

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the sixty seventh Annual General Meeting of Ashok Leyland Limited will be held on **Thursday, July 21, 2016, at 3.00 pm at "The Music Academy, Madras", New No.168 (Old No.306), TTK Road, Royapettah, Chennai - 600 014**, to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2016, together with 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, 2016 together with the Report of Auditors thereon.
2. To declare a dividend for the year ended March 31, 2016.
3. To appoint a Director in place of Mr. A K Das (DIN : 00122913), who retires by rotation in terms of Article 106 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following as an Ordinary Resolution:

"RESOLVED that Messrs M S Krishnaswami & Rajan, Chartered Accountants (Firm Registration No. 01554S) and Messrs Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), be and are hereby appointed as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed between the Board of Directors and the Auditors."

Special Business

5. **Appointment of Dr. Andrew C Palmer as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr. Andrew C Palmer (DIN : 02155231), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from November 4, 2015 and who holds office till the date of the Annual General Meeting, in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, signifying his intention to propose Dr. Andrew C Palmer as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office for five consecutive years for a term up to November 3, 2020."

6. **Re-appointment of Mr. Vinod K Dasari as Chief Executive Officer and Managing Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Act and Article 140 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Vinod K Dasari, (DIN : 00345657) as the Chief Executive Officer and Managing Director of the Company for a period of five years from April 1, 2016 to March 31, 2021, on the following terms and conditions:

A. Fixed Compensation

Basic Salary, Perquisites, Allowances and retiral benefits - ₹ 5,28,00,000/- (Rupees Five Crores Twenty Eight Lakhs only) per annum.

The annual increments will be decided and approved by the Nomination and Remuneration Committee and the Board of Directors based on his and the Company's performance.

B. Commission

Commission based on the Company's performance and contributions made by the Chief Executive Officer and Managing Director (CEO & MD) as may be decided by the Nomination and Remuneration Committee and the Board of Directors.

C. Others

Mr. Vinod K Dasari, CEO & MD shall also be entitled to the perquisites and allowances listed herein below in addition to the fixed compensation and commission mentioned above:

- a) Housing: Company maintained furnished house, situated at Boat Club Road, Chennai - 600 028 or a sum of ₹ 40,00,000/- (Rupees Forty Lakhs only) per annum in lieu of Company housing.
- b) Other perquisites and allowances: Perquisites and Allowances will include special allowance, use of Company car for official local travel, leave travel concessions for self and family, club fees, medical and term insurance, etc., as per Company Policy in force, as applicable to the senior management personnel of the Company.
- c) For the purpose of calculating the perquisites and allowances, these shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost incurred by the Company in providing such perquisites and allowances. Adequate communication facilities at residence shall not be included in the computation of perquisites.
- d) Retirals, within overall remuneration will be computed as follows:
 - (i) Company's contribution to Provident Fund calculated @12% of basic salary.
 - (ii) Company's contribution to Superannuation Funds calculated @15% of basic salary and commission.

- e) Gratuity will be payable as per rules of the Company, and will not form part of remuneration.
- f) Leave encashment: Encashment of leave at the end of the tenure, or in the interim will follow Company policy, subject to an accumulation limit agreed by the Nomination and Remuneration Committee and the Board of Directors. These however shall not be included in the computation of limits on perquisites as aforesaid.

Mr. Vinod K Dasari, CEO & MD, will not be entitled to any sitting fee for meetings of the Board or Committee thereof attended by him during his tenure as CEO & MD.

D. Overall Remuneration

The Board may revise the remuneration payable to CEO & MD, during any financial year during currency of the tenure of office, in such manner as may be agreed to between the Nomination and Remuneration Committee/Board of Directors and CEO & MD subject to the condition that the remuneration by way of salary, perquisites, commission, other allowances and other benefits, shall be within the limits permissible under Section 197 of the Act.

