ASHOK LEYLAND LIMITED

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

FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31-12-2008

Rs. Lakhs

			THREE MONTHS ENDED		NINE MONTHS ENDED		YEAR ENDED
			31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.03.2008
			Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.		Net Sales / Income from operations	100,084.83	180,008.26	475,111.40	516,711.85	772,912.27
2.		Expenditure					
	a.	(Increase) / decrease in finished / trading goods	12,791.31	(5,571.37)	(30,895.85)	(27,007.71)	(9,120.54)
	b.	Consumption of raw materials and movement in work-in-progress	56,746.50	137,417.44	372,089.62	402,634.04	569,302.39
	c.	Purchase of trading goods	4,031.67	4,050.88	15,650.61	11,663.24	16,352.67
	d.	Employees cost	12,252.69	14,778.70	44,219.24	44,881.42	61,617.22
	e.	Depreciation	3,578.03	4,083.16	13,042.43	12,874.14	17,736.08
	f.	Other expenditure	5,948.65	12,784.75	40,059.68	33,714.69	54,361.64
	g.	Total	95,348.85	167,543.56	454,165.73	478,759.82	710,249.46
3.		Profit from operations before other income, financial expenses and exceptional item (1-2)	4,735.98	12,464.70	20,945.67	37,952.03	62,662.81
4.		Other income	1,058.36	4,370.22	5,124.42	6,239.25	7,399.93
5.		Profit before financial expenses and exceptional item (3+4)	5,794.34	16,834.92	26,070.09	44,191.28	70,062.74
6.		Financial expenses - net	3,940.86	1,524.82	7,467.75	4,063.14	4,973.99
7.		Profit / (Loss) after financial expenses but before exceptional item (5-6)	1,853.48	15,310.10	18,602.34	40,128.14	65,088.75
8.		Exceptional item	-	-	-	-	-
9.		Profit from ordinary activities before tax (7+8)	1,853.48	15,310.10	18,602.34	40,128.14	65,088.75
10.		Tax expense - Income tax	(265.23)	2,960.72	3,817.93	10,105.87	16,616.94
		- Fringe benefit tax	9.00	200.00	460.00	525.00	700.00
11.		Net Profit from ordinary activities after tax (9-10)	2,109.71	12,149.38	14,324.41	29,497.27	47,771.81
12.		Extraordinary item (net of tax expense) Voluntary retirement scheme compensation amortised	222.89	127.66	656.28	623.13	840.78
13.		Net profit for the period (11-12) - See note 4 below	1,886.82	12,021.72	13,668.13	28,874.14	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	0.16	0.91	1.08	2.22	3.60
		- Diluted	0.16	0.91	1.08	2.22	3.59
	b.	After extraordinary item net of tax (not annualised)					
		- Basic	0.14	0.91	1.03	2.17	3.53
		- Diluted	0.14	0.90	1.03	2.17	3.53
17.		Dividend Per Share					1.50
18		Public shareholding					
		- Number of shares	638,008,035	638,008,035	638,008,035	638,008,035	638,008,035
		- Percentage of shareholding	47.96	47.96	47.96	47.96	47.96

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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 January 28, 2009.

(2) The statutory auditors have conducted a limited review of the above results.

(3) Accounting Standard 11 – Effects of changes in Foreign exchange rates requires that all exchange differences on monetary assets and liabilities should be reckoned in the Profit and Loss Account. Due to high volatility in financial markets including the foreign exchange market, it is understood that an industry association has represented to the Institute of Chartered Accountants of India (ICAI) and National Advisory committee on Accounting Standards (NACAS) that this accounting standard be modified, on matching principle and as a matter of prudence, to amortize unrealized exchange difference over the tenor of such monetary assets and liabilities. The issue is under consideration by concerned authorities. Pending this, the Company has adopted this amortization principle for long term monetary assets and liabilities from April 1, 2008. The impact of this change on the results for the quarter and nine months ending December 31, 2008 is lower charge of Rs.3,476.52 lakhs and Rs.14,554.57 lakhs respectively. This matter has been dealt with in the limited review report of the Statutory Auditors.

(4) 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 year method of reckoning all gains and losses on the forward contract in Profit and Loss Account. Had the earlier method been followed, the net profit for the current quarter and nine months would have been higher by Rs. 1,404.75 lakhs and lower by Rs. 3,359.91 lakhs respectively.

(5) Out of the100,000 Foreign Currency Convertible Notes (FCCN) aggregating to US$ 100 million issued in April 2004, 1000 FCCN were outstanding as of December 31, 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 December 31, 2008, holders of FCCN aggregating to US$ 99.00 million have exercised their option and were allotted 141,044,117 equity shares.

(6) Tax expense includes deferred tax which was for the quarter ended December 31, 2008 Rs. 1,744.77 lakhs (against Rs. 2,556.22 lakhs for the quarter ended December 31, 2007); for the nine months ended December 31, 2008 Rs. 3,817.93 lakhs (against Rs. 4,612.87 lakhs for the nine months ended December 31, 2007); for the year ended March 31, 2008 Rs. 6,476.94 lakhs.

(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 – 7, received during the quarter –192, disposed of during the quarter – 198 and unresolved at the end of the quarter – 1. The unresolved complaint has since been resolved by January 7, 2009.

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

Place : Chennai
Date : 28.01.09

R. SESHASAYEE
Managing Director