



VINOD K. DASARI
Managing Director

November 24, 2012

Dear Shareholder,

UN-AUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

It is my pleasure to communicate with you at the end of the first half of FY 2012-13 which was indeed a very good one for your Company.

H1 performance

During the first half of FY 2012-13, your Company's turnover saw an increase of 12% at Rs.6,303 Crores as against Rs.5,628 Crores for the corresponding period of the last fiscal. EBITDA was up 2.5% at Rs.612 Crores (Rs.597 Crores). Interest Costs during the period at Rs.187 Crores were higher by Rs.65 Crores primarily due to higher working capital requirements. Depreciation went up by Rs.17 Crores to Rs.188 Crores. PAT was Rs.210 Crores as against Rs. 240 Crores in previous year's first half.

In terms of sales volumes, your Company gained in a falling market: while the Total Industry Volume (TIV) in the Medium & Heavy Commercial Vehicle (M&HCV) segment dipped by 13%, your Company's Market Share rose by 2.9% to touch 26%.

This performance can be attributed to enhanced performance from our products, resulting in better profitability for our customers, robust network expansion programme and aggressive brand building efforts. Our LCV product, 'Dost', continued its strong run, becoming the number 1 brand in all the markets where it has been launched while our Spare Parts and Power Solutions businesses grew robustly contributing handsomely to our bottom line. Exports struggled with drop in our primary markets of SAARC but made up to a large extent with entry into many new markets across the world.

The way forward

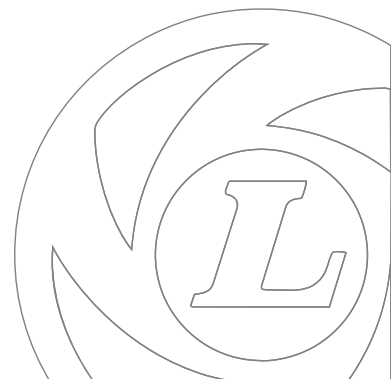
The Commercial Vehicle market has been extremely volatile but we are hopeful that there would be new initiatives in the areas of infrastructure development, mining and construction that would improve the macro-economic outlook and buoy up sentiments. For us, in particular, the coming few months are very critical as we have a slew of new product launches on the anvil. We will continue with our pace of brand and network building across the country as well as push into new markets across the world and thereby will be well-prepared and well-placed to put in an even better performance in the second half of this financial year.

Warm Regards,

Vinod K. Dasari

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HINDUJA GROUP

STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2012

(Rs. In Lakhs)

