited	17,567	1.76	17,567	1.76
Ashley Aviation Limited	1,960,000	196.00	1,960,000	196.00
<b>b) Equity shares of Srilankan Rupees 10 each</b>				
Lanka Ashok Leyland, PLC	1,008,332	57.46	1,008,332	57.46
<b>c) Equity shares of UAE Dirhams of 1000 each</b>				
Ashok Leyland (UAE) LLC	35,770	5,407.91	35,770	5,407.91
<b>3) Joint Ventures</b>				
<b>Equity Shares of ₹ 10 each</b>				
Ashley Alteams India Limited	65,000,000	6,500.00	57,500,000	5,750.00
Ashok Leyland John Deere Construction Equipment Company Private Limited	186,068,150	18,606.82	153,568,150	15,356.82
Automotive Infotronics Limited (under liquidation)	15,751,762	1,575.18	15,751,762	1,575.18
Nissan Ashok Leyland Powertrain Limited	74,021,705	7,404.67	74,021,705	7,404.67
Nissan Ashok Leyland Technologies Limited	26,025,000	2,605.21	26,025,000	2,605.21

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1.13 NON-CURRENT INVESTMENTS (CONTINUED)

DESCRIPTION	As at March 31, 2015		As at March 31, 2014	
	Nos.	₹ Lakhs	Nos.	₹ Lakhs
<b>4) Others</b>				
<b>Equity Shares of ₹ 10 each</b>				
Hinduja Foundries Limited #	5,405,793	2,421.26	5,405,793	2,421.26
Ashok Leyland Wind Energy Limited	3,457,000	1,495.84	-	-
<b>Sub Total</b>		<b>193,275.35</b>		<b>189,738.80</b>
Less: Provision for diminution in value towards				
Ashley Alteams India Limited		2,943.00		2,943.00
Ashok Leyland Nissan Vehicles Limited		21,400.00		-
Ashok Leyland Wind Energy Limited		1,019.47		-
Automotive Infotronics Limited (under liquidation)		1,425.18		1,425.18
<b>Aggregate provision for diminution in value of Trade Investments</b>		<b>26,787.65</b>		<b>4,368.18</b>
<b>Total Investment in Equity Instruments (Net)</b>	<b>A</b>	<b>166,487.70</b>		<b>185,370.62</b>
<b>II) Investment in Preference Shares</b>				
<b>1) Subsidiary</b>				
Hinduja Tech Limited (Formerly Defiance Technologies Limited) 1% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each	23,900,000	2,390.00	-	-
<b>2) Associates</b>				
Ashley Aviation Limited 6% Cumulative Redeemable Non-Convertible Preference shares of ₹ 10 each	1,800,000	180.00	1,800,000	180.00
<b>3) Others</b>				
Hinduja Foundries Limited 10% Cumulative Non-Convertible Redeemable Preference shares of ₹ 100 each	1,500,000	1,500.00	1,500,000	1,500.00
6% Cumulative Non-Convertible Redeemable Preference shares of ₹ 100 each, paid up value of ₹ 66.67 per share	1,000,000	666.67	1,000,000	666.67
9% Cumulative Non-Convertible Redeemable Preference shares of ₹ 100 each	30,000,000	30,000.00	30,000,000	30,000.00
<b>Total Investment in Preference Shares</b>	<b>B</b>	<b>34,736.67</b>		<b>32,346.67</b>
<b>Total - Trade Investments - Net</b>	<b>C=A+B</b>	<b>201,224.37</b>		<b>217,717.29</b>

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1.13 NON-CURRENT INVESTMENTS (CONTINUED)

DESCRIPTION	As at March 31, 2015		As at March 31, 2014	
	Nos.	₹ Lakhs	Nos.	₹ Lakhs
<b>B) Other Investments</b>				
<b>I) Investment in Equity Instruments</b>				
<b>1) Subsidiaries</b>				
<b>Equity Shares of ₹ 10 each</b>				
Mangalam Retail Services Limited	-	-	37,470	4.47
<b>2) Associate</b>				
<b>Equity Shares of ₹ 10 each</b>				
Mangalam Retail Services Limited	37,470	4.47	-	-
<b>3) Others</b>				
<b>a) Equity shares of ₹ 10 each</b>				
Chennai Willingdon Corporate Foundation (Cost ₹ 900)	100	-	100	-
Hinduja Energy (India) Limited	61,147,058	18,711.00	61,147,058	18,711.00
Hinduja Global Solutions Limited #	5,079	12.45	5,079	12.45
Hinduja Ventures Limited #	5,079	16.24	5,079	16.24
IndusInd Bank Limited #	5,063,923	3,811.40	5,063,923	3,811.40
<b>b) Equity shares of ₹ 100 each partly paid-up</b>				
Adyar Property Holding Co. Limited (₹ 65 paid up)	300	0.20	400	0.26
<b>c) Equity Shares of ₹ 2 each</b>				
Hinduja Properties Limited	747,960	56.94	747,960	56.94
<b>II) Investment in Government Securities</b>				
National Savings Certificate of the face value of ₹ 0.50 lakh		0.50		0.50
<b>III) Investment in Debentures or Bonds</b>				
<b>Non convertible redeemable bonds of ₹ 10 Lakhs each</b>				
ICICI Bank Limited #	20	200.56	20	200.56
<b>Total - other Investment</b>	<b>D</b>	<b>22,813.76</b>		<b>22,813.82</b>
<b>Total Non - Current Investments</b>	<b>E=C+D</b>	<b>224,038.13</b>		<b>240,531.11</b>

### Notes:

- Investments are fully paid-up unless otherwise stated.
- "#" represents quoted investments

Particulars	March 31, 2015	March 31, 2014
Cost of quoted investments	6,461.91	6,461.91
Market value of quoted investments	46,750.07	27,311.31
Cost of unquoted investments	244,363.87	238,437.38

- The shares in respect of the following companies can be disposed off / encumbered only with the consent of banks / financial institutions who have given loans to these companies :
  - Ashley Alteams India Limited
  - Hinduja Foundries Limited
- Lock-in commitment in the shareholders agreement: [Also refer Note 3.2.8.(c) to the Financial Statements]

	No. of Shares
a) Hinduja Tech Limited (Formerly Defiance Technologies Limited)	7,99,90,000
b) Hinduja Leyland Finance Limited	2,84,72,743

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1.14 LONG-TERM LOANS AND ADVANCES

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
a) Capital Advances		
i. Unsecured, considered good	536.49	1,035.41
ii. Unsecured, considered doubtful	1.00	1.00
Less: Provision	1.00	1.00
	<b>536.49</b>	<b>1,035.41</b>
b) Security Deposits - Unsecured, considered good	1,911.82	1,461.43
c) Loans and advances to Related Parties [ Refer Note 3.5 to the Financial Statements]		
- Unsecured, considered good		
i. Long term monetary assets in foreign currency	-	8,886.53
ii. Others	-	3,350.01
	-	<b>12,236.54</b>
d) Balances with customs, port trust, central excise etc.		
Unsecured, considered doubtful	1,428.06	1,428.06
Less: Provision	1,428.06	1,428.06
	-	-
e) Other Loans and Advances - Unsecured, considered good (unless otherwise stated)		
i. Material advance (doubtful)	4.27	4.27
ii. Employee advances	265.44	392.49
iii. VAT Credit	29,811.19	32,869.76
iv. Sales tax paid under protest	11,893.21	4,682.10
v. Advance Income tax (net)	2,037.60	6,677.07
vi. MAT Credit entitlement	42,881.94	33,391.94
vii. Other advances	8,954.07	7,399.55
	<b>95,847.72</b>	<b>85,417.18</b>
Less: Provision	4.27	4.27
	<b>95,843.45</b>	<b>85,412.91</b>
	<b>98,291.76</b>	<b>100,146.29</b>
Of the above, Due from Directors / Officers	5.45	0.01
<b>1.15 OTHER NON-CURRENT ASSETS</b>		
a) Long term trade receivables - Unsecured considered good	23.46	32.90
b) Unamortised loan raising expenses	1,139.96	1,430.44
c) Earmarked Bank Balance in Escrow account (Receivable in respect of sale of long-term investment)	-	1,845.65
d) Receivable on sale of an undertaking of the Company's windmill business	786.54	-
	<b>1,949.96</b>	<b>3,308.99</b>

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2015		As at March 31, 2014	
	Nos. / %	₹ Lakhs	Nos. / %	₹ Lakhs
<b>1.16 CURRENT INVESTMENT</b>				
Carrying value of Trade Investments (unquoted) held for sale:				
a) Ownership interest in share capital in Czech koruna				
- Avia Ashok Leyland Motors s.r.o.*	-	-	100%	159.60
b) Equity Shares of ₹ 10 each				
- Albonair (India) Private Limited	1,00,00,000	2,114.80	1,00,00,000	2,114.80
c) Equity Shares of Euro 1 each				
- Albonair GmbH	4,24,95,000	38,730.40	3,93,67,000	36,163.08
		<b>40,845.20</b>		<b>38,437.48</b>
* The carrying value of ownership interest in Avia Ashok Leyland Motors s.r.o. is net of diminution in its value aggregating Nil (₹ 24,996.46 lakhs provided upto March 31, 2014)				
<b>1.17 INVENTORIES</b>				
(a) Raw materials and Components (including patterns and dies)		63,687.96		50,556.00
(b) Work-in -progress		4,163.19		2,958.69
(c) Finished goods		43,898.51		40,651.12
(d) Stock-in-trade - Traded goods				
(i) Engines		-		28.58
(ii) Commercial Vehicles		1,563.37		1,037.45
(iii) Spare parts and auto components (including works made)		18,489.46		15,565.67
		20,052.83		16,631.70
(e) Stores, spares and consumable tools		8,050.23		8,064.65
(f) Certified Emmission Rights (CER's)		-		8.15
		<b>139,852.72</b>		<b>118,870.31</b>
Notes:				
1) Goods in transit included under the above heads are as below:				
(a) Raw Materials and components		2,990.50		899.78
(b) Stock-in-trade - Traded goods				
(i) Commercial Vehicles		455.89		90.47
(ii) Spares parts and auto components (including works made)		253.40		102.91
2) Certified Emission Rights				
Number of CER's held : Nil (2014 : 57,985 nos.)				

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.18 TRADE RECEIVABLES</b>		
Trade Receivables - Unsecured		
(i) Considered good	125,769.25	129,901.05
(ii) Considered doubtful	573.16	564.32
	126,342.41	130,465.37
Less: Provision	573.16	564.32
	<b>125,769.25</b>	<b>129,901.05</b>
Age analysis of trade receivables		
Outstanding for more than six months from the date they are due	24,140.42	8,709.58
Others	101,628.83	121,191.47
	<b>125,769.25</b>	<b>129,901.05</b>
<b>1.19 CASH AND BANK BALANCES</b>		
<b>a) Cash and Cash Equivalents</b>		
i) Balances with Banks in Current account	45,987.28	392.63
ii) Cheques, drafts on hand	23.63	93.37
iii) Cash and stamps on hand	27.60	19.90
iv) In Deposit accounts *	24,500.00	-
	<b>70,538.51</b>	<b>505.90</b>
<b>b) Earmarked accounts</b>		
i) Unclaimed Dividend accounts	590.28	659.59
ii) In Deposit accounts	-	3.57
	<b>590.28</b>	<b>663.16</b>
<b>c) Other bank balances</b>		
In Deposit accounts #	4,000.00	-
	<b>75,128.79</b>	<b>1,169.06</b>
* This represents deposits with original maturity of less than or equal to 3 months.		
# This represents deposits with original maturity of more than 3 months.		
<b>1.20 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, Considered Good		
(a) Loans and advances to related parties [Refer Note 3.5 to the Financial Statements]		
(i) Current portion of Long term monetary assets in foreign currency	4,921.16	2,675.51
(ii) Others	563.19	2,997.25
(b) Security deposit	212.38	330.70
(c) Employee advances	1,832.93	1,744.50
(d) Material advances	13,849.60	17,138.87
(e) Balances with Customs, Port Trust, Central Excise etc.	12,477.10	4,930.62
(f) Others	23,025.81	17,383.89
	<b>56,882.17</b>	<b>47,201.34</b>
Of the above		
1. Due from Directors / Officers	2.14	0.05
2. Others include		
- VAT credit	9,570.73	4,211.42
- Intercompany Deposits	-	3,000.00
- Sales tax	147.83	2,711.51
- Service tax	975.24	1,829.29
- Prepaid expenses	6,887.75	1,534.85
- Entry tax	3,025.39	1,089.35

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.21 OTHER CURRENT ASSETS</b>		
a) Interest accrued :		
- Loans and advance to Related Parties [Refer Note 3.5 to the Financial Statements]	913.63	961.62
- Others	68.43	75.62
b) Export incentive receivables	7,253.53	5,001.74
c) Receivable on sale of immovable properties	20,000.00	10,623.04
d) Current portion of unamortised loan raising expenses	404.06	432.48
e) Foreign exchange gain / (loss) on Forward Contracts - net	472.72	-
f) Earmarked Bank Balance in Escrow account (Receivable in respect of sale of long-term investment)	1,709.02	-
	<b>30,821.39</b>	<b>17,094.50</b>

	Year Ended March 31, 2015	Year Ended March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>2.1 REVENUE FROM OPERATIONS</b>		
a) Sale of products		
- Commercial Vehicles		
Manufactured	1,170,643.28	793,811.00
Traded	98,941.25	103,960.68
- Engines and Gensets	36,315.47	41,783.90
- Spare parts and others	139,169.45	121,257.30
(A)	<b>1,445,069.45</b>	<b>1,060,812.88</b>
b) Revenue from services (B)	<b>13,847.25</b>	<b>10,248.62</b>
c) Other operating revenues		
- Contract manufacturing	9,083.03	9,430.02
- Export Incentives	7,195.41	4,140.48
- Scrap sales	8,768.62	7,159.13
- Others	56.82	39.68
(C)	<b>25,103.88</b>	<b>20,769.31</b>
(A+B+C)	<b>1,484,020.58</b>	<b>1,091,830.81</b>
Less: Commission, rebate and discounts	35,427.23	35,746.28
	<b>1,448,593.35</b>	<b>1,056,084.53</b>



# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended March 31, 2015	Year ended March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>2.2 OTHER INCOME</b>		
a) Interest income from		
i. Long-term investments	14.90	14.90
ii. Others, including bills discounting	2,608.79	1,718.64
	<b>2,623.69</b>	<b>1,733.54</b>
b) Dividend income from		
i. Current investments	74.62	29.27
ii. Long-term investments	202.70	441.25
	<b>277.32</b>	<b>470.52</b>
c) Profit on sale of current investments	295.17	-
d) Other non-operating income		
i. Cash discount earned	2,014.15	310.94
ii. Profit on sale of fixed assets - net	291.21	938.92
iii. Foreign exchange gain - net	2,977.20	4,967.47
iv. Others	3,968.39	3,198.15
	<b>9,250.95</b>	<b>9,415.48</b>
	<b>12,447.13</b>	<b>11,619.54</b>
<b>2.3 COST OF MATERIALS CONSUMED</b>		
a) Forgings and castings	83,926.46	33,593.08
b) Plates, sheets, bars, steel tubes and angles	75,810.26	37,270.39
c) Tyres, tubes and flaps	97,518.56	64,465.26
d) Finished and other items	605,408.24	455,678.71
	<b>862,663.52</b>	<b>591,007.44</b>
Less: Issues capitalised	-	37.97
	<b>862,663.52</b>	<b>590,969.47</b>
Of the above		
1. Imported items - amount	19,696.60	20,861.36
- percentage	2.28%	3.53%
2. Indigenous items - amount	842,966.92	570,146.08
- percentage	97.72%	96.47%
<b>2.4 PURCHASES OF STOCK-IN-TRADE - TRADED GOODS</b>		
a) Engines	448.73	371.18
b) Commercial Vehicles	93,840.97	100,076.18
c) Spare parts and Auto components	44,829.02	26,455.40
	<b>139,118.72</b>	<b>126,902.76</b>

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended March 31, 2015	Year ended March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>2.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
a) Changes in Inventories		
- Work-in-progress	(1,204.50)	9,136.44
- Finished / Traded goods	(6,668.52)	36,987.15
<b>Net change</b>	<b>(7,873.02)</b>	<b>46,123.59</b>
b) Movement in Excise duty content in Finished / Traded goods	2,611.76	(3,736.49)
	<b>(5,261.26)</b>	<b>42,387.10</b>
<b>2.6 EMPLOYEE BENEFITS EXPENSE</b>		
a) Salaries, wages and bonus	93,915.56	77,455.43
b) Contribution to provident, gratuity and other funds	8,335.49	8,608.07
c) Welfare expenses	16,352.14	14,367.55
	<b>118,603.19</b>	<b>100,431.05</b>
Less: Employee expenses capitalised	202.81	463.82
	<b>118,400.38</b>	<b>99,967.23</b>
<b>2.7 FINANCE COSTS</b>		
a) Interest Expense	33,045.91	40,092.72
b) Other borrowing costs	6,346.43	5,886.40
	<b>39,392.34</b>	<b>45,979.12</b>
Less: Interest cost capitalised	41.59	686.64
	<b>39,350.75</b>	<b>45,292.48</b>
<b>Note:</b>		
Other borrowing costs include:		
- Loan raising expenses amortised	468.56	509.53
- Premium on forward contracts amortised	608.86	2,331.25
- Bill discounting charges	5,250.74	3,036.43

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended March 31, 2015	Year ended March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>2.8 DEPRECIATION AND AMORTISATION EXPENSE</b>		
<b>A) Tangible assets</b>		
(i) Buildings	5,155.21	5,166.74
(ii) Plant and machinery	26,036.82	22,493.85
(iii) Furniture and fittings	1,038.18	1,117.90
(iv) Vehicles and aircrafts	960.77	1,038.74
(v) Office equipment	2,074.23	2,183.62
(vi) Assets given on lease		
- Buildings	21.61	21.34
- Plant and Machinery	0.28	0.28
- Furniture and fittings	10.82	11.11
- Office equipment	1.91	2.00
	<b>35,299.83</b>	<b>32,035.58</b>
Less: Transfer from Revaluation reserve [Refer Note 3.2.9 (d) to the Financial Statements]	1,186.18	1,181.62
<b>Total on Tangible assets (A)</b>	<b>34,113.65</b>	<b>30,853.96</b>
<b>B) Intangible assets</b>		
(i) Computer software		
- Developed	1,332.54	1,328.99
- Acquired	1,513.49	1,655.33
(ii) Technical knowhow		
- Developed	2,037.77	2,037.76
- Acquired	2,636.22	1,827.56
<b>Total on Intangible assets (B)</b>	<b>7,520.02</b>	<b>6,849.64</b>
<b>Total (A + B)</b>	<b>41,633.67</b>	<b>37,703.60</b>
<b>Note:</b>		
Depreciation on Plant and Machinery include:		
- Impairment charge	349.16	244.80

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended March 31, 2015	Year ended March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>2.9 OTHER EXPENSES</b>		
(a) Consumption of stores and tools	6,114.30	5,025.02
(b) Power and fuel	8,249.43	6,103.71
(c) Rent	1,978.50	2,820.09
(d) Repairs and maintenance		
- Buildings	3,000.37	2,255.47
- Plant and machinery	10,136.94	10,169.78
(e) Insurance	521.35	647.72
(f) Rates and taxes, excluding taxes on income	2,674.50	751.71
(g) Selling and administration expenses - net	30,647.18	31,521.47
(h) Service and product warranties	17,164.46	13,336.94
(i) Packing and forwarding charges	40,372.69	30,823.98
(j) Annual Maintenance Contracts	13,757.65	12,600.26
(k) Research and development	4,127.70	7,322.03
(l) Bad and doubtful debts / advances provided / written-off (Net of recovery)	48.86	524.85
	<b>138,793.93</b>	<b>123,903.03</b>
Less: Expenses capitalised	160.30	1,475.68
	<b>138,633.63</b>	<b>122,427.35</b>
<b>Notes :</b>		
1. Rent includes amortisation of cost / value of leasehold land and land given on lease ₹ 522.28 lakhs (2014: ₹ 523.31 lakhs) as reduced by transfer of ₹ 334.27 lakhs (2014: ₹ 334.27 lakhs) from Revaluation reserve. [Refer Note 3.2.9.(d) to the Financial Statement]	188.01	189.04
2. Selling and administration expenses include:		
- Directors' sitting fees	49.60	19.80
- Commission to Non Whole-time Directors	230.00	-
- CSR Expenditure	177.16	-
<b>2.10 EXCEPTIONAL ITEMS</b>		
a) Profit (net) from divestment of windmill business comprising of:		
- Profit on sale of an undertaking of the Company's windmill business	5,951.09	-
- Loss on sale of Long-term investments in Ashok Leyland Wind Energy Limited	(4,297.95)	-
	<b>1,653.14</b>	-
b) Profit on sale of other Long-term investments		
- IndusInd Bank Limited	-	30,133.85
- Defiance Testing and Engineering Services Inc., USA	-	6,736.59
- Others	-	0.47
	-	<b>36,870.91</b>
c) Profit on sale of Current investments in Avia Ashok Leyland Motors s.r.o (net of diminution of ₹ 24,996.46 lakhs provided in earlier years)	27.55	-
d) Diminution in the value of investments		
- Ashok Leyland Wind Energy Limited	(1,019.47)	-
- Ashok Leyland Nissan Vehicles Limited	(21,400.00)	-
- Ashley Alteams India Limited	-	(163.50)
- Automotive Infotronics Limited (under liquidation)	-	(306.16)
- Avia Ashok Leyland Motors s.r.o	-	(487.66)
	<b>(22,419.47)</b>	<b>(957.32)</b>
e) Profit on sale of Immovable Properties	30,832.37	19,327.24
f) Voluntary Retirement Scheme	-	(4,674.94)
	<b>10,093.59</b>	<b>50,565.89</b>

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2015	2014
	₹ Lakhs	₹ Lakhs
<b>3.1. Information regarding Imports (c.i.f)</b>		
a) Raw materials	35,630.42	9,852.68
b) Trading goods and others	6,555.40	7,566.27
c) Spares and tools	427.60	391.40
d) Capital items	839.78	3,884.27
	<b>43,453.20</b>	<b>21,694.62</b>
<b>3.2. Other Information (including foreign currency transactions)</b>		
<b>3.2.1 Expenditure incurred in foreign currency</b>		
a) Royalty	95.02	94.47
b) Professional and consultation fees	934.35	1,604.14
c) Interest and commitment charges	7,248.15	8,937.59
d) Commission on sales	16,406.71	10,315.74
e) Research and development	97.28	506.75
f) Travel	253.27	293.74
g) Other expenses		
- Freight charges	2,222.31	
- Product warranty	981.84	
- Others	8,970.45	
	12,174.60	6,249.72
	<b>37,209.38</b>	<b>28,002.15</b>
<b>3.2.2 Dividend remitted in foreign currency *</b>		
a) Number of non-resident shareholders	-	
b) Number of shares on which dividend was remitted	-	
c) Dividend remitted during the year relating to the previous year	-	6,170.62
* Dividend paid to other Non-Resident shareholders is in Indian Rupee.		
<b>3.2.3 Earnings in foreign currency</b>		
a) Export of goods - FOB value	190,904.03	124,229.51
b) Interest and dividend	1,315.40	818.16
c) Others (Includes freight, insurance and commission earned)	6,289.63	4,155.77
	<b>198,509.06</b>	<b>129,203.44</b>

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2015	2014
	₹ Lakhs	₹ Lakhs
3.2.4 Auditors' remuneration		
a) Included under Selling and administration expenses - net [ Refer Note - 2.9 to the Financial Statements]		
i) For Financial Audit	132.00	95.00
ii) For cost audit	-	6.00
iii) For taxation matters	17.82	10.95
iv) For other services - review of accounts, certification work, etc.	57.97	42.23
v) For reimbursement of expenses	6.92	7.53
b) Included under Securities Premium Account [Refer Note - 1.2 to the Financial Statements]		
i) For other services - review of accounts, certification work, etc.	35.00	-
3.2.5 Total Research and development costs charged to the Statement of Profit and Loss	23,928.45	27,177.73
[including amount shown under Note 2.9 to the Financial Statements]		
3.2.6 Impact of exchange (gain) / loss for the year in the Statement of Profit and Loss due to:		
a) Translation / Settlement (net)	(3,452.65)	(4,912.72)
b) Amortisation of exchange differences	475.45	(54.76)
c) Depreciation on exchange differences capitalised	4,192.10	4,251.06
3.2.7 Contingent liabilities		
a) Claims against the company not acknowledged as debts (net)		
i) Sales Tax	20,168.15	11,675.71
ii) Excise duty	1,509.30	1,446.87
iii) Service Tax	55.92	-
iv) Customs Duty	773.58	254.91
v) Others	1,231.51	757.05
These have been disputed by the Company on account of issues of applicability and classification.		
b) Corporate Guarantees given to others for loans taken by a subsidiary and a joint venture company	16,174.16	18,272.15
Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.		
3.2.8 Commitments		
a) Capital commitments (net of advances) not provided for [including ₹ 625.29 Lakhs (2014: ₹1,791.98 Lakhs) in respect of Intangible assets]	8,009.61	5,057.83
b) Uncalled Liability on Partly paid shares / investments	0.11	0.14
c) Other commitments		
i) Financial support given to certain subsidiaries, joint ventures, etc.		
ii) Lock-in commitment in shareholders agreement		
The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.		

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		2015	2014
3.2.9 a)	Useful life of Tangible and Intangible Assets	Useful life(yrs)	Useful life(yrs)
	<b>Tangible Assets:</b>		
i)	Buildings - Revalued buildings are depreciated over the balance useful life as determined by the valuers.		
ii)	Non-factory service installations		
	- In Customer premises	12	12
	- Lease improvements	3	3
iii)	Plant and machinery		
	- Assets subject to impairment - revised carrying amount over its remaining useful life		
	- Windmills	12	12
	- Quality equipments, Canteen assets, Major Jigs and Fixtures and Hand tools	10	20
	- Other Plant and Machinery	20	20
iv)	Furniture and fittings	8	8
v)	Furniture and fittings - lease improvements	3	3
vi)	Vehicles		
	- Cars and motorcycles	3	3
	- Trucks and buses	5	5
vii)	Office equipment	8	8
viii)	Office equipment - Data processing system (including Servers)	5	5
	<b>Intangible assets:</b>		
i)	Computer software		
	- Developed	5 / 10	5 / 10
	- Acquired	5	5
ii)	Technical knowhow		
	- Developed	6 / 10	6 / 10
	- Acquired	5 / 6	5 / 6 / 10
b)	In terms of the proviso to clause 3(i) of Part A of Schedule II to the Companies Act, 2013 (the Act), the Company, after technical assessment, decided to generally retain the useful life / residual value hitherto adopted for various categories of fixed assets, which are in certain cases, different from those prescribed in Schedule II to the Act.		
c)	Depreciation charge is higher by ₹ 785.90 lakhs on account of revision in useful life of certain assets. The profit for the year is lower by the like amount.		
d)	Depreciation for the year computed on assets revalued as on March 31, 2009 over the balance useful life on straight line method includes a net charge of ₹ 1,520.45 lakhs (2014: ₹ 1,515.89 lakhs) [₹ 1,186.18 lakhs (2014: ₹ 1,181.62 lakhs) in Note 2.8 to the Financial Statements and ₹ 334.27 lakhs (2014: ₹ 334.27 lakhs) in Note 2.9 to the Financial Statements respectively] being the excess over the depreciation computed by the method followed by the Company prior to revaluation / period of lease in respect of leasehold land and the same has been transferred from Revaluation Reserve to the Statement of Profit and Loss.		



# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		2015	2014
<b>3.3. Earnings per share</b>			
Profit after tax as per Statement of Profit and Loss (in ₹ lakhs)	(A)	33,480.60	2,938.11
Weighted average number of equity shares outstanding	(B)	2,798,181,292	2,660,676,634
Basic and Diluted earnings per share (Face value ₹ 1) (in ₹)	(A/B)	1.20	0.11

## 3.4. Segment information

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., commercial vehicles and related components.

The "Geographical segment" has been considered for disclosure as secondary segment.