E. Minimum Remuneration

In the event of any loss or inadequacy of profits for any financial year, the Nomination and Remuneration Committee/Board of Directors shall approve the remuneration payable to CEO & MD, during such financial year, in such manner as agreed to between the Nomination and Remuneration Committee/Board of Directors and CEO & MD however not exceeding the maximum limits specified in this behalf under Schedule V to the Act.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Nomination and Remuneration Committee and/or the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

7. Ratification of Cost Auditors' Remuneration for the financial year 2015-16

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the members hereby approve/ratify the remuneration of ₹ 5,00,000/- (Rupees Five Lakhs only) excluding service tax and out of pocket expenses at actuals, for the financial year ended March 31, 2016 to M/s. Geeyes and Co, Cost Accountants, (Firm Registration No: 00044), who were appointed as the Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year ended March 31, 2016."

8. To consider and approve payment of Commission to the Non-Executive Directors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof), consent of the Company be and is hereby accorded for payment of a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, in addition to the sitting fees for attending the meeting(s) of the Board of Directors of the Company or any Committee thereof be paid to the Non-Executive Directors of the Company in such amounts or proportions and in such manner as may be decided by the Nomination and Remuneration Committee/Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing from the financial year 2016-17."

9. To consider and approve 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 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 Depository Receipts ("ADRs") or Global Depository 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 10,83,00,000 (Ten Crores Eighty Three Lakhs) 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 decides to open the proposed issue and in case of allotment of convertible securities, either the date of the meeting in which the Board 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 ten percent 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 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."

10. **To consider and approve issue of Non-Convertible Debentures on Private Placement**

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, 2009 (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 the Board of Directors (Board) of the Company to offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating upto ₹ 700,00,00,000/- (Rupees Seven Hundred Crores only) on private placement basis, on such terms and conditions as the Board 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 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.”

11. **To consider and approve Ashok Leyland Employees Stock Option Plan 2016**

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 and its related and applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), and subject further to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the introduction and implementation of ‘Ashok Leyland Employee Stock Option Plan 2016’ (hereinafter referred to as the “AL ESOP 2016” or the “Scheme”) authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include the Nomination and Remuneration Committee and any other Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution) to create, and grant from time to time, in one or more tranches, not exceeding 42,68,815 (Forty Two Lakhs Sixty Eight Thousands Eight Hundred and Fifteen) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Company including any Director thereof, whether whole-time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided under AL ESOP 2016,

exercisable into not more than 42,68,815 (Forty Two Lakhs Sixty Eight Thousands Eight Hundred and Fifteen) Equity Shares of face value of ₹ 1/- (Rupee One only) each fully paid-up, constituting 0.15% of the paid-up equity share capital of the Company as on March 31, 2016, either directly or through an Employee Welfare Trust (hereinafter referred to as “Trust”), on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of AL ESOP 2016.

RESOLVED FURTHER that the Equity Shares so issued and allotted as mentioned hereinbefore shall rank *pari passu* with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any, additional Equity Shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are split or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the Scheme shall automatically stand augmented or reduced in the same proportion as the present face value of ₹ 1/- per equity share bears to the revised face value of the equity shares of the Company after such split or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under AL ESOP 2016 on the Stock Exchanges where the Equity Shares of the Company are listed.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the AL ESOP 2016.

RESOLVED FURTHER THAT the Board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the AL ESOP 2016 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the AL ESOP 2016 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, and things, as it may, in its absolute discretion, deems necessary including authorising or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Trusts, Consultants or Representatives, being incidental to the effective implementation and administration of AL ESOP 2016

as also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in connection with the above and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard."

By Order of the Board

Mumbai
May 25, 2016

N Ramanathan
Company Secretary

Registered Office:

1, Sardar Patel Road, Guindy
Chennai - 600 032

CIN: L34101TN1948PLC000105

Tel: +91 44 2220 6000 Fax: +91 44 2220 6001

E- mail: reachus@ashokleyland.com

Website: www.ashokleyland.com

NOTES:

