



ASHOK LEYLAND



HINDUJA GROUP



Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set our anticipated results based on the Management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot, of course, guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Annual Report 2009-2010

| | |
|---|--|
| BOARD OF DIRECTORS | R J Shahaney, <i>Chairman</i> |
| | D G Hinduja, <i>Co-Chairman (Alternate : Y M Kale)</i> |
| | Anil Harish <i>(from 30.10.2009)</i> |
| | D J Balaji Rao |
| | A K Das <i>(Alternate : P Banerjee)</i> |
| | P N Ghatalia <i>(upto 12.08.2009)</i> |
| | Ramachandran R Nair |
| | F Sahami |
| | Shardul S Shroff |
| | Anders Spare |
| | Dr V Sumantran |
| | R Seshasayee, <i>Managing Director</i> |
| | Vinod K Dasari, <i>Whole-time Director</i> |
| CHIEF FINANCIAL OFFICER | K Sridharan |
| EXECUTIVE DIRECTOR AND COMPANY SECRETARY | A R Chandrasekharan |
| EXECUTIVE DIRECTORS | J N Amrolia |
| | Anup Bhat |
| | S Balasubramanian |
| | A K Jain |
| | Jayendra Parikh |
| | R R G Menon |
| | N Mohanakrishnan |
| | M Nataraj |
| | Rajinder Malhan |
| | Rajive Saharia |
| | Shekhar Arora |
| | B M Udayashankar |
| AUDITORS | M S Krishnaswami & Rajan |
| | Deloitte Haskins & Sells |
| COST AUDITORS | Geeyes & Co. |
| BANKERS | Bank of America |
| | Bank of Baroda |
| | Canara Bank |
| | Central Bank of India |
| | Citibank N.A. |
| | Credit Agricole Corporate and Investment Bank |
| | HDFC Bank Limited |
| | ICICI Bank Limited |
| | IDBI Bank Limited |
| | Punjab National Bank |
| | Standard Chartered Bank |
| | State Bank of India |
| | State Bank of Patiala |
| | The Hongkong and Shanghai Banking Corporation Limited |
| REGISTERED OFFICE | 1, Sardar Patel Road, Guindy, Chennai 600 032 |
| PLANTS | Chennai (Ennore & Ambattur) and Hosur (Tamil Nadu); Bhandara (Maharashtra); Alwar (Rajasthan); Pantnagar (Uttarakhand). |
| WEBSITE | www.ashokleyland.com |

A HISTORICAL PERSPECTIVE

Rs.Lakhs

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sales Volume | | | | | | | | | | |
| Vehicles (numbers) | 32,475 | 29,673 | 36,444 | 48,654 | 54,740 | 61,655 | 83,094 | 83,307 | 54,431 | 63,926 |
| Engines (numbers) | 6,311 | 5,258 | 5,924 | 5,085 | 6,254 | 7,171 | 8,202 | 11,757 | 21,447 | 19,050 |
| Spare parts and others | 51,390 | 54,920 | 47,710 | 44,680 | 54,600 | 78,380 | 54,684 | 79,124 | 79,969 | 88,506 |
| Revenue (Gross sales) | 2,60,670 | 2,63,040 | 3,07,400 | 3,92,730 | 4,81,080 | 6,05,310 | 8,30,472 | 8,94,715 | 6,66,664 | 7,87,260 |
| Profit before tax | 10,190 | 13,220 | 17,010 | 28,646 | 35,501 | 45,230 | 60,451 | 63,815 | 20,845 | 54,477 |
| Profit after tax | 9,170 | 9,230 | 12,021 | 19,358 | 27,141 | 32,732 | 44,129 | 46,931 | 19,000 | 42,367 |
| Assets | | | | | | | | | | |
| Net fixed assets | 96,130 | 1,00,980 | 93,980 | 92,110 | 97,900 | 1,08,470 | 1,54,452 | 2,05,479 | 4,39,741 | 4,81,103 |
| Investments | 11,790 | 11,730 | 15,758 | 14,660 | 22,919 | 36,818 | 22,109 | 60,990 | 26,356 | 32,615 |
| Net current assets | 1,02,230 | 98,250 | 74,812 | 63,100 | 99,161 | 82,392 | 94,183 | 60,332 | 1,02,867 | 1,17,893 |
| Total | 2,10,150 | 2,10,960 | 1,84,550 | 1,69,870 | 2,19,980 | 2,27,680 | 2,70,744 | 3,26,801 | 5,68,964 | 6,31,611 |
| Financed by | | | | | | | | | | |
| Shareholders' funds - Capital | 11,890 | 11,890 | 11,890 | 11,890 | 11,890 | 12,220 | 13,239 | 13,303 | 13,303 | 13,303 |
| - Reserves | 1,04,960 | 91,310 | 84,060 | 90,050 | 1,02,960 | 1,28,300 | 1,73,775 | 1,99,366 | 3,33,118 | 3,53,055 |
| Loan funds | 93,300 | 88,840 | 71,750 | 49,900 | 88,040 | 69,190 | 64,040 | 88,750 | 1,95,815 | 2,20,389 |
| Deferred Liability | - | - | - | - | - | - | - | - | - | 7,655 |
| Deferred tax liability - Net | - | 18,920 | 16,850 | 18,030 | 17,090 | 17,970 | 19,690 | 25,382 | 26,344 | 38,454 |
| Foreign currency translation difference account - Net | - | - | - | - | - | - | - | - | 384 | -1,245 |
| Total | 2,10,150 | 2,10,960 | 1,84,550 | 1,69,870 | 2,19,980 | 2,27,680 | 2,70,744 | 3,26,801 | 5,68,964 | 6,31,611 |
| Basic Earnings per Share (Rs.) | 0.77 | 0.78 | 1.01 | 1.63 | 2.28 | 2.74 | 3.38 | 3.53 | 1.43 | 3.18 |
| Dividend per share (Rs.) (face value Re. 1 each) | 0.40 | 0.45 | 0.50 | 0.75 | 1.00 | 1.20 | 1.50 | 1.50 | 1.00 | 1.50 |
| Employees (nos.) | 13489 | 13218 | 11860 | 12007 | 12178 | 11845 | 12125 | 13304 | 11938 | 13662 |