₹ Lakhs

Particulars	Year	In India	Outside India	Unallocated	Total
<b>Revenue from external customers</b>	<b>2015</b>	<b>1,264,288.29</b>	<b>184,305.06</b>	<b>-</b>	<b>1,448,593.35</b>
	2014	936,322.44	119,762.09	-	1,056,084.53
<b>Segment assets</b>	<b>2015</b>	<b>835,070.69</b>	<b>65,088.66</b>	<b>430,989.67</b>	<b>1,331,149.02</b>
	2014	859,433.76	34,228.63	387,137.18	1,280,799.57
<b>Capital expenditure during the year</b>	<b>2015</b>	<b>12,449.56</b>	<b>65.35</b>	<b>1,578.86</b>	<b>14,093.77</b>
	2014	33,975.04	23.56	4,584.91	38,583.51

- Revenue from external customers comprises of income from sale of products, services and other operating revenues. [Refer Note 2.1 to the Financial Statements]
- Carrying amount of Segment assets comprises of non - current assets and current assets identified to the respective segments. However Segment assets in India also include certain common assets used to generate revenue in both segments but not feasible of allocation.
- Unallocated assets and capital expenditure includes current and non current assets other than considered in (b) above.
- Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.

## 3.5. Related party disclosure

### a) List of parties where control exists

#### Holding company

Hinduja Automotive Limited, United Kingdom

Machen Holdings SA

(Holding Company of Hinduja Automotive Limited, United Kingdom)

Machen Development Corporation, Panama

(Holding Company of Machen Holdings SA)

Amas Holdings SA

(Holding Company of Machen Development Corporation, Panama)

#### Subsidiaries

Albonair (India) Private Limited

Ashley Services Limited.....upto June 30, 2013

Avia Ashok Leyland Motors s.r.o.....sold on March 28, 2015

Avia Trucks UK Limited, Great Britain..... sold on March 28, 2015

Avia Ashok Leyland Rus, Russia..... sold on March 28, 2015

Ashok Leyland Nissan Vehicles Limited

Albonair GmbH, Germany

Albonair Automotive Technology Co. Ltd., China

Ashok Leyland (Nigeria) Limited

Ashok Leyland (UK) Limited

Hinduja Tech Limited (Formerly Defiance Technologies Limited)

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.5. Related party disclosure (Continued)

Hinduja Tech GmbH (Formerly Defiance Tech GmbH)	
Hinduja Tech, USA (Formerly Defiance Tech, USA)	
Defiance Testing and Engineering Services Inc. USA.....	sold on September 30, 2013
Gulf Ashley Motor Limited	
Mangalam Retail Services Limited.....	upto February 17, 2015
Optare PLC	
Optare UK Ltd.	
Optare Group Ltd.	
Jamesstan Investments Ltd.	
Optare Holdings Ltd.	
Optare (Leeds) Ltd.	
East Lancashire Bus Builders Ltd.	
Ashok Leyland (Chile) Limited	
Hinduja Leyland Finance Limited	
HLF Services Limited	
Ashok Leyland Wind Energy Limited .....	upto January 4, 2015
Global TVS Bus Body Builders Limited (Formerly Irizar TVS Limited)	
<b>b) Other related parties</b>	
<i>Fellow subsidiaries</i>	
Hinduja Foundries Limited.....	upto January 29, 2014
Hinduja Auto Components Limited	
Hinduja Automotive (UK) Limited	
Gulf Oil Lubricants India Limited.....	From April 2, 2014
<i>Associates</i>	
Ashley Airways Limited (under liquidation)	
Ashley Aviation Limited	
Ashok Leyland Defence Systems Limited	
Ashok Leyland (UAE) LLC	
Lanka Ashok Leyland PLC	
Mangalam Retail Services Limited.....	From February 18, 2015
<i>Joint Ventures</i>	
Ashley Alteams India Limited	
Automotive Infotronics Limited (under liquidation)	
Ashok Leyland John Deere Construction Equipment Company Private Limited	
Nissan Ashok Leyland Powertrain Limited	
Nissan Ashok Leyland Technologies Limited	
<i>Key management personnel</i>	
Mr. Vinod K. Dasari, Managing Director	

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.5 Related Party disclosure (Continued) c) Related Party Transactions - summary

₹ Lakhs

Fellow Subsidiary				Subsidiaries				Associates				Joint Ventures				Holding Company #				Key Management Personnel				Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014			
Transactions during the year ended March 31																									
1	6,231.01	9,297.73	101,940.37	101,121.84	195.05	4,075.74		2,734.52	-	-				-		-		-	112,483.13		117,229.83				
2	-	-	28,908.53	24,645.87	65,844.84	41,430.20	770.62	1,122.45						-		-		-	95,523.99		67,198.52				
3	-	226.77	6,765.04	8,294.55	244.00	10.15	2,405.16	2,703.91						-		-		-	9,414.20		11,235.38				
4	-	67.88	4,669.40	7,160.42	166.12	183.72	45.34	75.45	93.72	97.23				-		-		-	4,974.58		7,584.70				
5	-	-	88.56	-	-	-	47.30	-	6.11					-		-		-	141.97		-				
6	-	-	365.96	608.71	200.00	-	8.21	26.72	-	-				-		-		-	574.17		635.43				
7	-	5.69	815.20	1,169.34	-	255.30	21.11	16.27						-		-		-	836.31		1,446.60				
8	-	-	122.79	583.24	-	-	-	114.17	-					-		-		-	122.79		697.41				
9	-	-	-	-	23.43	48.70	-	-	-					-		-		-	23.43		48.70				
10	-	-	-	-	-	-	-	-	-					-		-		-	8138.63		8,138.99				
11	-	-	-	-	-	-	-	-	-					-		-	888.11	212.49	888.11		212.49				
12	-	-	-	14,964.75	-	-	-	-	-					-		-		-	-		14,964.75				
13	-	3,619.00	-	12,765.50	-	2,171.40	472.49	-	-					-		-		-	472.49		18,555.90				
14	-	-	-	30,840.89	-	-	-	-	-					-		-		-	-		30,840.89				
15	-	-	10,800.15	26,352.33	-	1,095.76	4,000.00	5,820.00	-					-		-		-	14,800.15		33,272.09				
16	-	-	-	-	187.15	14.70	-	-	-					-		-		-	187.15		14.70				
17	-	-	-	25,108.07	-	-	-	-	-					-		-		-	-		25,108.07				
18	-	1,000.00	350.00	15,782.51	-	-	-	-	-					-		-		-	350.00		16,782.51				
19	-	1,000.00	10,251.80	27,010.98	-	-	-	-	-					-		-		-	10,251.80		28,010.98				
Balances as on March 31																									
1	-	-	4,837.27	5,505.40	7,564.65	3,227.74	553.83	680.45	-					-		-		-	12,955.75		9,413.59				
2	-	-	6,277.87	16,724.46	60.62	248.31	59.10	502.64	-					-		-	0.01	0.06	6,397.60		17,475.47				
3	-	-	0.38	1,395.45	-	-	-	-	-					-		-		-	0.38		1,395.45				
4	359.03	-	12,557.76	11,213.82	2,240.00	908.57	361.16	1,006.93	6.11	167.26				580.00		-		-	16,104.06		13,296.58				
	-	-	13,870.50	14,964.75	-	-	2,303.66	3,307.40	-					-		-		-	16,174.16		18,272.15				

For details of investments as at March 31, 2015 and March 31, 2014, refer Note 1.13 and Note 1.16 to the Financial Statements.

# relates to Hinduja Automotive Limited

\*\* Refer Notes 1.14, 1.20 and 1.21 to the Financial Statements

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.5 Related Party disclosure (Continued)

₹ Lakhs

	2015	2014
<b>d) Significant Related Party Transactions</b>		
<b>1 Purchase of raw materials, components and traded goods ( net of CENVAT / VAT)</b>		
Hinduja Foundries Limited	-	9,297.73
Ashok Leyland Nissan Vehicles Limited	92,809.16	97,524.85
Gulf Oil Lubricants India Limited	6,231.01	-
<b>2 Sales and Services (net of taxes)</b>		
Ashok Leyland (UAE) LLC	36,271.60	21,978.38
Gulf Ashley Motor Limited	25,935.49	20,631.79
Lanka Ashok Leyland PLC	29,573.24	19,461.86
Ashok Leyland Nissan Vehicles Limited	2,443.08	1,910.11
<b>3 Other Operating Income</b>		
Ashok Leyland Nissan Vehicles Limited	6,765.04	8,294.55
Ashley Aviation Limited	225.00	225.00
Nissan Ashok Leyland Powertrain Limited	2,335.92	2,561.91
<b>4 Other Expenditure incurred / (recovered) (net)</b>		
Hinduja Tech Limited (Formerly Defiance Technologies Limited)	469.29	1,156.77
Gulf Ashley Motor Limited	194.74	771.62
HLF Services Limited	930.14	997.98
Ashok Leyland Nissan Vehicles Limited	1,953.47	2,801.69
Ashok Leyland (UK) Limited	567.42	647.26
Ashok Leyland Wind Energy Limited	254.18	543.92
<b>5 Reimbursements of expenses</b>		
Ashok Leyland Nissan Vehicles Limited	44.51	-
Ashok Leyland John Deere Construction Equipment Company Private Limited	47.30	-
Optare PLC	44.06	-
<b>6 Advance/Current account - Net increase / (decrease)</b>		
Ashok Leyland Defence Systems Limited	59.64	-
Lanka Ashok Leyland PLC	140.36	-
Ashok Leyland John Deere Construction Equipment Company Private Limited	-	87.48
Avia Ashok Leyland Motors s.r.o.	-	97.45
Ashok Leyland Nissan Vehicles Limited	365.96	511.26
Nissan Ashok Leyland Powertrain Limited	8.21	(60.76)
<b>7 Interest and other income</b>		
Albonair GmbH	-	132.34
Defiance Testing & Engineering Services Inc., USA	-	69.74
Hinduja Tech Limited (Formerly Defiance Technologies Limited)	195.27	372.65
Optare PLC	432.40	426.63
Nissan Ashok Leyland Technologies Limited	-	16.27
Avia Ashok Leyland Motors s.r.o.	187.53	140.48
<b>8 Dividend income</b>		
Lanka Ashok Leyland PLC	23.43	48.70
<b>9 Investment in shares of</b>		
Ashok Leyland Nissan Vehicles Limited	3,697.50	10,743.00
Albonair GmbH	2,567.32	15,085.38
Ashok Leyland John Deere Construction Equipment Company Private Limited	3,250.00	4,320.00
Hinduja Tech Limited (Formerly Defiance Technologies Limited)	3,935.00	-
<b>10 Disposal of Investments to</b>		
Ashok Leyland (UAE) LLC	187.15	-
Ashley Airways Limited (under liquidation)	-	14.70

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.5 Related Party disclosure (Continued)

₹ Lakhs

	2015	2014
<b>11 Advance given for share capital</b>		
Ashley Services Limited	-	23,713.00
<b>12 Loans given</b>		
Albonair GmbH	-	2,795.14
Hinduja Tech Limited (Formerly Defiance Technologies Limited)	350.00	900.00
Avia Ashok Leyland Motors s.r.o.	-	9,040.78
Optare PLC	-	2,600.38
<b>13 Loans repaid</b>		
Albonair GmbH	-	15,033.03
Avia Ashok Leyland Motors s.r.o.	6,551.80	6,312.94
Defiance Testing & Engineering Services Inc., USA	-	2,614.75
Optare PLC	-	2,601.78
Hinduja Tech Limited (Formerly Defiance Technologies Limited) - on conversion into investment in shares	3,700.00	-
<b>14 Purchase of assets</b>		
Albonair GmbH	-	583.24
Automotive Infotronics Limited (under liquidation)	-	114.17
Avia Ashok Leyland Motors s.r.o.	38.59	-
Ashok Leyland Nissan Vehicles Limited	84.21	-
<b>15 Financial guarantees given</b>		
Optare PLC	-	14,964.75
<b>16 Financial Guarantees released</b>		
Optare PLC	-	11,232.10
Hinduja Foundries Limited	-	3,619.00
Ashok Leyland (UAE) LLC	-	2,171.40
Ashley Alteams India Limited	472.49	-
<b>17 Counter Guarantee dissolved</b>		
Ashley Services Limited	-	30,840.89
<b>18 Remuneration to key management personnel</b>		
Mr. Vinod K. Dasari	888.11	212.49

## e. Details of Advances in the nature of Loans (excluding interest accrued) to Subsidiary / Associate companies

₹ Lakhs

Name of the Subsidiary / Associate	2015					2014				
	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company	Direct investment in shares of subsidiaries of the Company	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company	Direct investment in shares of subsidiaries of the Company
Avia Ashok Leyland Motors s.r.o	Subsidiary	-	6,620.33	-	-	Subsidiary	6,292.64	9,654.21	-	742.13
Albonair GmbH	Subsidiary	-	-	-	-	Subsidiary	-	11,119.20	-	324.96
Hinduja Tech Limited (Formerly Defiance Technologies Limited)	Subsidiary	-	3,700.00	-	984.74	Subsidiary	3,350.00	3,350.00	-	984.74
Defiance Testing & Engineering Services Inc., USA	Subsidiary	-	-	-	-	Subsidiary	-	2,672.55	-	-
AL Nigeria	Subsidiary	-	-	-	-	Subsidiary	-	19.71	-	-
Optare PLC	Subsidiary	4,715.97	5,232.09	-	22,002.31	Subsidiary	5,088.02	6,793.99	-	32,924.10

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.6 Disclosures in respect of Joint Ventures

### a) List of joint ventures

Sl. No.	Name of the Joint Venture	Name of the Business	Proportion of ownership interest as at March 31, 2015	Proportion of ownership interest as at March 31, 2014	Country of residence / Incorporation
1	Nissan Ashok Leyland Powertrain Limited	Manufacture of engines for Light Commercial Vehicles	49.00%	49.00%	India
2	Nissan Ashok Leyland Technologies Limited	Development of related automotive technology	50.00%	50.00%	India
3	Ashok Leyland John Deere Construction Equipment Company Private Limited	Manufacture of construction equipment	50.00%	50.00%	India
4	Ashley Alteams India Limited	Manufacture of aluminum high pressure die castings	50.00%	50.00%	India

### b) Financial interest in jointly controlled entities

₹ Lakhs

Sl. No.	Name of the Joint Venture	Current status of Operations and Financials	Year	Company's share of			
				Assets	Liabilities	Income	Expenses
				As at March 31		For the year ended March 31	
1	Nissan Ashok Leyland Powertrain Limited	Operating company	2015	11,132.33	5,376.94	10,854.57	11,162.91
			2014	11,162.20	5,098.45	10,922.59	11,420.92
2	Nissan Ashok Leyland Technologies Limited	Operating company	2015	2,475.64	9,470.29	4,247.27	5,225.66
			2014	3,982.50	9,998.50	5,587.00	7,002.50
3	Ashok Leyland John Deere Construction Equipment Company Private Limited	Operating company	2015	9,499.40	4,840.96	2,012.99	4,975.99
			2014	10,733.75	6,370.05	3,289.37	7,201.92
4	Ashley Alteams India Limited	Operating company	2015	8,258.97	7,730.62	7,220.39	7,769.73
			2014	8,836.08	8,556.51	6,016.34	7,006.60

Notes :

- Contingent liabilities, incurred in relation to interest in joint ventures as on March 31, 2015 is Nil (2014: Nil).
- Share in contingent liabilities of joint ventures themselves for which the Company is contingently liable as at March 31, 2015 ₹ 1,924.70 lakhs (2014 : ₹ 242.65 lakhs)
- Capital commitments in relation to interests in joint ventures as on March 31, 2015 Nil (2014: Nil)
- Share in Capital commitments of joint ventures themselves as on March 31, 2015 ₹ 168.05 lakhs (2014: ₹ 293.90 lakhs)
- The information furnished above is based on audited figures made available to the company.
- Figures given above under expenses are excluding taxes.

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.7 Derivatives

The Company uses derivative financial instruments such as forward contracts, currency swap to hedge certain currency exposures, present and anticipated, denominated mostly in US dollars, EURO, Japanese YEN and Great Britain Pounds. Generally such contracts are taken for exposures materialising in the next twelve months. The Company actively manages its currency / interest rate exposures through a centralized treasury division and uses derivatives to mitigate the risk from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management. The limits and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of underlying assets, liabilities or transactions, as derivatives are used only for risk management.

The information on derivative instrument is as follows:

### A) Derivative instruments outstanding:

Details	Details	Currency	Amount (Foreign currency in Million)		Amount ₹ in Lakhs	
			2015	2014	2015	2014
Foreign Exchange Contracts						
- USD / INR	Sold	USD	135.26	38.41	84,539.11	23,015.96
- USD / INR	Bought	USD	4.53	87.52	2,833.98	52,440.56
- EUR / USD	Bought	EUR	0.54	1.21	362.18	1,001.54
- GBP / USD	Bought	GBP	1.09	0.25	1,009.35	249.41
- USD / JPY	Sold	USD	-	0.25	-	149.79
Currency Swaps						
- USD / JPY	Sold	USD	145.00	190.67	90,625.00	114,237.93

Refer Item no.6.3 and 6.4 in significant accounting policies for the accounting treatment of such derivatives

### B) Foreign currency exposures not hedged by a derivative instrument including firm commitments and highly probable transactions

Details	Currency	Amount (Foreign currency in Million)		Amount ₹ in Lakhs	
		2015	2014	2015	2014
Amount receivable on account of sale of goods, loans and advances, cash and bank balances, interest, etc.	USD	309.92	103.11	193,697.80	61,778.95
	EUR	0.44	0.13	297.57	106.04
	AED	1.42	0.59	242.26	95.71
	KES	16.71	8.92	112.95	61.82
	ZAR	2.41	0.40	123.50	22.46
	GBP	6.09	5.68	5,634.70	5,666.91
	MUR	0.41	0.41	6.94	8.15
	BDT	0.00	0.00	0.02	0.02
	EGP	0.00	-	0.23	-
	JPY	3.00	-	15.64	-
Amount payable on account of purchase of goods and services, loans, interest etc.	USD	357.14	356.32	223,214.79	213,489.48
	EUR	1.57	4.10	1,057.66	3,388.68
	JPY	5.05	-	26.31	-
	GBP	0.27	0.45	249.44	452.02
	CHF	0.02	0.03	12.92	18.49
	AED	0.43	0.60	73.96	98.63
	KES	133.77	53.19	904.36	368.62
	ZAR	2.76	1.52	141.49	85.88
	EGP	-	0.00	-	0.25
	MUR	0.08	0.08	1.39	1.64



# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## **3.8 Accounting for long term monetary items in foreign currency, forward contracts and Advances designated as cash flow hedge**

### **3.8.1 Exchange difference in Long term monetary items in foreign currency**

Exchange difference on translation or settlement of long term foreign currency monetary items at rates different from those at which they were initially recorded or April 1, 2007, in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets. In other cases, such exchange differences are accumulated in “Foreign currency monetary item translation difference account” and amortised by recognition as income or expense in each year over the balance term till settlement occurs but not beyond March 31, 2020 (notified earlier as March 31, 2011). The un-amortized net exchange difference in respect of long term monetary items relating to other than acquisition of depreciable assets, is a loss of ₹ 1,424.85 lakhs as at March 31, 2015 (March 31, 2014: loss of ₹ 592.89 lakhs). These amounts have now been reflected as part of the “Reserves and Surplus” in line with the guideline issued by the Institute of Chartered Accountants of India.

### **3.8.2 Forward contracts and Advances designated as cash flow hedges**

The Company had adopted the principles of Accounting Standard 30 – Financial instruments: Recognition and measurement, issued by the Institute of Chartered Accountants of India, with effect from April 1, 2008, in respect of forward contracts for firm commitments and highly probable forecast transactions meeting necessary criteria for designation as “Cash flow hedges”. The gains and losses on effective Cash flow hedges are recognized in Hedge Reserve Account till the underlying forecast transaction occurs.

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.9 Employee benefits

### a) Defined benefit plans - As per Actuarial valuation as at March 31, 2015

₹ Lakhs

	Gratuity					Compensated absences					Other defined benefit plans				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<b>A) Expense recognised in the Statement of Profit and Loss for the year ended March 31</b>															
Current service cost	1,011.62	1,014.43	1,021.78	933.84	847.73	646.35	634.89	630.70	667.11	639.56	73.66	67.94	70.90	67.28	63.83
Interest cost	1,740.35	1,630.16	1,506.57	1,478.53	1,327.97	495.01	506.52	501.60	456.94	369.02	47.48	47.48	53.29	46.81	39.48
Expected return on plan assets	(1,788.42)	(1,800.74)	(1,810.63)	(1,634.00)	(1,494.17)	-	-	-	-	-	-	-	-	-	-
Net actuarial (gain) / loss recognised during the year	498.79	906.22	1,306.78	1,224.12	1,403.86	588.93	(1,113.29)	299.48	(172.12)	719.78	(18.68)	51.89	(46.10)	26.75	111.02
Total expense	1,462.34	1,750.07	2,024.50	2,002.48	2,085.39	1,730.29	28.12	1,431.78	951.93	1,728.36	102.46	167.31	78.09	140.84	214.33
<b>B) Actual return on plan assets</b>															
Expected return on plan assets	1,788.42	1,800.74	1,810.63	1,634.00	1,494.17	-	-	-	-	-	-	-	-	-	-
Actuarial gain / (loss) on plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual return on plan assets	1,788.42	1,800.74	1,810.63	1,634.00	1,494.17	-	-	-	-	-	-	-	-	-	-
<b>C) Net Asset/ (Liability) recognised in the Balance Sheet</b>															
Present value of the obligation	21,863.81	21,768.69	22,188.19	20,468.08	18,554.51	6,748.87	5,801.32	6,733.57	6,363.52	6,011.81	682.64	694.91	644.68	672.76	638.26
Fair value of plan assets	20,463.24	20,019.15	20,163.07	18,463.69	16,466.18	-	-	-	-	-	-	-	-	-	-
Funded status [surplus / (deficit)]	(1,400.57)	(1,749.54)	(2,025.12)	(2,004.39)	(2,088.33)	-	-	-	-	-	-	-	-	-	-
Net Asset / (Liability) recognised in the Balance Sheet	(1,400.57)	(1,749.54)	(2,025.12)	(2,004.39)	(2,088.33)	(6,748.87)	(5,801.32)	(6,733.57)	(6,363.52)	(6,011.81)	(682.64)	(694.91)	(644.68)	(672.76)	(638.26)
<b>D) Change in Present value of the Obligation during the year</b>															
Present value of obligation as at beginning of the year	21,768.69	22,188.19	20,468.08	18,554.51	16,689.58	5,801.32	6,733.57	6,363.52	6,011.81	4,942.07	694.91	644.68	672.76	638.26	563.16
Current service cost	1,011.62	1,014.43	1,021.78	933.84	847.73	646.35	634.89	630.70	667.11	639.56	73.66	67.94	70.90	67.28	63.83
Interest cost	1,740.35	1,630.16	1,506.57	1,478.53	1,327.97	495.01	506.52	501.60	456.94	369.02	47.48	47.48	53.29	46.81	39.48
Benefits paid	(3,155.64)	(3,970.31)	(2,115.02)	(1,722.91)	(1,714.63)	(782.74)	(960.37)	(1,061.72)	(600.22)	(658.62)	(114.73)	(117.08)	(106.17)	(106.44)	(139.23)
Actuarial (gain) / loss on obligation	498.79	906.22	1,306.78	1,224.12	1,403.86	588.93	(1,113.29)	299.47	(172.12)	719.78	(18.68)	51.89	(46.10)	26.75	111.02
Present value of obligation as at end of the year	21,863.81	21,768.69	22,188.19	20,468.08	18,554.51	6,748.87	5,801.32	6,733.57	6,363.52	6,011.81	682.64	694.91	644.68	672.76	638.26
<b>E) Change in the Fair Value of Plan Assets during the year</b>															
Fair value of plan assets as at beginning of the year	20,019.15	20,163.07	18,463.69	16,466.18	15,877.10	-	-	-	-	-	-	-	-	-	-
Expected return on plan assets	1,788.42	1,800.74	1,810.63	1,634.00	1,494.17	-	-	-	-	-	-	-	-	-	-
Contributions	1,811.31	2,025.55	2,003.77	2,086.42	809.54	782.74	960.37	1,061.72	600.22	658.62	114.73	117.08	106.17	106.44	139.23

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.9 Employee benefits (Continued)

### a) Defined benefit plans - As per Actuarial valuation as at March 31, 2015

₹ Lakhs

	Gratuity					Compensated absences					Other defined benefit plans				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Benefits paid	(3,155.64)	(3,970.31)	(2,115.02)	(1,722.91)	(1,714.63)	(782.74)	(960.37)	(1,061.72)	(600.22)	(658.62)	(114.73)	(117.08)	(106.17)	(106.44)	(139.23)
Actuarial gain / (loss) on plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value of plan assets as at end of the year	20,463.24	20,019.15	20,163.07	18,463.69	16,466.18	-	-	-	-	-	-	-	-	-	-
<b>F) Experience adjustments in</b>															
Plan liabilities - loss / (gain)	498.79	906.22	1,306.78	1,224.12	1,403.86	278.62	(190.64)	(475.60)	(628.16)	719.78	(48.07)	69.19	(8.62)	(6.89)	111.02
Plan assets - (loss) / gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>G) Major categories of plan assets as a percentage of total plan</b>															
<b>H) Actuarial Assumptions</b>															
Discount rate	8.00%	8.00%	8.00%	8.00%	8.00%										
Salary escalation	3.00%	2.75%	3.20%	4.25%	4.00%										
Expected rate of return on plan assets	9.30%	9.88%	8.00%	8.00%	8.00%										

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- b) Gratuity is administered through Group gratuity scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligation.
- c) During the year the company has recognised the following amounts in the Statement of Profit and Loss in Note 2.6 to the Financial Statements
- Salaries and wages include compensated absences ₹ 1,730.30 lakhs (2014: ₹ 28.12 lakhs).
  - Contribution to provident, gratuity and other funds include Provident fund and family pension ₹ 4,700.40 lakhs (2014: ₹ 4,503.87 lakhs), super annuation ₹ 1,545.98 lakhs (2014: ₹ 1,929.23 lakhs), gratuity ₹ 1,462.34 lakhs (2014: ₹ 1,750.07 lakhs) and other funds ₹ 561.27 lakhs (2014: ₹ 424.90 lakhs).
  - Welfare expenses include contribution to employee state insurance plan ₹ 33.54 lakhs (2014: ₹ 25.78 lakhs), retirement benefits charged / (reversed) of ₹ 8.56 lakhs (2014: ₹ 73.96 lakhs) and other defined employee benefits ₹ 8.26 lakhs (2014: ₹ 36.01 lakhs).