1. The Dividend of ₹ 0.95 paise per share has been recommended by the Board of Directors for the year ended March 31, 2016, subject to approval of shareholders. Dividend, if approved at the Annual General Meeting (AGM), shall be paid on and from July 25, 2016.
2. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, July 15, 2016 to Thursday, July 21, 2016 (both days inclusive) for the purpose of determining the Members eligible for dividend.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS AGM 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. THE PROXY FORM SHOULD BE SUBMITTED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**
A person can act as Proxy on behalf of Members not exceeding fifty 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 a Proxy and such person shall not act as a Proxy for any other person or shareholder.
4. 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.
5. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of businesses under item Nos. 5 to 11 of the Notice, is attached herewith.
6. 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 of the meeting hall.
7. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

8. Members, who hold shares in dematerialised form, are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
9. 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 dividend remaining unpaid/unclaimed for a period of seven years from the date they become due for payment is to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the dividend declared for all the financial years ended upto March 31, 2008 had been transferred to IEPF. The amount so transferred cannot be claimed either from the Company or from IEPF.

Members who have not encashed the dividend warrants for the financial year 2008-09 and/or any subsequent years are requested to write to the Company/RTA giving the necessary details. In this connection, the Company has sent reminders to the shareholders who had not encashed their dividends.

Details of dividend declared for the financial years from 2008-09 onwards are given below:

Financial year	Declared on	Dividend %	Amount of dividend per share (face value: ₹ 1/-per share) ₹ Paise
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		
2014-15	29.06.2015	45	0.45

10. Pursuant to the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts 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, 2015, the information on unclaimed dividend as on the date of the last AGM, i.e., June 29, 2015 was filed with the MCA and hosted on the website of the Company.
11. Electronic mode of the Notice of the sixty seventh AGM 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 physical copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Notice along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may also note that the Notice of the sixty seventh AGM and the Annual Report for 2015-16 will be available on the Company's website www.ashokleyland.com and also on the website of the Stock Exchanges respectively at

www.bseindia.com and www.nseindia.com. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company 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.

13. Voting through electronic means:

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) the Company provides the Members the facility to exercise their right to vote at the AGM by electronic means and the businesses may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).
- II. The facility for voting, through ballot paper shall be made available at the AGM and Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM Venue.
- III. The "cut-off date" for determining the eligibility for voting either through electronic voting system or ballot is fixed as Thursday, July 14, 2016. The e-voting period commences on Sunday, July 17, 2016 at 9.00 am and ends on Wednesday, July 20, 2016 at 5.00 pm During this period, shareholders' holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e., Thursday, July 14, 2016, shall be entitled to avail the facility of remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- 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 the e-mail received from NSDL and also 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 the internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - (iii) Click on Shareholder – Login.
 - (iv) If you are already registered with NSDL for e-voting, then you can use your existing user

ID and password for casting your vote.

- (v) Type User ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (vi) 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.
 - (vii) Once the home page of remote e-voting opens. Click on remote e-Voting: Active Voting Cycles.
 - (viii) Select "EVEN" (E-voting Event Number) of Ashok Leyland Limited.
 - (ix) Now you are ready for remote e-voting as Cast Vote page opens.
 - (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xii) Once you have voted on the resolution(s), you will not be allowed to modify your vote and cast the vote again.
 - (xiii) 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 and/or Authority letter 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 with a copy marked to evoting@nsdl.co.in and csdstd@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))**
 - a) Initial password is provided as per the format given below at the bottom of the Attendance Slip for the AGM: **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 or call Toll Free No. 1800-222-990.
 - VI. 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).
 - VII. 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., Thursday, July 14, 2016.

- VIII. Members who have already exercised their voting through remote e-voting can attend the AGM but cannot vote again.
- IX. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Thursday, July 14, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company/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 or contact NSDL at the following Toll Free no.: 1800-222-990.

- X. 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.
- XI. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, 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 who are 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.
- XII. As per Regulation 44 of the SEBI Listing Regulations, 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 and the website of NSDL.

14. Brief notes on the background and the functional expertise of the Directors proposed for appointment/re-appointment are furnished in **Annexure** attached, along with details of companies in which they are Director/Chairman and the Board Committees in which they are Member/Chairman.
15. Corporate Members/FIIs/Financial Institutions intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of the Board resolution/such other documents authorising their representatives to attend and vote at the AGM well in advance.
16. **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 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.

