

ASHLEY SERVICES LIMITED

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

FINANCIAL STATEMENTS **as on June 30,2013**

[Balance Sheet, Statement of Profit and Loss Account,
Cash Flow Statement, Significant Accounting Policies
and Notes forming part of the Financial Statements]

CERTIFIED TRUE COPY
For ASHLEY SERVICES LIMITED.


Company Secretary

ASHLEY SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD APRIL 1, 2013 TO JUNE 30, 2013

Rs. Lakhs

Particulars	Note No	For the period 01.04.2013 to 30.06.2013	For the period 11.02.2013 to 31.03.2013
Income			
Consultancy Income		6.00	5.65
Total Revenue		6.00	5.65
Expenses			
Consultancy Expenses		5.34	5.25
Depreciation		0.23	-
Other Expenses	10.	4.74	0.86
Total Expenses		10.31	6.11
Profit/ (Loss) before tax-Exceptional/ Extraordinary item and tax		(4.31)	(0.46)
Exceptional items:			
Provision for diminution in investment (Refer Note No. 6.2)		23,764.47	-
Profit/ (Loss) before tax		(23,768.78)	(0.46)
Tax expense- Current tax		-	-
Profit/ (Loss) for the year from continuing operations		(23,768.78)	(0.46)

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss

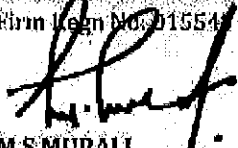
We have examined the above Statement of Profit and Loss with reference to the books of account maintained by the Company and the information and explanations furnished and certify that the said Statement of Profit and Loss Sheet is in agreement with the said books of account, information and explanations

For and on behalf of the Board

For M.S. KRISHNASWAMI & RAJAN

Chartered Accountants

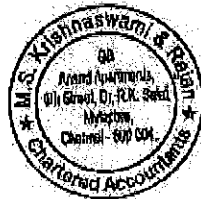
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M.S. MURALI

Partner

Membership No: 26453




GOPAL MAHADEVAN

Director

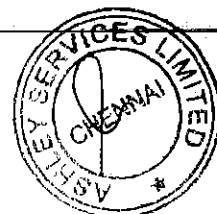


KRAM KUMAR

Director

Place: Chennai

Date: 18/11/2013



ASHLEY SERVICES LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2013

Particulars	Rs. Lakhs	
	June '13	Mar '13
Cash Flows from Operating Activities		
Profit/ (Loss) Before Tax	(23,760.78)	(0.46)
Adjustments for:		
Depreciation	0.23	-
Provision for diminution in value of investments	23,764.17	-
Operating profit/ (loss) before working capital changes	(4.00)	(0.46)
Adjustments for changes in:		
Trade receivables	0.11	(0.11)
Long term Loans and advances	(0.05)	-
Other Current Liabilities	(12.22)	1.11
Cash generated from operations	(16.24)	0.53
Income Tax paid	(0.67)	(0.62)
Net Cash Flow from Operating Activities	(A) (16.91)	(0.09)
Cash Flows from Investing Activities		
Payments for acquisition of assets/ investments	(23,764.17)	-
Proceeds on sale of investments	0.02	-
Net Cash Flow from Investing Activities	(B) (23,764.15)	-
Cash Flows from Financing Activities		
Equity Share Capital	-	10.00
Advance towards Share Capital	23,713.00	-
Net Cash Flow from Financing Activities	(C) 23,713.00	10.00
NET CASH INFLOW / (OUTFLOW)	(A+B+C) (68.36)	9.91
Opening Cash and Cash Equivalents	(D) 9.91	-
Add: Accretion during the period	(E) 86.49	-
	(F=E-D) 96.40	-
Closing Cash and Cash Equivalents	(G) 28.04	9.91
NET INCREASE / (DECREASE) IN CASH	(F-G) (68.36)	9.91

We have examined the above Cash flow Statement with reference to the books of account maintained by the Company and the information and explanations furnished and certify that the said Cash flow Statement is in agreement with the said books of account, information and explanations

For and on behalf of the Board.