DIRECTORS' REPORT

Part I - Performance/Operations

The Directors have pleasure in presenting the Annual Report of the Company, together with the audited Accounts, for the year ended March 31, 2010.

FINANCIAL RESULTS

| | (Rs.Lakhs) | |
|--|--------------------|------------|
| | 2009-2010 | 2008-2009 |
| Profit before tax | 54,477.48 | 20,844.63 |
| Less: Provision for taxation | 12,110.00 | 1,845.00 |
| Profit after tax | 42,367.48 | 18,999.63 |
| Excess provision written back | | |
| – Dividend | - | 22.05 |
| – Corporate dividend tax thereon | - | 3.75 |
| Balance profit from last year | 48,230.19 | 50,227.38 |
| Transfer from/(to): | | |
| Debt redemption reserve | 416.67 | (2,958.33) |
| General reserve | (10,000.00) | (2,500.00) |
| Profit available for appropriation | 81,014.34 | 63,794.48 |
| Appropriation: | | |
| Proposed dividend | 19,955.07 | 13,303.38 |
| Corporate dividend tax thereon | 3,314.29 | 2,260.91 |
| Balance profit carried to balance sheet | 57,744.98 | 48,230.19 |
| Earnings per Share (face value Re. 1/-) | | |
| – Basic (in Rs.) | 3.18 | 1.43 |

Dividend

The Directors recommend a dividend of 150% (Rs.1.50 per equity share of Re.1/-) for the year ended March 31, 2010.

Business operations

The commercial vehicle industry which was severely impacted during the previous year, as a result of the economic slowdown, continued to be sluggish in the first half of the year. However, thanks to the stimuli provided by the Government, primarily in the form of excise duty reduction and improved availability of bank finance, the market witnessed a robust revival of demand during the second half of the year. A number of supply constraints came in the way of fully exploiting the new available opportunities. Overall, during the year, with a focus on marketing efforts, cost control, and effective working capital management, the Company considerably improved profitability.

Highlights of performance are discussed in detail in the Management Discussion and Analysis Report attached as **Annexure-D** to this Report.

Borrowings

During the year, your Company continued to make investments for capacity expansion and for strategic purposes, both within the Company and through associate companies. In order to fund such programs, besides using internal accruals, your Company focused on liquidating non-core investments and augmenting resources through cost-effective borrowings. Accordingly, during the year, your Company disposed off investments in long-term bonds and raised Rs.112 crores besides availing term loans of Rs.500 crores. The total long-term borrowings of the Company in the form of external commercial borrowings, debentures and term loans, outstanding at the end of the year, aggregated to Rs.2,204 crores.

Research and development, technology absorption, energy conservation, etc.

Despite the difficult business conditions, investment in Research and Development activities has continued to receive high priority from the Company. Several programmes are under execution to provide more value to customers and to remain competitive.

The capital and revenue expenditure incurred on Research and Development activities is shown separately.

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption, Foreign Exchange are furnished in **Annexure - A** to this Report.

Pantnagar Plant, Uttarakhand

With the commissioning of the modern, fully integrated plant at Pantnagar (Uttarakhand) in March 2010, additional capacity for 75,000 vehicles/year has been created. Overall annual capacity for the Company is now 1,50,500 vehicles (on a two-shift basis).

Other Key Ventures

Ashley Alteams India Limited

The state-of-the-art manufacturing facility at Cheyyar, near Kanchipuram (Tamil Nadu) was inaugurated during the year. The Company has begun supplies meeting the stringent requirements of customers in the Automotive and Telecommunication Sectors.

Albonair (India) Private Limited

During 2007, your Company established Albonair GmbH for development of vehicle emission treatment / control systems and products. In order to cater to the emerging markets in China and India, Albonair (India) Private Limited was incorporated during the year.