**3.10 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and interest outstanding is given below:**

₹ lakhs

Particulars	2015	2014
i) Principal Amount paid after appointed date during the year	273.10	268.78
ii) Amount of interest due and payable for the delayed payment of Principal amount	5.17	4.01
iii) Principal amount remaining unpaid as at year end (over due)	16.18	14.96
iv) Principal amount remaining unpaid as at year end (not due)	720.49	2,170.91
v) Interest due and payable on principal amount unpaid as at the year end	1.13	0.24
vi) Total amount of interest accrued and unpaid as at year end	6.29	4.24

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.11 Details of expenditure incurred on in-house Research and Development (R & D) facilities:

₹ lakhs

Particulars	Included in Notes to the Financial Statements	Approved R&D facilities	
		2015	2014
(i) Capital expenditure			
(a) Land	1.11 and 1.12	-	-
(b) Buildings		160.15	408.05
(c) Capital equipments		160.15	408.05
Add: Expenditure capitalised		698.47	
		362.39	1,060.86
(ii) Revenue expenditure (net)			
(a) Salaries/Wages	2.6	12,578.71	
Less: Salaries and wages capitalised		202.81	12,375.90
(b) Material/Consumables/spares	2.3	3,895.68	
Less: Material/Consumables/spares capitalised		159.50	3,736.18
(c) Utilities	2.9	770.92	694.78
(d) Other expenditure directly related to R&D	2.9	2,459.15	
Less: Other expenditure capitalised		0.80	2,458.35
(e) Total revenue expenditure (Total of (ii) (a) to (ii) (d))		<b>19,341.35</b>	<b>19,208.45</b>
(iii) Total R&D expenditure			
(Total of (i) (c) and (ii) (e))		20,402.21	26,241.10
(iv) Less: Amount received by R & D facilities	2.1 and 2.9	729.49	617.19
(v) <b>Net amount of R &amp; D expenditure (iii) - (iv)</b>		<b>19,672.72</b>	<b>25,623.91</b>

Capital expenditure is on incurrence basis, hence includes net additions in Capital Work - In - Progress

₹ lakhs

	2015	2014
<b>3.12 Net Current tax expense for the year comprises of:</b>		
Overseas Taxes	389.07	-
Minimum Alternate Tax	9,490.00	-
Less: Minimum Alternate Tax Credit Entitlement	9,490.00	-
<b>Current Tax</b>	<b>389.07</b>	<b>-</b>

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.13 Details of Long Term Borrowings:

	March 31, 2015			Particulars of Redemption/ Repayment	March 31, 2014		
	Non Current	Current maturities	Total		Non Current	Current maturities	Total
	₹ Lakhs	₹ Lakhs	₹ Lakhs		₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>a. Secured Borrowing:</b>							
i. Debenture Series							
9.85% AL 22	15,000.00	-	15,000.00	June 21, 2018	15,000.00	-	15,000.00
10.15% AL 20	15,000.00	-	15,000.00	December 28, 2017	15,000.00	-	15,000.00
10.20% AL 18	10,000.00	-	10,000.00	June 28, 2017	10,000.00	-	10,000.00
10.25% AL16	6,000.00	4,500.00	10,500.00	October 14, 2016 - ₹ 6,000 lakhs, 2015 and 2014 - ₹ 4,500 lakhs each	10,500.00	4,500.00	15,000.00
9.70% AL 21	15,000.00	-	15,000.00	June 21, 2016	15,000.00	-	15,000.00
10.05% AL 19	-	15,000.00	15,000.00	December 28, 2015	15,000.00	-	15,000.00
8.20% AL 15	-	7,000.00	7,000.00	July 22, 2015	7,000.00	-	7,000.00
10.10% AL 17	-	20,000.00	20,000.00	June 28, 2015	20,000.00	-	20,000.00
8.20% AL 14	-	-	-	July 22, 2014	-	7,000.00	7,000.00
	<b>61,000.00</b>	<b>46,500.00</b>	<b>107,500.00</b>		<b>107,500.00</b>	<b>11,500.00</b>	<b>119,000.00</b>
ii. Term Loans							
TL - 7	30,000.00	-	30,000.00	December 16, 2018 and 2017 - ₹ 12,500.00 lakhs each, 2016 - ₹ 5,000.00 lakhs	50,000.00	-	50,000.00
TL - 1	-	3,333.33	3,333.33	2 equal instalments on February 5, 2016 and February 16, 2015	3,333.33	3,333.33	6,666.66
TL - 2	-	5,000.00	5,000.00	2 equal instalments on June 1, 2015 and 2014	5,000.00	5,000.00	10,000.00
TL - 3	-	-	-	March 22, 2015	-	6,666.67	6,666.67
TL - 4	-	-	-	November 30, 2014	-	5,000.00	5,000.00
TL - 5	-	-	-	November 30, 2014	-	5,000.00	5,000.00
	<b>30,000.00</b>	<b>8,333.33</b>	<b>38,333.33</b>		<b>58,333.33</b>	<b>25,000.00</b>	<b>83,333.33</b>

Debentures and term loans from banks aggregating ₹ 145,833.33 lakhs (2014: ₹ 202,333.33 Lakhs) are secured by a first charge on pari-passu basis on all assets of the Company excluding certain immovable properties (residential buildings and certain immovable assets) and movable fixed assets such as aircraft of the Company.

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	March 31, 2015				March 31, 2014		
	Non Current	Current maturities	Total	Particulars of Redemption/ Repayment	Non Current	Current maturities	Total
	₹ Lakhs	₹ Lakhs	₹ Lakhs		₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>b. Unsecured Borrowings:</b>							
i. ECB Loans							
ECB -13	12,500.00	-	12,500.00	3 equal instalments on September 10, 2020, 2019, 2018	-	-	-
ECB -12	40,625.00	-	40,625.00	June 26, 2020 - ₹ 12,500.00 lakhs and June 26, 2019, 2018, 2017 - ₹ 9,375.00 lakhs each	38,944.75	-	38,944.75
ECB -11	18,750.00	-	18,750.00	3 equal instalments on March 25, 2019, 2018, 2017	17,974.50	-	17,974.50
ECB -1	46,875.00	-	46,875.00	3 equal instalments on June 9, 2018, 2017, 2016	44,936.25	-	44,936.25
ECB -2	10,416.67	5,208.33	15,625.00	3 equal instalments on October 24, 2017, 2016, 2015	14,978.75	-	14,978.75
ECB -3	25,000.00	3,125.00	28,125.00	September 20, 2017 - ₹ 13,125.00 lakhs, 2016 - ₹ 11,875.00 lakhs, 2015 and 2014 - ₹ 3,125.00 lakhs each	26,961.75	2,995.75	29,957.50
ECB -10	-	12,500.00	12,500.00	July 12, 2015	11,983.00	-	11,983.00
ECB -4	-	-	-	June 30, 2014	-	39,943.33	39,943.33
	<b>154,166.67</b>	<b>20,833.33</b>	<b>175,000.00</b>		<b>155,779.00</b>	<b>42,939.08</b>	<b>198,718.08</b>



# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	March 31, 2015			Particulars of Redemption / Repayment	March 31, 2014		
	Non Current	Current maturities	Total		Non Current	Current maturities	Total
	₹ Lakhs	₹ Lakhs	₹ Lakhs		₹ Lakhs	₹ Lakhs	₹ Lakhs
ii. Interest free sales tax loans							
Programme II	11,466.94	65.53	11,532.47	Varying amounts repayable on a monthly basis ending in June 2028	7,931.22	214.30	8,145.52
Programme I	-	-	-	Varying amounts repayable on a monthly basis ending in April 2014	-	118.24	118.24
	<b>11,466.94</b>	<b>65.53</b>	<b>11,532.47</b>		7,931.22	332.54	8,263.76
iii. Loans from Others							
-Loan 5	-	106.96	106.96	Varying amounts repayable on a quarterly basis ending in July 2015	106.96	408.32	515.28
-Loan 4	-	-	-	Varying amounts repayable on a quarterly basis ending in October 2014	-	248.07	248.07
-Loan 3	-	-	-	Varying amounts repayable on a quarterly basis ending in October 2014	-	27.29	27.29
-Loan 2	-	-	-	Varying amounts repayable on a quarterly basis ending in August 2014	-	167.08	167.08
-Loan 1	-	-	-	Varying amounts repayable on a quarterly basis ending in August 2014	-	18.38	18.38
	-	<b>106.96</b>	<b>106.96</b>		<b>106.96</b>	<b>869.14</b>	<b>976.10</b>

The above Term loans, External Commercial Borrowings and Loans from others carry varying rates of interest with the maximum rate of interest going upto 10.25% (2014: 10.25%) per annum. The weighted average rate of interest of these loans is around 6.4% (2014 : 6.8%) per annum.

## 3.14 Details of Short Term Borrowings

	March 31, 2015 ₹ Lakhs	Particulars of Repayment	March 31, 2014 ₹ Lakhs
Secured Borrowings			
- STL 8	-	August 13, 2014	3,300.00
- STL 9	-	May 28, 2014	791.30
- Working Capital Demand Loans	-	Repayable on demand	23,805.69
	-		<b>27,896.69</b>
The above loans are secured by way of hypothecation of inventories (excluding stores and spares related to plant and machinery), Bills receivable, Book Debts and all other movables both present and future of the Company to the extent of ₹ 1,65,000.00 Lakhs (2014: ₹ 1,65,000.00 Lakhs).			
Unsecured Borrowings			
- STL 13	2,500.00	September 26, 2015	-
- STL 10	-	May 28, 2014	9,274.42
- STL 11	-	May 30, 2014	9,586.40
- STL 12	-	July 28, 2014	11,983.00
	<b>2,500.00</b>		<b>30,843.82</b>

The above loans carry varying rates of interest with the maximum rate of interest going upto 10.25% (2014: 10.40%) per annum. The weighted average rate of interest of these loans is around 7.8% (2014: 9.0%) per annum.

# NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3.15 Disclosure as required under section 186(4) of the Companies Act, 2013:

₹ Lakhs

Particulars	2015
i) Loans given	-
ii) Investments made	
- Ashok Leyland John Deere Construction Equipment Company Private Limited	3,250.00
- Ashok Leyland Nissan Vehicles Limited	3,697.50
- Hinduja Tech Limited (Formerly Defiance Technologies Limited)	3,935.00
- Ashley Alteams India Limited	750.00
- Global TVS Bus Body Builders Limited (Formerly Irizar TVS Limited)	162.31
- Gulf Ashley Motor Limited	438.02
- Albonair GmbH	2,567.32
iii) Guarantees given	-

The above disclosure was not applicable for the previous year.

## 3.16 The figures for the previous year have been reclassified / regrouped / amended , wherever necessary.

Signatures to the Statement of Significant Accounting Policies and Notes to the Financial Statements.

**Gopal Mahadevan**  
Chief Financial Officer

**N. Ramanathan**  
Company Secretary

May 12, 2015  
Chennai

For and on behalf of the Board

**Dheeraj G. Hinduja**  
Chairman  
DIN : 00133410

**Vinod K. Dasari**  
CEO and Managing Director  
DIN : 00345657

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF ASHOK LEYLAND LIMITED

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Ashok Leyland Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment

of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph 9 below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

8. Financial Statements/ Consolidated Financial Statements of two subsidiaries and one jointly controlled entity which reflect total assets (net) of ₹19,997.46 lakhs as at March 31, 2015, total revenue (net) of ₹16,623.20 lakhs and net cash flows amounting to ₹3,129.31 lakhs for the year ended on that date, have been audited by either one of us.
9. We did not audit the financial statements/ financial information of seven subsidiaries and three jointly controlled entities, whose financial statements/ financial information reflect total assets (net) of ₹699,679.66 lakhs as at March 31, 2015, total revenue (net) of ₹196,770.12 lakhs and net cash flows amounting to ₹2,263.22 lakhs for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net profit of ₹924.44 lakhs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of five associates, whose financial statements/ financial information have not been audited by us.

The above financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section

# INDEPENDENT AUDITORS' REPORT

143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

10. We did not audit the financial statements/ financial information of two subsidiaries and one jointly controlled entity, whose financial statements/ financial information reflect total assets (net) of ₹2,892.09 lakhs as at March 31, 2015, total revenue (net) of ₹1,475.94 lakhs and net cash flows amounting to ₹(172.37) lakhs for the year ended on that date, as considered in the consolidated financial statements.
- These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements /financial information are not material to the Group.
11. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters stated in paragraph 9 and 10 above with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion proper books of account as required by

law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
14. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities in accordance with the generally accepted accounting practice – Also Refer Note 3.2 to the consolidated financial statements.
  - Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 2.6 (o) to the consolidated financial statements.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

## For M.S. Krishnaswami & Rajan

Chartered Accountants  
Registration No. 015545

## M.S. Murali

Partner  
Membership No. 26453

May 12, 2015  
Chennai

## For Deloitte Haskins & Sells LLP

Chartered Accountants  
Firm's Registration No. 117366W/W-100018

## A. Siddharth

Partner  
Membership No. 31467

May 12, 2015  
Mumbai

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 12 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated financial statements of **ASHOK LEYLAND LIMITED** ("the Holding Company") for the year ended March 31, 2015)

Our reporting on the Order includes five subsidiary companies, three jointly controlled companies and three associate companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India:
  - a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a phased programme of verification, which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the respective entities, nature and value of its assets. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India:
  - a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have generally maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities except for unsecured loans, to the extent included in the consolidated financial statements, granted by a subsidiary company to a company where the receipts of principal and interest have been as per the stipulations and there is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is generally an adequate internal control system in the Holding Company, its

subsidiary companies, associate companies and jointly controlled companies incorporated in India, commensurate with the size of the respective entities and the nature of their business, for the purchase of inventories and fixed assets and for the sale of goods and services, and during the course of our and the other auditors audit, we and the other auditors have not observed any continuing failure to correct major weaknesses in such internal control system.

- (v) According to the information and explanations given to us and the other auditors, the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India have not accepted any deposits, and accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the respective entities.
- (vi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India for the year under audit.
- (vii) According to the information and explanations given to us and the other auditors and the books of account examined by us and the other auditors, in respect of statutory dues of the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India:
  - a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities during the year. There were no undisputed amounts payable by the respective entities in respect of the aforesaid statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
  - b) There are no dues of Wealth Tax and Customs Duty which have not been deposited on account of any dispute with the relevant authorities. Details of dues towards Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Cess that have not been deposited as at March 31, 2015 on account of disputes by the aforesaid entities are as stated below:

₹ Lakhs

Nature of Dues	Disputed Dues	Period to which the amount relates	Forum where the dispute is pending	Amount stayed out of disputed dues
Income Tax	7,390.63	Assessment years 2005-06, 2006-07 and 2008-09	Appellate authority – Income Tax Appellate Tribunal	7,390.63
Sales Tax and Value Added Tax	21,879.24	Various periods from 1993 – 2015	Appellate authority – upto Commissioner level	6,210.84

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 12 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated financial statements of **ASHOK LEYLAND LIMITED** ("the Holding Company") for the year ended March 31, 2015)

Nature of Dues	Disputed Dues	Period to which the amount relates	Forum where the dispute is pending	Amount stayed out of disputed dues
	268.69	Various periods from 1987 – 2013	Appellate authority – Tribunal	232.85
	723.81	Various periods from 1986 – 2012	High Court	655.69
Excise Duty and cess thereon	68.04	Various periods from 2008 – 2014	Appellate authority – upto Commissioner level	-
	1,251.75		Appellate authority – Tribunal	1,246.75
Service Tax and cess thereon	40.89	Various periods from 2011 – 2014	Appellate authority – upto Commissioner level	-

- c) The amounts required to be transferred by the aforesaid entities to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder, have been transferred to such fund within time by the aforesaid entities.
- (viii) The Group, its associates and jointly controlled entities do not have consolidated accumulated losses at the end of the financial year and the Group, its associates and jointly controlled entities have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us
- and the other auditors, the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) According to the information and explanations given to us and the other auditors, the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India have not given guarantees for loans taken by others outside of the Group, associate companies and jointly controlled companies incorporated in India from banks and financial institutions and accordingly, the provisions of clause (x) of paragraph 3 of the Order are not applicable to the respective entities.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us and the other auditors, and considering the size and nature of the consolidated operations of the Holding Company, its subsidiary companies, associate companies and jointly controlled entities, no fraud of material significance on the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India or no fraud by the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India have been noticed or reported during the year.

**For M.S. Krishnaswami & Rajan**  
Chartered Accountants  
Registration No. 015545

**M.S. Murali**  
Partner  
Membership No. 26453  
May 12, 2015  
Chennai

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**A. Siddharth**  
Partner  
Membership No. 31467  
May 12, 2015  
Mumbai



# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

Particulars		As at March 31, 2015	As at March 31, 2014
	Note No.	₹ Lakhs	₹ Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1.1	28,458.80	26,606.80
Reserves and surplus	1.2	422,671.76	372,316.16
		451,130.56	398,922.96
<b>Minority interest</b>		26,314.86	65,211.15
<b>Non-current liabilities</b>			
Long-term borrowings	1.3	621,940.30	549,118.41
Deferred tax liabilities (Net)	1.4A	51,030.78	41,141.98
Other long-term liabilities	1.5	821.38	962.54
Long-term provisions	1.6	13,954.22	12,671.94
		687,746.68	603,894.87
<b>Current liabilities</b>			
Short-term borrowings	1.7	82,663.57	126,448.80
Trade payables	1.8	308,194.61	259,243.96
Other current liabilities	1.9	350,449.14	286,735.29
Short-term provisions	1.10	45,963.07	12,973.96
		787,270.39	685,402.01
<b>TOTAL</b>		<b>1,952,462.49</b>	<b>1,753,430.99</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	1.11	538,665.37	626,235.34
Intangible assets	1.12	45,673.69	52,856.63
Capital work-in-progress	1.11	16,578.76	27,015.17
Intangible assets under development	1.12	5,034.08	2,639.69
Goodwill (on consolidation)		68,566.66	78,173.00
Non-current investments	1.13	80,637.07	69,018.46
Deferred tax assets (Net)	1.4B	2,179.86	1,000.97
Long-term loans and advances	1.14	425,394.33	271,351.52
Other non-current assets	1.15	12,961.53	26,216.91
		1,195,691.35	1,154,507.69
<b>Current assets</b>			
Current Investments	1.16	69,300.29	47,438.06
Inventories	1.17	156,644.89	154,404.95
Trade receivables	1.18	135,377.11	138,108.69
Cash and bank balances	1.19	90,508.78	11,341.53
Short-term loans and advances	1.20	260,928.50	214,805.36
Other Current assets	1.21	44,011.57	32,824.71
		756,771.14	598,923.30
<b>TOTAL</b>		<b>1,952,462.49</b>	<b>1,753,430.99</b>

Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements are an integral part of this Consolidated Balance Sheet

**Gopal Mahadevan**  
Chief Financial Officer

For and on behalf of the Board

**N. Ramanathan**  
Company Secretary

**Dheeraj G. Hinduja**  
Chairman  
DIN : 00133410

**Vinod K. Dasari**  
CEO and Managing Director  
DIN : 00345657

This is the Consolidated Balance Sheet referred to in our report of even date.

**For M.S. Krishnaswami & Rajan**  
Chartered Accountants

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**M. S. Murali**  
Partner  
May 12, 2015  
Chennai

**A. Siddharth**  
Partner  
May 12, 2015  
Mumbai

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars		Year ended March 31, 2015	Year ended March 31, 2014
	Note No.	₹ Lakhs	₹ Lakhs
<b>Income</b>			
Revenue from operations	2.1	1,627,471.26	1,211,437.89
Less: Excise Duty		93,382.51	62,765.93
Revenue from operations (Net)		1,534,088.75	1,148,671.96
Other income	2.2	18,882.72	9,244.94
<b>Total Revenue</b>		<b>1,552,971.47</b>	<b>1,157,916.90</b>
<b>Expenses</b>			
Cost of materials consumed		982,457.70	703,011.90
Cost of services availed		1,398.48	1,278.52
Purchases of Stock-in-Trade - Traded goods		64,551.29	73,250.47
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(4,145.84)	36,306.25
		1,044,261.63	813,847.14
Employee benefits expense	2.3	153,611.01	134,558.33
Finance costs	2.4	87,229.28	80,548.82
Depreciation and amortization expense	2.5	57,991.19	52,996.51
Other expenses	2.6	184,502.58	158,064.13
<b>Total Expenses</b>		<b>1,527,595.69</b>	<b>1,240,014.93</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>25,375.78</b>	<b>(82,098.03)</b>
<b>Exceptional items</b>	2.7	<b>(29,531.61)</b>	<b>52,077.41</b>
<b>Profit / (Loss) before tax</b>		<b>(4,155.83)</b>	<b>(30,020.62)</b>
<b>Tax expense:</b>			
Current tax		7,963.59	5,465.50
Deferred tax		9,277.99	(12,315.34)
		17,241.58	(6,849.84)
<b>Profit/ (Loss) after tax before Minority interest from continuing operations</b>		<b>(21,397.41)</b>	<b>(23,170.78)</b>
<b>Share of profit of associates (net)</b>		<b>924.44</b>	<b>992.43</b>
<b>Minority interest</b>		<b>(33,861.98)</b>	<b>(5,766.11)</b>
<b>Profit / (Loss) for the year</b>		<b>13,389.01</b>	<b>(16,412.24)</b>
Earnings per share (Face value ₹ 1 each)- Basic and Diluted (in ₹) [Refer Note 3.3 to the Consolidated Financial Statements]		0.48	(0.62)

Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements are an integral part of this Consolidated Statement of Profit and Loss.

**Gopal Mahadevan**  
Chief Financial Officer

For and on behalf of the Board

**N. Ramanathan**  
Company Secretary

**Dheeraj G. Hinduja**  
Chairman  
DIN : 00133410

**Vinod K. Dasari**  
CEO and Managing Director  
DIN : 00345657

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

**For M.S. Krishnaswami & Rajan**  
Chartered Accountants

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**M. S. Murali**  
Partner  
May 12, 2015  
Chennai

**A. Siddharth**  
Partner  
May 12, 2015  
Mumbai



# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2015

Particulars	March 31, 2015	March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>Cash flow from operating activities</b>		
<b>Profit / (Loss) before tax</b>	<b>(4,155.83)</b>	<b>(30,020.62)</b>
<b>Adjustments for :</b>		
Depreciation, amortisation and impairment - net of capitalisation	57,991.19	52,996.51
Other amortisations	294.89	189.04
Bad and doubtful debts / advances provided / written-off (net of recovery)	4,491.11	982.07
Provisions relating to vehicle financing	3,283.74	1,248.45
Foreign exchange loss	2,418.34	18.83
(Profit) on disposal of tangible assets	(37,079.89)	(20,248.62)
Loss / (Profit) on sale of long-term investments	4,098.71	(37,965.10)
Diminution in value of long-term investments	1,019.47	487.66
Provision for loss relating to certain products of a subsidiary	60,888.64	-
Expense on Employee stock option scheme	171.00	2.80
Voluntary Retirement Scheme expense	-	4,694.42
Finance costs - net of capitalisation	87,229.28	51,827.00
Interest income	(7,819.46)	(4,121.99)
Dividend income	(327.93)	(590.40)
<b>Operating profit before working capital changes</b>	<b>172,503.26</b>	<b>19,500.05</b>
<b>Adjustments for changes in :</b>		
Liabilities and provisions	98,483.45	(59,784.45)
Trade receivables	2,881.63	26,228.26
Inventories	(11,156.12)	65,717.24
Loans and Advances	(213,814.12)	(40,331.21)
Other non-current and current assets	11,817.36	(7,373.20)
Voluntary Retirement Compensation paid - Exceptional item	-	(4,694.42)
<b>Cash generated from / (used in) operations</b>	<b>60,715.46</b>	<b>(737.73)</b>
Income tax paid	(11,154.56)	(9,662.61)
<b>Net cash flow from / (used in) operating activities [A]</b>	<b>49,560.90</b>	<b>(10,400.34)</b>
<b>Cash flow from investing activities</b>		
Payments for acquisition of assets	(25,089.42)	(40,805.06)
Proceeds on sale of fixed assets	1,761.96	1,789.59
Proceeds on sale of tangible assets - Exceptional item	30,004.86	9,733.47
Proceeds from sale of long-term investments - Exceptional item	2,332.49	52,059.74
Proceeds from sale of current investments (net)	308.25	-
Purchase of long-term investments *	(32,505.04)	(53,479.32)
Purchase of interest in a subsidiary	(162.31)	(919.76)
Debenture application money given	-	(8,800.00)
Movement in other bank balances	(4,000.00)	-
Inter Corporate Deposits - given	(1,230.00)	(5,000.00)
Inter Corporate Deposits - repaid	4,230.00	2,000.00
Interest received	7,642.32	4,229.51
Dividend received	327.93	590.40
Related Party Loans and advances given / repaid (net)*	4,031.34	1,079.50
Taxes paid	(220.70)	(204.06)
<b>Net cash flow (used in) investing activities [B]</b>	<b>(12,568.32)</b>	<b>(37,725.99)</b>

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	March 31, 2015	March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>Cash flow from financing activities</b>		
Issues of shares to Minority shareholders	5,832.93	33,411.79
Proceeds from issue of shares	66,672.00	-
Proceeds from long-term borrowings	292,235.09	256,763.51
Repayments of long-term borrowings	(199,615.57)	(158,643.53)
Repayments of short-term borrowings (net)	(45,118.15)	(15,948.76)
Debenture / Loan raising / Share issue expenses paid	(1,629.16)	(893.00)
Interest paid	(80,311.71)	(49,883.40)
Dividend paid and tax thereon	-	(18,677.15)
<b>Net cash flow from financing activities</b> [C]	<b>38,065.43</b>	<b>46,129.46</b>
<b>Net cash Inflow / (outflow)</b> [A+B+C]	<b>75,058.01</b>	<b>(1,996.87)</b>
<b>Opening cash and cash equivalents</b>	<b>10,637.31</b>	<b>12,674.64</b>
Add: Pursuant to amalgamation	-	28.04
Exchange fluctuation on foreign currency bank balances	124.82	(68.50)
<b>Closing cash and cash equivalents [Refer Note 1.19 a to the Consolidated Financial Statements]</b>	<b>85,820.14</b>	<b>10,637.31</b>

**Note:**

\* Net of share application money aggregating ₹ 1,395.07 lakhs given to a related party converted into investment in share capital during the year.

**Gopal Mahadevan**  
Chief Financial Officer

For and on behalf of the Board

**N. Ramanathan**  
Company Secretary

**Dheeraj G. Hinduja**  
Chairman  
DIN : 00133410

**Vinod K. Dasari**  
CEO and Managing Director  
DIN : 00345657

This is the Consolidated Cash Flow Statement referred to in our report of even date.

**For M.S. Krishnaswami & Rajan**  
Chartered Accountants

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**M. S. Murali**  
Partner  
May 12, 2015  
Chennai

**A. Siddharth**  
Partner  
May 12, 2015  
Mumbai

# STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 1. Accounting convention

- 1.1 The Consolidated Financial Statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts), Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at re-valued amounts.
- 1.2 All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the schedule III to the 2013 Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of current–noncurrent classification of assets and liabilities.
- 1.3 Use of estimates
- The preparation of the consolidated financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that are considered in the reported amounts of assets including decline in carrying value of investments and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known / materialize.

## 2. Tangible and Intangible Fixed assets and depreciation / amortisation

- 2.1 Cost of all civil works (including electrification and fittings) is capitalised with the exception of alterations and modifications of a capital nature to existing structures where the cost of such alteration or modification is ₹ 100,000 and below. Other fixed assets, including intangible assets and assets given on lease, where the cost exceeds ₹ 10,000 and the estimated useful life is two years or more, is capitalised. Cost of initial spares and tools is capitalised along with the respective assets. Cost of fixed assets is net of eligible credits under CENVAT / VAT Scheme. Expenditure directly related and incidental to construction / development and borrowing costs in para 3 below are capitalised upto the date the assets are ready for their intended use. Exchange differences are capitalised to the extent dealt with in para 8.2 below.
- Certain categories of fixed assets were revalued and are carried at the revalued amounts less accumulated depreciation and impairment loss, if any. Increase in the net book value on such revaluation is credited to "Revaluation Reserve Account". Upon the sale, disposal, extinguishment of the revalued assets the amount of revaluation reserve against such assets is adjusted against their carrying values and the difference between the sale proceeds of such assets and the adjusted carrying value are recognised in the consolidated statement of profit and loss.
- 2.2 Tangible fixed assets and intangible assets, that are not yet ready for their intended use, are carried at costs, comprising direct cost and other incidental / attributable expenses and reflected under capital work in progress/intangible assets under development, respectively.
- 2.3 Assets are depreciated / amortised, on straight line basis over their estimated useful life as below
- a) Leasehold land over the period of lease.
  - b) Leasehold land and buildings, as revalued, is calculated on the respective revalued amounts, over the balance useful life as determined by the valuers in the case of buildings and as per (a) above in the case of land.
  - c) Assets subject to impairment, on the asset's revised carrying amount, over its remaining useful life.
  - d) All other tangible and intangible assets (including assets given on lease and assets in leased/ customer premises) are depreciated/ amortised over their estimated useful lives. Estimated useful life of assets are determined based on internal technical parameters/ assessment and supported by external technical advice obtained periodically.
- The aforesaid estimated useful life for computing depreciation/ amortisation are different in certain cases from the life specified in the Schedule II to the 2013 Act.
- 2.4 Depreciation/amortisation is provided on a pro-rata basis from the month the assets are put to use during the financial year. In respect of assets sold or disposed off during the year, depreciation/amortisation is provided upto the month of sale or disposal of the assets.
- 2.5 The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any, indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount.

## 3. Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. Expenditure incurred on issue of debentures is adjusted against Securities Premium Account. Expenditure incurred on raising loans is amortised over the period of such borrowings. Premium paid on prepayment of borrowing is amortised over the unexpired period thereof or six months, whichever is less. All other borrowing costs are recognised in the consolidated statement of profit and loss in the period in which they are incurred.

# STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 4. Investments

Long term investments are carried individually at cost. However, provision for diminution is made to recognise a decline, if any, other than temporary, in the carrying value of the investment. Current investments are carried individually at lower of cost and fair value.

## 5. Repossessed stocks (pertaining to financing activity included in other current assets)

Repossessed Assets are valued at net realizable value.

## 6. Receivables under financing activity

All loan exposures to borrowers with instalment structure are stated at the full agreement value after netting off:

- a) Unearned income
- b) Collections appropriated up to the year end and
- c) Loan assigned

Provision for standard asset is made as per internal estimates, based on past experience, realization of security, and other relevant factors, on the outstanding amount of standard assets subject to minimum provisioning requirement specified by RBI.

Provision for non-performing assets is made subject to minimum provisioning requirements as specified by RBI.

## 7. Inventories

7.1 Inventories are valued at lower of cost and net realisable value; cost being ascertained on the following basis:

- Stores, raw materials and components and work-in-progress: On monthly moving weighted average basis.
- Spares, consumable tools: weighted average basis.
- In respect of works made components, cost includes applicable production overheads.
- Finished / trading goods under absorption costing method.