17. 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 AGM.
18. The Securities and Exchange Board of India 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 (RTA), "Kences Towers", 2nd Floor, No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017.
19. 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/RTA, for consolidation into a single folio.
20. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Thursday, July 21, 2016.
21. **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.
22. The Route map for the venue of the AGM is annexed.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the businesses mentioned under item Nos. 5 to 11 of the accompanying Notice.

Item No.5

The Board of Directors of the Company at their meeting held on November 4, 2015 appointed Dr. Andrew C Palmer (Dr. Palmer) as an Additional Director (Independent) of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act) and Article 101 of the Articles of Association of the Company.

Dr. Palmer will hold office upto the date of this Annual General Meeting. The Company has received a notice in writing under Section 160 of the Act from a member, along with a deposit of requisite amount proposing the candidature of Dr. Palmer for the office of the Independent Director, to be appointed as such, under the provisions of Section 149 of the Act.

The Company has received a declaration from Dr. Palmer that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI Listing Regulations. In the opinion of the Board, Dr. Palmer fulfills the conditions for his appointment as an Independent Director as specified in the Act and SEBI Listing Regulations. Dr. Palmer is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Dr. Andrew C Palmer

Dr. Andrew C Palmer, CMG, is a British-born chartered engineer, chartered manager and businessman with 35 years of automotive industry experience. He is an indentured apprentice and graduated from Warwick University with a Master's Degree (MSc)

in Product Engineering in 1990, and acquired a Doctorate (PhD) in Management from Cranfield University in 2004. He is a Chartered Engineer and a Fellow of the Institution of Mechanical Engineers. In 2010, Coventry University awarded Dr. Palmer an Honorary Doctorate of Technology and in 2014 he was appointed Professor, advising the university in the automotive field.

Currently, Dr. Palmer is the President and Chief Executive Officer of Aston Martin Lagonda Limited.

Prior to joining Aston Martin, Dr. Palmer held the post of Chief Planning Officer at Nissan Motor Co and was a member of the Nissan Executive Committee. He held a number of senior positions with the Japanese car manufacturer over the course of a 24-year career with the firm. The roles included corporate planning, product planning, marketing, sales & IT leadership and Chairman of Infiniti from 2011.

Dr. Palmer started his professional career in 1979 aged 16, as an apprentice at Automotive Products Limited (UK). After six years with Austin Rover, he joined Nissan. In the 2014 New Year's Honours list, Dr. Palmer was named a Companion of the Order of St Michael and St George (CMG) in recognition of services to the British automotive industry.

Dr. Palmer 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.

The Board based on the experience/expertise declared by Dr. Palmer, is of the opinion that Dr. Palmer has the requisite qualification to act as an Independent Director of the Company.

Accordingly, the Board recommends the resolution for the appointment of Dr. Palmer as an Independent Director, for the approval by the shareholders of the Company.

Dr. Palmer is a Director of Aston Martin Lagonda Holdings Limited. He is the Chairman of the Technology Committee of the Company.

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 Dr. Palmer.

Item No.6

Mr. Vinod K Dasari was appointed as the Managing Director of the Company for a period of three years effective April 1, 2014 by the shareholders at the Annual General Meeting held on July 26, 2014. His appointment is due for renewal on March 31, 2017.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on May 25, 2016 approved the re-appointment of Mr. Vinod K Dasari as the Chief Executive Officer and Managing Director (CEO & MD) of the Company for a period of five years from April 1, 2016 to March 31, 2021 subject to the approval of the shareholders at this Annual General Meeting.

Keeping in view that Mr. Vinod K Dasari has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Vinod K Dasari as CEO & MD of the Company.

Brief resume of Mr. Vinod K Dasari

Mr. Vinod K Dasari completed his MBA from Kellogg School of Management and a Masters in Engineering Management from

McCormick School of Engineering, from Northwestern University. He earned a Bachelor's Degree in Engineering from University of Louisville.