Defiance Technologies Limited

With the experience of the management team in providing manufacturing services to global customers integrating Process,

DIRECTORS' REPORT

IT and Operations backed by the manufacturing services capability available, your Company is expected to exploit the opportunity in providing services through Defiance Technologies Limited, promoted by it during the year. Considering the synergy between the activities of Ashley Design and Engineering Services (ADES), a Division of Ashok Leyland Limited (subsequently rechristened as Defiance Technologies Division) engaged in engineering services and the activities of Defiance Technologies Limited, Defiance Technologies Division was, through a slump sale, integrated with Defiance Technologies Limited during the year.

Part II - Corporate Matters

Corporate Governance

Your Company is fully compliant with the Corporate Governance guidelines, as laid out in Clause 49 of the Listing Agreement. All the Directors (and also the members of the Senior Management – of the rank of General Managers and above) have confirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company. The details of the Code of Conduct are furnished in **Annexure-B** to this Report. The Managing Director has given a certificate of compliance with the Code of Conduct, as required by SEBI guidelines.

Many of the clauses of Corporate Governance Voluntary Guidelines 2009 issued by Ministry of Corporate Affairs are being followed by your Company.

The Statutory Auditors of the Company have examined the requirements of Corporate Governance with reference to Clause 49 of the Listing Agreement, and have certified the compliance, as required under SEBI guidelines. The certificate is reproduced as **Annexure - C** to this Report.

The Directors' Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956 is furnished in **Annexure - E** to this Report.

The particulars of employees as prescribed by the Companies (Particulars of Employees) Rules, 1975 are furnished in **Annexure - F** to this Report.

The CEO / CFO certification as required under the SEBI guidelines is attached - as **Annexure - G** to this Report.

Related Party disclosures/transactions are detailed in Note 7 of the Notes to the Accounts.

Directors

During the year, Mr P N Ghatalia, Chairman of the Audit Committee passed away on August 12, 2009. Your Board of Directors wishes to place on record its appreciation for the contributions made by late Mr P N Ghatalia during his tenure as Director and Chairman of the Audit Committee of the Board of the Company.

At the Board Meeting held on October 30, 2009, Mr Anil Harish, was appointed as an Independent Director, in the casual vacancy caused by the demise of Mr P N Ghatalia. His term of office expires at the end of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act relating to his appointment at the ensuing Annual General Meeting. The necessary resolution for his appointment is being placed before the shareholders for approval.

Apart from Mr Anil Harish, Mr A K Das, Mr F Sahami and Mr Anders Spare, Directors, retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

Necessary resolutions are being placed before the shareholders for approval.

Cost Auditors

The Government has stipulated Cost Audit of the Company's records in respect of motor vehicles as well as engineering industries (diesel engines). M/s Geeyes & Co., Cost Auditors have carried out these audits. Their findings have been satisfactory.

Secretarial Audit

As directed by Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by a Practising Company Secretary. The findings of the Secretarial Audit have been satisfactory.

Auditors

M/s M S Krishnaswami & Rajan, Chartered Accountants and M/s Deloitte Haskins & Sells, Chartered Accountants, retire at the close of this Annual General Meeting and are eligible for re-appointment. The Company has received confirmation from both the firms that their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Audit Committee of the Board has recommended their re-appointment. The necessary resolution is being placed before the shareholders for approval.

Acknowledgement

The Directors wish to express their appreciation of the continued co-operation of the Central and State Governments, bankers, financial institutions, customers, dealers and suppliers and also the valuable assistance and advice received from the joint venture partners, the major shareholders, Hinduja Automotive Limited, the Hinduja Group and all the shareholders. The Directors also wish to thank all the employees for their contribution, support and continued co-operation through the year.

On behalf of the Board of Directors

Chennai
April 29, 2010

R J SHAHANEY
Chairman

ANNEXURE-A TO DIRECTORS' REPORT

(A) Conservation of Energy

All manufacturing plants have implemented various initiatives for conservation of energy.

Through various cost management initiatives, about 4 mn electrical units have been saved leading to significant savings in energy costs during 2009-2010.

Some key initiatives were:

- Maintenance of power factor throughout the year, through optimum use of capacitor banks.
- Use of natural lighting and ventilation.
- Use of wind power (74.65% of the total saving in cost was through wind power).

(B) Technology Absorption

1. Specific areas in which R&D carried out by the Company

Engines:

- New Engine (N-Series) platform developed and applicated on vehicles.
- Existing engine platform (H-series) upgraded to BS IV emission norms.

Vehicles:

- New vehicle platform ('U Truck') launched, with initial offerings in tippers and tractors.
- Migration of current vehicle platform to BS3/BS4 norms.

2. Benefits derived as a result of R&D:

- Compliance with emission standards slated for implementation from April 2010.

- Potential for extension of the engine platform to cover CNG, marine & industrial applications.
- Introduction of New Lean Development Process with resultant benefit of reduced time to market.