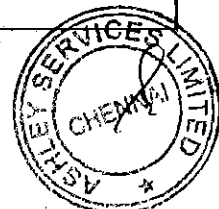
For M.S. KRISHNASWAMI & RAJAN
Chartered Accountants
Firm Regn. No: 015518

M.S. MURALI
Partner
Membership No: 26453

Place: Chennai
Date: 12/11/2013



[Signature]
GOPAL MAHADEVAN
Director
[Signature]
KRAM KUMAR
Director



ASHLEY SERVICES LIMITED

Statement on Significant Accounting Policies forming part of the Financial Statements

1. Accounting Convention

1.1. Financial statements are prepared in accordance with the generally accepted accounting principles (including applicable accounting standards in India) and under historical cost convention.

1.2. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised schedule VI to the Companies Act, 1956. The Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.3. Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known/materialize.

2. Fixed Assets and Depreciation

2.1. Fixed assets are recorded at the cost of acquisition and include expenditure directly related and incidental to construction/development.

2.2. Depreciation is charged at the rates and in the manner specified in Schedule XIV of the Companies Act subject to the useful life of the asset.

3. Investments

Long term investments are stated at cost. However, provision for diminution is made to recognize a decline other than temporary, if any, in the value of the investments. Current investments are valued at lower of cost and fair market value.



ASHLEY SERVICES LIMITED

Statement on Significant Accounting Policies forming part of the Financial Statements

4. Revenue Recognition

4.1. Revenue from management consultancy on fixed price / fixed time contracts is recognized as per the proportionate completion method and only where there is a certainty to the measurement or collectability of consideration.

4.2. Revenue from other services rendered is recognized as and when the service is rendered and in accordance with the specific terms of contract of performance.

5. Income taxes:

Income tax expenses comprise current and deferred taxes.

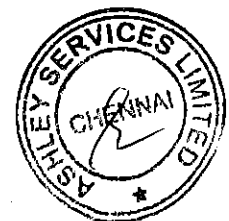
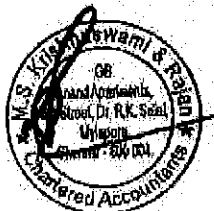
5.1. Current tax is determined on income for the year chargeable to tax in accordance with the Income Tax Act, 1961.

5.2. Deferred Tax is recognized on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

5.3. Deferred Tax assets pertaining to unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

6. Preliminary expenses

Preliminary expenses incurred are fully charged off to the Statement of Profit and Loss in the year in which it is incurred.



ASHLEY SERVICES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. SHARE CAPITAL

	As at June 30, 2013		As at March 31, 2013	
	No. of Shares	Rs. Lakhs	No. of Shares	Rs. Lakhs
(i) Authorised :				
Equity shares of Rs 10/- each	2,185,600,000	213,560.00	100,000	10.00
2% Non-Cumulative Redeemable Non-Convertible Preference shares of Rs 10/- each- SERIES- "A"	6,500,000	650.00	-	-
6% Non-Cumulative Redeemable Non-Convertible Preference shares of Rs 10/- each- SERIES- "B"	23,500,000	2,350.00	-	-
0% Non-Cumulative Redeemable Non-Convertible Preference shares of Rs 10/- each	6,500,000	650.00	-	-
0% Cumulative Non-Convertible Redeemable Preference shares of Rs 100/- each	2,000,000	2,000.00	-	-
		219,210.00		10.00
(ii) Issued, Subscribed and Paid-up:				
Equity shares of Rs 10/- each			100,000	10.00
				10.00
(iii) Share Capital Suspense		98,017.24		-
		98,017.24		-

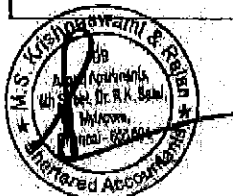
1.1 Share Capital Suspense represents the face value of the shares to be issued and allotted as fully paid up to Ashok Leyland Limited. (Refer Note 11b (ii) to the Financial Statements)