Mr. Vinod K Dasari commenced his career with the General Electric Company in 1986. After completing his MBA in 1992, he joined the Timken Company, USA in 1996. He moved to Timken's Indian operations as Director of Manufacturing and Technology. In 1998, he was appointed Managing Director of Timken India and in 2000, he moved back to US, with Timken, as President of the Global Railroad business. In 2002, wanting to move his family to India, he joined Cummins India Limited as President, and then became its Joint Managing Director.

Mr. Vinod K Dasari joined Ashok Leyland in 2005 as Chief Operating Officer and was appointed Whole Time Director in 2008, followed by the current position of Managing Director in 2011.

He is currently the President of the Society of Indian Automobile Manufacturers (SIAM) and President of Automotive Skill Development Council (ASDC). He serves on the Board of several group companies of Ashok Leyland and is a Director of Pidilite Industries Limited and Vishay Engineering and Holdings Private Limited.

Mr. Vinod K Dasari does not hold by himself or for any other person on a beneficial basis, any shares in the Company as per the declaration given by him.

The terms contained in the resolution shall constitute the written memorandum setting out the terms of re-appointment.

The approval of the members is being sought for the re-appointment of Mr. Vinod K Dasari as CEO & MD and the remuneration payable to him for a period of five years from April 1, 2016 to March 31, 2021.

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. Vinod K Dasari.

Item No.7

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to conduct the audit of the cost records of the applicable products of the Company. As per the Rules, remuneration payable to the cost auditor is required to be ratified by the members of the Company in a general meeting. The Board of Directors of the Company at its meeting held on May 12, 2015 has considered and approved the appointment of Geeyes and Co, Cost Accountants (Firm Registration No: 00044) as the Cost Auditor of the Company for the financial year 2015-16 at a remuneration of ₹ 5,00,000/- (Rupees Five Lakhs only) plus applicable service tax and out of pocket expenses that may be incurred.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

The Board recommends the resolution set forth for the approval/ratification of the Members.

Item No.8

The members of the Company at the sixty second AGM held on July 19, 2011, approved the payment of commission to Non-Executive Directors (NEDs) of the Company upto one percent per annum of the net profits of the Company for a period of five years commencing from April 1, 2011 and ending with March 31, 2016 in addition to the sitting fees.

The compensation payable to the NEDs of companies should be adequate to attract independent professionals to take up these positions. Hence, in terms of Section 197 of the Companies Act, 2013, it is proposed to continue with the payment of commission to the NEDs of the Company for each of the five consecutive financial years commencing April 1, 2016, not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act. The quantum of the commission payable to each of the NEDs varies from year to year, which shall be decided by the Nomination and Remuneration Committee and the Board of Directors.

All the Directors, except CEO & MD and Key Managerial Personnel or their respective relatives, are concerned or interested, financial or otherwise, in this resolution.

The Board recommends the resolution set forth for the approval of the Members.

Item No.9

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, research development 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, 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.10

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 June 29, 2015, the Company obtained such approval from the shareholders for an amount upto ₹ 300 Crores. 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 ₹ 700 Crores 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 ₹ 700 Crores is within the overall borrowing approval limit of ₹ 8000 Crores 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.

Item No.11

The Nomination and Remuneration Committee and the Board of Directors of the Company at their meetings held on May 24, 2016 and May 25, 2016 respectively had approved formulation and implementation of Ashok Leyland Employee Stock Option Scheme 2016 (AL ESOP 2016/Scheme).

Your Company believes that equity based compensation schemes are an effective tool to reward the employees (including Directors) of the Company in the growth of the Company, to create an employee ownership in the Company, to attract new talents, to retain the key resources in the organisation and for the benefit of the present and future employees of the Company. With this objective in mind, your Company intends to implement AL ESOP 2016 for the employees.

The Company seeks members' approval in respect of AL ESOP 2016 and grant of Stock Options to the eligible employees of the Company as decided in this behalf from time to time in due compliance of the Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations).

The salient features of the AL ESOP 2016 are as under:

a) Brief description of the Scheme

The Company proposes to introduce AL ESOP 2016 for the benefit of the permanent employees and eligible Directors of the Company and such other eligible persons as may be determined as per SEBI SBEB Regulations. Options granted under the Scheme shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment/issue of equity shares of the Company.

