

ASHOK LEYLAND LIMITED
Regd. Office :19 Rajaji Salai, Chennai -600 001
FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2008

Rs. Lakhs

		THREE MONTHS ENDED		SIX MONTHS ENDED		YEAR ENDED
		30.09.2008	30.09.2007	30.09.2008	30.09.2007	31.03.2008
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Net Sales / Income from operations	186,640.31	174,589.44	375,026.57	336,703.59	772,912.27
2.	Expenditure					
a.	(Increase) / decrease in finished / trading goods	(17,592.69)	(8,764.90)	(43,687.16)	(21,436.34)	(9,120.54)
b.	Consumption of raw materials and movement in work-in-progress	150,159.70	135,847.03	315,343.12	265,216.60	569,302.39
c.	Purchase of trading goods	6,948.95	3,906.11	11,618.94	7,612.36	16,352.67
d.	Employees cost	15,702.17	16,191.70	31,966.55	30,102.72	61,617.22
e.	Depreciation	5,053.70	4,662.03	9,464.40	8,790.98	17,736.08
f.	Other expenditure	16,027.95	11,022.55	29,284.96	23,360.94	55,488.65
g.	Total	176,299.78	162,864.52	353,990.81	313,647.26	711,376.47
3.	Profit from operations before other income, financial expenses and exceptional item (1-2)	10,340.53	11,724.92	21,035.76	23,056.33	61,535.80
4.	Other income	2,849.45	1,113.99	4,066.06	1,869.03	7,399.93
5.	Profit before financial expenses and exceptional item (3+4)	13,189.98	12,838.91	25,101.82	24,925.36	68,935.73
6.	Financial expenses - net	2,457.53	1,262.54	3,526.89	2,538.32	4,973.99
7.	Profit after financial expenses but before exceptional item (5-6)	10,732.45	11,576.37	21,574.93	22,387.04	63,961.74
8.	Exceptional item					
	Exchange gains / (losses) on restatement of foreign currency assets and liabilities	(1,435.08)	461.60	(4,826.07)	2,431.00	1,127.01
9.	Profit from ordinary activities before tax (7+8)	9,297.37	12,037.97	16,748.86	24,818.04	65,088.75
10.	Tax expense - Income tax	2,072.88	3,599.42	4,083.16	7,145.14	16,616.94
	- Fringe benefit tax	283.04	140.00	451.00	325.00	700.00
11.	Net Profit from ordinary activities after tax (9-10)	6,941.45	8,298.55	12,214.70	17,347.90	47,771.81
12.	Extraordinary item (net of tax expense)					
	Voluntary retirement scheme compensation amortised	217.08	264.96	433.39	495.48	840.78
13.	Net profit for the period (11-12) - See note 3 below	6,724.37	8,033.59	11,781.31	16,852.42	46,931.03
14.	Paid-up equity share capital (Face value of Re.1 each)	13,303.38	13,303.38	13,303.38	13,303.38	13,303.38
15.	Reserves excluding Revaluation Reserves					199,357.14
16.	Earnings Per Share (EPS) (Rs.)					
a.	Before extraordinary item (not annualised)					
	- Basic	0.52	0.63	0.92	1.31	3.60
	- Diluted	0.52	0.62	0.92	1.30	3.59
b.	After extraordinary item net of tax (not annualised)					
	- Basic	0.51	0.61	0.89	1.27	3.53
	- Diluted	0.51	0.60	0.89	1.27	3.53
17.	Dividend Per Share					1.50
18.	Public shareholding					
	- Number of shares	638,008,035	638,006,035	638,006,035	638,006,035	638,008,035
	- Percentage of shareholding	47.96	47.96	47.96	47.96	47.96

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- 2 -

- (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 21, 2008.
- (2) The statutory auditors have conducted a limited review of the above results.
- (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 all forward contracts, designating certain contracts 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 practice of reckoning all gains and losses on forward contract to Profit and Loss Account. Had the earlier practice been followed, the profit for the current quarter and half year would have been lower by Rs. 2,160.05 lakhs (net of tax) and Rs.3,144.68 lakhs (net of tax) respectively.
- (4) Out of the 100,000 Foreign Currency Convertible Notes (FCCN) aggregating to US\$ 100 million issued in April 2004, 1000 FCCN were outstanding as of September 30, 2008. Note holders have an option to convert each note of US\$ 1000 into 1,470 shares of Re. 1 each at the prevailing conversion price of Rs.30. Cumulatively upto September 30, 2008, 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. For the quarter ended September 30, 2008, this was Rs. 1,152.10 lakhs (against Rs. 649.50 lakhs for the quarter ended September 30, 2007). For the six months ended September 30, 2008, this was Rs. 1,850.00 lakhs (against Rs. 1,801.50 lakhs for the six months ended September 30, 2007). For the year ended March 31, 2008, this was Rs. 6,044.00 lakhs.
- (6) 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’.
- (7) Number of Investor complaints: at the beginning of the quarter – 3, received during the quarter –199, disposed of during the quarter – 195 and unresolved at the end of the quarter – 7. The unresolved complaints were since resolved by October 4, 2008.
- (8) Figures for the previous periods are regrouped wherever necessary.

Place : Chennai
Date : 21.10.08

R. SESHASAYEE
Managing Director