3. Future plan of action:

- Next generation cabs and engine platforms under development.
- Process and methodologies being developed in order to ensure that drive line selection is suitable for the intended application in terms of performance like fuel efficiency, turnaround time, etc.
- Migration of Haulage models to the 'U Truck' platform in order to modularize vehicle concepts completely and thereby introduce flexibility in manufacturing and sourcing.

4. Expenditure on R & D

| | Rs.Lakhs |
|----------------------------------|-----------|
| | 2009-10 |
| Capital | 10,249.22 |
| Revenue (excluding depreciation) | 13,158.97 |
| Total | 23,408.19 |
| Total R & D Expenditure | |
| as a % of total turnover | 2.97% |

(C) Foreign Exchange Earnings and Outgo

Details of earnings and outgo of foreign exchange are given in 1.5 to 1.8 of Notes to the Accounts. The Company continues to strive to improve its export earnings.

ANNEXURE-B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

1. Philosophy on Corporate Governance

The Board of Directors and the Management of Ashok Leyland commit themselves to

- strive towards enhancement of shareholder value through
 - sound business decisions
 - prudent financial management and
 - high standards of ethics throughout the organisation
- ensure transparency and professionalism in all decisions and transactions of the Company; and
- achieve excellence in Corporate Governance through
 - conforming to and exceeding wherever possible, the prevalent mandatory guidelines on Corporate Governance
 - regular review of the Board processes and the management systems for further improvement

The Company has adopted a Code of Conduct for members of the Board and senior management. All Directors have affirmed in writing their adherence to the above Code. The full text of the Code is furnished at the end of this Report, and is also displayed at the Company's website www.ashokleyland.com.

2. Board of Directors

- a) **Composition:** The Board of Directors of the Company, headed by a Non-Executive Chairman, consisted of the following Directors, as on March 31, 2010, categorised as indicated:

i) Non-Executive Directors

Independent

Mr Anil Harish

Mr D J Balaji Rao

Mr Ramachandran R Nair (Nominee of LIC)

Mr Shardul S Shroff

Mr R J Shahaney

Non-Independent

Mr A K Das (Alternate: Mr P Banerjee)

Mr D G Hinduja (Co-Chairman)
(Alternate: Mr Y M Kale)

Mr F Sahami

Mr Anders Spare

Dr V Sumantran

ii) Executive Directors

Managing Director

Mr R Seshasayee

Whole-time Director & Chief Operating Officer

Mr Vinod K Dasari

None of the Directors are related to each other.

Board appointments are made by the issue of formal letters appointing Directors.

b) Attendance at Board Meetings and last Annual General Meeting (AGM) and details of memberships of Directors in other Boards and Board Committees

| Name of Director | No. of Board meetings attended during the year 2009-10 | Whether attended last AGM held on July 28, 2009 | No. of Directorship in other Public Companies registered under Companies Act (#) | | No. of Committee position in other Public Companies registered under Companies Act (**) | |
|---|--|---|--|-------------|---|-------------|
| | | | as Member | as Chairman | as Member | as Chairman |
| Mr R J Shahaney | 5 | Yes | 2 | 2 | 1 | Nil |
| Mr D G Hinduja | 4 | Yes | 7 | 1 | 2 | Nil |
| Mr Anil Harish (appointed w.e.f. October 30, 2009) | 2 | Not Applicable | 13 | Nil | 9 | 4 |
| Mr D J Balaji Rao | 4 | Yes | 9 | 1 | 8 | 4 |

ANNEXURE-B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

| Name of Director | No. of Board meetings attended during the year 2009-10 | Whether attended last AGM held on July 28, 2009 | No. of Directorship in other Public Companies registered under Companies Act (#) | | No. of Committee position in other Public Companies registered under Companies Act (**) | |
|---|--|---|--|----------------|---|----------------|
| | | | as Member | as Chairman | as Member | as Chairman |
| Mr A K Das | 4 | Yes | 10 | 2 | 3 | Nil |
| Mr P N Ghatalia (expired on August 12, 2009) | 2 | Yes | Not applicable | Not applicable | Not applicable | Not applicable |
| Mr Ramachandran R Nair | 5 | Yes | 4 | Nil | 2 | Nil |
| Mr F Sahami | 4 | Yes | 1 | Nil | 1 | Nil |
| Mr Shardul S Shroff | 1 | No | 5 | Nil | 1 | Nil |
| Mr Anders Spare | 4 | Yes | 2 | Nil | Nil | Nil |
| Dr V Sumantran | 4 | Yes | 5 | 1 | Nil | Nil |
| Mr R Seshasayee | 5 | Yes | 11 | 2 | 1 | Nil |
| Mr Vinod K Dasari | 5 | Yes | 4 | 2 | Nil | Nil |
| Alternate Directors: | | | | | | |
| Mr Prabal Banerjee | Nil | Not applicable | 5 | Nil | 2 | 2 |
| Mr Y M Kale | Nil | Not applicable | 3 | Nil | 1 | 1 |

(#) Excludes Alternate Directorships
(**) Represents memberships in Audit Committee and Shareholders/Investors Grievance Committee of Public Companies governed by the Companies Act, 1956

Details of Directors seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the Shareholders.