7.2 Cost includes taxes and duties and is net of eligible credits under CENVAT / VAT Schemes.

7.3 Cost of patterns and dies is amortised over a period of five years.

7.4 Surplus / obsolete / slow moving inventories are adequately provided for.

## 8. Foreign currency transactions and derivatives

The Group's foreign operations (including foreign branches) are an integral part of the Group's activities. The foreign currency transactions / foreign currency monetary and non-monetary items in such operations and others are recorded / translated as mentioned below:

- 8.1 Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at closing rate. Exchange differences arising on settlement or translation of monetary items other than those mentioned in para 8.2 below are recognised as income or expense in the consolidated statement of profit and loss in the period it arises.
- 8.2 Exchange differences on translation or settlement of long term foreign currency monetary items (i.e. whose term of settlement exceeds twelve months from date of its origination) at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets are adjusted to the cost of the assets and depreciated over remaining useful life of such assets. In other cases, these are accumulated in "Foreign currency monetary item translation difference account" and amortised by recognition as income or expense in each period over the balance term of such items till settlement occurs but not beyond March 31, 2020.
- 8.3 The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions. The Group designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard- 30 "Financial Instruments – Recognition and measurement" issued by ICAI. Gains and losses on these forward contracts designated as "effective cash flow hedges" are recognised in the "hedge reserve account" till the underlying forecasted transaction occurs. Any ineffective portion however, is recognised immediately in the consolidated statement of profit and loss.
- 8.4 Gains and losses on all other derivatives (including forward contracts not designated as Cash flow hedge) are recognised in the consolidated statement of profit and loss in the period it arises. Premium or discount on forward contracts is amortized over the life of the contract.
- 8.5 Non-monetary items of the Group's integral foreign operations are carried at historical cost.
- 8.6 Investments in equity capital of companies registered outside India are carried in the consolidated balance sheet at the rates prevailing on the date of the transaction.

## 9. Segment Reporting

The Group operates in a single business segment i.e. automotive segment, which is the Group's primary segment determined on the basis of on nature of products risks, returns and internal business reporting system. The automotive segment includes the business of manufacturing and trading in Medium and Heavy Commercial Vehicle, Light Commercial Vehicles, Passenger vehicles, automotive aggregates (engines, spare parts, etc.), Vehicle financing and Engineering Design services.

# STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 10. Revenue recognition

- a. Sale of goods  
Revenue from sale of products, net of returns, is recognised on despatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty. Price escalation claims are recognised to the extent there is reasonable certainty of its realisation.
- b. Sale of services  
Revenue from services is recognised in accordance with the specific terms of contract on performance.
- c. Income from financial services  
Interest / finance income from assets on finance / loan included in revenue from operations represents interest income arrived at based on internal rate of return method. Interest income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable, except in the case of non-performing assets (NPA) where it is recognised upon realisation.
- d. Income on securitisation/assignment
  - i. In respect of transfer of financial assets by way of securitisation or bilateral assignments, the said assets are derecognized upon contractual transfer thereof, and transfer of substantial risks and rewards to the purchaser. The gain arising on transfer of financial assets by way of securitisation or bilateral assignments, if received in cash, is amortised over the tenure of the related financial assets, and if received by way of excess interest spread, is recognised based on the contractual accrual of the same. Loss on sale, if any is charged to consolidated statement of profit and loss immediately at the time the sale is effected.
  - ii. Upfront income pertaining to loan origination is accounted for upfront as and when it becomes due.
- e. Income from energy generated  
Revenue from energy generated through windmills is recognized based on the contracted rates with the customers and the credit granted by the regulatory authorities to the said customers for units generated.
- f. Other operating revenues  
Other operating revenues comprise of income from ancillary activities incidental to the operations of the Group and is recognised when the right to receive the income is established as per the terms of the contract.
- g. Other income  
Interest income is accounted on accrual basis. Dividend income is accounted as and when the right to receive the dividend is established.

## 11. Leases

Where the Group is a lessor

- a. Leases in which the Group transfers substantially all the risks and rewards of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After the initial recognition, the Group apportions lease rentals between principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc., are recognised immediately in the consolidated statement of profit and loss.
- b. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the consolidated statement of profit and loss on a straight line basis over the lease terms. Costs, including depreciation, are recognised as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc. are charged to the consolidated statement of profit and loss in the period of incurrence.

## 12. Government grants

Grants in the form of capital/investment subsidy are treated as Capital reserve. Export incentives and incentives in the nature of subsidies given by the Government are reckoned in revenue in the year of eligibility.

## 13. Research and Development Costs

Expenditure on the design and production of prototypes is charged to the consolidated statement of profit and loss as and when incurred. Product development costs, including knowhow developed / acquired, incurred on new vehicle / engine platforms, variants on existing platforms and aggregates are recognised as intangible assets only when product's technical feasibility is established and amortised over their estimated useful life.

## 14. Employee benefits

- 14.1 Employee benefit expenses include salary, wages, performance incentives, compensated absences, medical benefits and other perquisites. It also includes post-employment benefits such as provident fund, superannuation fund, gratuity, pensionary benefits etc.

# STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

14.2 Short term employee benefit obligations are estimated and provided for.

14.3 Employee stock option scheme:

The intrinsic value i.e. excess of fair value of shares, at the date of grant of options under the Employee Stock Option Scheme, over the exercise price is regarded as employee compensation. This is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

14.4 Post-employment benefits and other long term employee benefits

- Defined contribution plans

Group's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/or statute and charged to the consolidated statement of profit and loss in the period of incurrence when the services are rendered by the employees.

In respect of provident fund contributions made to a trust administered by the Group, the interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be contributed by the Group and charged to the consolidated statement of profit and loss.

- Defined benefit plans and compensated absences

Group's liability towards gratuity, other retirement benefits and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in the consolidated statement of profit and loss in the period of occurrence.

14.5 Termination benefits

Expenditure on termination benefits (including expenditure on voluntary retirement scheme) is recognised in the consolidated statement of profit and loss in the period of incurrence.

## 15. Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

Provision for product warranties is made for contractual obligations in accordance with the policy in force and is estimated for the unexpired period.

## 16. Provision for non-performing assets and doubtful assets

Non-performing assets ('NPA') including loans and advances and receivables are identified as bad / doubtful based on the duration of the delinquency. NPA provisions are made based on the management's assessment of the degree of impairment and the level of provisioning meets the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended by Reserve Bank of India (RBI) from time to time. These provisioning norms are considered the minimum and additional provision is made based on perceived credit risk where necessary.

## 17. Provision for standard assets

Provisions for standard assets are made as per the RBI notification DNBS.PD.CC.No.207/3.02.002/2010-11 dated 17 January 2011.

## 18. Income taxes

18.1 Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Group resulting in payment of normal income tax.

18.2 Deferred tax is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

18.3 Foreign companies recognise tax assets / liabilities in accordance with applicable local laws.

## 19. Cash flow statement

Cash flow statements are reported using the indirect method, whereby profit/(loss) before extra-ordinary items/exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipt or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on available information including taxes paid relating to these activities.

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.1 CAPITAL</b>		
<b>Authorised</b>		
a) 2535,60,00,000 (2014: 2535,60,00,000) Equity shares of ₹1 (2014: ₹1) each	253,560.00	253,560.00
b) 3,65,00,000 (2014: 3,65,00,000) Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹10 (2014: ₹10) each	3,650.00	3,650.00
c) 20,00,000 (2014: 20,00,000) Non-Convertible Redeemable Preference Shares of ₹100 (2014: ₹100) each	2,000.00	2,000.00
	<b>259,210.00</b>	<b>259,210.00</b>
<b>Issued</b>		
a) 219,97,66,829 (2014: 201,45,66,829) Equity shares of ₹1 (2014: ₹1) each	21,997.67	20,145.67
b) 64,63,14,480 (2014: 64,63,14,480) Equity shares of ₹1 (2014: ₹1) each issued through Global Depository Receipts	6,463.14	6,463.14
	<b>28,460.81</b>	<b>26,608.81</b>
<b>Subscribed and fully paid up</b>		
a) 219,95,62,154 (2014: 201,43,62,154) Equity shares of ₹1 (2014: ₹1) each	21,995.62	20,143.62
b) 64,63,14,480 (2014: 64,63,14,480) Equity shares of ₹1 (2014: ₹1) each issued through Global Depository Receipts	6,463.14	6,463.14
	28,458.76	26,606.76
Add: Forfeited shares (amount originally paid up in respect of 760 shares)	0.04	0.04
	<b>28,458.80</b>	<b>26,606.80</b>

## Notes:

- The Company issued and allotted on July 4, 2014, 18,52,00,000 equity shares of ₹ 1 each at a premium of ₹ 35 per share through Qualified Institutional Placement (QIP), aggregating to ₹ 66,672.00 Lakhs of which an amount of ₹ 1,852.00 Lakhs was towards the equity share capital with Face value of ₹ 1 each and balance of ₹ 64,820.00 Lakhs representing share premium was credited to Securities Premium account.
- |   |                      |                      |
|---|----------------------|----------------------|
|   | <b>2015</b>          | 2014                 |
| <b>2. Reconciliation of number of Equity shares subscribed:</b> |                      |                      |
| Balance as at the beginning of the year                         | 266,06,76,634        | 266,06,76,634        |
| Add: Issued during the year                                     | 18,52,00,000         | -                    |
| <b>Balance as at the end of the year</b>                        | <b>284,58,76,634</b> | <b>266,06,76,634</b> |
- Shares held by the Holding Company**  
Hinduja Automotive Limited, the holding company, holds 110,46,46,899 (2014: 110,46,46,899) Equity shares and 54,86,669 (2014: 54,86,669) Global Depository Receipts (GDRs) equivalent to 32,92,00,140 (2014: 32,92,00,140) Equity shares of ₹1 (2014: ₹1) each aggregating to 50.38% (2014: 53.89%) of the total share capital.
  - Shareholders other than the Holding Company holding more than 5% of the total share capital:**  
Life Insurance Corporation of India holds 18,76,02,225 (2014: 24,05,15,574) Equity shares of ₹1 (2014: ₹1) each aggregating to 6.59% (2014: 9.04%).
  - Rights, preferences and restrictions in respect of equity shares and GDRs issued by the company**
    - The Equity share holders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 2013.
    - The rights, preferences and restrictions of the GDR holders are governed by the terms of their issue, and the provisions of the Companies Act, 2013. Each GDR holder is entitled to receive 60 equity shares [ 2014: 60 equity shares ] of ₹ 1 each, per GDR, and their voting rights can be exercised through the Depository.



# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2015	As at March 31, 2014
		₹ Lakhs	₹ Lakhs
<b>1.2 RESERVES AND SURPLUS</b>			
<b>a) Capital Reserve</b>			
Balance as at the beginning / end of the year		8,882.60	8,882.60
<b>b) Securities Premium Account</b>			
Balance as at the beginning of the year	76,126.99		
Add: Premium on issue of shares	78,030.41		
Less: Expenses incurred on issue of Shares / Debentures	1,482.85		
Consequent to change in group's interest	5,710.21		
Balance as at the end of the year		146,964.34	76,126.99
<b>c) Debenture Redemption Reserve</b>			
Balance as at the beginning of the year	7,250.00		
Add: Transferred from Surplus in Consolidated Statement of Profit and Loss	19,625.00		
Balance as at the end of the year		26,875.00	7,250.00
<b>d) Revaluation Reserve</b>			
Balance as at the beginning of the year	117,392.67		
Less: Transferred to Consolidated Statement of Profit and Loss	1,520.45		
Adjustment on sale of revalued assets	13,691.32		
Balance as at the end of the year		102,180.90	117,392.67
<b>e) General Reserve</b>			
Balance as at the beginning / end of the year		94,341.48	94,341.48
<b>f) Hedge Reserve</b>			
Balance as at the beginning of the year	378.28		
Add: Unrealised gain / (loss) on cash flow hedges outstanding (net)	246.74		
Less: Gain / (loss) on cash flow hedges recognised in the Statement of Profit and Loss upon settlement	378.28		
Balance as at the end of the year		246.74	378.28
<b>g) Foreign currency monetary item translation difference</b>			
Balance as at the beginning of the year	(787.92)		
Add: Exchange difference on translation of outstanding loan balances	(1,307.41)		
Less: Exchange difference amortised in the Consolidated Statement of Profit and Loss	(622.68)		
Balance as at the end of the year		(1,472.65)	(787.92)
<b>h) Employee Stock option Outstanding Account</b>			
Balance as at the beginning of the year	1.84		
Add: Additions during the year	98.34		
Less: Consequent to change in group's interest	0.23		
Balance as at the end of the year		99.95	1.84
<b>i) Statutory Reserve</b>			
(As per Section 45 - IC of the Reserve Bank of India Act, 1934) (includes current year transfer from surplus)			
Balance as at the beginning of the year	1,069.15		
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	1,298.89		
Less: Consequent to change in group's interest	135.27		
Balance as at the end of the year		2,232.77	1,069.15
<b>j) Surplus in Consolidated Statement of Profit and Loss</b>			
Balance as at the beginning of the year	67,661.07		83,397.23



# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
Add: Current year profit / (loss)	13,389.01	(16,412.24)
Adjustment pursuant to amalgamation	-	(4.77)
Transferred from Debenture Redemption Reserve	-	1,750.00
Less: Transferred to Debenture Redemption Reserve	19,625.00	-
Proposed Dividend [₹ 0.45 (2014: Nil) per share]	12,806.44	-
Corporate dividend tax thereon	2,607.09	-
Consequent to change in group's interest	2,392.03	-
Transfer to Statutory Reserve - (Refer 1.2 (i) above)	1,298.89	1,069.15
Balance as at the end of the year	<b>42,320.63</b>	<b>67,661.07</b>
	<b>422,671.76</b>	<b>372,316.16</b>

## 1.3 LONG TERM BORROWINGS

<b>a) Secured Borrowings</b>		
i) Debentures	151,000.00	107,500.00
ii) Term Loan from banks	253,869.85	250,879.47
iii) Long-term monetary item in foreign currency		
External Commercial Borrowings from banks	15,250.00	20,000.00
iv) Sales Tax Loan	3,118.00	-
v) Other loans and advances	103.97	-
<b>b) Unsecured Borrowings</b>		
i) Debentures	30,000.00	3,500.00
ii) Long-term monetary item in foreign currency		
External Commercial Borrowings from banks	155,702.44	158,613.91
iii) Other loans and advances		
Interest free sales tax loans	11,466.94	7,931.22
Others	1,429.10	693.81
	<b>621,940.30</b>	<b>549,118.41</b>

### Notes:

- 1 Refer Note 1.9 to the Consolidated Financial Statements for Current Maturities of Long Term Borrowings.
- 2 Security and terms of repayment in respect of the above borrowings are detailed in Note 3.11 to the Consolidated Financial statements.
- 3 Of the above, borrowings for vehicle financing is given below:

<b>a) Secured Borrowings</b>		
Debentures	90,000.00	-
Term Loans from banks	179,588.96	142,788.64
Other loans and advances	103.97	-
<b>b) Unsecured Borrowings</b>		
Debentures	30,000.00	3,500.00
<b>Total</b>	<b>299,692.93</b>	<b>146,288.64</b>

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.4 A DEFERRED TAX LIABILITIES (NET)</b>		
a) Deferred tax liability due to		
i) Depreciation / Research and development expenditure	59,385.79	62,165.52
ii) Other timing differences	1,802.28	1,697.86
b) Deferred tax asset arising out of		
i) Voluntary retirement scheme compensation	(987.10)	(1,281.84)
ii) Carry forward of Losses - Unabsorbed depreciation	(4,754.97)	(17,714.25)
iii) Provision for Compensated absences	(2,335.65)	(1,971.87)
iv) Other timing differences	(2,079.57)	(1,753.44)
	<b>51,030.78</b>	<b>41,141.98</b>
<b>1.4 B DEFERRED TAX ASSETS (NET)</b>		
a) Deferred tax liability due to		
i) Depreciation / Research and development expenditure	24.37	(77.32)
b) Deferred tax asset arising out of		
i) Contingency provision against standard assets	448.65	268.95
ii) Provision against non-performing assets	1,662.87	726.45
iii) Provision for employee benefits	43.97	24.33
iv) Other timing differences	-	58.56
	<b>2,179.86</b>	<b>1,000.97</b>
<b>1.5 OTHER LONG TERM LIABILITIES</b>		
a) Trade Payables	94.15	-
b) Income received in Advance	85.89	13.00
c) Other payables		
i) Capital Creditors	120.15	224.12
ii) Deposits	57.50	50.00
iii) Others	463.69	675.42
	<b>821.38</b>	<b>962.54</b>
<b>1.6 LONG-TERM PROVISIONS</b>		
a) Provision for Employee Benefits		
i) Compensated absences	5,883.13	5,159.27
ii) Post retirement benefits	472.47	608.53
iii) Post retirement medical benefits	78.01	98.83
b) Provision for Product warranties	6,200.67	6,014.06
c) Contingency provision on standard assets (Relating to vehicle financing)	1,319.94	791.25
	<b>13,954.22</b>	<b>12,671.94</b>

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.7 SHORT TERM BORROWINGS</b>		
<b>a) Secured Borrowings</b>		
Loans from Banks *	47,444.51	95,522.83
(Includes Cash Credit, Working capital demand loans, Packing credit, etc)		
<b>b) Unsecured Borrowings</b>		
Commercial Papers *	29,389.91	-
Short term loans (STL) from Banks	5,490.00	30,843.82
Other loans and advances	339.15	82.15
	<b>82,663.57</b>	<b>126,448.80</b>
<b>Notes :</b>		
1 Terms of repayment in respect of the above borrowings are detailed in Note 3.12 to the Consolidated Financial Statements.		
2 * Of the above, borrowings relating to vehicle financing amounting to ₹65,022.38 lakhs (2014: ₹56,862.54 lakhs)		
<b>1.8 TRADE PAYABLES</b>		
Trade payables - including acceptances	308,194.61	259,243.96
	<b>308,194.61</b>	<b>259,243.96</b>
<b>1.9 OTHER CURRENT LIABILITIES</b>		
a) Current maturities of Long term debts	202,382.08	174,428.99
b) Interest accrued but not due on borrowings	16,543.60	10,053.00
c) Income received in advance	2,687.12	1,099.16
d) Unclaimed dividends	590.28	659.59
e) Advance from Customers	28,476.62	14,175.90
f) Statutory Liabilities	25,984.20	17,175.79
g) Assignees towards collections in assigned assets (Relating to vehicle financing)	4,794.93	4,579.21
h) Other payables	68,990.31	64,563.65
	<b>350,449.14</b>	<b>286,735.29</b>
<b>Notes :</b>		
1 Details of security and terms of repayment in respect of the current maturities of long term debts are detailed in Note 3.11 to the Consolidated Financial Statements.		
2 Other payables include:		
- Foreign exchange (gain) / loss on Forward contracts - net	-	2,084.80
- Employee benefits	22,168.57	11,158.64
- Capital creditors	4,590.18	19,904.95
3 Current maturities of long term debts includes ₹117,981.69 lakhs (2014: ₹ 90,210.78 lakhs) relating to vehicle financing.		

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.10 SHORT-TERM PROVISIONS</b>		
<b>a) Provision for employee benefits</b>		
i) Compensated absences	1,350.49	1,181.62
ii) Post retirement benefits	215.09	148.97
iii) Post retirement medical benefits	31.14	37.73
<b>b) Others</b>		
i) Proposed dividend	12,806.44	-
ii) Corporate dividend tax on proposed dividend	2,607.09	-
iii) Product warranties	10,005.89	9,466.09
iv) Provision for non-performing assets (relating to Vehicle Financing)	4,892.30	2,137.25
v) Provision for loss relating to certain products of a subsidiary (Refer Note no. 3.13 to the Consolidated Financial Statements)	14,026.04	-
vi) Provision for income tax (net of advance tax)	28.59	2.30
	<b>45,963.07</b>	<b>12,973.96</b>

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1.11 TANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

DESCRIPTION	GROSS BLOCK (COST / VALUATION)			DEPRECIATION / AMORTISATION / IMPAIRMENT			(2014-15) ₹ Lakhs
	01.04.2014	Additions / Adjustments	Disposals / Adjustments	Upto 31.03.2015	Charge for the period	Disposals / Adjustments	Net Block as on 31.03.2015
<b>TANGIBLE ASSETS</b>							
Land							
- Freehold land	70,362.44	8.68	13,788.16	56,582.96	-	-	56,582.96
- Leasehold land	56,024.68	-	3,363.00	52,661.68	2,884.41	0.30	49,149.69
- Leasehold land given on lease	126.41	-	-	126.41	19.31	-	20.59
Buildings	163,069.44	4,635.26	957.15	166,747.55	32,640.50	164.52	128,780.02
Building given on lease	1,144.49	0.41	-	1,144.90	118.48	-	1,004.81
Plant and equipment@	584,531.49	16,602.20	79,316.98	521,816.71	230,855.83	36,665.13	288,609.81
Plant and equipment given on lease	6.00	-	-	6.00	2.27	-	3.45
Furniture and fittings	9,894.22	277.34	40.23	10,131.33	5,871.77	34.30	3,128.30
Furniture and fittings given on lease	88.87	-	-	88.87	56.12	-	66.94
Vehicles and aircraft	17,170.52	933.48	380.57	17,723.43	8,248.58	352.64	8,522.62
Vehicles given on lease	0.24	-	-	0.24	0.24	-	0.24
Office Equipment	22,881.85	844.81	3.91	23,722.75	18,562.47	31.94	2,613.66
Office Equipment given on lease	43.97	-	-	43.97	41.35	-	0.71
Electrical and other installations on lease hold premises	353.56	0.07	2.74	350.89	191.84	2.34	104.87
Improvement on Leased Building	139.40	30.21	-	169.61	109.07	-	132.89
<b>TOTAL</b>	<b>925,837.58</b>	<b>23,332.46</b>	<b>97,852.74</b>	<b>851,317.30</b>	<b>299,602.24</b>	<b>37,251.17</b>	<b>538,665.37</b>
<b>Less: Transfer from Revaluation Reserve pertaining to Buildings</b>					1,186.18		
<b>Amount considered as Rent [Refer Note 2.6 to the Consolidated Financial Statements]</b>					629.16		
<b>TOTAL</b>					<b>48,485.52</b>		
<b>Capital Work-in-Progress</b>							<b>16,578.76</b>
@ Adjustments include Plant and Equipment reclassified and held for sale: Net Block ₹ 37,927.55 lakhs (Gross block ₹ 56,057.35 lakhs less accumulated depreciation ₹ 18,129.80 lakhs) - Refer Note 3.13 to the Consolidated Financial Statements.							

### Notes:

- Buildings include service installations of gross value ₹ 16,816.54 lakhs ( March 2014: ₹ 16,123.14 lakhs ).
- Land and Buildings (other than those given on lease and installations) have been revalued as at March 31, 2009 after considering depreciation / amortisation upto that date as per external valuer's report, on the governing principles of current cost. The amount of increase on the revaluation done on March 31, 2009 was ₹ 1,36,486.44 lakhs and the revalued amount substituted for historical cost of the fixed assets as at that date was ₹ 2,03,737.92 lakhs.
- A portion of the Buildings in Bhandara revalued at ₹ 950 lakhs is on a land, the title for which is yet to be transferred to the Company.
- Sale deeds in respect of certain immovable properties (aggregating ₹ 20,000 lakhs in value) transferred during the year is pending execution / registration.
- Cost of Buildings as at March 31, 2015 includes:
  - ₹ 3.42 lakhs (March 2014: ₹ 3.42 lakhs) being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings thereat.
  - ₹ 132.38 lakhs (March 2014: ₹ 132.38 lakhs) representing cost of residential flats including undivided interest in land.
- Additions to Tangible Assets and Capital work-in-progress include:
  - Exchange (gain) / loss on specific loans aggregating to ₹ 6,884.88 lakhs (March 2014: ₹ 22,050.59 lakhs) capitalised as under: Land ₹ 2.10 lakhs (March 2014: ₹ 364.89 lakhs), Building ₹ 1,064.63 lakhs (March 2014: ₹ 2,654.21 lakhs), Plant and equipment ₹ 5,734.93 lakhs (March 2014: ₹ 15,561.19 lakhs), Furniture and fittings ₹ 92.36 lakhs (March 2014: ₹ 358.27 lakhs), Vehicles and aircraft ₹ 6.08 lakhs (March 2014: ₹ 35.35 lakhs), Office equipment ₹ 112.94 lakhs (March 2014: ₹ 435.58 lakhs), Capital Work-in-progress ₹ (128.16) lakhs (March 2014: ₹ 2,641.10 lakhs).
  - Borrowing cost capitalised during the year : Nil (March 2014: ₹ 996.06 lakhs).
- Other expenses capitalised: Nil (March 2014: ₹ 37.97 lakhs).

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1.11 TANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

(2013-14) ₹ Lakhs

DESCRIPTION		GROSS BLOCK (COST / VALUATION)			DEPRECIATION / AMORTISATION / IMPAIRMENT			Net Block as on	
TANGIBLE ASSETS	01.04.2013	Additions / Adjustments	Disposals	31.03.2014	Upto 31.03.2013	Charge during the year	Disposals / Adjustments	Upto 31.03.2014	31.03.2014
Land									
- Freehold land	79,836.56	1,336.85	10,810.97	70,362.44	-	-	-	-	70,362.44
- Leasehold land	42,164.87	13,859.81	-	56,024.68	2,361.15	522.41	(0.85)	2,884.41	53,140.27
- Leasehold land given on lease	126.41	-	-	126.41	18.88	1.28	0.85	19.31	107.10
Buildings	151,032.97	13,234.29	1,197.82	163,069.44	27,569.71	5,413.89	343.10	32,640.50	130,428.94
Building given on lease	1,140.15	4.34	-	1,144.49	111.09	21.34	13.95	118.48	1,026.01
Plant and equipment	510,773.55	82,575.38	8,817.44	584,531.49	204,826.34	34,072.51	8,043.02	230,855.83	353,675.66
Plant and equipment given on lease	6.00	-	-	6.00	2.29	0.28	0.30	2.27	3.73
Furniture and fittings	8,972.76	1,173.99	252.53	9,894.22	4,861.31	1,234.86	224.40	5,871.77	4,022.45
Furniture and fittings given on lease	88.87	-	-	88.87	52.42	11.11	7.41	56.12	32.75
Vehicles and aircraft	16,825.43	525.65	180.56	17,170.52	7,149.39	1,277.06	177.87	8,248.58	8,921.94
Vehicles given on lease	0.24	-	-	0.24	0.24	-	-	0.24	-
Office Equipment	22,728.42	847.18	693.75	22,881.85	16,625.97	2,611.54	675.04	18,562.47	4,319.38
Office Equipment given on lease	43.97	-	-	43.97	43.75	2.00	4.40	41.35	2.62
Electrical and other installations on lease hold premises	354.52	0.15	1.11	353.56	184.59	8.04	0.79	191.84	161.72
Improvement on Leased Building	283.88	7.62	152.10	139.40	76.07	33.00	-	109.07	30.33
TOTAL	834,378.60	113,565.26	22,106.28	925,837.58	263,883.20	45,209.32	9,490.28	299,602.24	626,235.34
Less: Transfer from Revaluation Reserve pertaining to Building									
Amount considered as Rent [Refer Note 2.6]									
TOTAL						43,504.01			
Capital Work-in-Progress									
27,015.17									

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1.12 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS BLOCK (COST / VALUATION)			DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK
	01.04.2014	Additions / Adjustments	Disposals	Upto 31.03.2014	Charge for the period	Disposals / Adjustments	Upto 31.03.2015
Computer software							
- Developed	15,529.58	-	-	4,709.39	1,332.54	-	9,487.65
- Acquired	13,547.46	1,416.27	0.19	10,769.14	1,770.24	36.12	2,460.28
Technical knowhow							
- Developed	38,184.96	932.44	223.14	15,177.12	3,752.80	101.44	20,065.78
- Acquired	26,851.30	95.72	-	10,601.02	2,650.09	(35.93)	13,659.98
<b>TOTAL</b>	<b>94,113.30</b>	<b>2,444.43</b>	<b>223.33</b>	<b>41,256.67</b>	<b>9,505.67</b>	<b>101.63</b>	<b>45,673.69</b>
<b>Intangible assets under development</b>							<b>5,034.08</b>

### Notes:

- Additions to Intangible assets and Intangible assets under development include:
  - Exchange (gain) / loss on specific loans aggregating to ₹ 193.78 lakhs (March 2014: ₹ 520.96 lakhs) capitalised as under :  
Software ₹ 278.42 lakhs (March 2014: ₹ 284.04 lakhs), Technical Knowhow ₹ 7.81 lakhs (March 2014: ₹ 10.17 lakhs), Intangible assets under development ₹ (92.45) lakhs (March 2014: ₹ 226.75 lakhs).
  - Borrowing cost capitalised during the year: Intangible assets Nil (March 2014: ₹ 310.18 lakhs) and Intangible assets under development ₹ 41.59 lakhs (March 2014: ₹ 72.56 lakhs).
  - Other expenses capitalised ₹ 363.11 lakhs (March 2014: ₹ 3,180.23 lakhs) - Refer Notes 2.3 and 2.6 to the Financial Statements.
- Intangible assets under development amounting to Nil (2014: ₹ 1,060.34 lakhs) has been written off during the year and included under Research and Development under Note 2.6 'Other Expenses' to the Financial Statements.