1.2 Movement during the period

Particulars	As at June 30, 2013		As at March 31, 2013	
	No. of Shares	Rs. Lakhs	No. of Shares	Rs. Lakhs
Equity Share Capital				
Balance as at the beginning of the year	100,000	10.00	-	-
Shares subscribed and allotted during the year	-	-	100,000	10.00
Share Capital Suspense (Refer Note 11b (ii))	980,172,406	98,017.24	-	-
Cancellation of shares (Refer Note 11b (iii))	(100,000)	(10.00)	-	-
Balance as at the end of the period	980,172,406	98,017.24	100,000	10.00

1.3 Shareholder holding more than 5 percent

Name of Shareholder	As at June 30, 2013		As at 31 March 2013	
	% of Holding	No. of Shares	% of Holding	No. of Shares
Equity Share Capital				
Ashok Leyland Limited- Share Capital Suspense (Refer Note 11b (ii))	100.00	980,172,406	-	-
Ashley Holdings Limited	-	-	45.00	45,000
Ashley Investments Limited	-	-	45.00	45,000
Ashok Leyland Project Services Limited	-	-	10.00	9,996
Total	100.00	980,172,406	100.00	100,000



ASHLEY SERVICES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2 RESERVES AND SURPLUS

Particulars	Rs. Lakhs	
	As at June 30, 2013	As at March 31, 2013
Capital Reserve		
Balance at the beginning of the year	-	-
Add: Addition during the period (Refer Note 11b (v))	32,557.57	-
Less: Adjustments during the period (Refer Note No.12)	(23,764.47)	-
Balance at the end of the period- Total (A)	8,793.10	-
Statement of Profit & Loss		
Balance at the beginning of the year	(0.46)	-
Less: Current Profit/ (Loss) for the period	(23,768.78)	(0.46)
Add: Adjustments during the period (Refer Note No.12)	23,764.47	-
Balance at the end of the period - Total (B)	(4.77)	(0.46)
Total - (A+B)	8,788.33	(0.46)

3 SHARE APPLICATION MONEY

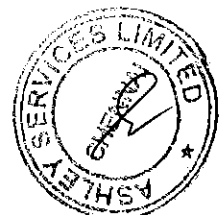
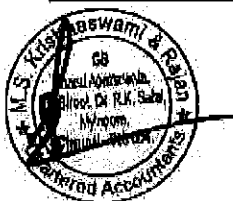
Particulars	Rs. Lakhs	
	As at June 30, 2013	As at March 31, 2013
Amount towards share application	23,713.00	-
	23,713.00	-

3.1 The terms are as under

Particulars	As at June 30, 2013	As at March 31, 2013
a) Number of equity shares proposed to be issued at Rs.10/- each	237,130,000	Nil
b) The amount of premium, if any	NA	NA
c) The period before which shares are to be allotted	3 Months	NA

4 OTHER CURRENT LIABILITIES

Particulars	Rs. Lakhs	
	As at June 30, 2013	As at March 31, 2013
TDS Payable	0.01	0.51
Other Payables	100.23	0.50
	100.24	1.11

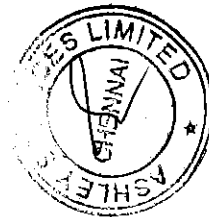


ASHLEY SERVICES LIMITED**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS****5 FIXED ASSETS- TANGIBLE**

Rs. Lakhs

Particulars	Furniture & Fittings	Vehicles	Office Equipments	Total
A. Cost				
i) Balance as at 11.02.2013	-	-	-	-
ii) Additions during the period	-	-	-	-
iii) Balance as at April 1, 2013	-	-	-	-
iv) Additions during the period	1.32	0.56	0.16	2.04
v) Balance as at June 30, 2013	1.32	0.56	0.16	2.04
B. Accumulated Depreciation				
i) Balance as at 11.02.2013	-	-	-	-
ii) Depreciation during the period	-	-	-	-
iii) Balance as at April 1, 2013	-	-	-	-
iv) Depreciation during the period	0.22	-	0.01	0.23
v) Balance as at June 30, 2013	0.22	-	0.01	0.23
C. Written down Value				
i) As at March 31, 2013	-	-	-	-
ii) As at June 30, 2013	1.10	0.56	0.15	1.81