Non-Executive Directors are entitled to a Sitting Fee of Rs.20,000/- for attending to each of the Board/Committee Meeting(s). No other compensation is payable to them.

The Directors' holding of shares of the Company is furnished below:

| Name of the Director | No. of equity shares |
|----------------------|----------------------|
| Mr R J Shahaney | 11,730 |
| Mr R Seshasayee | 11,236 |
| Mr Vinod K Dasari | 30,000 |

There are no shares or convertible instruments held by any other Director(s).

Board Meetings held during the year 2009-10

| Date of Meeting | Total no. of Directors | No. of Directors present |
|--------------------|------------------------|--------------------------|
| May 15, 2009 | 12 | 11 |
| July 27, 2009 | 12 | 12 |
| September 23, 2009 | 11 | 4 |
| October 30, 2009 | 12 | 11 |
| January 31, 2010 | 12 | 11 |

- The time gap between any two meetings did not exceed four months.
- The last Annual General Meeting was held on July 28, 2009.

Secretarial Standards

The Institute of Company Secretaries of India (ICSI) has published Standards on secretarial practices relating to meetings of the Board / Committees, General Meetings, Dividends, etc. The Secretarial and the operating practices of the Company are in line with the above Secretarial Standards. Information required as per Annexure-I to Clause 49 of the Listing Agreement with Stock Exchanges is provided to the Board at every meeting.

3. Audit Committee

a) Constitution

The Audit Committee was initially constituted in July 1987. The Terms of Reference have been reviewed from time to time and the Committee has been mandated to comply with the requirements of

ANNEXURE-B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement with Stock Exchanges and also to conform to the provisions of Section 292A of the Companies Act, 1956.

b) Composition, Names of Members and Chairman

The Audit Committee consists of Independent Directors Mr Anil Harish as Chairman (from October 30, 2009, in the place of Mr P N Ghatalia, Chairman of the Audit Committee who expired on August 12, 2009), Mr D J Balaji Rao, Member and Mr F Sahami, Non-independent Director as Member.

All the members of the Audit Committee have the expertise in finance and in general management. Mr Anil Harish is a Partner of a renowned firm of Advocates, specialized in Corporate Law and Taxation matters, Real Estate, International Investments, etc. He is Associate Vice President of the Society of Indian Law Firms and was a member of the Managing Committee of the Income-tax Appellate Tribunal, Bar Association and Managing Council of the Chamber of Income Tax Consultants. Mr F Sahami had been senior partner in a leading firm of Chartered Accountants. Mr D J Balaji Rao had been Deputy Managing Director of the then ICICI Ltd., (now ICICI Bank Ltd.) and Managing Director of Infrastructure Development Finance Company Ltd.

c) Meetings and Attendance

Audit Committee Meetings held during the year 2009-10 and attendance details

| Date of Meeting | No. of members present |
|------------------|------------------------|
| May 15, 2009 | 3 |
| July 27, 2009 | 3 |
| October 30, 2009 | 3 |
| January 31, 2010 | 3 |

- Mr A R Chandrasekharan, Executive Director and Company Secretary is the Secretary to the Committee.
- Mr Vinod K Dasari, Whole-time Director and Chief Operating Officer, Mr K Sridharan, Chief Financial Officer and Mr N Mohanakrishnan, Executive Director - Internal Audit, attended all the meetings of the Committee as Invitees.

The Statutory Auditors of the Company and the Cost Auditors were invited to attend the Audit Committee Meetings.

The Audit Committee discusses with the Statutory Auditors on the "Limited Review" of the quarterly/ half-yearly accounts, the audit plan for the year, as necessary, matters relating to compliance with Accounting Standards, the Auditors' observations arising from the annual audit of the Company's accounts and other related matters. The Committee also reviews at every meeting significant observations arising from the Reports of the Internal Audit Department and the adequacy of the follow up action taken by the Management. The Committee discusses with the Cost Auditors the Annual Cost Audit Reports and their observations.

4. Remuneration Committee

- a) The Remuneration Committee consists of Mr D J Balaji Rao, Independent Director, as the Chairman of the Committee, with Mr R J Shahaney and Mr F Sahami being the other members.

Mr A R Chandrasekharan, Executive Director and Company Secretary is the Secretary to the Committee.

The Committee is mandated with the following:

- Determination and approval of the quantum of commission, perquisites and payment of special allowance to the Managing Director and to the Whole-time Director
- Determination and approval of the annual increments to the Managing Director and to the Whole-time Director.

The above are based on the overall performance of the Company and on the Committee's assessment of the personal contributions and achievements of the Managing Director/Whole-time Director, and are within the overall limits approved by the shareholders.