The Nomination and Remuneration Committee (Committee) of the Company shall act as Compensation Committee for administration of AL ESOP 2016. All questions of interpretation of the AL ESOP 2016 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in AL ESOP 2016.

b) Total number of Options to be granted

The total number of options to be granted under AL ESOP 2016 shall not exceed 42,68,815 (Forty Two Lakhs Sixty Eight Thousands Eight Hundred and Fifteen) options constituting 0.15% of the paid-up equity share capital of the Company as on March 31, 2016. Each option when exercised would be converted into one Equity Share of ₹ 1/- (Rupee One only) each fully paid-up.

The SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such manner that the total value of the options granted under AL ESOP 2016 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 42,68,815 (Forty Two Lakhs Sixty Eight Thousands Eight Hundred and Fifteen) shall be deemed to be increased to the extent of such additional options issued.

c) Identification of classes of employees entitled to participate in AL ESOP 2016

All the permanent employees (including a Director, whether whole-time or not) of the Company as identified by the Committee shall be eligible to participate in the Scheme. The following persons shall not be eligible to participate in AL ESOP 2016:

- a) an employee who is a Promoter or belongs to the Promoter Group as defined in the SEBI Regulations; or
- b) a Director who either by himself/herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than ten percent of the issued and subscribed Equity Shares of the Company; or
- c) Independent Directors.

In case any grant of options would be contemplated to the employees of any Subsidiary Company set-up if any

in future and that of the Holding Company, separate approval of the Shareholders shall be obtained as per provisions of SEBI SBEB Regulations, prior to such grant.

d) Requirements of vesting and period of vesting

All the options granted on any date shall vest not earlier than One year and not later than a maximum period as may be permitted by SEBI SBEB Regulations as amended from time to time from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable laws and in the interest of the option grantee.

The vesting dates in respect of the options granted under the Scheme shall be determined by the Committee and may vary from an employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee.

Options shall vest essentially based on continuation of employment and apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

e) Maximum period within which the options shall be vested

All the options granted on any date shall vest not later than a maximum period as may be permitted by SEBI SBEB Regulations as amended from time to time from the date of grant of options and as may be determined by the Committee.

f) Exercise price or pricing formula

Exercise Price shall be decided by the Committee, subject to a minimum of the face value.

g) Exercise period and the process of Exercise

The exercise period would commence from the date of vesting and will expire on completion of period as may be permitted by SEBI SBEB Regulations as amended from time to time from the date of respective vesting of options. The vested Option shall be exercisable by the employees either in full or in tranches as may be permitted by the Scheme by a written application to the Company expressing his/her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under AL ESOP 2016

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

i) Maximum number of Options to be issued per employee and in aggregate

The maximum number of options that may be granted to an eligible employee of the Company under the Scheme, in any financial year and in aggregate under the AL ESOP 2016 will be determined by the Board/Committee on case to case basis and shall not exceed the limits, if any, prescribed under SEBI SBEB Regulations and other applicable laws.

j) Maximum quantum of benefits to be provided per employee under the AL ESOP 2016

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of sale of shares.

k) Route of Scheme implementation

The Scheme shall be implemented and administered either directly by the Company or through an Employees Welfare Trust or both as the Board/Committee deems fit. In case the Company wishes otherwise, it may be intimated to the members in due course as per the applicable laws.

l) Source of acquisition of shares under the Scheme

The Scheme contemplates fresh/new issue of shares by the Company.

m) Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilisation, repayment terms, etc.

The Company may provide, loan to the Trust, from time to time. The Company will provide necessary loan amount to the trust to enable the trust to subscribe the shares issued by the Company. The terms and conditions of the loan shall be decided by the Board from time to time. The loan will be utilised by the trust for subscribing to the shares of the Company only. The Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of Options by the employees.

n) Maximum percentage of secondary acquisition

This is not relevant under the present Scheme.

o) Accounting Policies and Disclosures

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

p) Method of option valuation

The Company shall adopt the intrinsic value method of valuation of options. Notwithstanding the above, the Company may adopt any other method as may be required under prevailing applicable laws.

q) Declaration

In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share of the Company shall also be disclosed in the Board's Report.

