



**ASHOK LEYLAND**

**Ashok Leyland Limited**

Registered Office: No.1, Sardar Patel Road, Guindy, Chennai 600 032

**NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PASSING OF THE RESOLUTION BY POSTAL BALLOT) RULES, 2011**

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 (the Companies Act), read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, as amended from time to time, that resolution appended below is proposed to be passed as a Special Resolution by way of Postal Ballot. The Company is offering e-voting facility to all the members of the Company.

**REMUNERATION TO Mr. VINOD K DASARI, MANAGING DIRECTOR DUE TO INADEQUATE PROFITS**

Your attention is invited to the fact that at the Annual General Meeting held on July 19, 2011, the shareholders' have unanimously appointed Mr. Vinod K Dasari as the Managing Director of the Company for a period of three years i.e., from April 1, 2011 to March 31, 2014 and approved remuneration payable to him for the said period. The remuneration payable to Mr. Vinod K Dasari, Managing Director for any financial year was restricted to the stated remuneration within the overall limit as agreed to by the Nomination and Compensation Committee/Board of Directors and Mr. Vinod K Dasari.

Consequent to the economic downturn and sluggish market, the Company is experiencing demand slowdown for its products in the addressable markets, resulting in net loss at the business level for the period April 1, 2013 to December 31, 2013. With the projected demand in business for the remaining period of the Financial Year 2013-2014 i.e., January 1, 2014 to March 31, 2014, the Company does not expect to report business profits. In view of the same, the Company will have inadequate profits/ business loss for financial year 2013-2014.

In view of the above, the Company is seeking shareholders' approval to pay minimum remuneration to Mr. Vinod K Dasari, Managing Director, in the form of salary, allowances, perquisites and other benefits. The shareholders may also please note that the remuneration that has been approved by the Nomination and Compensation Committee and the Board as minimum remuneration for the financial year 2013-14 at their respective meetings held on January 20 & 21, 2014 is after taking into account the experience and expertise of Mr. Vinod K Dasari and also the industry pay scale for similar sized companies.

Under Schedule XIII of the Companies Act, 1956, Part II, Section II relating to Remuneration payable to managerial persons, where in any financial year during the currency of the tenure of the managerial person, a company has no profits or its profits are inadequate, it may pay remuneration to a managerial person by way of salary, allowances and perquisites subject to:

- i) Payment of remuneration being approved by the Remuneration Committee and the Board of Directors;
- ii) The approval of the members through a Special Resolution and
- iii) Approval of the Central Government (Ministry of Corporate Affairs, New Delhi).

The approval of the members is being sought now by way of a Special Resolution through Postal Ballot for the payment of remuneration for the period April 1, 2013 to March 31, 2014.

**SPECIAL RESOLUTION**

1. To consider and, if thought fit, to give assent / dissent to the following resolution as a Special Resolution through Postal Ballot:

**RESOLVED** that with the unanimous consent of all the Directors present, and in terms of Sections 198, 269, 309, 310 and other applicable and related provisions, if any, read with Schedule XIII of the Companies Act, 1956, the provisions of the Companies Act, 2013 as may be applicable (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government (Ministry of Corporate Affairs, New Delhi), Mr. Vinod K Dasari, Managing Director of the Company, be paid remuneration by way of salary, perquisites and allowances totalling upto a maximum of Rs.2,20,52,000/- (Rupees two crore twenty lakhs and fifty two thousand only) for the period from April 1, 2013 to March 31, 2014, with an authority to the Board of Directors to decide on the quantum of remuneration payable under each head, viz., salary, allowances and perquisites as may be agreed mutually between the Board of Directors and Mr. Vinod K Dasari, Managing Director.

**REMUNERATION DETAILS:**

i)	Salary/Special Allowance	Not to exceed Rs.2,20,52,000/- for the financial year 2013- 2014 ( i.e. April 1, 2013 to March 31, 2014) .
ii)	Perquisites and other allowances	In addition to the above, Mr. Vinod K Dasari shall also be entitled to perquisites and other allowances which will include use of Company car for official purpose, house property owned by the Company and occupied as residential accommodation, leave travel concessions for self and family, club fees and benefits as per Company Policy applicable to the senior management (medical reimbursement etc.).  For the purpose of calculating the above ceiling, perquisites and allowances 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 for the purpose of calculating the said ceiling.

**RESOLVED FURTHER** that Mr. Vinod K Dasari, Managing Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- c) Encashment of leave at the end of the tenure.

**RESOLVED FURTHER THAT** in addition to the above mentioned perquisites/allowances, Mr. Vinod K Dasari being an expatriate managerial person shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- a) Children's education allowance – an allowance limited to a maximum of Rs.5000/- per month per child or actual expenses incurred, whichever is less upto a maximum of two children.
- b) Return holiday passage once a year by economy class to children and to the members of the family from the place of their study abroad to India.
- c) Return passage for self and family in accordance with the rules specified by the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and/or the Nomination and Compensation Committee be and is 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.

Registered Office:

1, Sardar Patel Road, Guindy, Chennai 600 032.