5.1 Additions during the period represent the fair value of fixed assets which was transferred to and vested in the company as on April 1, 2013 pursuant to the Scheme of Amalgamation approved by the High Court of Madras on July 15, 2013 and received by the company on July 31, 2013 (Refer Note 11b(iv) to the Financial Statements)



ASHLEY SERVICES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

6. NON-CURRENT INVESTMENTS

Particulars	As at June 30, 2013		As at March 31, 2013	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Long term - Other than Trade				
(i) Subsidiaries				
a) Equity Shares of Rs.10 each				
Albonair India Private Limited	6,000,000	1,714.80	-	-
Ashok Leyland Wind Energy Limited	16,031,250	7,802.12	-	-
Defiance Technologies Limited	56,590,000	5,851.41	-	-
Hinduja Leyland Finance Limited	186,999,800	74,799.92	-	-
Hinduja Leyland Finance Services Limited	27,000	55.74	-	-
b) Equity Shares of Rs.100 each				
Gulf Ashley Motor Ltd	706,010	738.97	-	-
c) Equity shares of UAE Dhiraams of 1000 each				
Ashok Leyland (UAE) LLC	21,170	4,469.90	-	-
d) Equity Shares of US Dollars 0.01 each				
Defiance Testing & Engineering Services Inc USA	51	6,530.81	-	-
f) Equity Shares of Euro 1 each				
Albonair GmbH	10,413,000	15,114.52	-	-
g) Equity Shares of GBP 1 each				
Ashok Leyland (UK) Limited	70,200	71.31	-	-
h) Ownership interest in Share Capital in Czech Koruna				
Avia Ashok Leyland Motors s.r.o.	98%	23,924.07	-	-
l) Equity Shares of Naira 1 each				
Ashok Leyland (Nigeria) Limited	5,990,799	21.45	-	-
l) Equity Shares of Iranian Rials of 80,000 each				
Iran TMT	597	-	-	-
ii) Associate				
a) Equity Shares of Rs.10 each				
Mangalam Retail Services Limited	12,490	1.98	-	-
b) Equity Shares of British Pence 0.1 each				
Optare plc UK	1,112,359,751	9,146.66	-	-
iii) Joint Ventures				
a) Equity Shares of Rs.10 each				
Ashok Leyland Nissan Vehicles Limited	11,332,918	1,105.98	-	-
Nissan Ashok Leyland Powertrain Limited	481,000	50.60	-	-
Nissan Ashok Leyland Technologies Limited	521,000	54.01	-	-
b) Equity Shares of Iranian Rials of 10,00,000 each				
Iadran Engineering Projects and Systems Kish (LLC)	878	-	-	-
iv) Others				
a) Equity Shares of Rs. 2/- each				
Hinduja Properties Limited	747,760	56.94	-	-
b) Equity Shares of Rs.10 each				
Hinduja Ventures Limited	3,050	12.18	-	-
Hinduja Global Solutions Ltd	3,050	8.40	-	-
Total Investments		150,612.65		
Less: Provisions for diminution in value of investments				
Avia Ashok Leyland Motors s.r.o.		(23,764.47)		
Total Investments- Net		126,848.18		

6.1 Total Investments of Rs 150,612.65 lakhs comprise of Rs 126,728.18 lakhs which have been transferred to and vested with the company on April 1, 2013 pursuant to the Scheme of Amalgamation (refer Note 11b (iv) to the Financial Statements) and Rs 23,884.47 lakhs represents investments during the period in Avia Ashok Leyland Motors s.r.o. (Rs 23,764.47 lakhs) and Ashok Leyland Nissan Vehicles Limited (Rs 120.00 lakhs) respectively.

6.2 Provisions for diminution in value of investments represents dilution in the value of Long Term Investment in Avia Ashok Leyland Motors s.r.o. on the basis of a current estimate of the fair value of the said company. This amount of Rs 23,764.47 lakhs is reflected as an exceptional item in the statement of Profit and Loss.



