

ASHOK LEYLAND LIMITED
Regd. Office :1 Sardar Patel Road, Guindy, Chennai -600 032
FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2010

Rs. Lakhs

		THREE MONTHS ENDED		SIX MONTHS ENDED		YEAR ENDED
		30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Net Sales / Income from operations	271,395.45	157,728.36	506,193.26	249,535.54	724,471.05
2.	Expenditure					
a.	(Increase) / decrease in finished / trading goods	(9,249.36)	4,215.25	(20,609.53)	7,959.69	651.14
b.	Consumption of raw materials and movement in work-in-progress	201,072.21	100,082.63	378,951.49	157,515.75	496,612.71
c.	Purchase of trading goods	7,868.15	6,494.60	14,808.97	11,584.28	24,488.36
d.	Employees cost	21,148.77	16,750.36	41,398.29	31,159.62	66,592.54
e.	Depreciation	6,405.93	5,058.23	12,552.81	9,408.29	20,410.79
f.	Other expenditure	19,929.75	13,620.64	37,478.03	22,972.55	59,842.38
g.	Total	247,175.45	146,221.71	464,580.06	240,600.18	668,597.92
3.	Profit from operations before other income, financial expenses and exceptional item (1-2)	24,220.00	11,506.65	41,613.20	8,935.36	55,873.13
4.	Other income	481.41	596.06	954.39	6,096.44	7,044.54
5.	Profit before financial expenses and exceptional item (3+4)	24,701.41	12,102.71	42,567.59	15,031.80	62,917.67
6.	Financial expenses - net	3,948.50	1,700.40	7,110.29	4,280.69	8,113.04
7.	Profit after financial expenses but before exceptional item (5-6)	20,752.91	10,402.31	35,457.30	10,751.11	54,804.63
8.	Exceptional item (expense) - Voluntary retirement scheme compensation amortised	-	(86.76)	-	(190.35)	(327.15)
9.	Profit from ordinary activities before tax (7-8)	20,752.91	10,315.55	35,457.30	10,560.76	54,477.48
10.	Tax expense - Income tax	4,047.00	1,455.00	6,487.00	923.00	12,110.00
11.	Net Profit from ordinary activities after tax (9-10)	16,705.91	8,860.55	28,970.30	9,637.76	42,367.48
12.	Extraordinary item (net of tax)	-	-	-	-	-
13.	Net profit for the period (11-12)	16,705.91	8,860.55	28,970.30	9,637.76	42,367.48
14.	Paid-up equity share capital (Face value per share Re.1)	13,303.42	13,303.42	13,303.42	13,303.42	13,303.42
15.	Reserves excluding Revaluation reserve					220,254.98
16.	Basic Earnings per Share (EPS) (Rs.) (not annualised)	1.26	0.67	2.18	0.72	3.18
17.	Dividend per Share (Rs.)					1.50
18.	Public shareholding					
	- Number of shares	638,009,535	638,008,035	638,009,535	638,008,035	638,008,035
	- Percentage of shareholding	47.96	47.96	47.96	47.96	47.96
19.	Promoter shareholding					
a.	Pledged / Encumbered					
	Number of shares	237,052,102	237,052,102	237,052,102	237,052,102	237,052,102
	- Percentage of promoter shareholding	34.95	34.95	34.95	34.95	34.95
	- Percentage of total share capital	17.82	17.82	17.82	17.82	17.82
b.	Non-encumbered					
	Number of shares	441,166,680	441,166,680	441,166,680	441,166,680	441,166,680
	- Percentage of promoter shareholding	65.05	65.05	65.05	65.05	65.05
	- Percentage of total share capital	33.16	33.16	33.16	33.16	33.16

- (1) The above financial results were reviewed by the Audit committee and then approved by the Board of Directors at its meeting held on October 20, 2010.
- (2) The statutory auditors have conducted a limited review of the above results.
- (3) (i) Pursuant to the notification G.S.R.225 (E) dated March 31, 2009 issued by Ministry of Corporate Affairs, the Company has opted (in the year ended March 31, 2009), to account for exchange difference on Long term monetary items in foreign currency (i.e. those items whose term of settlement exceeds twelve months from date of its origination) as directed in the said notification. Accordingly, all long term assets and liabilities outstanding in foreign currency are translated at the closing rates.