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1.12 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(2013-14) ₹ Lakhs

DESCRIPTION	GROSS BLOCK (COST / VALUATION)				DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK	
	01.04.2013	Additions / Adjustments	Disposals	31.03.2014	Upto 31.03.2013	Charge during the year	Disposals / Adjustments	Upto 31.03.2014	31.03.2014
Computer software									
- Developed	15,162.42	367.16	-	15,529.58	3,380.40	1,328.99	-	4,709.39	10,820.19
- Acquired	12,994.87	552.59	-	13,547.46	8,726.52	2,042.62	-	10,769.14	2,778.32
Technical knowhow									
- Developed	35,554.51	2,685.03	54.58	38,184.96	10,901.40	4,292.26	16.54	15,177.12	23,007.84
- Acquired	13,449.01	13,402.29	-	26,851.30	8,772.39	1,828.63	-	10,601.02	16,250.28
<b>TOTAL</b>	<b>77,160.81</b>	<b>17,007.07</b>	<b>54.58</b>	<b>94,113.30</b>	<b>31,780.71</b>	<b>9,492.50</b>	<b>16.54</b>	<b>41,256.67</b>	<b>52,856.63</b>
<b>Intangible assets under development</b>									<b>2,639.69</b>



# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

		As at March 31, 2015			As at March 31, 2014		
		Associates	Others	Total	Associates	Others	Total
<b>1.13 NON-CURRENT INVESTMENTS</b>							
<b>LONG TERM INVESTMENTS</b>							
<b>I) Trade Investments</b>							
<b>A) Investment in Equity Instruments</b>							
<b>a) Equity Shares of ₹ 10 each</b>							
Ashok Leyland Defence Systems Limited							
Cost of Acquisition (including goodwill of ₹1.59 lakhs)		1.76			1.76		
Add : Group share of Profits		2.01			1.93		
Carrying amount of Investment		3.77		3.77	3.69		3.69
Ashley Aviation Limited							
Cost of Acquisition (including goodwill of ₹112.38 lakhs)		196.00			196.00		
Less : Group share of Losses		196.00			196.00		
Carrying amount of Investment		-		-	-		-
Hinduja Foundries Limited - 5,405,793 (2014: 5,405,793) shares #			2,421.26	2,421.26		2,421.26	2,421.26
Ashok Leyland Wind Energy Limited - 3,457,000 shares			1,495.84			-	
Less: Provision for diminution in value of investment			1,019.47			-	
Carrying amount of Investment			476.37	476.37		-	-
<b>b) Equity shares of Srilankan Rupees 10 each</b>							
Lanka Ashok Leyland, PLC							
Cost of Acquisition (including goodwill of ₹21.45 lakhs)		57.46			57.46		
Add : Group share of Profits		2,798.98			2,361.86		
Less: Dividend Income		23.43			-		
Carrying amount of Investment		2,833.01		2,833.01	2,419.32		2,419.32
<b>c) Equity shares of UAE Dirhams of 1000 each</b>							
Ashok Leyland (UAE) LLC							
Cost of Acquisition (including goodwill of ₹1,509.59 lakhs)		5,407.91			5,407.91		
Less : Group share of Losses		123.10			469.44		
Carrying amount of Investment		5,284.81		5,284.81	4,938.47		4,938.47
<b>Total Investment in Equity Instruments (net)</b>	<b>A</b>	<b>8,121.59</b>	<b>2,897.63</b>	<b>11,019.22</b>	<b>7,361.47</b>	<b>2,421.26</b>	<b>9,782.73</b>
<b>B) Investment in Preference Shares</b>							
<b>6% Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each</b>							
Ashley Aviation Limited - 1,800,000 (2014: 1,800,000) shares		180.00		180.00	180.00		180.00
<b>10% Cumulative Non-Convertible Redeemable Preference shares of ₹ 100 each</b>							
Hinduja Foundries Limited - 1,500,000 (2014: 1,500,000) shares			1,500.00	1,500.00		1,500.00	1,500.00
<b>6% Cumulative Non-Convertible Redeemable Preference shares of ₹ 100 each, paid up value of ₹ 66.67 per share</b>							
Hinduja Foundries Limited - 1,000,000 (2014: 1,000,000) shares			666.67	666.67		666.67	666.67
<b>9% Cumulative Non-Convertible Redeemable Preference shares of ₹ 100 each</b>							
Hinduja Foundries Limited - 30,000,000 (2014: 30,000,000) shares			30,000.00	30,000.00		30,000.00	30,000.00
<b>Total Investment in Preference Shares</b>	<b>B</b>	<b>180.00</b>	<b>32,166.67</b>	<b>32,346.67</b>	<b>180.00</b>	<b>32,166.67</b>	<b>32,346.67</b>
<b>Total - Trade Investments (net)</b>	<b>C=A+B</b>	<b>8,301.59</b>	<b>35,064.30</b>	<b>43,365.89</b>	<b>7,541.47</b>	<b>34,587.93</b>	<b>42,129.40</b>

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

		As at March 31, 2015			As at March 31, 2014		
		Associates	Others	Total	Associates	Others	Total
<b>1.13 NON-CURRENT INVESTMENTS (CONTINUED)</b>							
<b>II) Other Investments</b>							
<b>A) Investment in Equity Instruments</b>							
<b>a) Equity shares of ₹ 10 each</b>							
Mangalam Retail Services Limited							
Cost of Acquisition (including goodwill of ₹0.50 lakhs)		4.47			-		
Add : Group share of Profits		0.52			-		
Carrying amount of Investment		4.99		4.99	-		-
Chennai Willingdon Corporate Foundation Cost ₹900 - 100 (2014: 100) shares			-	-		-	-
Hinduja Energy (India) Limited - 61,147,058 (2014: 61,147,058) shares			18,711.00	18,711.00		18,711.00	18,711.00
Hinduja Global Solutions Limited - 5,079 (2014: 5,079) shares #			12.45	12.45		12.45	12.45
Hinduja Ventures Limited - 5,079 (2014: 5,079) shares #			16.24	16.24		16.24	16.24
IndusInd Bank Limited - 5,063,923 (2014: 5,063,923) shares #			3,811.40	3,811.40		3,811.40	3,811.40
<b>b) Equity shares of ₹ 100 each</b>							
Opulent Ventures Private Limited - 1,300 (2014: 2,600) shares			0.65	0.65		1.30	1.30
<b>c) Equity shares of ₹ 100 each partly paid-up</b>							
Adyar Property Holding Co. Limited (₹ 65 paid up) - 300 (2014: 400) shares			0.20	0.20		0.26	0.26
<b>d) Equity Shares of ₹ 2 each</b>							
Hinduja Properties Limited - 747,960 (2014: 747,960) shares			56.94	56.94		56.94	56.94
<b>B) Investment in Government Securities</b>							
National Savings Certificate of the face value of ₹ 0.50 lakh			0.50	0.50		0.50	0.50
<b>C) Investment in Debentures or Bonds</b>							
<b>Non convertible redeemable bonds of ₹ 10 Lakhs each</b>							
ICICI Bank Limited - 20 (2014 : 20) bonds #			200.56	200.56		200.56	200.56
Investments in debentures (held by Vehicle financing)			10,664.18	10,664.18		541.67	541.67
<b>D) Investment in pass-through securities (held by Vehicle financing)</b>			3,792.07	3,792.07		3,536.74	3,536.74
<b>Total - Other Investments</b>	<b>D</b>	<b>4.99</b>	<b>37,266.19</b>	<b>37,271.18</b>	<b>-</b>	<b>26,889.06</b>	<b>26,889.06</b>
<b>Total Non-Current Investments</b>	<b>E=C+D</b>	<b>8,306.58</b>	<b>72,330.49</b>	<b>80,637.07</b>	<b>7,541.47</b>	<b>61,476.99</b>	<b>69,018.46</b>
<b>Notes</b>							
1. Investments are fully paid-up unless otherwise stated.							
2. “#” represents quoted investments							
Cost of quoted investments				6,461.91			6,461.91
Market value of quoted investments				46,750.07			27,311.31
Cost of unquoted investments				75,194.63			62,556.55

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.14 LONG-TERM LOANS AND ADVANCES</b>		
a) Capital Advances		
i) Unsecured, considered good	1,048.46	4,373.06
ii) Unsecured, considered doubtful	22.90	1.00
Less: Provision	22.90	1.00
	1,048.46	4,373.06
b) Security Deposits - Unsecured, considered good	6,387.79	2,566.28
c) Loans and advances to Related Parties		
[Refer Note 3.5 to the Consolidated Financial Statements]		
Unsecured, considered good		
i. Long term monetary assets in foreign currency	-	6,292.64
ii. Others	6,463.00	6,559.51
d) Balances with customs, port trust, central excise etc.		
Unsecured, considered doubtful	1,428.06	1,428.06
Less: Provision	1,428.06	1,428.06
	-	-
e) Other Loans and Advances		
- Secured, considered good unless otherwise stated		
i) Receivables under financing activities	311,106.60	151,913.13
ii) Receivables under financing activities (doubtful)*	1,469.51	6,341.74
iii) Debenture Application money	-	4,400.00
	312,576.11	162,654.87
- Unsecured, considered good unless otherwise stated		
i) Material advance (doubtful)	4.27	4.27
ii) Employee advances	265.44	392.49
iii) VAT Credit	29,811.19	32,869.76
iv) Sales tax paid under protest	11,893.21	4,682.10
v) Advance Income tax (net)	4,078.60	9,857.92
vi) MAT Credit entitlement	42,889.56	33,671.97
vii) Receivables under financing activities (doubtful)*	359.30	-
viii) Other advances	9,621.67	7,430.92
ix) Other advances (doubtful)	13.24	13.24
	98,936.48	88,922.67
Less : Provision	17.51	17.51
	98,918.97	88,905.16
	<b>425,394.33</b>	<b>271,351.52</b>
* Considered for provisioning under NBFC guidelines.		
Of the above,		
Due from Directors / Officers	5.45	0.01
<b>1.15 OTHER NON CURRENT ASSETS</b>		
a) Long-term trade receivables		
- Unsecured considered good	23.46	32.90
b) Unamortised loan raising expenses	1,143.95	1,439.72
c) Earmarked bank balance in escrow account	-	1,845.65
(Receivable in respect of sale of Long term investment)		

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
d) Bank deposits held as security (Cash collateral towards securitisation/ assignment of receivables relating to vehicle financing)	10,933.19	22,833.64
e) Receivable on sale of an undertaking of the Company's windmill business	786.54	-
f) Bank Balance in deposit accounts	74.39	65.00
	<b>12,961.53</b>	<b>26,216.91</b>
<b>1.16 CURRENT INVESTMENTS</b>		
UNQUOTED		
a) Trade Investments		
Carrying value of Trade Investments (unquoted) held for sale		
i) Ownership interest in share capital in Czech koruna		
- Avia Ashok Leyland Motors s.r.o.* - Nil (2014: 100%) share	-	159.60
ii) Equity Shares of ₹ 10 each		
- Albonair (India) Private Limited - 1,00,00,000 (2014: 1,00,00,000) shares	2,114.80	2,114.80
iii) Equity Shares of Euro 1 each		
- Albonair GmbH - 4,24,95,000 (2014: 3,93,67,000) shares	38,730.40	36,163.08
b) Non-trade Investments		
i) Investments in debentures	16,849.58	458.34
ii) Investments in pass through securities	11,605.51	8,542.24
	<b>69,300.29</b>	<b>47,438.06</b>
* The carrying value of ownership interest in Avia Ashok Leyland Motors s.r.o. is net of diminution in its value aggregating Nil (₹24,996.46 lakhs provided upto March 31, 2014)		
<b>1.17 INVENTORIES</b>		
a) Raw materials and Components (including patterns and dies)	76,615.59	66,298.48
b) Work-in-progress	7,002.74	11,510.56
c) Finished goods	49,774.56	47,224.37
d) Stock-in-trade - Traded goods		
i) Engines	-	205.98
ii) Commercial vehicles	3,718.08	4,138.38
iii) Spare parts and auto components (including works made)	19,843.50	16,186.63
e) Stores, spares and consumable tools	8,625.47	8,819.45
f) Certified Emission Rights (CER's)	-	21.10
	165,579.94	154,404.95
Less: Provision for non-moving inventory (Refer Note 3.13 to the Consolidated Financial Statements)	8,935.05	-
	<b>156,644.89</b>	<b>154,404.95</b>
<b>Notes:</b>		
1) Goods in transit included under the above heads are as below:		
a) Raw Materials and components	2,990.50	899.78
b) Stock-in-trade - Traded goods		
(i) Commercial Vehicles	455.89	90.47
(ii) Spares parts and auto components (including works made)	253.40	102.91
2) Certified Emission Rights:		
a) Number of CER's held : Nil (2014: 57,985) Nos		
b) Number of CER's under certification: Nil (2014: 30,000) Nos		

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>1.18 TRADE RECEIVABLES</b>		
Trade Receivables - Unsecured		
i) Considered good	135,377.11	138,108.69
ii) Considered doubtful	948.95	986.76
	136,326.06	139,095.45
Less: Provision	948.95	986.76
	<b>135,377.11</b>	<b>138,108.69</b>
Age analysis of trade receivables		
Outstanding for more than six months from the date they are due	25,305.66	9,186.63
Others	110,071.45	128,922.06
	<b>135,377.11</b>	<b>138,108.69</b>
<b>1.19 CASH AND BANK BALANCES</b>		
<b>a) Cash and Cash Equivalents</b>		
i) Balances with Banks in - Current account	53,391.82	5,171.09
ii) Cheques, drafts on hand	2,532.86	128.15
iii) Cash and stamps on hand	44.25	4,391.33
iv) In Deposit accounts *	29,851.21	946.74
	85,820.14	10,637.31
<b>b) Earmarked accounts</b>		
i) Unclaimed Dividend accounts	590.28	659.59
ii) In Deposit accounts	82.71	3.57
iii) Margin money against bank guarantee	15.65	41.06
	688.64	704.22
<b>c) Other Bank Balances</b>		
In Deposit accounts #	4,000.00	-
	<b>90,508.78</b>	<b>11,341.53</b>
* This represents deposits with original maturity of less than or equal to 3 months.		
# This represents deposits with original maturity of more than 3 months.		
<b>1.20 SHORT-TERM LOANS AND ADVANCES</b>		
Secured, considered good unless otherwise stated		
a) Receivables under financing activities	152,892.24	145,654.88
b) Receivables under financing activities (doubtful)*	19,906.78	6,080.49
c) Debenture Application money	-	4,400.00
Unsecured, Considered Good		
a) Loans and advances to related parties		
[Refer Note 3.5 to the Consolidated Financial Statements]		
i) Current portion of Long term monetary assets in foreign currency	23.43	-
ii) Others	2,193.73	1,345.49
b) Receivables under financing activities	2,205.99	-
c) Security deposit	308.35	338.22
d) Employee advances	1,935.26	1,793.26
e) Material advances	14,165.54	17,699.75
f) Balances with customs, port trust, central excise etc.	14,583.33	9,918.81
g) Others	50,720.37	27,574.46

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2015	As at March 31, 2014
	₹ Lakhs	₹ Lakhs
Unsecured, Considered doubtful		
a) Balances with customs, port trust, central excise etc.	4,507.02	-
b) Receivables under financing activities*	1,993.48	-
Less: Provision for doubtful advances	4,507.02	-
	1,993.48	-
	<b>260,928.50</b>	<b>214,805.36</b>
* Considered for provisioning under NBFC guidelines.		
<b>Notes :</b>		
1 Due from Directors / Officers	2.14	0.05
2 Others include		
- VAT credit, Service tax and Entry tax	13,637.11	7,545.25
- Intercompany Deposits	-	3,000.00
- Sales tax	147.83	2,711.51
- Prepaid expenses	11,241.46	1,534.85
- Dealer trade advances under vehicle financing activities	19,702.48	3,402.55
<b>1.21 OTHER CURRENT ASSETS</b>		
a) Interest accrued :		
- Loans and advance to Related Parties	-	552.35
[Refer Note 3.5 to the Consolidated Financial Statements]		
- On Vehicle Financing activities	463.05	-
- Others	280.67	80.22
b) Export incentive receivables	7,363.35	5,153.97
c) Current portion of unamortised loan raising expenses	409.35	435.83
d) Foreign exchange gain / (loss) on Forward Contracts - net	472.72	-
e) Earmarked Bank Balance in Escrow account (Receivable in respect of sale of long-term investment)	1,709.02	-
f) Net assets of Automotive Infotronics (under liquidation)	1,317.12	1,308.90
g) Repossessed assets (at realizable value)	11,328.31	12,608.19
h) Assets held for sale [net of provision ₹37,927.62 lakhs (2014: Nil)]	-	-
[Refer Note 3.13 to the Consolidated Financial Statements]		
i) Receivable on sale of immovable properties	20,000.00	10,623.04
j) Unbilled revenue	631.77	1,331.73
k) Other Receivables	36.21	730.48
	<b>44,011.57</b>	<b>32,824.71</b>

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year Ended March 31, 2015	Year Ended March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>2.1 REVENUE FROM OPERATIONS</b>		
a) Sale of products		
- Commercial Vehicles		
Manufactured	1,224,127.62	861,588.59
Traded	130,077.99	105,873.08
- Construction Equipment	2,180.77	3,642.47
- Engines and Gensets	36,214.26	52,364.97
- Spare parts and others	143,896.54	127,769.97
(A)	<b>1,536,497.18</b>	<b>1,151,239.08</b>
b) Revenue from services (B)	<b>38,919.45</b>	<b>28,276.40</b>
c) Other operating revenues		
- Contract manufacturing	1,182.18	1,269.80
- Export Incentives	7,379.00	4,473.69
- Scrap sales	9,071.07	7,254.55
- Others	64.30	2,252.36
(C)	<b>17,696.55</b>	<b>15,250.40</b>
d) Interest / Finance income relating to Vehicle Financing activities (D)	69,171.72	51,581.58
e) Income from energy generated (E)	1,916.14	2,338.25
(A+B+C+D+E)	<b>1,664,201.04</b>	<b>1,248,685.71</b>
Less: Commission, rebate and discounts	36,729.78	37,247.82
	<b>1,627,471.26</b>	<b>1,211,437.89</b>
<b>2.2 OTHER INCOME</b>		
a) Interest income from		
i. Long-term investments	3,068.71	2,202.72
ii. Others, including bills discounting	4,750.75	1,919.27
	<b>7,819.46</b>	<b>4,121.99</b>
b) Dividend income from		
i. Current investments	148.66	149.15
ii. Long-term investments	179.27	441.25
	<b>327.93</b>	<b>590.40</b>
c) Profit on sale of current investments	308.25	-
d) Other non-operating income		
i. Cash discount earned	2,015.82	352.29
ii. Profit on sale of fixed assets - net	296.43	954.23
iii. Foreign exchange gain - net	4,183.76	-
iv. Others	3,931.07	3,226.03
	<b>10,427.08</b>	<b>4,532.55</b>
	<b>18,882.72</b>	<b>9,244.94</b>

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended March 31, 2015	Year ended March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>2.3 EMPLOYEE BENEFITS EXPENSE</b>		
a) Salaries, wages and bonus	126,617.48	110,399.75
b) Contribution to provident, gratuity and other funds	9,827.82	10,144.02
c) Expense on Employee stock option scheme	171.00	-
d) Welfare expenses	17,197.52	15,210.11
	<b>153,813.82</b>	<b>135,753.88</b>
Less: Employee expenses capitalised	202.81	1,195.55
	<b>153,611.01</b>	<b>134,558.33</b>
<b>2.4 FINANCE COSTS</b>		
a) Interest Expense	40,505.07	47,187.73
b) Interest relating to Vehicle financing	40,053.69	28,626.04
c) Other borrowing costs	6,712.11	6,113.85
	<b>87,270.87</b>	<b>81,927.62</b>
Less: Interest cost capitalised	41.59	1,378.80
	<b>87,229.28</b>	<b>80,548.82</b>
<b>Note:</b>		
Other borrowing costs include:		
- Loan raising expenses amortised	468.56	509.53
- Premium on forward contracts amortised	608.86	2,331.25
- Bill discounting charges	5,250.74	3,036.43
<b>2.5 DEPRECIATION / AMORTISATION EXPENSE</b>		
<b>A) Tangible assets</b>		
(i) Buildings	5,491.55	5,413.89
(ii) Plant and machinery	39,016.20	34,072.51
(iii) Furniture and fittings	1,165.56	1,234.86
(iv) Vehicles and aircrafts	1,304.87	1,277.06
(v) Office equipment	2,578.56	2,611.54
(vi) Assets given on lease		
- Buildings	21.61	21.34
- Plant and Machinery	0.28	0.28
- Furniture and fittings	10.82	11.11
- Office equipment	1.91	2.00
(vii) Electrical and other installations on lease hold premises	56.52	8.04
(viii) Improvements on Leased Building	23.82	33.00
	<b>49,671.70</b>	<b>44,685.63</b>
Less: Transfer from Revaluation reserve	1,186.18	1,181.62
<b>Total on Tangible assets (A)</b>	<b>48,485.52</b>	<b>43,504.01</b>



# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		Year ended March 31, 2015	Year ended March 31, 2014
		₹ Lakhs	₹ Lakhs
<b>2.5 DEPRECIATION / AMORTISATION EXPENSE</b>			
<b>B) Intangible assets</b>			
(i) Computer software			
- Developed		1,332.54	1,328.99
- Acquired		1,770.24	2,042.62
(ii) Technical knowhow			
- Developed		3,752.80	4,292.26
- Acquired		2,650.09	1,828.63
<b>Total on Intangible assets (B)</b>		<b>9,505.67</b>	<b>9,492.50</b>
<b>Total (A + B)</b>		<b>57,991.19</b>	<b>52,996.51</b>
<b>Note:</b>			
Depreciation on Plant and Machinery includes:			
- Impairment charge		349.16	266.78
<b>2.6 OTHER EXPENSES</b>			
(a) Consumption of stores and tools		6,567.26	6,058.66
(b) Power and fuel		9,177.71	7,207.96
(c) Rent		5,072.94	5,772.16
(d) Repairs and maintenance			
- Buildings		4,265.69	2,451.51
- Plant and machinery		10,537.75	9,795.60
(e) Insurance		1,115.62	1,283.32
(f) Rates and taxes, excluding taxes on income		4,784.08	1,772.66
(g) Selling and administration expenses - net		43,324.63	46,493.59
(h) Service and product warranties		18,377.31	16,229.26
(i) Packing and forwarding charges		40,762.31	30,954.17
(j) Annual Maintenance Contracts		13,821.87	12,628.20
(k) Research and development		4,611.64	9,758.13
(l) Bad and doubtful debts / advances provided / written-off (Net of recovery)		4,977.51	982.07
(m) Service provider fees		3,126.94	151.43
(n) Communication, printing and stationery		661.20	660.28
(o) Provisions/Write off relating to financing activities		13,478.42	7,849.81
		<b>184,662.88</b>	<b>160,048.81</b>
Less: Expenses capitalised		160.30	1,984.68
		<b>184,502.58</b>	<b>158,064.13</b>
<b>Notes:</b>			
1. Rent includes amortisation of cost / value of leasehold land and land given on lease ₹ 629.16 lakhs (2014: ₹ 523.69 lakhs) as reduced by transfer of ₹334.27 lakhs (2014: ₹ 334.27 lakhs) from Revaluation reserve.		294.89	189.42
2. Selling and administration expenses include:			
- Directors' sitting fees		49.60	19.80
- Commission to Non Whole-time Directors		230.00	-

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended March 31, 2015	Year ended March 31, 2014
	₹ Lakhs	₹ Lakhs
<b>2.7 EXCEPTIONAL ITEMS</b>		
a) Profit (net) from divestment of windmill business comprising of:		
- Profit on sale of an undertaking of the Company's windmill business	5,951.09	-
- Loss on sale of Long-term investments in Ashok Leyland Wind Energy Limited	(4,434.51)	-
	<b>1,516.58</b>	-
b) Profit on sale of other Long-term investments		
- IndusInd Bank Limited	-	30,133.85
- Defiance Testing and Engineering Services Inc., USA	-	7,830.78
- Others	-	0.47
	-	<b>37,965.10</b>
c) Profit on sale of Current investments		
- Avia Ashok Leyland Motors s.r.o. (net of diminution of ₹ 24,996.46 lakhs provided in earlier years)	27.55	-
d) Diminution in the value of Long-term investments		
- Ashok Leyland Wind Energy Limited	(1,019.47)	-
- Avia Ashok Leyland Motors s.r.o.	-	(487.66)
	<b>(1,019.47)</b>	<b>(487.66)</b>
e) Provision for loss relating to certain products of a subsidiary [Refer Note 3.13 to the Consolidated Financial Statements]	(60,888.64)	-
f) Voluntary Retirement Scheme	-	(4,694.42)
g) Profit on sale of immovable properties	30,832.37	19,294.39
	<b>30,832.37</b>	<b>14,599.97</b>
	<b>(29,531.61)</b>	<b>52,077.41</b>

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 3.1 Basis of consolidation

3.1.1 The Consolidated Financial Statements relate to Ashok Leyland Limited (the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together constitute "the Group"), its associates and jointly controlled entities.

## 3.1.2 Principles of consolidation

- The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements", Accounting Standard 23 (AS 23) "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) "Financial Reporting of Interests in Joint Ventures" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- The Consolidated Financial Statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the Consolidated Financial Statements as Goodwill or Capital Reserve (net) as the case may be.
- The difference between the proceeds from the disposal of investments in the subsidiary and the carrying amount of its assets and liabilities as on the date of disposal is recognised as profit or loss on disposal of investments in the subsidiary in the Consolidated Statement of Profit and Loss.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Holding Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- The following subsidiary companies are considered in the Consolidated Financial Statements

S.No.	Name of the subsidiary company	Country of Incorporation	% of ownership interest	% of ownership interest
			31-Mar-15	31-Mar-14
Direct subsidiaries				
1	Hinduja Tech Limited (formerly Defiance Technologies Limited) and its subsidiaries	India	62.00%	100.00%
2	Hinduja Leyland Finance Limited	India	57.51%	65.84%
3	Ashok Leyland Nissan Vehicles Limited	India	51.00%	51.00%
4	Global TVS Bus Body Builders Limited (Formerly known as Irizar TVS Limited) [w.e.f. December 10, 2013]	India	66.67%	61.67%
5	Ashok Leyland Wind Energy Limited (Ceased to be subsidiary w.e.f. January 5, 2015)	India	-	60.00%
6	Gulf Ashley Motor Limited	India	91.62%	91.53%
7	Optare PLC UK and its subsidiaries	UK	75.11%	75.11%
8	Ashok Leyland (UK) Limited	UK	100.00%	100.00%
9	Ashok Leyland (Nigeria) Limited	Nigeria	100.00%	100.00%
10	Ashok Leyland (Chile) Limited	Chile	100.00%	100.00%
11	Mangalam Retail Services Limited (Ceased to be subsidiary w.e.f February 18, 2015)	India	-	74.94%
12	HLF Services Limited	India	84.22%	84.22%

The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Holding Company i.e. year ended March 31, 2015.

Albonair GmbH and Albonair (India) Private Limited (subsidiaries of the Holding Company) have been "held for sale" and therefore, not considered for the preparation of the Consolidated Financial Statements.

- The following Joint Venture companies are considered in the consolidated financial statements

S.No.	Name of the joint venture	Country of Incorporation	% of ownership interest	% of ownership interest
			31-Mar-15	31-Mar-14
1	Ashley Alteams India Limited	India	50.00%	50.00%
2	Ashok Leyland John Deere Construction Equipment Company Private Limited	India	50.00%	50.00%
3	Automotive Infotronics Limited (under liquidation) *	India	50.00%	50.00%
4	Nissan Ashok Leyland Powertrain Limited	India	49.00%	49.00%
5	Nissan Ashok Leyland Technologies Limited	India	50.00%	50.00%

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial statements of the joint venture companies have been combined by using proportionate consolidation in accordance with Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint ventures". The financial statements of the joint ventures used in the consolidation are drawn upto the same reporting date as of the Holding Company i.e. year ended March 31, 2015.