ASHLEY SERVICES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7. LONG TERM LOANS AND ADVANCES

Rs. Lakhs

Particulars	As at June 30, 2013	As at March 31, 2013
Unsecured and Considered good		
Advance payment of Tax (Net of provisions)	50.10	0.62
Balance with Customs and Central Excise	9.90	-
Advance - Others	3,677.33	-
	3,737.33	0.62

8. TRADE RECEIVABLES

Rs. Lakhs

Particulars	As at June 30, 2013	As at March 31, 2013
Unsecured and Considered good		
Trade Receivables	-	0.11
	-	0.11

9. SHORT TERM LOANS AND ADVANCES

Rs. Lakhs

Particulars	As at June 30, 2013	As at March 31, 2013
Unsecured and Considered good		
Advance towards investments in		
(i) Ashok Leyland (Chile) Limited	3.28	-
(ii) Ashok Leyland (Nigeria) Limited	0.17	-
	3.45	-

10. OTHER EXPENSES

Rs. Lakhs

Particulars	For the period 01.04.2013 to 30.06.2013	For the period 11.02.2013 to 31.03.2013
Audit fees	-	0.25
Certification Charges	0.53	0.04
Legal Fees	3.60	-
Preliminary Expenses	-	0.33
Miscellaneous Expenses	0.61	0.24
	4.74	0.86



ASHLEY SERVICES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

11. SCHEME OF AMALGAMATION:

- a. Ashley Investments Limited (AIL), Ashley Holdings Limited (AHL) and Ashok Leyland Project Services Limited (ALPSL) were amalgamated into the Company pursuant to the "Scheme of Amalgamation" ("The Scheme"), as on and from April 1, 2013, being the appointed date pursuant to the approval of Board of Directors of the Company and sanctioned by the Honourable High Court of Judicature at Madras vide its order dated July 15, 2013 and filed with the Registrar of Companies on August 19, 2013.
- b. The Company has followed the accounting treatment prescribed in the Scheme as approved by the Honourable High Court of Judicature at Madras. The disclosures required under the Companies (Accounting Standards) Rules, 2006 are given below:
- i. Consequent upon the Scheme becoming effective, the authorized share capital of ASL stands revised to Rs.219,210.00 lakhs and the break-up is as given below:

Particulars	Rs. in Lakhs
2,185,600,000 Equity Shares of Rs. 10/- each	213,560.00
36,500,000 Non-Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each	3,650.00
2,000,000 Cumulative Non-Convertible Redeemable Preference Shares of Rs. 100/- each	2,000.00
Total	219,210.00

- ii. Pursuant to the Scheme, the Company would issue 950,172,406 equity share of Face Value of Rs. 10 each and 30,000,000 preference shares of face value of Rs.10 each to the shareholder of AIL, AHL and ALPSL i.e to Ashok Leyland Limited and its six nominee shareholders. The Appointed date for amalgamation is April 1, 2013. Pending issuance of shares, the said amount has been treated and reflected as "Share Capital Suspense" as on June 30, 2013. The Company issued shares to the shareholders in the respective names and has been recorded as "Issued Capital" on August 20, 2013.



ASHLEY SERVICES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- iii. Investments held by AIL, AHL and ALPSL in equity share capital of the Company on the appointed date (01.04.2013) amounting to Rs. 10 lakhs stands cancelled pursuant to "The Scheme".
- iv. The Company has taken over all assets and liabilities of AIL, AHL and ALPSL at their respective fair values.
- v. The difference between the value of net assets taken over and the face value of equity and preference shares to be issued has been credited to the "Capital Reserves" of the Company as envisaged in "The Scheme".
- vi. AIL and AHL was engaged in holding Strategic investments primarily in Auto and Auto Component Segments. ALPSL was engaged in consultancy services for promoting projects in the field of infrastructure (thermal power), wind energy generation, road development, applications software and other fields