- b) The Committee Meeting was held on May 15, 2009 wherein all the members were present.
- c) The Remuneration Policy of the Company is summarised as follows:

ANNEXURE-B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

- (i) For the Managing Director and for the Whole-time Director

The total remuneration, subject to shareholders' approval, consists of:

- a fixed component – consisting of salary, allowances (including Special Allowance) and perquisites; the perquisites and benefits are in line with the Company's Rules for senior managerial personnel.
- a variable component – linked to the performance of the Company as well as that of the Managing Director or the Whole-time Director, as the case may be – consisting of Commission as determined by the Remuneration Committee.

No Sitting Fee is payable.

- (ii) For Non-executive Directors

Sitting Fee is paid as per the Companies Act, 1956, and the Articles of Association of the Company, for attending any meeting of the Board or Committee of the Board. Directors are also reimbursed actual travel costs and incidental expenses incurred for attending such meetings or in connection with the Company's business. There are no pecuniary relationship or transactions between any of the Non-executive Directors and the Company. No other fee is paid to Non-executive Directors other than the above.

- d) The details of remuneration paid/payable to the Directors for the year 2009-10 are:

- i) Non-executive Directors - Sitting Fees: (excluding reimbursement of travel and other expenses incurred for the Company's business).

| | Rs. | | Rs. |
|------------------------------|----------|----------------------------|----------|
| Mr R J Shahaney | 2,80,000 | Mr Ramachandran R Nair(**) | 1,00,000 |
| Mr D G Hinduja | 1,60,000 | Mr F Sahami | 1,80,000 |
| Mr Anil Harish | 1,00,000 | Mr Shardul S Shroff | 20,000 |
| Mr D J Balaji Rao | 2,80,000 | Dr V Sumantran | 1,20,000 |
| Mr A K Das | 1,00,000 | Mr Anders Spare | 1,60,000 |
| Mr P N Ghatalia | 80,000 | | |
| (expired on August 12, 2009) | | | |

(**) Amount paid to LIC of India by means of cheque

- ii) Managing Director / Whole-time Director

| | Managing Director (Rs.) | Whole-time Director (Rs.) |
|---|----------------------------|------------------------------|
| a) Fixed Component | | |
| (i) Salary | 3,402,000 | 2,898,000 |
| (ii) Perquisites(**) | 6,974,747 | 3,550,740 |
| (iii) Special Allowance | 3,232,500 | 2,752,000 |
| b) Variable Component | | |
| Commission | 9,156,000 | 7,392,000 |
| c) Contribution to Provident Fund and Superannuation Fund | 2,291,940 | 1,891,260 |
| Total | 25,057,187 | 18,484,000 |

(**) Certain perquisites are valued as per the Income Tax Rules.

Mr R Seshasayee, Managing Director and Mr Vinod K Dasari, Whole-time Director and Chief Operating Officer are under contract of employment with the Company, stipulating 3 months' notice period from either side. There is no severance fees payable to them.

The Company has no Employee Stock Options Scheme in force at present.

ANNEXURE-B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

5. Shareholders/Investors Grievance Committee

- a) The Shareholders/Investors Grievance Committee was constituted in 2000. The Committee has Mr R J Shahaney as Chairman, Mr D J Balaji Rao, Independent Director and Mr R Seshasayee, Managing Director as members. This Committee approves issue of new share certificates and looks into investor relations/grievances on a periodical basis. The Managing Director approves the share transfers / transmissions on a fortnightly basis and the same is reported to the Committee on a quarterly basis.
- b) Mr A R Chandrasekharan, Executive Director and Company Secretary is the Secretary to the Committee and is also the Compliance Officer nominated for this purpose.
- c) Meetings and Attendance during the year 2009-10:

Shareholders / Investors Grievance Committee Meetings held during the year 2009-10 and Attendance details are given below

| Date of Meeting | No. of Directors Present |
|------------------|--------------------------|
| May 15, 2009 | 3 |
| July 27, 2009 | 3 |
| October 30, 2009 | 3 |
| January 31, 2010 | 3 |

- d) The Committee also reviews the performance of the Company's Registrar & Transfer Agent (R&TA) and their system of dealing with and responding to

correspondence from all categories of shareholders. The manner and timeliness of dealing with complaint letters received from Stock Exchanges/ SEBI/ Ministry of Corporate Affairs etc., and the responses thereto are reviewed by this Committee.

During the year, 2,503 complaint letters were received from investors (including 13 letters from SEBI / Stock Exchanges/ MCA); 2,490 letters were received on routine matters; all these were dealt with satisfactorily. The very few letters, which occasionally remained pending beyond the normal time limits were cases of inadequate documentation or clarifications being awaited, which have since been resolved. 2 unresolved complaints as at March 31, 2010 have since been resolved by April 7, 2010.

For the ninth year in succession, the Company conducted an Investor Satisfaction Survey through a questionnaire, which was mailed along with the Notice of AGM 2009. 1,241 investors had responded to the Survey. A vast majority of them have expressed high degree of satisfaction on various aspects of investor servicing. Issues raised by some investors were pursued and dealt with satisfactorily.

At the October 2009 meeting, the Committee also reviewed the Special Report analysing the feedback from the Investor Satisfaction Survey and approved the steps taken for further improvements in investor servicing.