\*The operations of Automotive Infotronics Limited (under liquidation) are not significant in relation to the Group's business.

- h The following associates have been considered in the preparation of Consolidated Financial Statements of the Group in accordance with Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements"

S.No.	Name of the Associate	Country of Incorporation	% of ownership interest	% of ownership interest
			31-Mar-15	31-Mar-14
1	Ashok Leyland Defence Systems Limited	India	26.00%	26.00%
2	Mangalam Retail Services Limited (w.e.f February 18, 2015)	India	37.51%	-
3	Ashley Aviation Limited	India	49.00%	49.00%
4	Ashok Leyland (UAE) LLC	UAE	49.00%	49.00%
5	Lanka Ashok Leyland Plc	Sri Lanka	27.85%	27.85%

The financial statements of the associates used in the consolidation are drawn upto the same reporting date as of the Holding Company i.e. year ended March 31, 2015.

## 3.1.3 Additional Information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries, Joint Ventures and Associates

Sl. No	Name of the Entity	Net Assets		Share in Profit or Loss	
		As a % of Consolidated Net Assets	Amount ₹ Lakhs	As a % of Consolidated Profit or (Loss)	Amount ₹ Lakhs
	<b>Parent Company</b>				
1	Ashok Leyland Limited	113.47	511,869.38	250.06	33,480.60
	<b>Indian Subsidiaries</b>				
2	Hinduja Tech Limited and its subsidiaries (Formerly Defiance Technologies Limited)	1.42	6,412.48	(5.84)	(781.88)
3	Hinduja Leyland Finance Limited	20.33	91,713.16	83.06	11,121.18
4	Ashok Leyland Nissan Vehicles Limited	(6.94)	(31,305.21)	(590.91)	(79,116.78)
5	Global TVS Bus Body Builders Limited (Formerly Irizar TVS Limited)	0.65	2,949.06	6.03	807.96
6	Gulf Ashley Motor Limited	0.45	2,035.56	0.94	125.60
7	HLF Services Limited	0.03	122.13	0.25	33.36
8	Ashok Leyland Wind Energy Limited (ceased to be a subsidiary w.e.f January 5, 2015)	-	-	0.68	91.05
	<b>Foreign Subsidiaries</b>				
9	Ashok Leyland (UK) Limited	0.01	55.92	(0.18)	(24.75)
10	Ashok Leyland (Nigeria) Limited	0.04	180.48	0.41	55.15
11	Ashok Leyland (Chile) Limited	(0.02)	(78.23)	(1.54)	(206.04)
12	Optare PLC UK and its subsidiaries	(4.80)	(21,660.00)	(22.39)	(2,997.72)
13	Mangalam Retail Services Limited (ceased to be a subsidiary w.e.f February 18, 2015)	-	-	-	-
	<b>Minority Interest in all subsidiaries</b>	(5.83)	(26,314.86)	252.91	33,861.98
	<b>Associates (Investment as per the equity method)</b>				
	<b>Indian</b>				
14	Ashley Aviation Limited	-	-	-	-
15	Ashok Leyland Defence Systems Limited	0.00	3.77	0.00	0.08
16	Mangalam Retail Services Limited (w.e.f February 18, 2015)	0.00	4.99	(0.00)	(0.21)
	<b>Foreign</b>				
17	Ashok Leyland (UAE) LLC	1.17	5,284.81	3.74	500.97
18	Lanka Ashok Leyland PLC	0.63	2,833.01	3.16	423.60

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Sl. No	Name of the Entity	Net Assets		Share in Profit or Loss	
		As a % of Consolidated Net Assets	Amount ₹ Lakhs	As a % of Consolidated Profit or (Loss)	Amount ₹ Lakhs
	<b>Joint Ventures (as per proportionate consolidation)</b>				
	<b>Indian</b>				
19	Ashley Alteams India Limited	0.12	528.33	(4.10)	(549.36)
20	Ashok Leyland John Deere Construction Equipment Company Private Limited	1.03	4,658.44	(22.07)	(2,955.26)
21	Automotive Infotronics Limited (under Liquidation)	0.29	1,317.12	0.06	8.22
22	Nissan Ashok Leyland Powertrain Limited	1.28	5,755.38	(2.30)	(308.35)
23	Nissan Ashok Leyland Technologies Limited	(1.55)	(6,994.67)	(7.31)	(978.41)
	<b>Sub Total</b>	121.78	549,371.05	(55.34)	(7,409.01)
	Less: Effect of intercompany adjustments / eliminations	21.78	98,240.49	(155.34)	(20,798.02)
	<b>Total</b>	100.00	451,130.56	100.00	13,389.01

Notes:

1. Albonair GmbH and Albonair (India) Private Limited (subsidiaries of the Holding Company) have been "held for sale" and therefore, not considered for the preparation of the Consolidated Financial Statements.
2. Net Assets and Share in Profit or Loss for Parent Company, Subsidiaries, and Joint Ventures are as per the Standalone Financial Statements of the respective entities.

		As at March 31, 2015	As at March 31, 2014
		₹ Lakhs	₹ Lakhs
<b>3.2</b>	<b>Contingent liabilities and Commitments</b>		
A	Contingent liabilities		
a)	Claims against the Group and the jointly controlled entities not acknowledged as debts (net)		
i)	Sales tax	22,148.84	11,680.60
ii)	Excise duty, Service tax, Customs duty and Others	3,930.20	2,458.83
	These have been disputed by the Group and the jointly controlled entities on account of issues of applicability and classification.		
b)	Corporate Guarantees given to others	171.91	158.44
	Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.		
B	Commitments		
a)	Capital commitments (net of advances) not provided for [including ₹ 625.29 lakhs (2014: ₹ 1,791.98 lakhs in respect of Intangible assets)]	9,781.70	9,169.00
b)	Uncalled Liability on Partly paid shares / investments	0.11	0.14
c)	Export obligation under EPCG scheme	4,348.40	82,266.09
d)	Other commitments		
i)	Financial support given to certain subsidiaries, joint ventures, etc.		
ii)	Lock-in commitment in shareholders agreement		
	The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.		

## 3.3 Earnings per share

		31 - March - 15	31 - March - 14
Profit/ (Loss) after tax as per Consolidated Statement of Profit and Loss (₹ lakhs)	( A )	13,389.01	(16,412.24)
Weighted average number of equity shares outstanding	( B )	2,798,181,292	2,660,676,634
Basic and Diluted earnings per share (Face value ₹ 1) (in ₹)	( A / B )	0.48	(0.62)

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 3.4 Segment information

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Accounting Standard 17. The Group is principally engaged in a single business segment viz., automotive segment including financial services and vehicle engineering services thereof.

## 3.5 Related party disclosure

### a) List of parties where control exists

#### *Holding Company*

Hinduja Automotive Limited, United Kingdom

Machen Holdings SA

*(Holding Company of Hinduja Automotive Limited, United Kingdom)*

Machen Development Corporation, Panama

*(Holding Company of Machen Holdings SA)*

Amas Holdings SA

*(Holding Company of Machen Development Corporation, Panama)*

#### *Subsidiaries held for sale*

Albonair (India) Private Limited

Albonair GmbH

Avia Ashok Leyland Motors s.r.o. .... sold on March 28, 2015

### b) Other related parties

#### *Fellow subsidiaries*

Hinduja Foundries Limited ..... upto January 29, 2014

Hinduja Auto Components Limited

Hinduja Automotive (UK) Limited

Gulf Oil Lubricants India Limited ..... from April 2, 2014

#### *Associates*

Ashley Airways Limited (under liquidation)

Ashley Aviation Limited

Ashok Leyland Defence Systems Limited

Ashok Leyland (UAE) LLC

Lanka Ashok Leyland PLC

Global TVS Bus Body Builders Limited (formerly known as Irizar TVS Limited) ..... upto December 9, 2013

Mangalam Retail Services Limited ..... from February 18, 2015

#### *Joint Ventures*

Ashley Alteams India Limited

Automotive Infotronics Limited (under liquidation)

Ashok Leyland John Deere Construction Equipment Company Private Limited

Nissan Ashok Leyland Powertrain Limited

Nissan Ashok Leyland Technologies Limited

#### *Key management personnel*

Mr. Vinod K. Dasari, Managing Director

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 3.5 Related Party disclosure (Continued) c) Related Party Transactions - summary

₹ Lakhs

	Fellow Subsidiary		Associates		Joint Ventures		Holding Company #		Key Management Personnel		Subsidiaries held for sale		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>Transactions during the year ended March 31</b>														
1 Purchase of raw materials, components and traded goods (net of CENVAT / VAT)	6,231.01	9,297.73	195.05	4,075.74	2,058.78	1,367.72	-	-	-	-	1,044.94	1,971.78	9,529.78	16,712.97
2 Sales and Services ( net of excise duties )	-	-	65,844.84	41,430.20	385.59	297.71	-	-	-	-	45.49	283.18	66,275.92	42,011.09
3 Other Operating Income	-	226.77	244.00	10.15	1,225.94	1,641.09	-	-	-	-	-	-	1,469.94	1,878.01
4 Other expenditure incurred / (recovered) (net)	-	67.88	166.12	183.72	22.67	37.75	93.72	97.23	-	-	5.20	180.84	287.71	567.42
5 Reimbursements of expenses	-	-	-	-	23.65	-	6.11	-	-	-	-	-	29.76	-
6 Advance / Current accounts - Net increase / ( decrease )	-	-	200.00	-	4.19	12.75	-	-	-	-	-	97.45	204.19	110.20
7 Interest and other income	-	5.69	-	255.30	10.56	8.14	-	-	-	-	187.53	298.24	198.09	567.37
8 Purchase of Assets	-	-	-	-	-	57.09	-	-	-	-	38.59	583.24	38.59	640.33
9 Dividend income	-	-	-	48.70	-	-	-	-	-	-	-	-	-	48.70
10 Dividend payments	-	-	-	-	-	-	8,138.63	-	0.36	-	-	-	-	8,138.99
11 Remuneration to key management personnel	-	-	-	-	-	-	-	888.11	212.49	-	-	-	888.11	212.49
12 Financial guarantees released	-	3,619.00	-	2,171.40	-	-	-	-	-	-	-	990.54	-	6,780.94
13 Investments in shares of	-	-	-	1,099.76	-	-	-	-	-	-	2,567.32	15,569.78	2,567.32	16,669.54
14 Disposal of investments to	-	-	187.15	14.70	-	-	-	-	-	-	-	-	187.15	14.70
15 Advance given for share capital	-	-	-	-	-	-	-	-	-	-	-	1,395.07	-	1,395.07
16 Loans given	-	1,000.00	-	-	-	-	-	-	-	-	-	12,265.93	-	13,265.93
17 Loans repaid	-	1,000.00	-	-	-	-	-	-	-	-	6,551.80	21,775.98	6,551.80	22,775.98
<b>Balances as on March 31</b>														
1 Trade receivables	-	-	7,564.65	3,227.74	279.13	342.57	-	-	-	-	-	168.48	7,843.78	3,738.79
2 Loans and advances (including interest accrued) **	-	-	60.62	248.31	30.03	251.51	-	-	0.01	0.06	-	6,340.12	90.66	6,840.00
3 Advance for Share Capital **	-	-	-	-	-	-	-	-	-	-	-	1,395.07	-	1,395.07
4 Trade and other payables	359.03	-	2,240.00	908.57	180.74	504.62	6.11	167.26	580.00	-	138.59	342.18	3,504.47	1,922.63

For details of investments as at March 31, 2015 and March 31, 2014, Refer note 1.13 and note 1.16 to the Consolidated Financial Statements

# relates to Hinduja Automotive Limited

\*\* Refer Notes 1.14, 1.20 and 1.21 to the Consolidated Financial Statements

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 3.5 Related Party disclosure (Continued)

₹ Lakhs

	2015	2014
<b>d) Significant Related Party Transactions</b>		
<b>1 Purchase of raw materials, components and traded goods ( net of CENVAT / VAT)</b>		
Hinduja Foundries Limited	-	9,297.73
Global TVS Bus Body Builders Limited	-	3,664.67
Ashley Alteams India Limited	2,036.86	1,207.00
Gulf Oil Lubricants India Limited	6,231.01	-
<b>2 Sales and Services (net of taxes)</b>		
Ashok Leyland (UAE) LLC	36,271.60	21,978.38
Lanka Ashok Leyland plc	29,573.24	19,461.86
<b>3 Other Operating Income</b>		
Hinduja Foundries Limited	-	226.77
Nissan Ashok Leyland Powertrain Limited	1,191.32	1,306.57
Nissan Ashok Leyland Technologies Limited	-	263.52
Ashley Aviation Limited	225.00	225.00
<b>4 Other Expenditure incurred / (recovered) (net)</b>		
Hinduja Foundries Limited	-	67.88
Ashok Leyland Defence Systems Limited	55.48	73.05
Ashley Aviation Limited	58.19	110.67
Albonair GmbH	5.20	180.84
Ashok Leyland (UAE) LLC	52.46	-
<b>5 Advance / Current account - Net increase / (decrease)</b>		
Avia Ashok Leyland Motors s.r.o.	-	97.45
Ashok Leyland John Deere Construction Equipment Company Private Limited	-	43.74
Nissan Ashok Leyland Powertrain Limited	4.19	(30.99)
Lanka Ashok Leyland plc	140.36	-
Ashok Leyland Defence Systems Limited	59.64	-
<b>6 Interest and other income</b>		
Albonair GmbH	-	132.34
Avia Ashok Leyland Motors s.r.o.	187.53	140.48
Albonair (India) Private Limited	-	25.42
Ashley Alteams India Limited	10.56	-
<b>7 Dividend income</b>		
Lanka Ashok Leyland PLC	-	48.70
<b>8 Investment in shares of</b>		
Albonair GmbH	2,567.32	15,085.38
<b>9 Disposal of Investments to</b>		
Ashok Leyland (UAE) LLC	187.15	-
Ashley Airways Limited (under liquidation)	-	14.70
<b>10 Advance given for share capital</b>		
Albonair GmbH	-	1,395.07
<b>11 Loans given</b>		
Albonair GmbH	-	2,795.14
Avia Ashok Leyland Motors s.r.o.	-	9,040.78
<b>12 Loans repaid</b>		
Albonair GmbH	-	15,033.03
Avia Ashok Leyland Motors s.r.o.	6,551.80	6,312.94



# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 3.5 Related Party disclosure (Continued)

₹ Lakhs

	2015	2014
<b>13 Purchase of assets</b>		
Albonair GmbH	-	583.24
Automotive Infotronics Limited (under liquidation)	-	57.09
Avia Ashok Leyland Motors s.r.o.	38.59	-
<b>14 Financial Guarantees released</b>		
Hinduja Foundries Limited	-	3,619.00
Ashok Leyland (UAE) LLC	-	2,171.40
Avia Ashok Leyland Motors s.r.o.	-	990.54
<b>15 Remuneration to key management personnel</b>		
Mr. Vinod K. Dasari	888.11	212.49

## 3.6 Disclosures in respect of Joint Ventures

### a) List of joint ventures

Sl. No.	Name of the Joint Venture	Name of the Business	Proportion of ownership interest as at March 31, 2015	Proportion of ownership interest as at March 31, 2014	Country of residence / Incorporation
1	Ashley Alteams India Limited (AAIL)	Manufacture of aluminum high pressure die castings	50.00%	50.00%	India
2	Ashok Leyland John Deere Construction Equipment Company Private Limited (ALJD)	Manufacture of construction equipment	50.00%	50.00%	India
3	Nissan Ashok Leyland Technologies Limited (NALTL)	Development of related automotive technology	50.00%	50.00%	India
4	Nissan Ashok Leyland Powertrain Limited (NALPL)	Manufacture of engines for Light Commercial Vehicles	49.00%	49.00%	India

### b) Financial interest in jointly controlled entities considered for consolidation (before Inter Company elimination)

₹ Lakhs

Particulars	AAIL		ALJD		NALTL		NALPL	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>EQUITY AND LIABILITIES</b>								
<b>Shareholders' funds</b>								
Share capital	6,500.00	5,750.00	18,606.82	15,356.82	2,602.50	2,602.50	7,402.17	7,402.17
Reserves and surplus	(5,971.66)	(5,470.43)	(13,948.38)	(10,993.12)	(9,597.15)	(8,618.50)	(1,646.78)	(1,338.42)
<b>Non-current liabilities</b>								
Long-term borrowings	2,669.32	4,616.47	1,312.50	2,812.50	8,565.50	8,865.39	1,715.00	1,960.00
Other long term liabilities	-	-	259.87	195.26	-	-	-	-
Long-term provisions	15.93	11.65	72.89	78.30	-	-	-	-
<b>Current liabilities</b>								
Short-term borrowings	1,491.45	609.03	121.96	170.67	-	-	490.00	-
Trade payables	1,844.29	1,728.79	1,333.68	1,220.88	616.86	738.91	2,512.78	2,753.24
Other current liabilities	1,700.38	1,587.26	1,550.43	1,655.26	230.81	320.09	446.38	234.44
Short-term provisions	9.26	3.31	189.63	237.18	57.12	74.11	212.78	150.77
<b>TOTAL</b>	<b>8,258.97</b>	<b>8,836.08</b>	<b>9,499.40</b>	<b>10,733.75</b>	<b>2,475.64</b>	<b>3,982.50</b>	<b>11,132.33</b>	<b>11,162.20</b>

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

Particulars	AAIL		AIJD		NALTL		NALPL	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>								
<b>Non-current assets</b>								
Fixed assets								
Tangible assets	4,592.65	5,639.34	7,255.83	7,599.65	173.71	296.31	3,764.32	4,123.73
Intangible assets	17.98	42.75	3.92	5.79	697.28	1,855.90	-	-
Capital work-in-progress	29.76	31.58	50.33	268.73	-	-	2,027.06	2,022.81
Non-current investments	0.65	1.30	-	-	-	-	-	-
Long-term loans and advances	79.27	69.83	22.14	67.50	249.71	1,106.77	2,143.13	2,514.72
Other non-current assets	3.99	37.28	-	-	-	-	-	-
<b>Current assets</b>								
Inventories	1,229.56	917.48	847.44	1,570.20	-	-	413.15	739.63
Trade receivables	1,787.72	1,583.31	90.01	484.25	1,210.56	411.46	2,536.28	1,563.97
Cash and bank balances	30.94	9.07	539.73	19.80	64.62	88.02	77.85	65.03
Short-term loans and advances	369.01	347.82	685.26	714.37	79.76	224.04	170.54	132.31
Other current assets	117.44	156.32	4.74	3.46	-	-	-	-
<b>TOTAL</b>	<b>8,258.97</b>	<b>8,836.08</b>	<b>9,499.40</b>	<b>10,733.75</b>	<b>2,475.64</b>	<b>3,982.50</b>	<b>11,132.33</b>	<b>11,162.20</b>
<b>INCOME</b>								
Revenue from operations	7,825.17	6,582.39	2,081.90	3,669.91	4,179.27	5,582.19	10,545.38	10,600.57
Less: Excise Duty	(617.54)	(570.49)	(218.50)	(409.17)	-	-	-	-
Revenue from operations (Net)	7,207.63	6,011.90	1,863.40	3,260.74	4,179.27	5,582.19	10,545.38	10,600.57
Other income	12.76	4.44	149.59	28.63	68.00	4.81	309.19	322.02
<b>Total Revenue</b>	<b>7,220.39</b>	<b>6,016.34</b>	<b>2,012.99</b>	<b>3,289.37</b>	<b>4,247.27</b>	<b>5,587.00</b>	<b>10,854.57</b>	<b>10,922.59</b>
<b>Expenses</b>								
Cost of materials consumed	3,909.88	3,409.62	1,176.89	3,291.73	-	-	9,652.57	9,563.52
Purchases of Stock-in-Trade - Traded goods	630.30	267.46	-	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(233.72)	(131.21)	623.17	(351.86)	-	-	-	(2.59)
Employee benefits expense	802.80	595.19	903.19	1,231.32	942.56	1,160.92	225.77	155.56
Finance costs	495.72	619.16	396.46	507.85	1,234.05	1,216.27	257.92	116.74
Depreciation and amortisation expense	712.89	770.85	400.62	382.98	1,375.15	1,820.33	598.09	436.64
Other expenses	1,451.86	1,475.53	1,475.66	2,139.90	1,673.90	2,804.98	428.56	1,151.05
<b>Total Expenses</b>	<b>7,769.73</b>	<b>7,006.60</b>	<b>4,975.99</b>	<b>7,201.92</b>	<b>5,225.66</b>	<b>7,002.50</b>	<b>11,162.91</b>	<b>11,420.92</b>
(Loss) before exceptional items and tax	(549.34)	(990.26)	(2,963.00)	(3,912.55)	(978.39)	(1,415.50)	(308.34)	(498.33)
<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(Loss) before extraordinary items and tax</b>	<b>(549.34)</b>	<b>(990.26)</b>	<b>(2,963.00)</b>	<b>(3,912.55)</b>	<b>(978.39)</b>	<b>(1,415.50)</b>	<b>(308.34)</b>	<b>(498.33)</b>
Extraordinary Items	-	-	-	-	-	-	-	-
<b>(Loss) for the period from continuing operations</b>	<b>(549.34)</b>	<b>(990.26)</b>	<b>(2,963.00)</b>	<b>(3,912.55)</b>	<b>(978.39)</b>	<b>(1,415.50)</b>	<b>(308.34)</b>	<b>(498.33)</b>

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes :

- i Contingent liabilities, incurred in relation to interest in joint ventures as on March 31, 2015 is Nil (2014: Nil).
- ii Share in contingent liabilities of joint ventures themselves for which the Group is contingently liable as at March 31, 2015 ₹ 1,924.70 lakhs (2014: ₹ 242.65 lakhs).
- iii Capital commitments in relation to interests in joint ventures as on March 31, 2015 Nil (2014: Nil).
- iv Share in Capital commitments of joint ventures themselves as on March 31, 2015 ₹ 168.05 lakhs (2014: ₹ 293.90 lakhs).
- v The information furnished above is based on audited figures made available to the Holding Company.
- vi Figures given above under expenses are excluding taxes.

## 3.7 Operating Lease

**A general description of leasing agreements** - The Group has entered into operating lease agreements for property from various parties.

Operating lease commitments	₹ Lakhs	₹ Lakhs
	2015	2014
Less than one year	66.81	1,212.19
1 - 5 years	147.41	3,345.83
> 5 years	-	5,382.40

## 3.8 Foreign exchange

	₹ Lakhs	₹ Lakhs
	2015	2014
<b>A Dividend Remitted in Foreign Currency *</b>		
a) Number of non resident shareholders	-	2
b) Number of shares on which dividend was remitted	-	1,028,437,424
c) Dividend remitted during the year relating to previous year	-	6,170.62

\* Dividend paid to other Non-Resident shareholders is in Indian Rupees

### B Derivatives

The Group and the Jointly Controlled Entities uses derivative financial instruments such as forward contracts, currency swap to hedge certain currency exposures, present and anticipated, denominated mostly in US dollars, EURO, Japanese YEN and Great Britain Pounds. Generally such contracts are taken for exposures materialising in the next twelve months. The Group and the Jointly Controlled Entities actively manages its currency / interest rate exposures through a centralized treasury division and uses derivatives to mitigate the risk from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management. The limits and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of underlying assets, liabilities or transactions, as derivatives are used only for risk management.

The information on derivative instrument is as follows:

### i) Derivative instruments outstanding:

Details	Details	Currency	Amount (Foreign currency in Million)		Amount ₹ Lakhs	
			2015	2014	2015	2014
Foreign Exchange Contracts						
- USD / INR	Sold	USD	135.26	38.41	84,539.11	23,015.96
- USD / INR	Bought	USD	4.59	87.52	3,183.83	52,440.56
- EUR / USD	Bought	EUR	0.54	1.21	362.18	1,001.54
- GBP / USD	Bought	GBP	1.09	0.25	1,009.35	249.41
- USD / JPY	Sold	USD	-	0.25	-	149.79
Currency Swaps						
- USD / JPY	Sold	USD	145.00	190.67	90,625.00	114,237.93

Refer Item no. 8.3 and 8.4 in significant accounting policies for the accounting treatment of such derivatives

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## ii) Foreign currency exposures not hedged by a derivative instrument firm commitments and highly probable transactions

Details	Currency	Amount (Foreign currency in Million)		Amount ₹ Lakhs	
		2015	2014	2015	2014
Amount receivable on account of sale of goods, loans and advances, cash and bank balances, interest, etc.	USD	311.45	105.49	194,624.38	62,637.57
	EUR	0.65	1.33	427.59	733.85
	AED	1.42	0.59	242.26	95.71
	KES	16.71	8.92	112.95	61.82
	ZAR	2.41	0.40	123.50	22.46
	GBP	6.09	5.76	5,634.70	5,683.85
	MUR	0.41	0.41	6.94	8.15
	BDT	0.00	0.01	0.02	0.02
	EGP	0.00	-	0.23	-
	JPY	16.33	11.90	85.18	69.11
Amount payable on account of purchase of goods and services, loans, interest, etc.	USD	360.91	359.20	225,354.05	214,891.02
	EUR	5.23	8.37	3,471.06	7,319.49
	JPY	46.33	39.85	259.24	232.32
	GBP	0.27	0.45	249.44	452.02
	CHF	0.02	0.03	12.92	18.49
	AED	0.43	0.60	73.96	98.63
	KES	133.77	53.19	904.36	368.62
	ZAR	2.76	0.01	141.49	0.63
	EGP	-	0.00	-	0.25
	MUR	0.08	0.08	1.39	1.64
	SEK	0.17	0.00	12.08	0.10

## 3.9 Accounting for long-term monetary items in foreign currency, forward contracts and Advances designated as cash flow hedge

### 3.9.1 Exchange difference in Long-term monetary items in foreign currency

Exchange difference on translation or settlement of long-term foreign currency monetary items at rates different from those at which they were initially recorded or April 1, 2007, in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets. In other cases, such exchange differences are accumulated in "Foreign currency monetary item translation difference account" and amortised by recognition as income or expense in each year over the balance term till settlement occurs but not beyond March 31, 2020 (notified earlier as March 31, 2011). The un-amortized net exchange difference in respect of long-term monetary items relating to other than acquisition of depreciable assets, is a loss of ₹ 1,472.65 lakhs as at March 31, 2015 (March 31, 2014: loss of ₹ 787.92 lakhs). These amounts have now been reflected as part of the "Reserves and Surplus" in line with the guideline issued by the Institute of Chartered Accountants of India.

### 3.9.2 Forward contracts and Advances designated as cash flow hedges

The Group had adopted the principles of Accounting Standard 30 – Financial instruments: Recognition and measurement, issued by the Institute of Chartered Accountants of India, with effect from April 1, 2008, in respect of forward contracts for firm commitments and highly probable forecast transactions meeting necessary criteria for designation as "Cash flow hedges". The gains and losses on effective Cash flow hedges are recognized in Hedge Reserve Account till the underlying forecast transaction occurs.

