

SCHEDULE 2
FORM OF CONVERSION NOTICE

To: [Paying and Conversion Agent]

ASHOK LEYLAND LIMITED
*(incorporated with limited liability under
the laws of India*

US\$100,000,000
0.5 per cent. Convertible Notes due 2009

CONVERSION NOTICE

(Please read the notes overleaf before completing this Conversion Notice)

Name:..... Date:.....

Address:.....

Email: Fax:

Signature* :.....

Terms used in this Conversion Notice and not otherwise defined have the meanings given to them in the Agency Agreement dated 29 April 2004 between the Issuer, the Principal Paying and Conversion Agent, the other agents named therein and the Trustee.

I/We, being the holders of the Note(s)/interest in the Global Note (please delete as applicable) specified below, hereby elect to convert the principal amount of such Notes as specified below of which I/We are the holders(s) or in which I/we have an interest (as specified below) for either such number of Shares as is calculated by dividing the principal amount of the Notes by the Conversion Price in effect on the Conversion Date.

1. Total principal amount and, where applicable, the serial numbers of Notes to which this notice applies:

Number of Notes:

Total principal amount (must be a multiple of US\$1,000 *minimum*):

Serial numbers of Notes[†]:

Details of Clearing Systems where Notes are held: [Euroclear]/

* Where the Notes in respect of which this Conversion Notice is given are evidenced by a Global Note Certificate, the Conversion Notice need not be signed. In such a case, delivery of the Conversion Notice will constitute confirmation by the beneficial owner of interests in the Notes to be converted that the information and the representations in the Conversion Notice are true and accurate on the date of delivery.

[†] Not required for Notes evidenced by Global Note Certificate.

[Clearstream, Luxembourg]:

Participant ID:

2. I/we hereby request that:

the [Shares/International GDRs] which are to be delivered as a result of this Conversion Notice be credited to the [Clearing System] account, details of which are set out below, and any payment of any cash amounts payable as a result of this Conversion Notice be made in the manner specified below:

[Clearing System] Participant ID:

Member Account ID:

Name:

Address:

.....

.....

Accounts for any cash amounts payable as a result of this Conversion Notice, if any:

Account no:

Account name:

Bank:

Branch:

Sort Code:

I/We hereby certify that at the time of execution and deposit of this Conversion Notice I/we or the person who has the beneficial interest in the Notes specified above is/are not in the United States and is/are not a U.S. Person(s) (within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended) and that I/we, or such person, purchased such Notes, or the beneficial interest therein, in a transaction made in accordance with Rule 903 or Rule 904 of Regulation S.[‡]

[COMPLETE IN THE CASE OF GDSs TO BE DELIVERED]

I/we hereby certify that I/we (i) will not withdraw Shares represented by the GDSs issued upon conversion of the Notes prior to 45 days after the Conversion Date and (ii) will inform any transferee of such GDSs of the restriction referred to in (i) above.

[‡] No Shares will be issued to a Notcholder unless the Notcholder satisfies the foregoing conditions.

Notes

- (1) This Conversion Notice will be void unless the introductory details and Sections 1 and 2 are duly completed.
- (2) Your attention is particularly drawn to Condition 6 (*Conversion*) of the Notes with respect to the conditions relating to conversion of the Notes.
- (3) This Conversion Notice may be completed by or on behalf of an accountholder of Euroclear or Clearstream, Luxembourg (or any clearing system in which the relevant Note is held at such time) which has an interest in such Note.
- (4) The holding of an interest in a Note by an accountholder of Euroclear or Clearstream, Luxembourg or any clearing system in which the relevant Note is held in respect of which Conversion Rights are being exercised will be confirmed by the Principal Paying and Conversion Agent with the relevant clearing system.

The following to be completed by the Paying and Conversion Agent:

(A) Note conversion identification reference:

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(B) Date of delivery of Conversion Notice to Paying and Conversion Agent:

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(C) Conversion Date:

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(D) Aggregate principal amount of Notes deposited for conversion represented by the Global Note Certificate being converted:

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(E) Conversion Price on Conversion Date:

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(F) Number of Shares to be delivered:

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(G) Amount of any cash payments in respect of Conversion Rights, pursuant to the Conditions:

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