By Order of the Board

Place : Chennai

Date : January 21, 2014

N Ramanathan  
Company Secretary

**NOTES:**

1. Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 read along with Section 192A of the Companies Act 1956 read along with (Passing of the Resolution by Postal Ballot) Rules, 2011 setting out material facts is annexed hereto.
2. The Notice is being sent to all the members, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on January 31, 2014.
3. The Company has appointed Ms. B Chandra, Practising Company Secretary, Chennai as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
4. In compliance with provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company is offering e-voting facility to all the members of the Company. Integrated Enterprises (India) Limited, our Registrar and Transfer Agent (R&TA) will be facilitating the e-voting to enable the members to cast their votes electronically wherever e-mail ID is registered.
5. The instructions to members for e-voting are as under:

**I. In case of Members' receiving e-mail from NSDL**

- (i) Open e-mail and open PDF file viz; "Ashok Leyland e-Voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on "Shareholder" - "Login"
- (iv) Type user ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Ashok Leyland Limited.
- (viii) Now you are ready for e-Voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [scrutiniserbc@gmail.com](mailto:scrutiniserbc@gmail.com) with a copy marked to [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**II. In case of Members' receiving Postal Ballot Form by Post:**

Members to whom the physical Postal Ballot Forms are despatched may also vote electronically through the following procedure:

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. 5 (i) (ii) to Sl. No. 5 (i) (xii) above, to cast vote.

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for Members available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- 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).

6. Members who have registered their e-mail ids with Depositories or with the Company are being sent Notice of Postal Ballot by e-mail and Members who have not registered their e-mail ids will receive the same along with Postal Ballot Form and Business Reply Envelope through post. Members who have received by e-mail and wish to vote physically, can download the Form from the link [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or seek duplicate Postal Ballot Form from M/s. Integrated Enterprises (India) Limited at 2<sup>nd</sup> Floor, Kences Towers, 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600 017.
7. Members can opt for only one mode of voting, i.e., either by Physical Ballot or e-voting. If Members are opting for e-voting, then do not vote by physical Ballot or vice-versa. However, in case Members cast their vote by Physical Ballot and e-voting both, then voting done through valid physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
8. Members desiring to exercise vote by physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed Business Reply Envelope to the Scrutinizer so as to reach the

Scrutinizer on or before the close of working hours on March 17, 2014. The postage cost will be borne by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or sent by courier or registered/speed post at the expense of the shareholder will also be accepted.

9. The voting period for e-voting module ends on March 17, 2014. The e-voting module shall also be disabled by NSDL on the same day.
10. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on January 31, 2014.
11. The Scrutinizer will submit her report to the Managing Director of the Company after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot will be announced at the Registered Office of the Company situated at No.1, Sardar Patel Road, Guindy, Chennai 600 032 on Thursday, March 20, 2014, at 4 p.m. and be posted on the Company's website www.ashokleyland.com and communicated to the stock exchanges where the Company's shares are listed. Further, the result of the Postal Ballot will also be published in one English newspaper and one Tamil newspaper. In the event, the draft resolution is assented to by the requisite majority of Members by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution. The result of the Postal Ballot shall also be announced at the next General Meeting of the Company.
12. The Board of Directors has appointed Mr. N Ramanathan, Company Secretary as the person responsible for the entire postal ballot process.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 09:00 a.m. to 05:30 p.m. up to the date of declaration of the result of Postal Ballot.
14. The Securities Exchange Board of India has mandated voting through electronic means mandatory for top 500 listed companies, which will be applicable to your Company as it falls under the aforementioned category.

## ANNEXURE TO THE NOTICE

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and 192A of the Companies Act, 1956

Mr. Vinod K Dasari was appointed as the Chief Operating Officer of the Company in the year 2005 and became a Whole-time Director in the year 2008. In recognition of his contribution as well as to derive benefit from his rich and varied experience, Mr. Vinod K Dasari was appointed as the Managing Director of the Company with effect from April 1, 2011 for a period of 3 years.

During the years 2011-12 and 2012-13, the Company reported top line of Rs.12,88,234.35 lakhs and Rs.12,54,355.15 lakhs respectively and bottom line of Rs.56,597.66 lakhs and Rs.43,370.67 lakhs respectively. For the financial year 2013-14, the Company is expected to report drop in topline and loss at the business level, due to various factors viz., economy slowdown, significant drop in demand for commercial vehicles due to inflationary pressure and diesel oil price increase etc. In view of the same the Company will have inadequate profits for the year as calculated in terms of Section 349 & 350 of the Companies Act 1956.

In terms of Section II of Part II of Schedule XIII of the Companies Act, 1956, payment of remuneration to a managerial person during the financial year when the Company has inadequate profits in excess of the limits specified in the said Schedule requires the approvals of the Nomination and Compensation Committee, the Board of Directors, shareholders and Central Government (Ministry of Corporate Affairs, New Delhi).

Considering the role and the important contributions made by Mr. Vinod K Dasari over the last eight years in varied capacities for the growth of the Company and also taking into account similar sized industries in India, the Nomination and Compensation Committee and the Board of Directors unanimously approved payment of minimum remuneration for the financial year 2013-14 as Rs.2,20,52,000/- (the said minimum remuneration) as detailed in the resolution. As mentioned hereinabove, the shareholders may please note that the payment of the said minimum remuneration is subject to the approval of the Central Government (Ministry of Corporate Affairs (MCA), New Delhi).