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 April 1, 2007, whichever is later, 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 on translation are accumulated in "Foreign currency monetary item translation difference account" and amortised by recognition as income or expense in each period over the balance term till settlement occurs but not beyond March 31, 2011. As of September 30, 2010, the unamortised exchange difference on account of above adjustment is a net loss of Rs.583.10 lakhs (as against a net gain of Rs.143.74 lakhs as of September 30, 2009 and a net loss of Rs.1,245.01 lakhs as of March 31, 2010).

- (ii) The Company has adopted the principles of Accounting Standard 30 – Financial Instruments: Recognition and measurement, issued by Institute of Chartered Accountants of India, with effect from April 1, 2008, in respect of forward contracts for firm commitment and highly probable forecast transaction meeting necessary criteria as "Cash flow hedges". The gains and losses on effective cash flow hedges are recognized in Hedge reserve till the underlying forecasted transaction occurs.
- (4) The Company had changed its accounting policy towards the end of the previous year, to charge depreciation / amortisation on a pro-rata basis in respect of additions to / deletions from, the fixed assets in the manner prescribed in Schedule XIV to the Companies Act, 1956. This is different from the basis followed earlier of charging depreciation / amortisation for the full year on additions made in the first half of the year, for six months on additions made during the second half of the year and not charging depreciation in respect of assets disposed of during the year. Consequently, the depreciation charged for the quarter and six months ended September 30, 2009, was higher by Rs. 310.13 lakhs and Rs.327.85lakhs respectively with corresponding impact on the results of the said period.
- (5) Tax expense includes deferred tax which for the quarter and six months ended September 30, 2010 is an expense of Rs. 1,499.00 lakhs and Rs. 3,939.00 lakhs respectively (against an expense for the quarter and six months ended September 30, 2009 of Rs. 1,455.00 lakhs and Rs. 923 lakhs respectively) and for the year ended March 31, 2010 was an expense of Rs.12,110 lakhs. The balance tax expense for the quarter and six months ended September 30, 2010 comprises current tax expense for the said periods after considering credit available under section 115JAA (1A) of the Income tax Act, 1961 of Rs. 1,548.82 lakhs and Rs. 4,421.08 lakhs respectively.

There is no current tax expense for the quarter and six months ended September 30, 2009 and for the year ended March 31, 2010 as the Minimum Alternate Tax for the said periods of Rs. 1,739.58 lakhs, Rs. 1,789.68 lakhs and Rs. 9,215.46 lakhs respectively was available as credit under section 115JAA (1A) of the Income tax Act, 1961 and hence recognised as an asset.

- (6) The plant at Pantnagar (Uttarakhand) commenced operations in March 2010.

(7) Statement of Assets and Liabilities:

		Particulars	Rs. Lakhs	
			Six months ended	
			30.09.2010	30.09.2009
			Unaudited	Unaudited
1)	Shareholders' funds:			
a.	Capital	13,303.42		13,303.42
b.	Reserves and surplus	380,745.69		344,872.61
	Total	394,049.11		358,176.03
2)	Loan funds	253,028.04		188,602.12
3)	Deferred liability	8,955.69		5,310.89
4)	Deferred tax liability - net	42,392.70		27,266.70
5)	Foreign currency monetary item translation difference - net	(583.10)		143.74
	Total liabilities	697,842.44		579,499.48
1)	Fixed assets	484,142.38		454,870.26
2)	Investments	54,093.02		33,989.05
3)	Current assets, loans and advances			
a.	Inventories	193,982.08		125,154.27
b.	Sundry debtors	91,567.96		71,475.83
c.	Cash and bank balances	6,143.50		708.62
d.	Loans and advances	109,012.47		88,458.65
	Total of 3) a to d	400,706.01		285,797.37
4)	Less: Current liabilities and provisions			
a.	Liabilities	225,140.21		185,438.41
b.	Provisions	16,454.20		10,468.92
	Total of 4) a and b	241,594.41		195,907.33
5)	Net current assets (3 - 4)	159,111.60		89,890.04
6)	Miscellaneous expenditure (not written off or adjusted)	495.44		750.13
	Total assets (1+2+5+6)	697,842.44		579,499.48

(8) The company is principally engaged in a single business segment viz., Commercial vehicles and related components and operates in one geographical segment as per Accounting Standard 17 on 'Segment Reporting'.

(9) Number of Investor complaints: at the beginning of the quarter – 3, received during the quarter – 170, disposed of during the quarter – 169 and unresolved at the end of the quarter – 4. The unresolved complaints were resolved by October 9, 2010.

(10) Figures for the previous periods are regrouped wherever necessary.

Place: Chennai
Date: October 20, 2010

R. SESHASAYEE
Managing Director