- e) As on March 31, 2010, there were 9 share transfers pending; this was completed on April 7, 2010.

6. General Body Meetings

- a) Details of location and time of holding the last three AGMs.

| Year | Location | Date & Time |
|-----------------------------|---|-----------------------------|
| 58 th AGM - 2007 | Narada Gana Sabha, 314 TTK Road, Chennai 600 018 | July 20, 2007 10.25 a.m. |
| 59 th AGM - 2008 | Kamaraj Memorial Hall, 492 Anna Salai, Teynampet, Chennai 600 006 | July 30, 2008 10.30 a.m. |
| 60 th AGM - 2009 | Kamaraj Memorial Hall, 492 Anna Salai, Teynampet, Chennai 600 006 | July 28, 2009 10.30 a.m. |

The Chairman of the Audit Committee was present at all the above AGMs.

Details of EGMs held in the last three years: NIL

- b) All the Special Resolutions placed before the shareholders at the above meetings were approved. There were no resolutions requiring approval through Postal Ballot.
No Special Resolution is proposed to be conducted through postal ballot.

ANNEXURE-B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

7. Disclosures

There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management, their Subsidiaries or relatives which may have potential conflict with the interests of the Company. The necessary disclosures regarding the transactions with related parties are given in the Notes to the Annual Accounts for the year 2009-10.

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years. The Company had no subsidiary company as on March 31, 2010.

8. Means of Communication

- a) Investor mailer is being sent since 2001 as an enclosure to the half-yearly results and the same is available on the Company's website www.ashokleyland.com
- b) The quarterly results have been published in one leading national (English) business newspaper and in one vernacular (Tamil) newspaper. The quarterly results are also displayed on the Company's website www.ashokleyland.com
- c) The Company's website also displays several other details / information of interest to various stakeholders, including press releases.
- d) A Management Discussion and Analysis Report is being presented as a part of the Annual Report.

9. General Shareholder Information

| | | |
|----|---|---|
| a) | 61st Annual General Meeting | |
| | – Day, Date and Time | Tuesday, July 27, 2010 – 2.45 p.m. |
| | – Venue | Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai 600 108 |
| b) | Financial Calendar | |
| | Annual General Meeting | July 27, 2010 |
| | Unaudited results for the quarter ending June 30, 2010 | July 27, 2010 |
| | Unaudited results for the quarter/half-year ending September 30, 2010 | 3rd week of October 2010 |
| | Unaudited results for the quarter ending December 31, 2010 | 3rd week of January 2011 |
| | Audited Results for the year ending March 31, 2011 | Before end of May 2011 |
| c) | Book Closure Date | From July 20, 2010 to July 27, 2010 (both days inclusive) |
| d) | Dividend payment date | Commencing July 27, 2010 – to be completed within the mandatory time limit |
| e) | a) Listing of Equity Shares | Madras Stock Exchange Ltd., Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. |
| | b) Listing of Global Depository Receipts (GDRs) | London Stock Exchange |
| | The Listing Fees have been paid upto date, to all the Stock Exchanges | |
| f) | Stock Code | |
| | a) Trading Symbol at | Madras Stock Exchange Ltd. ALL |
| | | Bombay Stock Exchange Ltd. (Physical) 477 |
| | | (Demat) 500477 |
| | | National Stock Exchange of India Ltd. ASHOKLEY |
| | b) Demat ISIN Numbers in NSDL & CDSL | Equity Shares INE208A01029 |

ANNEXURE-B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

g) Stock Market Data

| Month | Bombay Stock Exchange | | | | National Stock Exchange | | | |
|------------|-----------------------|-----------|---------------|-----------|-------------------------|-----------|------------------------|---------|
| | Share Price | | Sensex Points | | Share Price | | S & P CNX Nifty Points | |
| | High (Rs.) | Low (Rs.) | High | Low | High (Rs.) | Low (Rs.) | High | Low |
| April 2009 | 23.45 | 17.90 | 11,492.10 | 9,546.29 | 23.50 | 17.80 | 3517.25 | 2965.70 |
| May 2009 | 32.80 | 20.40 | 14,930.54 | 11,621.30 | 32.85 | 20.35 | 4509.40 | 3478.70 |
| June 2009 | 38.20 | 28.10 | 15,600.30 | 14,016.95 | 38.30 | 28.25 | 4693.20 | 4143.25 |
| July 2009 | 37.45 | 28.40 | 15,732.81 | 13,219.99 | 37.50 | 28.50 | 4669.75 | 3918.75 |
| Aug 2009 | 40.80 | 32.05 | 16,002.46 | 14,684.45 | 40.90 | 32.05 | 4743.75 | 4353.45 |
| Sep 2009 | 44.10 | 38.05 | 17,142.52 | 15,356.72 | 44.10 | 38.05 | 5087.60 | 4576.60 |
| Oct 2009 | 47.50 | 39.25 | 17,493.17 | 15,805.20 | 47.70 | 39.10 | 5181.95 | 4687.50 |
| Nov 2009 | 54.90 | 44.55 | 17,290.48 | 15,330.56 | 54.95 | 45.60 | 5138.00 | 4538.50 |
| Dec 2009 | 55.85 | 47.40 | 17,530.94 | 16,577.78 | 56.00 | 47.40 | 5221.85 | 4943.95 |
| Jan 2010 | 56.80 | 47.00 | 17,790.33 | 15,982.08 | 56.85 | 46.85 | 5310.85 | 4766.00 |
| Feb 2010 | 54.80 | 45.90 | 16,669.25 | 15,651.99 | 54.40 | 45.75 | 4992.00 | 4675.40 |
| Mar 2010 | 56.80 | 49.90 | 17,793.01 | 16,438.45 | 57.95 | 46.00 | 5029.45 | 4935.35 |