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 3.10 Employee benefits

### Defined benefit plans - As per Actuarial valuation as at March 31, 2015

₹ Lakhs

	Gratuity (Funded)	Compensated absences (Unfunded)	Other defined benefit plans (Unfunded)	Gratuity (Funded)	Compensated absences (Unfunded)	Other defined benefit plans (Unfunded)
	2015	2015	2015	2014	2014	2014
<b>A) Expense recognised in the Statement of Profit and Loss for the year ended March 31</b>						
Current service cost	1,192.17	684.04	73.66	1,163.93	678.16	67.94
Interest cost	1,778.31	511.69	47.48	1,668.30	524.92	47.48
Expected return on plan assets	(1,821.63)	-	-	(1,825.91)	-	-
Net actuarial (gain) / loss recognised during the year	491.33	615.98	(18.68)	821.11	(1,108.21)	51.89
Total expense	1,640.18	1,811.71	102.46	1,827.43	94.87	167.31
<b>B) Actual return on plan assets</b>						
Expected return on plan assets	1,821.63	-	-	1,825.91	-	-
Actuarial gain / (loss) on plan assets	4.90	-	-	8.22	-	-
Actual return on plan assets	1,826.53	-	-	1,834.13	-	-
<b>C) Net Asset / (Liability) recognised in the Balance Sheet</b>						
Present value of the obligation	22,541.96	6,989.73	682.64	22,280.10	6,017.62	694.91
Fair value of plan assets	21,002.05	-	-	20,345.19	-	-
Funded status [ surplus / (deficit)]	(1,539.89)	-	-	(1,934.91)	-	-
Net Asset / (Liability) recognised in the Balance Sheet	(1,539.89)	(6,989.73)	(682.64)	(1,934.91)	(6,017.62)	(694.91)
<b>D) Change in Present value of the Obligation during the year</b>						
Present value of obligation as at beginning of the year	22,280.10	6,017.62	694.91	22,695.93	6,983.75	644.68
Current service cost	1,192.17	684.04	73.66	1,163.93	678.16	67.94
Interest cost	1,778.31	511.69	47.48	1,668.30	524.92	47.48
Benefits paid	(3,204.85)	(839.60)	(114.73)	(4,077.39)	(1,061.00)	(117.08)
Actuarial (gain) / loss on obligation	496.23	615.98	(18.68)	829.33	(1,108.21)	51.89
Present value of obligation as at end of the year	22,541.96	6,989.73	682.64	22,280.10	6,017.62	694.91
<b>E) Change in Fair Value of Plan Assets during the year</b>						
Fair value of plan assets as at beginning of the year	20,345.19	-	-	20,470.66	-	-
Expected return on plan assets	1,821.63	-	-	1,825.91	-	-
Contributions	2,035.18	839.60	114.73	2,117.79	1,061.00	117.08
Benefits paid	(3,204.85)	(839.60)	(114.73)	(4,077.39)	(1,061.00)	(117.08)
Actuarial gain / (loss) on plan assets	4.90	-	-	8.22	-	-
Fair value of plan assets as at end of the year	21,002.05	-	-	20,345.19	-	-
<b>F) Experience adjustments in</b>						
Plan liabilities - loss / (gain)	491.33	615.98	(18.68)	821.12	(1,108.21)	51.89
Plan assets - (loss) / gain	-	-	-	-	-	-
<b>G) Actuarial Assumptions ( Range for the group )</b>						
Discount rate	7.80% to 8.00%			8.00% to 9.20%		
Salary escalation	3.00% to 12.00%			2.75% to 10.00%		
Expected rate of return on plan assets	8.00% to 9.30%			8.00% to 9.88%		

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 3.11 Details of Long Term Borrowings:

	March 31, 2015			Particulars of Redemption/ Repayment	March 31, 2014		
	Non Current	Current maturities	Total		Non Current	Current maturities	Total
	₹ Lakhs	₹ Lakhs	₹ Lakhs		₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>a. Secured Loans:</b>							
i. Debentures							
9.85% AL 22	15,000.00	-	15,000.00	June 21, 2018	15,000.00	-	15,000.00
10.15% AL 20	15,000.00	-	15,000.00	December 28, 2017	15,000.00	-	15,000.00
10.20% AL 18	10,000.00	-	10,000.00	June 28, 2017	10,000.00	-	10,000.00
10.25% AL 16	6,000.00	4,500.00	10,500.00	October 14, 2016 - ₹ 6,000 lakhs, 2015 and 2014 - ₹ 4,500 lakhs each	10,500.00	4,500.00	15,000.00
9.70% AL 21	15,000.00	-	15,000.00	June 21, 2016	15,000.00	-	15,000.00
10.05% AL 19	-	15,000.00	15,000.00	December 28, 2015	15,000.00	-	15,000.00
8.20% AL 15	-	7,000.00	7,000.00	July 22, 2015	7,000.00	-	7,000.00
10.10% AL 17	-	20,000.00	20,000.00	June 28, 2015	20,000.00	-	20,000.00
8.20% AL 14	-	-	-	July 22, 2014	-	7,000.00	7,000.00
10.50% Sub 1	30,000.00	-	30,000.00	Redemption period is 3 years	-	-	-
10.50% to 10.70% Sub 2	60,000.00	-	60,000.00	Redemption period is 3 to 5 years	-	-	-
<b>Total (A)</b>	<b>151,000.00</b>	<b>46,500.00</b>	<b>197,500.00</b>		<b>107,500.00</b>	<b>11,500.00</b>	<b>119,000.00</b>
ii. Term Loans							
TL - 7	30,000.00	-	30,000.00	December 16, 2018 and 2017 - ₹ 12,500.00 lakhs each, 2016 - ₹ 5,000.00 lakhs	50,000.00	-	50,000.00
TL - 1	-	3,333.33	3,333.33	2 equal instalments on February 5, 2016 and February 16, 2015	3,333.33	3,333.33	6,666.66
TL - 2	-	5,000.00	5,000.00	2 equal instalments on June 1, 2015 and 2014	5,000.00	5,000.00	10,000.00
TL - 3	-	-	-	March 22, 2015	-	6,666.67	6,666.67
TL - 4	-	-	-	November 30, 2014	-	5,000.00	5,000.00
TL - 5	-	-	-	November 30, 2014	-	5,000.00	5,000.00
S-TL - 1	16,750.00	750.00	17,500.00	16 Quarterly equal installments immediately after a moratorium of 3 years from the date of first draw down	17,500.00	-	17,500.00
S-TL - 2	9,500.00	500.00	10,000.00	16 Quarterly equal installments immediately after a moratorium of 12 quarters from the date of first draw down	10,000.00	-	10,000.00
S-TL - 3	179,588.96	117,981.69	297,570.65	Repayable in varying installments (Monthly, quarterly, half yearly and annual)	142,788.64	90,210.78	232,999.42
S-TL - 4	13,870.50	-	13,870.50	Repayable by June 2016	14,942.40	-	14,942.40
S-TL - 5	-	-	-	7 quarterly installment of ₹ 225 Lakhs each and ending by December 2015	761.04	800.00	1,561.04
S-TL - 6	-	-	-	June 30, 2014	-	188.60	188.60

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	March 31, 2015			Particulars of Redemption/ Repayment	March 31, 2014		
	Non Current	Current maturities	Total		Non Current	Current maturities	Total
	₹ Lakhs	₹ Lakhs	₹ Lakhs		₹ Lakhs	₹ Lakhs	₹ Lakhs
J-TL 1	1,715.00	245.00	1,960.00	16 Quarterly equal installments immediately after a moratorium of 3 years from the date of first draw down	1,960.00	-	1,960.00
J-TL 2	687.50	218.75	906.25	Repayable in 16 equal quarterly installments commencing from February 28, 2015	937.50	62.50	1,000.00
J-TL 3	1,132.89	485.52	1,618.41	Repayable in 15 equal quarterly installments commencing from May, 2014	1,781.56	647.36	2,428.92
J-TL 4	625.00	1,250.00	1,875.00	Repayable in 16 equal quarterly installments commencing from October 30, 2012	1,875.00	1,250.00	3,125.00
<b>Total (B)</b>	<b>253,869.85</b>	<b>129,764.29</b>	<b>383,634.14</b>		<b>250,879.47</b>	<b>118,159.24</b>	<b>369,038.71</b>
iii. ECB Loans							
S -ECB 1	15,250.00	4,250.00	19,500.00	8 equal semi-annual installments commencing after a moratorium period of 3 years following each draw down	20,000.00	-	20,000.00
<b>Total (C)</b>	<b>15,250.00</b>	<b>4,250.00</b>	<b>19,500.00</b>		<b>20,000.00</b>	<b>-</b>	<b>20,000.00</b>
iv. Sales Tax Loans							
S -SATL 1	3,118.00	-	3,118.00	Repayable after 14 years	-	-	-
<b>Total (D)</b>	<b>3,118.00</b>	<b>-</b>	<b>3,118.00</b>		<b>-</b>	<b>-</b>	<b>-</b>
v. Other Loans and advances							
S -OL 1	103.97	-	103.97	Repayable in monthly installments over a period of 4 years	-	-	-
<b>Total (E)</b>	<b>103.97</b>	<b>-</b>	<b>103.97</b>		<b>-</b>	<b>-</b>	<b>-</b>

## Notes:

Details of security in respect of the Debentures and Term Loans are given below:

1. Debentures and Term loans ( TL-1 to TL-7) of the Holding Company are secured by a first charge on *pari-passu* basis on all assets of the Holding Company excluding certain immovable properties (residential buildings and certain immovable assets) and movable fixed assets such as aircraft of the Holding Company.
2. Debentures (Sub 1 and 2) of a subsidiary company are secured by first ranking mortgage of immovable property in favour of trustees in addition to specific assets by *pari-passu* charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
3. Term loan availed by a subsidiary from banks (S-TL-1 and S-TL-2) are secured by a first *pari-passu* charge on entire fixed assets of the subsidiary (movable and immovable).
4. Term loans availed by a subsidiary from various banks (S-TL-3) are secured by way of hypothecation of designated assets on finance / loan and future receivables therefrom, and investments in "pass through certificates" of the subsidiary. Certain term loans are additionally secured by way of first charge on the profits of the subsidiary.
5. Term loan availed by a subsidiary from a bank (S-TL-4) are secured against property, plant and equipment, receivables and inventories of the subsidiary.
6. Term loan availed by a joint venture from a bank, (J-TL-1) is secured by a first charge over the entire fixed assets (movable and immovable) of the joint venture entity.

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

7. Term loan availed by a joint venture from a bank (J-TL -2) is secured by exclusive first hypothecation charge on specific plant and machinery, acquired / to be acquired under the project having aggregate value of ₹ 4,000 lakhs and extension of charge as mentioned under term loan J-TL-4 below.
8. Term loan availed by a joint venture from a bank (J-TL-3) is secured by hypothecation of all machineries and all current assets and fixed assets of the joint venture and mortgage of immovable property (leasehold) belonging to the joint venture entity.
9. Term loan availed by a joint venture from a bank (J-TL-4) is secured by first *pari-passu* charge created on all the fixed assets of the joint venture entity (including an equitable mortgage over land and building of the factory premises) located in the state of Tamil Nadu.
10. External commercial borrowings availed by a subsidiary from bank (S-ECB-1) is secured by a first *pari passu* charge over the current and future movable fixed assets of the subsidiary.
11. Sales tax loan availed by a subsidiary (S-SATL-1) is secured by way of *pari-passu* charge on current and future fixed assets of the subsidiary.
12. Other loans and advances availed by a subsidiary (S-OL-1) are related to vehicles owned and are secured against these vehicles.

	March 31, 2015			Particulars of Redemption/ Repayment	March 31, 2014		
	Non Current	Current maturities	Total		Non Current	Current maturities	Total
	₹ Lakhs	₹ Lakhs	₹ Lakhs		₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>b. Unsecured Loans:</b>							
i. Debentures							
12% to 12.40% Subordinated redeemable non-convertible debentures	30,000.00	-	30,000.00	Redemption period is 5 to 7 years	3,500.00	-	3,500.00
<b>Total (F)</b>	<b>30,000.00</b>	<b>-</b>	<b>30,000.00</b>		<b>3,500.00</b>	<b>-</b>	<b>3,500.00</b>
ii. ECB Loans							
ECB -13	12,500.00	-	12,500.00	3 equal installments on September 10, 2020, 2019, 2018	-	-	-
ECB -12	40,625.00	-	40,625.00	June 26, 2020 - ₹ 12,500.00 lakhs and June 26, 2019, 2018, 2017 - ₹ 9,375.00 lakhs each	38,944.75	-	38,944.75
ECB -11	18,750.00	-	18,750.00	3 equal Installments on March 25, 2019, 2018, 2017	17,974.50	-	17,974.50
ECB -1	46,875.00	-	46,875.00	3 equal Installments on June 9, 2018, 2017, 2016	44,936.25	-	44,936.25
ECB -2	10,416.67	5,208.33	15,625.00	3 equal Installments on October 24, 2017, 2016, 2015	14,978.75	-	14,978.75
ECB -3	25,000.00	3,125.00	28,125.00	September 20, 2017 - ₹ 13,125.00 lakhs, 2016 - ₹ 11,875.00 lakhs, 2015 and 2014 - ₹ 3,125.00 lakhs each	26,961.75	2,995.75	29,957.50
ECB -10	-	12,500.00	12,500.00	July 12, 2015	11,983.00	-	11,983.00
ECB- 4	-	-	-	June 30, 2014	-	39,943.33	39,943.33
S-ECB -1	-	-	-	June 30, 2014	-	156.50	156.50
J-ECB -1	1,535.77	767.89	2,303.66	7 half yearly Installments commencing from December 2014	2,834.91	472.49	3,307.40
<b>Total (G)</b>	<b>155,702.44</b>	<b>21,601.22</b>	<b>177,303.66</b>		<b>158,613.91</b>	<b>43,568.07</b>	<b>202,181.98</b>



# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	March 31, 2015			Particulars of Redemption/ Repayment	March 31, 2014		
	Non Current	Current maturities	Total		Non Current	Current maturities	Total
	₹ Lakhs	₹ Lakhs	₹ Lakhs		₹ Lakhs	₹ Lakhs	₹ Lakhs
iii. Interest free sales tax loans							
Programme II	11,466.94	65.53	11,532.47	Varying amounts repayable on a monthly basis ending on June 2028	7,931.22	214.30	8,145.52
Programme I	-	-	-	Varying amounts repayable on a monthly basis ending on April 2014	-	118.24	118.24
<b>Total (H)</b>	<b>11,466.94</b>	<b>65.53</b>	<b>11,532.47</b>		<b>7,931.22</b>	<b>332.54</b>	<b>8,263.76</b>
iv. Loans from Others							
Loan 5	-	106.96	106.96	Varying amounts repayable on a quarterly basis ending in July 2015	106.96	408.32	515.28
Loan 4	-	-	-	Varying amounts repayable on a quarterly basis ending in October 2014	-	248.07	248.07
Loan 3	-	-	-	Varying amounts repayable on a quarterly basis ending in October 2014	-	27.29	27.29
Loan 2	-	-	-	Varying amounts repayable on a quarterly basis ending in August 2014	-	167.08	167.08
Loan 1	-	-	-	Varying amounts repayable on a quarterly basis ending in August 2014	-	18.38	18.38
S-Loan 1	1,387.05	-	1,387.05	December 31, 2015	-	-	-
S-Loan 2	-	94.08	94.08	Repayable within one year	-	-	-
J-Loan 1	42.05	-	42.05	Varying amount repayable on yearly basis	586.85	-	586.85
<b>Total (I)</b>	<b>1,429.10</b>	<b>201.04</b>	<b>1,630.14</b>		<b>693.81</b>	<b>869.14</b>	<b>1,562.95</b>
<b>Total Long term Borrowings (A-I)</b>	<b>621,940.30</b>	<b>202,382.08</b>	<b>824,322.38</b>		<b>549,118.41</b>	<b>174,428.99</b>	<b>723,547.40</b>

## 3.12 Details of Short Term Borrowings

	March 31, 2015 Amount ₹ Lakhs	Particulars of Redemption / Repayment	March 31, 2014 Amount ₹ Lakhs
<b>Secured Loans *</b>			
STL 8	-	August 13, 2014	3,300.00
STL 9	-	May 28, 2014	791.30
Working Capital Demand Loans	-	Repayable on demand	23,805.69
S - STL 1	35,632.47	Repayable on demand	56,862.54
S - STL 2	1,866.16	Repayable on demand	1,673.94
S - STL 3	1,015.26	Repayable on demand	1,352.31
S - STL 4	-	Repayable on demand	59.14
S - STL 5	632.71	Repayable on demand	1,495.29
S - STL 6	6,023.65	Repayable on demand	5,485.07
S - STL 7	1,000.00	Repayable on demand	-
J - STL 1	121.96	Repayable on demand	170.67
J - STL 2	1,152.30	Repayable on demand	526.88
<b>Total (A)</b>	<b>47,444.51</b>		<b>95,522.83</b>

# NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 3.12 Details of Short Term Borrowings (Continued)

	March 31, 2015 Amount ₹ Lakhs	Particulars of Redemption / Repayment	March 31, 2014 Amount ₹ Lakhs
<b>Unsecured Loans</b>			
- STL 13	2,500.00	September 26, 2015	-
- STL 10	-	May 28, 2014	9,274.42
- STL 11	-	May 30, 2014	9,586.40
- STL 12	-	July 28, 2014	11,983.00
S- STL- 1	29,389.91	Repayable within one year	-
S- STL- 2	2,500.00	Repayable on demand	-
J- STL- 1	490.00	Repayable on demand	-
J- STL- 2	339.15	Repayable on demand	82.15
<b>Total (B)</b>	<b>35,219.06</b>		<b>30,925.97</b>
<b>Total Short Borrowings (A+B)</b>	<b>82,663.57</b>		<b>126,448.80</b>
Total Long term borrowings (Refer 3.11 above)	824,322.38		723,547.40
Total Short term borrowings (Refer 3.12 above)	82,663.57		126,448.80
<b>Total Debts</b>	<b>906,985.95</b>		<b>849,996.20</b>

Of the total debt of ₹ 906,985.95 lakhs (2014: ₹ 849,996.20 lakhs), debt relating to the vehicle financing amounted to ₹ 482,697.00 lakhs (2014: ₹ 293,361.96 lakhs).

### Note:

\* The security in respect of each of the said term loans is described below :

1. Short term loans availed by the Holding Company (STL 8, STL 9 and working capital demand loans) are secured by way of hypothecation of inventories (excluding stores and spares related to plant and machinery), Bills receivable, Book Debts and all other movables both present and future of the Holding Company to the extent of ₹ 1,65,000.00 lakhs (2014: ₹ 1,65,000.00 lakhs).
2. The short term loans availed by a subsidiary (S-STL 1) are cash credit facilities and working capital demand loans from banks which are secured by way of a *pari passu* charge on the receivables due to the subsidiary other than those that are specifically charged to the other lenders of the subsidiary.
3. Short term loans availed by a subsidiary (S-STL 2) are secured by way of a charge on immovable and movable properties (including plant and machinery, Spares, Tools, Finished and Semi finished goods, Raw Materials and book Debts) of the subsidiary.
4. Short term loan availed by a Subsidiary (S-STL 3) is a working capital facility (Dealer financing facility) which is secured by stock of vehicles, Spare Parts, Lubricants and related book debts of the subsidiary and (S-STL 4 and S-STL-7) are also a working capital facility (Trade Advance and short term loan funds) which is secured by stock of vehicles of the subsidiary.
5. Short term loans availed by a Subsidiary (S-STL 5) is a working capital limit from a bank which is secured by way of hypothecation of book debts of the subsidiary.
6. Short term loans availed by a subsidiary (S-STL 6) is in the nature of an overdraft facility which is secured against property, plant and equipment, receivables and inventories of the subsidiary.
7. Short term loan availed by a Joint Venture (J-STL-1) is secured by way of a *pari-passu* charge on stocks and book debts of the Joint venture company.
8. Short term loans availed by a Joint Venture (J-STL-2) is secured by way of a first charge on the current assets i.e. stock of raw materials, semi-finished goods and finished goods and book debts (not older than 120 days) of the Joint Venture company.

**3.13** Provision for losses aggregating ₹ 60,888.64 lakhs with respect to certain products of a subsidiary, comprises of (i) ₹ 37,927.55 lakhs in respect of the related fixed assets reclassified and held for sale (ii) ₹ 8,935.05 lakhs for the related non-moving inventory (including excise duty on finished goods amounting to ₹ 554.90 lakhs) and (iii) ₹ 14,026.04 lakhs being duty liability of ₹ 9,131.50 lakhs pertaining to the related assets and interest thereof ₹ 4,894.54 lakhs.

**3.14** The figures for the previous year have been reclassified / regrouped / amended, wherever necessary.

Signatures to the Statement of Significant Accounting Policies and Notes to the Consolidated Financial Statements.

Gopal Mahadevan  
Chief Financial Officer

N. Ramanathan  
Company Secretary

May 12, 2015  
Chennai

For and on behalf of the Board

Dheeraj G. Hinduja  
Chairman  
DIN : 00133410

Vinod K. Dasari  
CEO and Managing Director  
DIN : 00345657

# FINANCIAL HIGHLIGHTS 2014-15

Sub-Section 3 of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

## Part "A" : Subsidiaries

(₹ lakhs)

Sl. No	Subsidiary	Reporting Period	Reporting Currency	Share capital (including share application money pending allotment)	Reserves and surplus	Total liabilities	Total assets	Investments (except in case of investments in subsidiaries)	Turnover	Profit / (Loss) before taxation	Tax Expenses / (Credit)	Profit / (Loss) after taxation	Proposed dividend-equity	% of Share-holding
1	Hinduja Tech Limited and its subsidiaries	Apr - Mar	INR	17,785.00	(11,372.52)	10,684.56	10,684.56	-	13,891.58	(392.79)	389.09	(781.88)	-	62.00%
2	Hinduja Leyland Finance Limited	Apr - Mar	INR	37,821.76	53,891.40	596,956.88	596,956.88	42,913.64	81,433.95	16,492.47	5,371.29	11,121.18	-	57.51%
3	Ashok Leyland Nissan Vehicles Limited	Apr - Mar	INR	80,264.59	(111,569.80)	68,159.66	68,159.66	-	103,041.33	(79,116.78)	-	(79,116.78)	-	51.00%
4	Global TVS Bus Body Builders Limited (Formerly Irizar TVS Limited)	Apr - Mar	INR	990.00	1,959.06	6,105.80	6,105.80	-	14,232.60	1,271.34	463.38	807.96	-	66.67%
5	Gulf Ashley Motor Limited	Apr - Mar	INR	1,881.70	153.86	7,202.76	7,202.76	-	29,985.03	158.89	33.29	125.60	-	91.62%
6	Optare PLC and its subsidiaries	Apr - Mar	GBP	1,839.13	(23,499.13)	22,668.29	22,668.29	-	58,346.60	(2,997.72)	-	(2,997.72)	-	75.11%
7	Ashok Leyland (UK) Limited	Apr - Mar	GBP	88.75	(32.83)	74.80	74.80	-	560.82	59.94	84.69	(24.75)	-	100.00%
8	Ashok Leyland (Nigeria) Limited	Apr - Mar	NGN	35.71	144.77	872.64	872.64	-	723.32	94.23	39.08	55.15	-	100.00%
9	Ashok Leyland (Chile) Limited	Apr - Mar	CLP	39.54	(117.77)	903.73	903.73	-	785.96	(206.04)	-	(206.04)	-	100.00%
10	HLF Services Limited	Apr - Mar	INR	5.00	117.13	2,700.28	2,700.28	-	6,048.60	53.88	20.52	33.36	-	54.00%
	<b>Held for sale (Current Investments)</b>													
11	Albonair (India) Private Limited	Apr - Mar	INR	1,000.00	(260.65)	1,928.68	1,928.68	-	1,033.02	(80.69)	-	(80.69)	-	100.00%
12	Albonair GmbH, Germany	Jan - Dec	EUR	30,201.97	(29,536.20)	7,146.28	7,146.28	-	18,324.15	4,045.70	-	4,045.70	-	100.00%
13	Albonair Automotive Technology Co. Ltd., China	Jan - Dec	RMB	429.94	0.06	594.42	594.42	-	-	-	-	-	-	100.00%

Notes:

- The following subsidiaries were sold during the FY - 2014-15, hence not disclosed above:
  - Ashok Leyland Wind Energy Limited
  - Avia Ashok Leyland Motors s.r.o (along with its subsidiaries Avia Trucks UK Limited, Great Britain and Avia Ashok Leyland Rus, Russia)
- There were no subsidiaries liquidated during the FY - 2014-15
- Exchange rate used in case of foreign subsidiaries, associates and joint ventures are given below:

CURRENCY	EURO	GBP	RMB	CLP	NGN	USD
Closing Rate	76.719	92.47	10.1806	0.100152	0.314	62.51

# FINANCIAL HIGHLIGHTS 2014-15

Sub-Section 3 of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

## Part "B": Associates and Joint Ventures

(₹ lakhs)

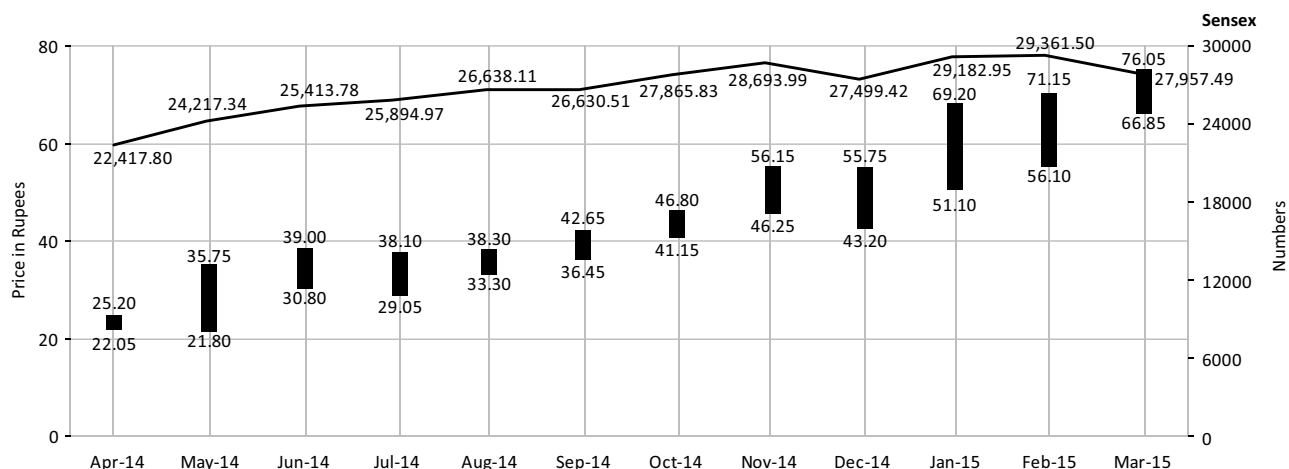
Sl. No	Name of Associate / Joint Venture	Latest Audited Balance Sheet date	Shares held by the Company on the year end			Significant influence	Reason for not consolidation	Networth	Profit / (Loss) for the year	
			No.	Investment Held (₹ lakhs)	Holding %				Considered in consolidation	Not considered in Consolidation
(A) Associates										
1	Ashley Aviation Limited	31-Mar-15	1,960,000	196.00	49.00%	Voting Power	Not Applicable	(93.02)	-	(79.81)
2	Ashok Leyland Defence Systems Limited	31-Mar-15	17,567	1.76	25.99%	Voting Power	Not Applicable	8.36	0.08	0.22
3	Ashok Leyland (UAE) LLC	31-Mar-15	35,770	5,407.91	49.00%	Voting Power	Not Applicable	9,553.05	500.97	521.41
4	Lanka Ashok Leyland PLC	31-Mar-15	1,008,332	57.46	27.85%	Voting Power	Not Applicable	12,752.14	423.60	1,097.50
5	Mangalam Retail Services Limited*	31-Mar-15	37,470	4.47	37.51%	Voting Power	Not Applicable	11.38	(0.21)	(0.35)
(B) Joint Ventures										
1	Ashley Alteams India Limited	31-Mar-15	65,000,000	6,500.00	50.00%	Voting Power	Not Applicable	1,056.66	(549.36)	(549.36)
2	Ashok Leyland John Deere Construction Equipment Company Private Limited	31-Mar-15	186,068,150	18,606.82	50.00%	Voting Power	Not Applicable	9,316.88	(2,955.26)	(2,955.26)
3	Nissan Ashok Leyland Powertrain Limited	31-Mar-15	74,021,705	7,404.67	49.00%	Voting Power	Not Applicable	11,745.67	(308.35)	(320.94)
4	Nissan Ashok Leyland Technologies Limited	31-Mar-15	26,025,000	2,605.21	50.00%	Voting Power	Not Applicable	(13,989.34)	(978.41)	(978.41)

1. The following Joint Ventures/Associates are under liquidation, hence not disclosed above

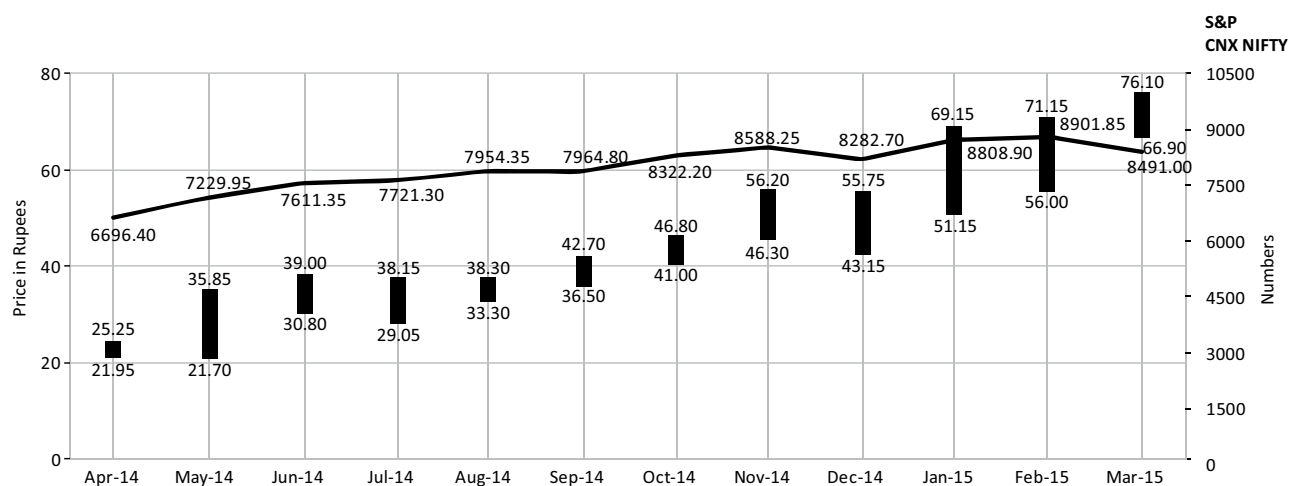
- Ashley Airways Limited (under liquidation)
  - Automotive Infotonics Limited (under liquidation)
2. Mangalam Retail Services Limited ceased to become a subsidiary from February 18, 2015 and has become an associate

# SHARE PRICE PERFORMANCE

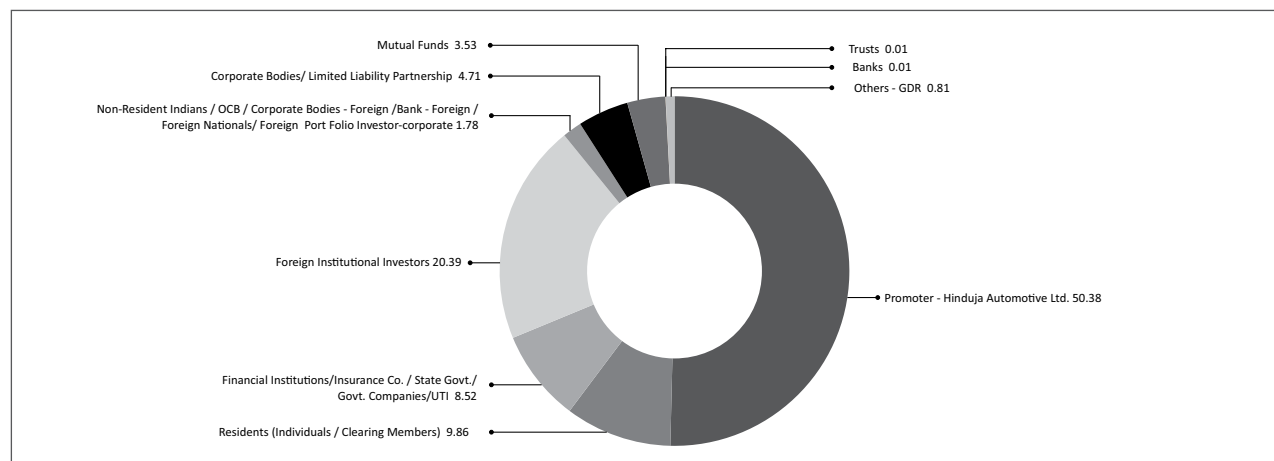
**BSE - April 2014 to March 2015**



**NSE - April 2014 to March 2015**



**SHAREHOLDING PATTERN AS ON MARCH 31, 2015**

















A scenic landscape featuring a paved road in the foreground, a white guardrail, and a lush green field with scattered trees in the middle ground. The background shows a dense line of trees under a bright blue sky with wispy white clouds. A solid green vertical bar is positioned to the left of the text.