12. SCHEME OF ARRANGEMENT:

- i. The Company filed a Scheme of Arrangements (Restructuring Scheme) with the Honourable High Court of Judicature at Madras for the "set off" of "Diminution Loss" of Rs.23,764.47 lakhs arising from diminution in the value of its investments in Avia Ashok Leyland Motors S.r.o, Prague against the "Capital Reserve" created on 01.04.2013.
- ii. The company has received the approval of the Honourable High Court of Judicature at Madras for its Scheme of Arrangement (Restructuring Scheme) on November 5, 2013, wherein, the Honourable High Court of Madras has permitted adjustment/ utilization of balances in Capital Reserve to the extent of Rs.23,764.47 lakhs against the Diminution loss recorded in the Debit balance of Profit and Loss Account. Accordingly the Capital Reserve stands reduced to Rs. 8,793.10 lakhs.
- iii. The Appointed date for Scheme of Arrangement is June 29, 2013 and the Scheme has been filed with Registrar of Companies on November 12, 2013.



ASHLEY SERVICES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

13. Related Party Disclosures

a) List of related parties where controls exist upto 01.04.2013.

Associate

Ashley Holdings Limited

Ashley Investments Limited

b) List of related parties where controls exist with effect from 01.04.2013:

Holding Company

Ashok Leyland Limited

Other related parties:

i) Subsidiaries

Albonair GmbH

Albonair India Private Limited

Ashok Leyland (Nigeria) Limited

Ashok Leyland (UAE) LLC

Ashok Leyland (UK) Limited

Ashok Leyland Wind Energy Limited

Avia Ashok Leyland Motors s.r.o

Defiance Technologies Limited

Defiance Testing & Engineering Services Inc USA

Gulf Ashley Motor Ltd

Hinduja Leyland Finance Limited

Hinduja Leyland Finance Services Limited

Iran TMT

ii) Associates

Mangalam Retail Services Limited

Optare PLC, UK

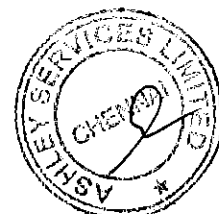
iii) Joint Ventures

Ashok Leyland Nissan Vehicles Limited

Nissan Ashok Leyland Powertrain Limited

Nissan Ashok Leyland Technologies Limited

Indiran Engineering Projects and Systems Kish (I.L.C)



ASHLEY SERVICES LIMITED**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS****c) Transactions during the period (Other than those arising out of the Scheme)**

Particulars	Category	Rs. in Lakhs	
		As at 30.06.2013	As at 31.03.2013
Acquisition of Investments:			
Avia Ashok Leyland Motors S.r.o	Subsidiary	23,764.47	-

d) Balances as at :

Sl.No	Particulars	Rs. in Lakhs	
		As at 30.06.2013	As at 31.03.2013
1	Advance towards Share Capital Ashok Leyland Limited	23,713.00	-
2	Investments Refer Schedule 6		
3	Advance towards Investments Ashok Leyland (Chile) Limited	3.28	-
	Ashok Leyland (Nigeria) Limited	0.17	-
	Ashok Leyland (UAE) LLC	3,677.33	-
4	Counter Guarantee given to Ashok Leyland Limited*	8,866.92	-

* in relation to guarantee issued to subsidiaries for Loan obtained from the Banks.

14. (i) There is no provision for taxation during the period in view of the admissible deductions available under the Income Tax Act, 1961.

(ii) Deferred Tax Asset has not been accrued as a matter of prudence.

15. Expenditure / Earnings in foreign currency - Nil

16. No Micro, Small and Medium Enterprise has been registered with the Company and therefore the disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 does not arise.



ASHLEY SERVICES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

17. Figures for the previous year have been regrouped/amended wherever necessary.

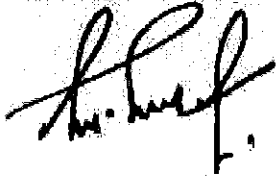
Signatures to the Statement of Significant Accounting Policies and Notes to the Financial Statements.

On behalf of the Board

For M.S. KRISHNASWAMI & RAJAN

Chartered Accountants

Firm Regn No: 01554S



M.S. MURALI

Partner

Membership No: 26453



GOPAL MAHADEVAN
Director



KRAM KUMAR
Director

Place: Chennai

Date: 15/11/2013