Consent of the members is being sought by way of a special resolution pursuant to Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the AL ESOP 2016 is available for inspection at the Company's Registered Office during normal business hours on all working days till the date of the AGM.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the AL ESOP 2016.

By Order of the Board

Mumbai
May 25, 2016

N Ramanathan
Company Secretary

Registered Office:
1, Sardar Patel Road, Guindy
Chennai - 600 032
CIN: L34101TN1948PLC000105
Tel: +91 44 2220 6000 Fax: +91 44 2220 6001
E- mail: reachus@ashokleyland.com
Website: www.ashokleyland.com

Annexure

Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting

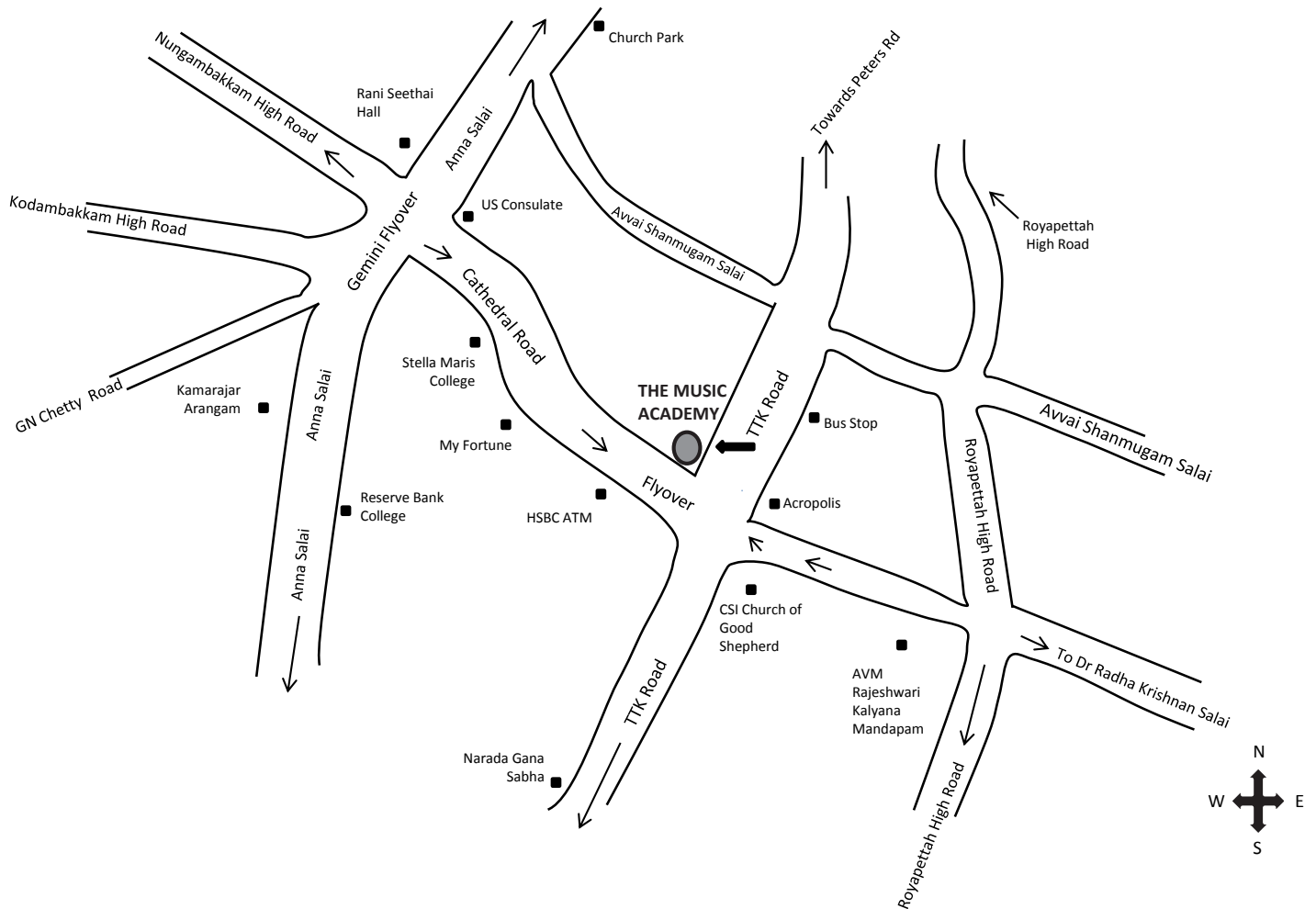
Name of the Director	Mr. A K Das	Dr. Andrew C Palmer	Mr. Vinod K Dasari
Date of Birth and Age	August 2, 1940, 75 years	June 30, 1963, 52 years	June 28, 1966, 49 Years
Date of Appointment	November 19, 1994	November 4, 2015	May 8, 2008
Expertise in Specific functional areas	Over 35 years experience in International Trade and Commerce, including handling of international trade operations for over 10 years.	Over 35 years of automotive industry experience. In 2010, Coventry University awarded him an Honorary Doctorate of Technology and in 2014 he was appointed Professor, advising the university in the automotive field.	Over 25 years of varied experience with top companies in India and USA
Qualifications	BA (Hons)	(i) Master's Degree (MSc) in Product Engineering (ii) Doctorate (PhD) in Management (iii) Chartered Engineer (iv) Fellow of the Institution of Mechanical Engineers	BS (Engg), MEM, MBA
