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Contents

• Company
• Challenge
• Transformation
• Road ahead
Hinduja Group

- Presence in 37 countries
- More than 70,000 employees
- Business interests across several verticals
- Ashok Leyland - flagship of Hinduja Group
Hinduja Group: Businesses

- **Global Investments**
  - Automotive
  - Oil & Gas
  - Power
  - Information Technology
  - Media
  - Real Estate
  - Healthcare
  - Project Development

- **BFSI**
  - Hinduja Bank, Switzerland
  - Indus Ind Bank
  - Hinduja Leyland Finance

- **International Trading**
  - British Metal Corporation Pvt. Ltd.

- **Initiatives**
  - Healthcare
  - Education
  - Social Welfare
  - Arts & Culture
  - Sports
Ashok Leyland
Leading MHCV player in India

67 years of continuous profits

History of innovation
- Multi-axle trucks
- Articulated buses
- Air brakes
- CNG vehicles
- Tractor Trailers

Presence in Trucks, Buses, Defence, and Power solutions

4th largest Bus and 14th largest Truck maker in the world

Exports to 34 countries

Presence in Trucks, Buses, Defence, and Power solutions

History of innovation
- Multi-axle trucks
- Articulated buses
- Air brakes
- CNG vehicles
- Tractor Trailers

Exports to 34 countries
History & milestones

1948
- Started on 7th Sep

1950
- Ashok Motors & Leyland UK collaborate

1967
- India’s first double decker

1970
- Vehicles for Indian Army

1987
- Acquires jointly with Iveco majority stake in Ashok Leyland

1993
- First auto co. to receive ISO 9002

2002
- First hybrid vehicle

2010
- Pant Nagar begins operations

2013
- Boss ICV launched

2014
- Captain trucks launched
Profitable since inception

### Sales volume (‘000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 04</td>
<td>49</td>
</tr>
<tr>
<td>FY 05</td>
<td>55</td>
</tr>
<tr>
<td>FY 06</td>
<td>62</td>
</tr>
<tr>
<td>FY 07</td>
<td>83</td>
</tr>
<tr>
<td>FY 08</td>
<td>83</td>
</tr>
<tr>
<td>FY 09</td>
<td>54</td>
</tr>
<tr>
<td>FY 10</td>
<td>64</td>
</tr>
<tr>
<td>FY 11</td>
<td>94</td>
</tr>
<tr>
<td>FY 12</td>
<td>102</td>
</tr>
<tr>
<td>FY 13</td>
<td>114</td>
</tr>
<tr>
<td>FY 14</td>
<td>89</td>
</tr>
<tr>
<td>FY 15</td>
<td>105</td>
</tr>
<tr>
<td>FY 16</td>
<td>140</td>
</tr>
</tbody>
</table>

### Sales revenue (gross) - Rs. Million

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 04</td>
<td>39,273</td>
</tr>
<tr>
<td>FY 05</td>
<td>48,108</td>
</tr>
<tr>
<td>FY 06</td>
<td>60,531</td>
</tr>
<tr>
<td>FY 07</td>
<td>83,047</td>
</tr>
<tr>
<td>FY 08</td>
<td>89,471</td>
</tr>
<tr>
<td>FY 09</td>
<td>66,666</td>
</tr>
<tr>
<td>FY 10</td>
<td>78,726</td>
</tr>
<tr>
<td>FY 11</td>
<td>1,215,300</td>
</tr>
<tr>
<td>FY 12</td>
<td>1,372,085</td>
</tr>
<tr>
<td>FY 13</td>
<td>1,329,855</td>
</tr>
<tr>
<td>FY 14</td>
<td>1,056,085</td>
</tr>
<tr>
<td>FY 15</td>
<td>1,448,599</td>
</tr>
<tr>
<td>FY 16</td>
<td>19,877,73</td>
</tr>
</tbody>
</table>

### Profit After Tax (PAT) – Rs. Million

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit After Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 04</td>
<td>1,936</td>
</tr>
<tr>
<td>FY 05</td>
<td>2,714</td>
</tr>
<tr>
<td>FY 06</td>
<td>3,273</td>
</tr>
<tr>
<td>FY 07</td>
<td>4,413</td>
</tr>
<tr>
<td>FY 08</td>
<td>4,693</td>
</tr>
<tr>
<td>FY 09</td>
<td>1,900</td>
</tr>
<tr>
<td>FY 10</td>
<td>4,237</td>
</tr>
<tr>
<td>FY 11</td>
<td>6,313</td>
</tr>
<tr>
<td>FY 12</td>
<td>5,660</td>
</tr>
<tr>
<td>FY 13</td>
<td>4,337</td>
</tr>
<tr>
<td>FY 14</td>
<td>294</td>
</tr>
<tr>
<td>FY 15</td>
<td>3,348</td>
</tr>
<tr>
<td>FY 16</td>
<td>7,218</td>
</tr>
</tbody>
</table>
Challenge: 2012-2014
Industry collapsed

