ASHOK LEYLAND LIMITED

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

FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31-03-2009

Rs. Lakhs

			THREE MONTHS ENDED		YEAR ENDED	
			31.03.2009	31.03.2008	31.03.2009	31.03.2008
			Unaudited	Unaudited	Audited	Audited
1.		Net Sales / Income from operations	121,812.24	256,555.78	598,107.37	774,258.01
2.		Expenditure				
	a.	(Increase) / decrease in finished / trading goods	26,016.01	17,842.98	(4,879.84)	(9,164.73)
	b.	Consumption of raw materials and movement in work-in-progress	57,796.03	166,668.35	429,885.65	569,302.39
	c.	Purchase of trading goods	4,568.56	4,689.43	20,219.17	16,352.67
	d.	Employees cost	12,398.46	16,727.75	56,617.70	61,609.17
	e.	Depreciation	4,798.99	4,861.98	17,841.42	17,736.12
	f.	Other expenditure	9,550.39	20,640.70	49,321.18	54,120.16
	g.	Total	115,128.44	231,431.19	569,005.28	709,955.78
3.		Profit from operations before other income, financial expenses and exceptional item (1-2)	6,683.80	25,124.59	29,102.09	64,302.23
4.		Other income	1,310.48	746.88	4,962.28	5,760.52
5.		Profit before financial expenses and exceptional item (3+4)	7,994.28	25,871.47	34,064.37	70,062.75
6.		Financial expenses - net	4,403.12	910.87	11,870.87	4,974.01
7.		Profit / (Loss) after financial expenses but before exceptional item (5-6)	3,591.16	24,960.60	22,193.50	65,088.74
8.		Exceptional item - Voluntary retirement scheme compensation amortised	(354.66)	(329.72)	(1,348.87)	(1,273.72)
9.		Profit from ordinary activities before tax (7+8)	3,236.50	24,630.88	20,844.63	63,815.02
10.		Tax expense - Income tax	(2,235.00)	6,399.00	1,245.00	16,184.00
		- Fringe benefit tax	140.00	175.00	600.00	700.00
11.		Net Profit from ordinary activities after tax (9-10)	5,331.50	18,056.88	18,999.63	46,931.02
12.		Extraordinary item (net of tax)	-	-	-	-
13.		Net profit for the period (11-12) - See note 2 & 3 below	5,331.50	18,056.88	18,999.63	46,931.02
14.		Paid-up equity share capital (Face value per share Re.1)	13,303.38	13,303.38	13,303.38	13,303.38
15.		Reserves excluding Revaluation Reserve			197,600.04	199,357.13
16.		Basic Earnings Per Share (EPS) (Rs.) (not annualised)	0.40	1.36	1.43	3.53
17.		Dividend Per Share (Rs.)			1.00	1.50
18		Public shareholding				
		- Number of shares	638,008,035	638,008,035	638,008,035	638,008,035
		- Percentage of shareholding	47.96	47.96	47.96	47.96
19		Promoter shareholding				
	a.	Pledged / Encumbered				
		Number of shares	237,052,102		237,052,102	
		- Percentage of promoter shareholding	34.95		34.95	
		- Percentage of total share capital	17.82		17.82	
	b.	Non-encumbered				
		Number of shares	441,166,680		441,166,680	
		- Percentage of shareholding	65.05		65.05	
		- Percentage of total share capital	33.16		33.16	

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Notes:

(1) The above financial results were reviewed by the Audit committee and then approved by the Board of Directors at its meeting held on May 15, 2009.

(2) Pursuant to the notification G.S.R.225(E) issued by Ministry of Corporate Affairs, the Company exercised its option, during the quarter, irrevocably, 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 rate as on March 31,2009.

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 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.

This is different from the method in the earlier year where all exchange differences on long term monetary items were reckoned in the Profit and Loss account.

The impact of the above adjustment pertaining to the current quarter and the current year is a higher net profit of Rs. 5,047.15 lakhs and Rs. 22,193.89 lakhs respectively. The impact of such change amounting to Rs. 1,762.90 lakhs relating to the previous year is adjusted to opening General Reserve.

(3) The Company has 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 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 Account till the underlying forecasted transaction occurs. This is different from earlier year method of reckoning all gains and losses on the forward contract in Profit and Loss Account. The impact of this adjustment is a higher net profit for the current quarter and year ended March 31, 2009 of Rs. 95.42 lakhs and Rs. 3,455.33 lakhs respectively.

(4) Out of the100,000 Foreign Currency Convertible Notes (FCCN) aggregating to US$ 100 million issued in April 2004, 1000 FCCN were outstanding as of March 31, 2009. These notes have been redeemed on April 29, 2009 and hence not considered as dilutive. Cumulatively upto March 31, 2009, holders of FCCN aggregating to US$ 99.00 million have exercised their option and were allotted 141,044,117 equity shares.

(5) Tax expense includes deferred tax which was for the quarter ended March 31, 2009 reversal of expense Rs. 2,235.00 lakhs (against expense of Rs. 1,752.00 lakhs for the quarter ended March 31, 2008); for the year ended March 31, 2009 it was an expense of Rs. 1,245.00 lakhs (against expense of Rs. 6,044.00 lakhs for the year ended March 31, 2008.). There is no current tax expense for the year as the Minimum Alternate Tax for the year of Rs. 2,223.66 lakhs is subject to credit under section 115JAA(1A) of the Income Tax Act, 1961 and hence recognised as an asset.

(6) The Board of Directors has recommended dividend of Re. 1.00 per equity share for the year ended March 31, 2009 at their meeting held on May 15, 2009 (Previous year Rs. 1.50 per equity share) to be approved by shareholders at the Annual General Meeting. The Reserves excluding Revaluation Reserves are net of proposed dividend and corporate dividend tax thereon.

(7) 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’.

(8) Number of Investor complaints: at the beginning of the quarter – 1, received during the quarter –91, disposed of during the quarter – 86 and unresolved at the end of the quarter – 6. The unresolved complaints have since been resolved by April 3, 2009.

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

Place : Chennai
Date : 15.05.09

R. SESHASAYEE
Managing Director