The terms of remuneration contained in the resolution may also be treated as an Abstract/compliance under Section 302 of the Companies Act, 1956.

**Nature of concern/interest:** - (as per Section 102 of the Companies Act, 2013 and Section 300 of the Companies Act, 1956)

PERSON	NATURE OF INTEREST IN THE TRANSACTIONS
Directors	Not interested, except Mr. Vinod K Dasari
Key Managerial Personnel	Not interested, except Mr. Vinod K Dasari
Relatives of Directors/Key Managerial Personnel	None

**Statement containing required information as per Category C of Part II of Section II of Schedule XIII of the Companies Act, 1956 for Item No.1.**

#### 1. GENERAL INFORMATION:

**(i) Nature of Industry**

Automobile: The Company is engaged in the Manufacture and sale of Commercial Vehicles, Spare Parts etc.

**(ii) Date of commencement of commercial production**

December 14, 1948.

**(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

Not applicable

**(iv) Financial performance based on given indicators**

(Rs. In lakhs)

Particulars	2010-11	2011-12	2012-13
Sales (Gross)	1215300	1372081	1329856
Profit before tax	80180	68998	47071
Profit after tax	63130	56598	43371
Networth	396296	420818	445511
Dividend on Equity %	200	100	60

**(v) Export performance and net foreign exchange collaborations**

During the Financial Year 2012-13, earnings in foreign currency/FOB value amounted to Rs. 151,776.53 lakhs.

**(vi) Foreign investments or collaborators, if any:**

- The Company has a License Agreement with ZF Germany for 9S Speed Gear Box which is developed for easy transmission of the gear box and it is abreast of the latest technology.
- The Company has tied up with Torino, Italy for design and development of cab and which is under development and when put to use, it will have world class technology for cabs.

**II. INFORMATION ABOUT THE APPOINTEE:**

**(a) Background Details**

Mr. Vinod K Dasari, aged 48 years, is a Graduate Engineer from University of Louisville, USA, and has acquired a Master's Degree in Business Administration from J.L. Kellogg School of Management, USA and a Master's Degree in Engineering Management from McCormick School of Engineering, USA. He has to his credit more than 24 years of rich experience in different capacities in India and USA.

**(b) Past Remuneration**

Mr. Vinod K Dasari was paid Rs.279.31 lakhs and Rs. 248.34 lakhs as annual remuneration for the financial years 2012-13 and 2011-12 respectively.

**(c) Recognition or Awards**

Mr. Vinod K Dasari is the President of The Automotive Research Association of India (ARAI) for the year 2013-14 and also the Vice President of Society of Indian Automobile Manufacturers (SIAM) for the years 2013 - 15.

**(d) Job Profile and his Suitability**

Mr. Vinod K Dasari has been serving the Company since 2005 and as a Member of the Senior Management team, brought about the latest technology in Commercial Vehicles and transformed the Company for the future. Under his leadership, the Company witnessed new products and during the year 2013-14, "BOSS" was awarded the "Best ICV" of the year.

Further, he was instrumental in bringing the state-of-the-art technology in Pantnagar in the State of Uttarkhand, India during the year 2009-10.

**(e) Remuneration Proposed:**

The remuneration proposed is detailed in the resolution.

**(f) Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person**

The proposed remuneration is much below the prevailing remuneration in the industry of similar size for similarly placed persons.

**(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any.**

Mr. Vinod K Dasari has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of a Managing Director. As on date he holds 1,60,000 shares held by him in the Company in his personal capacity.

**III. OTHER INFORMATION:**

**(a) Reasons of loss or inadequate profits**

- General Economy slowdown of the country at large as a result of which the overall Total Industry Volume (TIV) collapsed;
- Slack in demand due to lack of infrastructure projects;
- Cancellation of license for mining;
- Pressure on pricing;
- High Interest rates.

**(b) Steps taken or proposed to be taken for improvement**

- To launch new products ;
- Reduce break-even;
- Enhance performance ethics;
- Sustain the ecosystem;
- Leadership and outsourcing;
- Specialisation.

The Company through concerted marketing efforts has managed to not only hold but actually increase the market share in a falling domestic market. To create additional hold in the market, the Company has launched new vehicles in various ranges viz., 3718il, BOSS, Stile, and the vehicles with twin speed rear axle technology.

**(c) Expected increase in productivity and profit in measurable terms.**

Though the Automobile Industry is following a downturn, in anticipation of revival of the market in the near future, the above steps taken/proposed to be taken by the Company are expected to increase the productivity and profits of the Company.

**IV. DISCLOSURES:**

**(a) The shareholders of the Company shall be informed of the remuneration package of the managerial person:**

Details furnished in the resolution.

**(b) Other Disclosures:**

Not Applicable.

Registered Office:  
1, Sardar Patel Road, Guindy, Chennai 600 032.

By Order of the Board

Place : Chennai  
Date : January 21, 2014

N Ramanathan  
Company Secretary