Total Industry Volume in ‘000s

- FY ’10: 242
- FY ’11: 320 (+13%)
- FY ’12: 363
- FY ’13: 286 (-21%)
- FY ’14: 208 (-27%)
## New competitors arrived

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Total Industry Volume</th>
<th>Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1997</td>
<td>99,000</td>
<td>2</td>
</tr>
<tr>
<td>1997 - 2010</td>
<td>244,000</td>
<td>5</td>
</tr>
<tr>
<td>&gt;2010</td>
<td>265,000</td>
<td>10</td>
</tr>
</tbody>
</table>

New competitors arrived.
High investments leading to high breakeven

- In 60 years (up to FY 08):
  - Capital expenditure: 6,099
  - Investments (Equity): 34,717
- In 5 yrs (FY '09 - FY '13):
  - Capital expenditure: 22,297
  - Investments (Equity): 36,147

Rs. Million

58,444
Huge debt

Debt Equity (times)
Transformation
“Restructure for growth”

**Restructure:**
- Manpower
- Fixed costs
- Working Capital
- Debt
- Non-core assets

**Growth:**
- New products
- Network
- Exports
- New business
- Capabilities
Focus on operational efficiency

- **2013-14**: K54 - Fixed cost reduction
- **2014-15**: acheiveVE500 - Material cost reduction
- **2015-16**: PRISM - Sales and Marketing Excellence, LEAD - Leverage analytics to drive decisions
- **Practicals**: TQM - Warranty cost reduction, REACH99 - Customer vehicle configurator
New Products contributed to our growth

JanBus

U3718

Boss

Captain

40-iT
Enhanced our network for sales and service

Workshop on wheels

Authorised Service Center

Network Locator

Dealership

SASSY

<table>
<thead>
<tr>
<th>No. of outlets</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>557</td>
<td>746</td>
<td>1114</td>
<td>1289</td>
<td>1462</td>
</tr>
</tbody>
</table>
Restructuring made us leaner

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>September 2013</th>
<th>March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manpower</td>
<td>12536</td>
<td>10352</td>
</tr>
<tr>
<td>Other expenses (% of Sale revenue)</td>
<td>11.6%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Working capital (Rs. Million)</td>
<td>13720 (44 days)</td>
<td>-222 (0 days)</td>
</tr>
<tr>
<td>Debt (net) (Rs. Million) Debt Equity (times)</td>
<td>60510 2.2:1</td>
<td>11508 0.24:1</td>
</tr>
<tr>
<td>Non-core assets disposed (Rs. Million) cumulative</td>
<td>--</td>
<td>16178</td>
</tr>
</tbody>
</table>
New products and expanded network enhanced market share

![Chart showing Total Industry volume in '000s and MHCV Market share from FY12 to FY16, with market share percentages indicated for each fiscal year.](chart.png)
FY 2015-16: A record year of growth

- **MHCV sales**: 109,762 Nos
- **MHCV production**: 112,537 nos
- **Revenue**: 188,216 Million
- **Operating PAT**: 11,112 Million
Road ahead
Environment trends

• GDP growth in India to be steady
• Growth in road projects, smart cities, mining
• Regulations on emissions and safety
• Guidelines on voluntary fleet modernization
Growing customer expectations

- Driver comfort and safety
- Rigorous duty cycles
- Enhanced product reliability
- Digitally connected vehicles
Transformation initiatives

1. Defend domestic market share
2. Set foundation for international expansion
3. Grow acyclical businesses faster

4. Enhance productivity and asset utilization
5. Build culture of performance & innovation
6. Win together with all our stakeholders

Strategies for growth

Strategic enablers
1. Defend domestic market share

• Build and enhance product portfolio
• Expand network of touch-points
• Enhance customer engagement
1. Defend domestic market share (contd.)

- Drive 2\textsuperscript{nd} hemisphere innovation
- Leverage digital technology
- Develop Electric & Hybrids
2. Set foundation for international expansion
3. Grow acyclical businesses faster
4. Enhance productivity and asset utilization

- Enhance supply-chain productivity
- Reduce Variable costs
- Reduce Warranty costs
- Reduce Overheads
5. Build culture of performance and innovation

**ELP**
Emerging Leaders Program
- Developing future leaders

**LEAPS**
Leadership Excellence Awards for Problem Solving
- 6-sigma problem solving

**Ignite**
Innovation program

**Chairman's Awards**
Rewards & recognition

**Technology Day**
Research Papers and Patents
6. Win together with all stakeholders

-investors
-suppliers
-customers
-dealers
-community

Aapki Jeet. Hamari Jeet.
THANK YOU