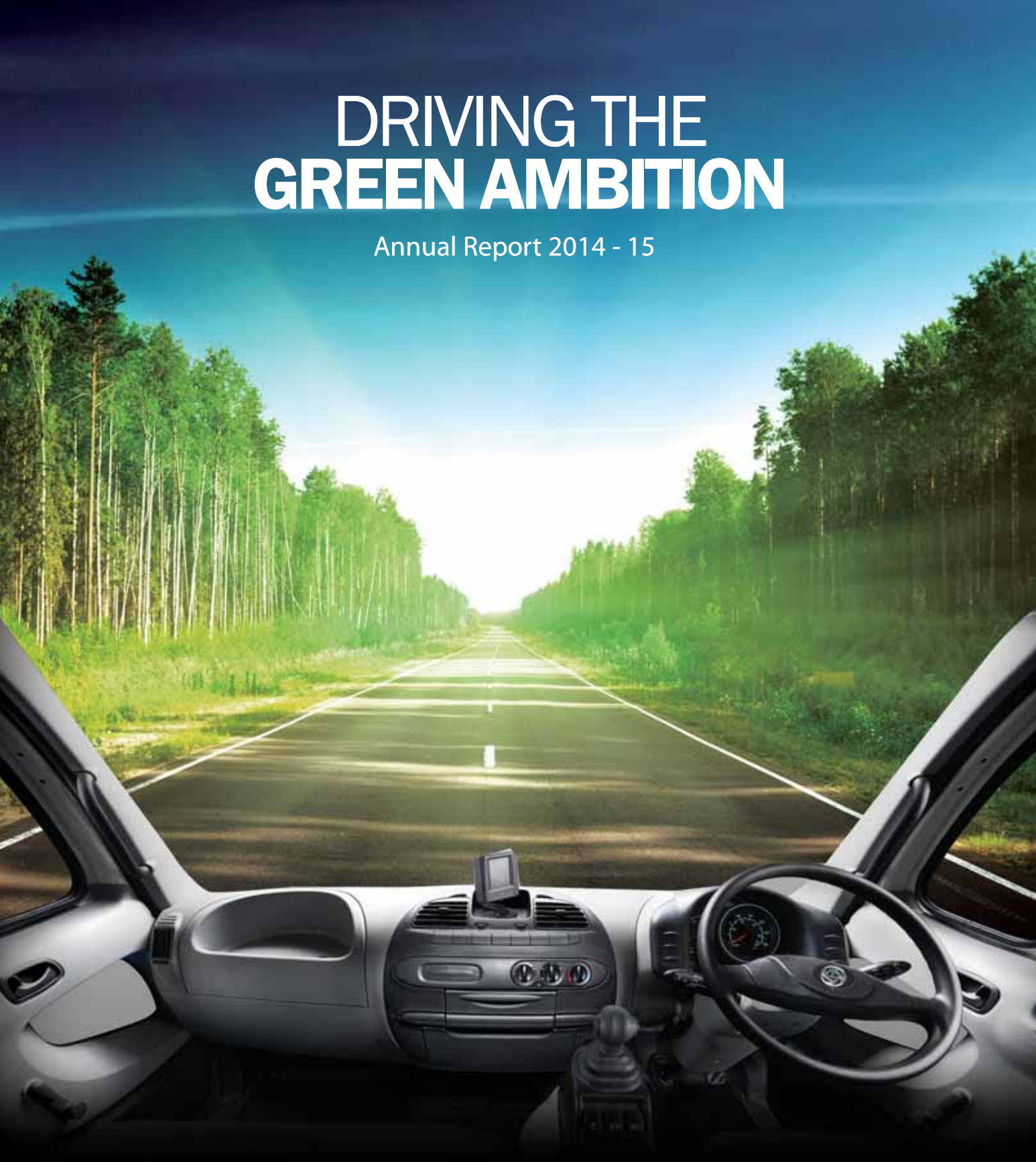
DRIVING THE GREEN AMBITION

Annual Report 2014 - 15



ASHOK LEYLAND

HINDUJA GROUP

FORWARD-LOOKING STATEMENT

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.

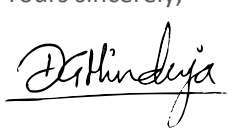
I am also happy to inform that as part of our CSR programme, we have decided to pursue the theme of Education for the Underprivileged with a holistic orientation combining health and education. We hope to see visible results from this endeavor shortly.

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	www.ashokleyland.com

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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
Sales Volume										
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**
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**
Assets										
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**
Non-Current Assets	**151,398**	**195,912**	**282,095**	**476,940**	**534,226**	**660,955**	**761,186**	**881,981**	**928,126**	**861,850**
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**
Current assets	**217,861**	**252,863**	**274,129**	**306,686**	**393,978**	**398,376**	**430,389**	**427,689**	**352,674**	**469,300**
Total	**369,259**	**448,775**	**556,224**	**783,626**	**928,204**	**1,059,331**	**1,191,575**	**1,309,670**	**1,280,800**	**1,331,149**
Financed by										
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**
Shareholders funds	**141,245**	**189,457**	**214,898**	**347,773**	**365,630**	**396,296**	**421,233**	**445,510**	**444,789**	**511,869**
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**
Non-current liabilities	**85,723**	**74,705**	**105,300**	**221,580**	**261,694**	**287,048**	**286,028**	**334,550**	**377,351**	**315,728**
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**
Current liabilities	**142,291**	**184,613**	**236,026**	**214,273**	**300,880**	**375,987**	**484,314**	**529,610**	**458,660**	**503,552**
Total	**369,259**	**448,775**	**556,224**	**783,626**	**928,204**	**1,059,331**	**1,191,575**	**1,309,670**	**1,280,800**	**1,331,149**
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
Profit before tax	**44,219.67**	**(9,121.89)**
Less: Tax Expense	**10,739.07**	(12,060.00)
Profit after tax	**33,480.60**	**2,938.11**
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)
Profit available for appropriation	**129,025.59**	**115,169.99**
Appropriation:		
Proposed dividend	**12,806.44**	–
Corporate dividend tax thereon	**2,607.09**	–
Balance profit carried to Balance Sheet	**113,612.06**	**115,169.99**
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 2nd 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 provisio 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.