# PROGRESSING ON THE PATH OF **ECO-REVOLUTION**

we aim to embrace environment friendly and ecologically responsible engineering that drives the mission of preserving and sustaining natural resources for the future generations.



**Ashok Leyland Limited**

#1, Sardar Patel Road, Guindy, Chennai - 600 032

t: 044 22206000 f: 044 22206001

e: reachus@ashokleyland.com

CIN : L34101TN1948PLC000105

[www.ashokleyland.com](http://www.ashokleyland.com)

**ASHOK LEYLAND****ASHOK LEYLAND LIMITED**

CIN: L34101TN1948PLC000105, Registered Office : 1, Sardar Patel Road, Guindy, Chennai 600 032, India  
 Ph: +91.44.2220 6000 Fax : +91.44.2220 6001, e-mail: [reachus@ashokleyland.com](mailto:reachus@ashokleyland.com), website : [www.ashokleyland.com](http://www.ashokleyland.com)

**66<sup>th</sup> ANNUAL GENERAL MEETING****ADMISSION SLIP**

PLEASE COMPLETE THE SLIP AND  
 HAND IT OVER AT THE ENTRANCE  
 OF THE MEETING HALL

NAME &amp; ADDRESS OF THE MEMBER

I hereby record my presence at the SIXTY SIXTH ANNUAL GENERAL MEETING of the Company, at Kamaraj Memorial Hall, 492, Anna Salai, Teynampet, Chennai 600 006 at 2.30 p.m. on Monday, June 29, 2015.

Name of the shareholder / proxy*	Signature of the shareholder/proxy*

\*Strikeout whichever is not applicable

**ELECTRONIC VOTING PARTICULARS**

EVEN (E-voting Event Number)	User ID	Password / PIN

**ASHOK LEYLAND****ASHOK LEYLAND LIMITED**

CIN: L34101TN1948PLC000105, Registered Office : 1, Sardar Patel Road, Guindy, Chennai 600 032, India  
 Ph: +91.44.2220 6000 Fax : +91.44.2220 6001, e-mail: [reachus@ashokleyland.com](mailto:reachus@ashokleyland.com), website : [www.ashokleyland.com](http://www.ashokleyland.com)

**66<sup>th</sup> ANNUAL GENERAL MEETING****PROXY FORM (FORM NO. MGT-11)**

Folio No. / Depository A/c No.

I / We being the Member(s) of \_\_\_\_\_, shares of the above named company hereby appoint

1. Name	2. Name	3. Name
Address	Address	Address
e-mail id	e-mail id	e-mail id
Signature ..... Or failing him/her	Signature ..... Or failing him/her	Signature ..... Or failing him/her

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 66<sup>th</sup> Annual General Meeting of the Company to be held at Kamaraj Memorial Hall, 492, Anna Salai, Teynampet, Chennai 600 006 at 2.30 p.m. on Monday, June 29, 2015 and at any adjournment thereof in respect of such resolutions, as are indicated overleaf.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Name : \_\_\_\_\_

Registered Address: \_\_\_\_\_

Signature of the Proxy

Affix  
 Revenue  
 Stamp

Signature

**Note :** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. The proxy need not be a Member of the Company.

Please see overleaf

S. No.	Resolutions :
<b>Ordinary Business:</b>	
1.	To receive, consider and adopt: a) the Audited Financial Statements of the Company for the financial year ended March 31, 2015, the Reports of the Board of Directors and the Auditors thereon, and b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 and the Report of Auditors thereon.
2.	To declare a dividend for the year ended March 31, 2015.
3.	To appoint a Director in the place of Mr. F. Sahami who retires by rotation and being eligible, offers himself for re-appointment.
4.	To re-appoint Messrs. M. S. Krishnaswami & Rajan and Messrs. Deloitte Haskins & Sells, LLP as Joint Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.
<b>Special Business:</b>	
	<b>Ordinary Resolution:</b>
5.	Appointment of Ms. Manisha Girotra as an Independent Director.
6.	Appointment of Mr. Sudhindar Krishan Khanna as an Independent Director.
	<b>Special Resolution:</b>
7.	To consider and approve Issue of Further Securities.
8.	To consider and approve Issue of Non-Convertible Debentures through Private Placement.



**ASHOK LEYLAND**

**ASHOK LEYLAND LIMITED**

Registered Office : No. 1, Sardar Patel Road, Guindy, Chennai - 600 032

T: +91 44 2220 6000 F: +91 44 2220 6001

CIN: L34101TN1948PLC000105

Website address: www.ashokleyland.com; E- mail: reachus@ashokleyland.com

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Sixty Sixth Annual General Meeting of Ashok Leyland Limited will be held at **Kamaraj Memorial Hall, 492, Anna Salai, Teynampet, Chennai 600 006 at 2.30 p.m. on Monday, June 29, 2015** to transact the following business:

### Ordinary Business

1. To receive, consider and adopt:
  - (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2015, the Reports of the Board of Directors and the Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 and the Report of Auditors thereon.
2. To declare a dividend for the year ended March 31, 2015.
3. To appoint a Director in place of Mr. F. Sahami (DIN: 00151966) who retires by rotation in terms of Article 106 of the Articles of Association of the Company and who, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit, to pass the following as an Ordinary Resolution:

**RESOLVED** that Messrs. M.S. Krishnaswami & Rajan (Registration No. 015545), and Messrs. Deloitte Haskins & Sells LLP (Registration No. 117366W/W-100018), Chartered Accountants, be and are hereby appointed as Joint Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Board of Directors be and are hereby authorised to fix such remuneration as may be agreed upon between the Auditors and the Board of Directors.

### Special Business

5. **Appointment of Ms. Manisha Girotra (DIN: 00774574) as an Independent Director:**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the

Companies Act, 2013 and Clause 49 of the Listing Agreement, Ms. Manisha Girotra (DIN: 00774574), Additional Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 consecutive years for a term upto June 28, 2020.

6. **Appointment of Mr. Sudhindar Krishan Khanna (DIN: 01529178) as an Independent Director:**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Sudhindar Krishan Khanna (DIN: 01529178), Additional Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 consecutive years for a term upto June 28, 2020.

7. **Issue of further Securities:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**RESOLVED** that pursuant to the provisions of Section 62(1)(c) and its related and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any amendment thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("**SEBI ICDR Regulations**"), the provisions of the Foreign Exchange Management Act, 1999, 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 Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014 and its related rules 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 and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, 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 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 of India, including but not limited to Qualified Institutional Buyers (“QIBs”) as defined under the SEBI ICDR Regulations through a Qualified Institutions Placement (“QIP”) within the meaning of Chapter VIII of the SEBI ICDR Regulations of equity shares, or non-convertible debt instruments along with warrants and other convertible securities 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 Rupee denominated or denominated in any foreign currency, fully convertible debentures/partly convertible debentures, preference shares convertible into equity shares and/or any other financial instruments or securities convertible into equity shares with or without detachable warrants (hereinafter collectively referred to as the “Securities”) with a right exercisable by the warrant holders to convert or subscribe to the equity shares or otherwise whether or not to be listed on any 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 (collectively, the “Investors”), upto 1,350 lakh equity shares of ₹1/- each at such price or prices in one or more tranches, at market price(s) or at a permissible discount or premium to market price(s) in terms of applicable regulations to be determined by the Board at the time of issue, at its absolute discretion 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 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 ICDR Regulations, in accordance with Regulation 86(1)(a) of the SEBI ICDR Regulations, a minimum of 10% of the 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** in case of a QIP, in terms of the provisions of the SEBI ICDR Regulations, the Board may at its absolute discretion issue equity shares (including upon conversion of the Securities) at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the ‘Floor Price’ as determined in terms of the SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the convertible Securities may have such features and attributes or any terms or combination of terms in accordance with domestic/international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets, the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose-off such of the Securities that are not subscribed.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to create, issue, offer and allot such number of equity shares as may be required to be issued and allotted, including issue and allotment of equity shares upon conversion of any other Securities referred to above or as may be necessary in accordance with the terms of the offer, and all such equity shares shall be issued in accordance with the terms of the Memorandum and Articles of Association.

**RESOLVED FURTHER THAT** the issue of 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) In the event of a QIP as aforesaid, the allotment of the Securities shall be completed within twelve months of the date of the passing of this Resolution;
- (iii) In case Securities other than equity shares that 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
- (iv) 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 **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/Committee be and is hereby authorised to do 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.

**8. Issue of Non-Convertible Debentures on Private placement basis:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**RESOLVED** that pursuant to the provisions of Sections 42, 71 and its related applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, applicable Regulations of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 1999 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company to offer or invite subscriptions for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches, aggregating upto ₹ 300 crore (Rupees three hundred crore only) on private placement basis, on such terms and conditions as the Board of Directors of the Company may from time to time determine and consider proper and most beneficial to the Company including as to when the said Debentures be issued, the consideration for the issue, utilisation of the issue proceeds, redemption of the same and all other matters connected with or incidental thereto.

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved ratified and confirmed in all respects.

By Order of the Board

Registered Office:  
No. 1, Sardar Patel Road  
Guindy, Chennai 600 032  
May 12, 2015

**N. Ramanathan**  
Company Secretary

**NOTES:**

1. The Dividend of ₹ 0.45 per share (45%) has been recommended by the Board of Directors for the year ended March 31, 2015, subject to approval of shareholders. Dividend, if approved, shall be paid on and from July 4, 2015 and to be completed within the statutory time limit.

The Register of Members and the Share Transfer books of the Company will remain closed from 19/6/2015 to 29/6/2015 (both days inclusive) for the purpose of determining the Members eligible for dividend.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder.

**THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**

Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's signature may also be furnished in the Proxy Form, for identification purposes.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of details relating to Special Business is attached herewith.
4. Members are requested to bring the Annual Report for their reference at the meeting. Admission Slip duly filled in shall be handed over at the entrance to the meeting hall.
5. Members, who hold shares in dematerialised form, are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
6. Consequent to the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividends remaining unclaimed for a period of seven years is to be transferred to the Investor Education and Protection Fund. Accordingly, the dividend declared for all the financial years ended upto March 31, 2007 had been transferred to Investor Education and Protection Fund. The amount so transferred cannot be claimed either from the Company or from the Fund.

Members who have not encashed the dividend warrants for the financial year ended 2007-08 and/or any subsequent years are requested to write to the Company giving the necessary details. In this connection, the Company during March 2015 had sent reminders to all the shareholders who had not encashed their dividends.

Details of dividend declared for the financial years from 2007-08 onwards are given below:

Financial year	Declared on	Dividend	Amount of dividend per share (face value: ₹ 1/-per share) ₹ P.
2007-08	30.07.2008	150%	1.50
2008-09	28.07.2009	100%	1.00
2009-10	27.07.2010	150%	1.50
2010-11	19.07.2011	200%	2.00
2011-12	24.07.2012	100%	1.00
2012-13	16.07.2013	60%	0.60
2013-14	Dividend not declared		

7. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company shall provide/host the required details of unclaimed dividend amounts referred to under Section 205C(2) of the Companies Act, 1956 on its website and also Ministry of Corporate Affairs(MCA) website in the relevant form every year. For the financial year ended March 31, 2014, the information on unclaimed dividend for the years from 2007-08 to 2012-13 was filed with the Ministry of Corporate Affairs and hosted on the website of the Company within the statutory time.
8. Electronic mode of the Notice of the 66<sup>th</sup> Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Notice of the 66<sup>th</sup> Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that the Notice of the 66<sup>th</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.ashokleyland.com](http://www.ashokleyland.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor e-mail ID: [secretarial@ashokleyland.com](mailto:secretarial@ashokleyland.com).
10. Voting through electronic means:
  - (I) In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended as on date read with Clause 35B of the

Listing Agreement, the Company is pleased to provide Members facility to exercise their right to vote at the 66<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL):

"Electronic voting system" means a secured system based process of display of electronic ballots, recording of votes of the Members and the number of votes polled in favour or against, in such a manner that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralised server with adequate cyber security.

"Remote e-voting" means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.

- (II) The facility for voting, through ballot paper shall be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- (III) The "cut-off date" for determining the eligibility for voting either through electronic voting system or ballot is fixed as June 22, 2015.

The e-voting period commences on June 25, 2015 at 9.00 a.m. and ends on June 28, 2015 at 5.00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e., June 22, 2015, shall be entitled to avail the facility of remote e-voting.

(IV) **PROCESS FOR MEMBERS OPTING FOR REMOTE E-VOTING:**

- (A) **In case a Member receives an e-mail from NSDL [whose e-mail ID is registered with the Company/ Depository Participant(s)]:**
  - (i) Open e-mail sent by NSDL and open PDF file viz; "Ashok Leyland remote e-Voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder – Login.
  - (iv) Type User ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new

password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of remote e-voting opens. Click on remote e-Voting: Active Voting Cycles.
- (vii) Select “EVEN” of Ashok Leyland Limited.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote and cast the vote again.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send the scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to [scrutiniserbc@gmail.com](mailto:scrutiniserbc@gmail.com) with a copy marked to [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)

**(B) In case a Member receives physical copy of the Notice (whose e-mail ID is not registered with the Company/Depository Participant(s) or who requested for physical copy):**

- (a) Initial password is provided as per the format given below at the bottom of the Attendance Slip for the Annual General Meeting:  
**EVEN (E-Voting Event Number) USER ID  
PASSWORD/PIN**
- (b) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) in (IV)(A) above, to cast the vote.

- (V) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call Toll Free No. 1800-222-990.
- (VI) If you are already registered with NSDL for e-voting then you can use your existing User ID and password/PIN for casting your vote.
- (VII) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- (VIII) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. June 22, 2015.

(IX) Members who have already exercised their voting through Remote e-voting can attend the Annual General Meeting but cannot vote again.

(X) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. June 22, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Toll Free no.: 1800-222-990.

(XI) Ms. B. Chandra, Practicing Company Secretary (Membership No. ACS: 20879) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

(XII) The Scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

(XIII) As per Clause 35A of the Listing Agreement, the results of the e-voting are to be submitted to the Stock Exchange(s) within 48 hours of the conclusion of the AGM. The results declared along with Scrutiniser’s Report shall be placed on the Company’s website [www.ashokleyland.com](http://www.ashokleyland.com) and the website of NSDL.

11. Brief notes on the background and the functional expertise of the Director proposed for re-appointment is furnished below, along with details of companies in which he is a Director and the Board Committees of which he is a Member:

Mr. F. Sahami, aged about 78 years, holds a Bachelor’s Degree of Science in Economics from Queen’s University of Belfast. He is a Fellow Member of Institute of Chartered Accountants in England and Wales with experience in international audit, accounting and financial management, having served in the Middle East and Europe. He has been a Director of the Company from 1988 and is a Member of the Audit Committee.

Details of other Directorships/Committee Memberships held by him:

DIRECTORSHIP	COMMITTEE MEMBERSHIP
<b>DIRECTOR</b>	
Finac Services Limited	Nil
Hinduja Automotive Limited, U.K.	

Mr. F. Sahami does not hold any shares in his individual capacity in the Company, as per declaration given by him.

Mr. F. Sahami is not related to any other Director on the Board of the Company.

12. Corporate Members / FIIs / Financial Institutions intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution / such other documents authorising their representatives to attend and vote at the Annual General Meeting well in advance.
13. The Annual Report 2014-15 of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.ashokleyland.com](http://www.ashokleyland.com) and also on the website of the respective Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
14. Nomination Form:  
Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Companies Act, 2013 read with the Rules made thereunder are requested to send the prescribed Form SH-13 to the Corporate / Registered Office of the Company. Any change or cancellation of the nomination already given is to be given in Form SH-14. Form SH-13 and Form SH-14 are available on the Company's website for download.
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Integrated Enterprises (India) Limited (R&TA), "Kences Towers", 2nd Floor, No. 1 Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company / Integrated Enterprises (India) Limited (R&TA), for consolidation into a single folio.
18. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. June 29, 2015.

#### 19. E-mail Registration:

Members who have not registered their e-mail ID are requested to update the same with the Company, if held in physical form (or) to the Depository, if held in demat mode.

#### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

##### Item No. 5

Ms. Manisha Girotra was appointed as an Additional Director at the Board Meeting held on September 8, 2014.

Ms. Manisha Girotra, aged 45 years, graduated in Economics from St. Stephen's College, New Delhi and was awarded the Dr. Manmohan Singh Gold Medal for academic excellence for her Master's Degree from the Delhi School of Economics. She is the Chief Executive Officer of Moelis & Company India Private Ltd. in India.

The Board based on the experience/expertise declared by Ms. Manisha Girotra, is of the opinion that Ms. Manisha Girotra has the requisite qualification to act as an Independent Director of the Company.

In terms of Sections 149, 150, 152 and its related and applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, Ms. Manisha Girotra being eligible and offers herself for appointment, is proposed to be appointed as an Independent Director of the Company for a term of 5 consecutive years i.e. from June 29, 2015 to June 28, 2020. Any Member who wishes to propose the candidature of Ms. Manisha Girotra for the office of Director of the Company may do so in writing in not less than fourteen days before the date of Annual General Meeting along with the deposit of ₹ 1,00,000/- (Rupees one lakh only) which shall be refunded to such Member if Ms. Manisha Girotra gets elected as a Director with more than twenty-five percent of total valid votes cast in favour of this resolution.

Ms. Manisha Girotra has given declaration under Section 149(7) of the Companies Act, 2013 that she fulfills the conditions specified in Section 149(6) of the Companies Act, 2013 read with Rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the letter of appointment of Ms. Manisha Girotra as an Independent Director setting out the terms and conditions are available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day and also hosted on the website of the Company.

Members are further requested to note that Ms. Manisha Girotra has given declarations that she is not disqualified to become a Director under Section 164(2) of the Companies Act, 2013 and her consent to hold office as Director.

The Board deliberated and decided that owing to the rich and varied experience, her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Manisha Girotra as an Independent Director. Accordingly, the Board recommends the resolution for the appointment of Ms. Manisha Girotra as an Independent Director, for the approval by the shareholders of the Company.

Ms. Manisha Girotra does not hold by herself or for any other person on a beneficial basis, any shares in the Company as per declaration given by her.



Details of other Directorships/Committee Memberships held by her:

DIRECTORSHIP	COMMITTEE MEMBERSHIP
<b>DIRECTOR</b>	
Moelis & Company India Private Limited - Managing Director	
Technip France	
Mindtree India Limited	
Novartis India Limited	Corporate Social Responsibility Committee

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Ms. Manisha Girotra.

#### Item No. 6

Mr. Sudhindar Krishan Khanna was appointed as an Additional Director at the Board Meeting held on May 12, 2015.

Mr. Sudhindar Krishan Khanna, aged 62 years completed his Bachelor of Arts (Honors) – First Class Degree in Economics from St. Stephen's College, New Delhi and is a Chartered Accountant from the Institute of Chartered Accountants England and Wales.

Mr. Sudhindar Krishan Khanna spent a large part of his professional career with Accenture. He was previously the Country Managing Partner of Accenture in India & the Middle East and a Member of the Accenture global management team. Of his 30 years in Accenture, Mr. Sudhindar Krishan Khanna spent nearly half that time based in the U.K. as part of the financial services practice, in the latter part as a global management partner in financial services. As a part of his international experience Mr. Sudhindar Krishan Khanna worked at the Board level with many leading global institutions including, BOA, Citi, UBS, Barclay's, NatWest and Lloyds Bank.

The Board based on the experience/expertise declared by Mr. Sudhindar Krishan Khanna, is of the opinion that Mr. Sudhindar Krishan Khanna has the requisite qualification to act as an Independent Director of the Company.

In terms of Sections 149, 150, 152 and its related and applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, Mr. Sudhindar Krishan Khanna being eligible and offers himself for appointment, is proposed to be appointed as an Independent Director of the Company for a term of 5 consecutive years i.e. from June 29, 2015 to June 28, 2020. Any Member who wishes to propose the candidature of Mr. Sudhindar Krishan Khanna for the office of Director of the Company may do so in writing in not less than fourteen days before the date of Annual General Meeting along with the deposit of ₹ 1,00,000/- (Rupees one lakh only) which shall be refunded to such Member if Mr. Sudhindar Krishan Khanna gets elected as a Director with more than twenty-five percent of total valid votes cast in favour of this resolution.

Mr. Sudhindar Krishan Khanna has given declaration under Section 149(7) of the Companies Act, 2013 that he fulfills the conditions specified in Section 149(6) of the Companies Act, 2013 read with the Rules made thereunder for his appointment as an

Independent Director of the Company and is independent of the management. Copy of the letter of appointment of Mr. Sudhindar Krishan Khanna as an Independent Director setting out the terms and conditions are available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day and also hosted on the website of the Company.

The Members are further requested to note that Mr. Sudhindar Krishan Khanna has given declarations that he is not disqualified to become a Director under Section 164(2) of the Companies Act, 2013 and his consent to hold office as Director.

The Board deliberated and decided that owing to the rich and varied experience, his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Sudhindar Krishan Khanna as an Independent Director. Accordingly, the Board recommends the resolution for the appointment of Mr. Sudhindar Krishan Khanna as an Independent Director, for the approval by the shareholders of the Company.

Mr. Sudhindar Krishan Khanna does not hold by himself or for any other person on a beneficial basis, any shares in the Company as per declaration given by him.

Details of other Directorships/Committee Memberships held by him:

DIRECTORSHIP	COMMITTEE MEMBERSHIP
<b>DIRECTOR</b>	
Peninsula Land Limited	
Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited (Nominee Director)	Nomination and Remuneration Committee (Chairman) Audit Committee Board Risk Committee Policyholder Protection Committee
HCL Technologies Limited	Finance Committee
Nuvistas Consultants Private Limited	
Splendor Hospitality Private Limited	
RG Scientific Enterprises Private Limited	
Axiss Dental Private Limited	
Startrek Logistics Private Limited	
Innovative Foods Limited	
Stargaze Consulting Services Private Limited	

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Mr. Sudhindar Krishan Khanna.

#### Item No. 7

The management proposes to issue equity shares or any other securities which are convertible or exchangeable for equity shares ("Securities") to eligible investors including Qualified Institutional Buyers, Foreign Institutions, Foreign Investors, Non-residents,

Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pension Funds or other eligible investors whether or not Members of the Company, in terms of **SEBI ICDR Regulations** or other applicable law.

The **Securities** shall be issued at a price, being not less than the price calculated in accordance with Chapter VIII of **SEBI ICDR Regulations** or other applicable laws, and the 'Relevant Date' in this regard shall be; 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 Chapter VIII of the **SEBI ICDR Regulations** or such other time as may be prescribed by the **SEBI ICDR Regulations** or other applicable laws from time to time, as may be determined by the Board.

The proposed offering of **Securities** by the Company *inter-alia* is for funding capital expenditure, long-term working capital requirements, investment in Joint Ventures, Associate Companies (including Overseas Companies), expansion of the existing business, development of infrastructure for future growth and other approved corporate purposes.

The detailed terms and conditions for the proposed issue will be determined by the Board or a Committee thereof, in consultation with the Advisers, Lead Managers and such other authority(ies) as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The Board recommends the resolutions and the consent of the shareholders is sought by passing an enabling Special Resolution pursuant to the provisions of Section 62(1)(c), its related and other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges where the equity shares of the Company are listed.

The Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot equity shares to the investors who may or may not be the existing Members of the Company.

The Board believes that the proposed offering if made will be in the interest of the Company and therefore recommends this Special Resolution for your approval.

The Directors and Key Managerial Personnel of the Company and relatives thereof may be deemed to be concerned or interested in the passing of Resolution to the extent of securities issued/ allotted to them or to the companies in which they are a Director or Member.

#### Item No. 8

The Members attention is invited to the fact that in terms of Section 42 of the Companies Act, 2013 read with the Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, any offer or invitation to subscribe for non-convertible debentures on private placement basis to not more than 200 persons, the Company shall obtain one time approval of its shareholders by means of a Special Resolution once in a year for all the offers or invitations for such debentures during the said year.

At the last Annual General Meeting held on July 26, 2014, the Company obtained such approval from the shareholders for an amount upto ₹ 2000 crore. However, the same was not utilised as on date.

In order to augment long-term resources for financing, *inter-alia*, the ongoing capital expenditure, long-term loan repayment and for general corporate purposes, the Company may offer or invite subscription for secured / unsecured redeemable non-convertible debentures in one or more series / tranches on private placement basis for an amount upto ₹ 300 crore at an interest rate that will be determined by the prevailing money market conditions at the time of borrowing.

Members are requested to note that the above borrowing upto ₹ 300 crore is within the overall borrowing approval limit of ₹ 8000 crore approved by the shareholders by way of Special Resolution at the Annual General Meeting held on July 26, 2014.

Accordingly, consent of the Members is sought for passing an enabling Special Resolution as set out in this Item. This resolution enables the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

***Annual Report containing Directors' Report and Audited Financial Statements (both standalone and consolidated) are being sent by Book Post/ E- mail.***

By Order of the Board

Registered Office:  
No. 1, Sardar Patel Road  
Guindy, Chennai 600 032  
May 12, 2015

**N. Ramanathan**  
Company Secretary