Board Membership of other companies as on March 31, 2016	(i) IndusInd Media and Communications Limited* (ii) Hinduja Group Limited, Executive Vice Chairman (iii) Vista Travels Private Limited (iv) Grant Investrade Limited (v) Hinduja Healthcare Limited (vi) The British Metal Corporation (India) Private Limited (vii) Aasia Imports & Exports Private Limited (viii) Ashley Aviation Limited (ix) Hinduja Energy (India) Limited (x) Chemring Aasia Services Private Limited	(i) Aston Martin Lagonda Limited, CEO (ii) Aston Martin Lagonda Holdings Limited	(i) Ashok Leyland UAE LLC* (ii) Global TVS Bus Body Builders Limited* (iii) Lanka Ashok Leyland PLC (iv) Ashok Leyland Defence Systems Limited* (v) Ashok Leyland Nissan Vehicles Limited (vi) Nissan Ashok Leyland Technologies Limited (vii) Nissan Ashok Leyland Powertrain Limited* (viii) Pidilite Industries Limited (ix) Vishay Engineering and Holdings Private Limited
Chairmanships/ Memberships of Committees of other companies as on March 31, 2016	(i) Ashley Aviation Limited Committee of Directors (ii) Hinduja Energy (India) Limited a. Nomination and Remuneration Committee* b. CSR Committee c. Allotment Committee (iii) Hinduja Group Limited a. CSR Committee* b. Committee of Directors (iv) IndusInd Media and Communications Limited a. Nomination and Remuneration Committee b. CSR Committee* c. Share Allotment Committee* d. Committee of Directors*	NIL	(i) Nissan Ashok Leyland Powertrain Limited Nomination and Remuneration Committee (ii) Nissan Ashok Leyland Technologies Limited Nomination and Remuneration Committee (iii) Ashok Leyland Nissan Vehicles Limited Nomination and Remuneration Committee* (iv) Global Bus Body Builders Limited a. Audit Committee* b. Nomination and Remuneration Committee

*Chairman of the Board/Committee.

For other details such as number of shares held, number of meetings of the Board attended during the year, remuneration drawn in respect of the aforesaid directors, please refer to the Corporate Governance Report.

Route Map to the AGM Venue

Venue: “The Music Academy, Madras”, New No.168 (Old No.306), TTK Road, Royapettah, Chennai - 600 014



Landmark: Cathedral Road Flyover Junction