Sl. no.	Particulars	Three Months ended	Preceeding Three months ended	Corresponding Three months ended	YTD figures for current period ended	YTD figures for the previous period ended	Previous year ended
		30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09..2011	31.03.2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Part - I						
1.	Income from Operations						
a.	Net Sales / Income from operations (Net of excise duty)	322,243.93	294,098.00	307,076.10	616,341.93	555,425.84	1,264,204.66
b.	Other Operating Income	7,360.62	6,636.72	4,405.17	13,997.34	7,325.04	19,994.66
	Total Income from Operations (net)	329,604.55	300,734.72	311,481.27	630,339.27	562,750.88	1,284,199.32
2.	Expenses						
a.	Cost of materials consumed	188,097.79	204,868.98	196,248.35	392,966.77	393,659.39	912,148.33
b.	Purchases of stock-in-trade - trading goods	30,258.53	25,320.18	9,246.94	55,578.71	16,761.48	50,737.37
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	21,576.25	(11,322.30)	23,747.42	10,253.95	(19.81)	(16,701.30)
d.	Employee benefits expense	26,380.47	26,785.60	25,151.35	53,166.07	50,125.26	102,039.42
e.	Depreciation and amortisation expenses	9,841.09	8,925.23	8,593.25	18,766.32	17,059.13	35,281.32
f.	Other expenses	29,882.61	31,012.39	23,971.70	60,895.00	44,647.10	110,366.01
	Total Expenses	306,036.74	285,590.08	286,959.01	591,626.82	522,232.55	1,193,871.15
3.	Profit from operations before other income, finance costs and exceptional item (1 - 2)	23,567.81	15,144.64	24,522.26	38,712.45	40,518.33	90,328.17
4.	Other income	2,386.67	1,286.59	1,346.45	3,673.26	2,090.65	4,035.03
5.	Profit from ordinary activities before finance costs and exceptional item (3 + 4)	25,954.48	16,431.23	25,868.71	42,385.71	42,608.98	94,363.20
6.	Finance costs	10,363.82	8,337.64	6,583.53	18,701.46	12,250.50	25,525.32
7.	Profit from ordinary activities after finance costs but before exceptional item (5 - 6)	15,590.66	8,093.59	19,285.18	23,684.25	30,358.48	68,837.88
8.	Exceptional item - Profit on disposal of non-current investments-net	-	-	-	-	-	159.78
9.	Profit from ordinary activities before tax (7 + 8)	15,590.66	8,093.59	19,285.18	23,684.25	30,358.48	68,997.66
10.	Tax expense - Income Tax (Refer Note - 6)	1,331.00	1,400.00	3,877.00	2,731.00	6,325.00	12,400.00
11.	Net Profit from ordinary activities after tax (9 - 10)	14,259.66	6,693.59	15,408.18	20,953.25	24,033.48	56,597.66
12.	Extraordinary item (net of tax)	-	-	-	-	-	-
13.	Net profit for the period (11 ± 12)	14,259.66	6,693.59	15,408.18	20,953.25	24,033.48	56,597.66
14.	Paid-up equity share capital (Face value per share Re.1)	26,606.80	26,606.80	26,606.80	26,606.80	26,606.80	26,606.80
15.	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						262,874.85
16.	Debtenture Redemption Reserve						9,000.00
17.	Earnings Per Share (EPS) (Basic and Diluted) (Rs.) (of Re.1 each - Not annualised)	0.54	0.25	0.58	0.79	0.90	2.13
18.	Debt Equity Ratio				0.9821	0.8020	0.7362
19.	Debt Service Coverage Ratio				0.8288	2.0609	2.7015
20.	Interest Service Coverage Ratio				3.5825	5.5052	5.6475
	Part - II						
A.	Particulars of Shareholding						
1.	Public shareholding						
-	Number of shares	1,304,239,070	1,304,239,070	1,304,239,070	1,304,239,070	1,304,239,070	1,304,239,070
-	Percentage of shareholding	49.02	49.02	49.02	49.02	49.02	49.02
2.	Promoter shareholding						
a.	Pledged / Encumbered						
-	Number of shares	237,052,102	237,052,102	237,052,102	237,052,102	237,052,102	237,052,102
-	Percentage of promoter shareholding	17.48	17.48	17.48	17.48	17.48	17.48
-	Percentage of total share capital	8.91	8.91	8.91	8.91	8.91	8.91
b.	Non-encumbered						
-	Number of shares	1,119,385,462	1,119,385,462	1,119,385,462	1,119,385,462	1,119,385,462	1,119,385,462
-	Percentage of promoter shareholding	82.52	82.52	82.52	82.52	82.52	82.52
-	Percentage of total share capital	42.07	42.07	42.07	42.07	42.07	42.07
B.	Investor Complaints						
1.	Pending at the beginning of the quarter		4				
2.	Received during the quarter		200				
3.	Disposed during the quarter		201				
4.	Remaining unresolved at the end of the quarter		3				

- (1) The above results have been reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on November 8, 2012.
- (2) The statutory auditors have conducted a limited review of the above results.
- (3) Statement of Assets and Liabilities:

Rs. Lakhs

	Particulars	As at	
		30.09.2012	31.03.2012
		Unaudited	Audited
A	EQUITY AND LIABILITIES		
1.	Shareholders' funds:		
	a) Share Capital	26,606.80	26,606.80
	b) Reserves and surplus	416,460.08	394,210.55
	Sub total - Shareholders funds	443,066.88	420,817.35
2.	Non-current liabilities:		
	a) Long-term borrowings	244,190.07	229,335.11
	b) Deferred tax liabilities (Net)	51,767.69	49,036.69
	c) Other long-term liabilities	369.51	475.62
	d) Long-term provisions	7,430.54	7,656.30
	Sub total - Non current liabilities	303,757.81	286,503.72
3.	Current liabilities:		
	a) Short-term borrowings	106,654.01	10,175.00
	b) Trade payables	222,352.27	277,246.10
	c) Other current liabilities	182,099.51	154,795.10
	d) Short-term provisions	11,689.74	42,037.44
	Sub total - Current liabilities	522,795.53	484,253.64
	TOTAL - EQUITY AND LIABILITIES	1,269,620.22	1,191,574.71
B	ASSETS		
1.	Non-current assets:		
	a) Fixed assets	573,063.67	546,171.50
	b) Non-current investments	182,057.97	153,447.89
	c) Long-term loans and advances	60,172.85	60,823.95
	d) Other non-current assets	1,007.49	742.74
	Sub total - Non-current assets	816,301.98	761,186.08
2.	Current assets:		
	a) Inventories	217,196.98	223,062.52
	b) Trade receivables	139,834.79	123,024.79
	c) Cash and cash equivalents	1,409.51	3,255.58
	d) Short-term loans and advances	87,301.54	72,709.06
	e) Other current assets	7,575.42	8,336.68
	Sub total - Current assets	453,318.24	430,388.63
	TOTAL ASSETS	1,269,620.22	1,191,574.71

- (4) Exchange difference on translation or settlement of long term foreign currency monetary items at rates different from those at which they were initially recorded or as at April 1, 2007, in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets. In other cases, such exchange differences, arising effective April 1, 2011, are accumulated in "Foreign currency monetary item translation difference account" and amortized by recognition as income or expense in each year over the balance term till settlement occurs

but not beyond March 31, 2020 (notified earlier as March 31, 2011). This is in line with Notification No. G.S.R 913 (E) dated December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India, amending the Companies (Accounting Standards) Rules, 2006, which supersedes their earlier notification dated May 11, 2011.

Accordingly,

- a) Foreign exchange (Gain)/Loss relating to acquisition of depreciable assets, capitalized during the half year ended September 30, 2012 aggregated Rs.11,012.09 Lakhs [September 30, 2011 : Rs. 12,575.26 Lakhs; March 31, 2012 Rs. 21,234.97 Lakhs; June 30, 2012 Rs. 18,638.67 Lakhs] and
- b) The un-amortized net exchange difference in respect of long term monetary items relating to other than acquisition of depreciable assets, is a gain of Rs. 77.50 Lakhs as at September 30, 2012 [[#]September 30, 2011: Loss of Rs.38.68 Lakhs; March 31, 2012 : Gain of Rs. 415.25 Lakhs; June 30, 2012:Gain of Rs. 1,026.75 Lakhs].

- represents amortisation per earlier notification

- (5) The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., commercial vehicles and related components.
- (6) Current tax expense is after considering credit of Minimum Alternate Tax (MAT) credit under Section 115 JAA (1A) of the Income-tax Act 1961 for relevant periods as tabulated below.

Description	Three Months ended			Six months ended		Rs. Lakhs
	30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	Year Ended 31.03.2012
MAT Credit considered	4,431.00	626.00	1,182.16	5,057.00	1,713.53	6,278.00

- (7) The Company had adopted the principles of Accounting Standard 30 - Financial instruments: Recognition and measurement, issued by the Institute of Chartered Accountants of India, with effect from April 1, 2008, in respect of forward contracts for firm commitments and highly probable forecast transactions meeting necessary criteria for designation as "Cash flow hedges". The gains and losses on effective Cash flow hedges are recognized in Hedge Reserve Account till the underlying forecast transaction occurs.
- (8) The Company has adopted the following formulae for computing Ratios mentioned in Sl. No 18, 19 and 20.

Sl. No Ref.	Ratio	Formula
18	Debt Equity Ratio	Total Borrowings / (Share Capital + Total Reserves)
19	Debt Service Coverage Ratio	(Profit from ordinary activities before Tax + Interest charge on borrowings + Depreciation - Tax expense) / (Interest charge on borrowings + Principal repayments for Term loans)
20	Interest Service Coverage Ratio	(Profit from ordinary activities before Tax + Interest charge on borrowings + Depreciation) / Interest charge on borrowings

- (9) The figures for the previous periods have been reclassified / regrouped/ amended, wherever necessary.

For and on behalf of the Board



VINOD K. DASARI
Managing Director

Place : Chennai

Date : November 8, 2012