h) Share Price performance in comparison to broad based indices – BSE Sensex and NSE Nifty

Share Price Movement (BSE and NSE) - See Table above and Chart on Page 67.

i) Registrar and Transfer Agents:

The Company has appointed M/s Integrated Enterprises (India) Ltd., 2nd Floor, Kences Towers, 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600 017 as the Registrar and Transfer Agent (R&TA) of the Company for all aspects of investor servicing relating to shares in both physical and demat form.

j) Share Transfer System

The authority relating to transfer of shares and allied work relating to servicing of investors has been delegated by the Board to the Shareholders / Investors Grievance Committee which consists of Mr R J Shahaney (Chairman), Mr D J Balaji Rao and Mr R Seshasayee.

In order to further improve and speed up investor servicing, the Board has authorised the Managing Director to approve all routine transfers, transmissions, etc., of shares. Such approval is being given by the Managing Director at frequent intervals (30 times during 2009-10). Transfers, transmissions, etc., were generally approved within 15 days; requests for dematerialisation were confirmed within 7 days (as against the norm of 15 days). In addition, the Committee met 4 times during the year 2009-10 for approving specific transfers, transmissions, etc., and reviewing investor grievances.

ANNEXURE-B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

k) (i) Distribution of Shareholding as on March 31, 2010

| No. of Shares | Shareholders | | No. of Shares | |
|---------------|-----------------|---------------|-----------------------|---------------|
| | Number | % | Number | % |
| Upto 50 | 44,658 | 20.25 | 13,04,724 | 0.10 |
| 51-100 | 48,413 | 21.95 | 46,55,191 | 0.35 |
| 101-200 | 32,930 | 14.93 | 60,44,540 | 0.45 |
| 201-500 | 45,666 | 20.70 | 1,81,88,282 | 1.37 |
| 501-1000 | 23,947 | 10.86 | 2,04,84,450 | 1.54 |
| 1001-2000 | 13,838 | 6.27 | 2,13,84,384 | 1.61 |
| 2001-5000 | 8,288 | 3.76 | 2,63,40,657 | 1.98 |
| 5001-10000 | 1,770 | 0.80 | 1,29,18,075 | 0.97 |
| 10001 & above | 1,076 | 0.49 | 1,21,90,18,014 | 91.63 |
| Total | 2,20,586 | 100.00 | 1,33,03,38,317 | 100.00 |

No. of shares

Physical - 46,03,25,121

Electronic Mode

- NSDL - 83,22,75,034

- CDSL - 3,77,38,162

(ii) Pattern of Shareholding as on March 31, 2010

| Sl. No. | Category | No. of Holders | No. of Shares | % |
|---------|---|----------------|-----------------------|---------------|
| 1 | Promoter - Hinduja Automotive Ltd., UK (Includes 164600070 shares in GDR Form) | 1 | 67,82,18,782 | 50.98 |
| 2 | Residents (Individuals / Clearing Members) | 2,16,654 | 13,41,40,981 | 10.09 |
| 3 | Financial Institutions/Insurance Co. / State Govt./Govt. Companies/UTI | 29 | 18,40,08,073 | 13.83 |
| 4 | Foreign Institutional Investors | 124 | 16,77,38,512 | 12.61 |
| 5 | Non-Resident Indians/ OCB / Corporate Bodies - Foreign/ Bank - Foreign / Foreign Nationals | 2,022 | 2,14,74,117 | 1.61 |
| 6 | Corporate Bodies | 1,654 | 4,88,46,796 | 3.67 |
| 7 | Mutual Funds | 45 | 8,03,68,116 | 6.04 |
| 8 | Trusts | 17 | 2,10,300 | 0.02 |
| 9 | Banks | 38 | 12,21,140 | 0.09 |
| 10 | Others - GDR | 2 | 1,41,11,500 | 1.06 |
| | Total | | 1,33,03,38,317 | 100.00 |

I. Dematerialisation of shares and Liquidity

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialisation form.

Status of Dematerialisation of Shares - as on March 31, 2010

| | Physical | | Demat | | Total | |
|------------------------------------|---------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| | No. of Shares | % to paid-up capital | No. of Shares (**) | % to paid-up capital | No. of Shares (**) | % to paid-up capital |
| Hinduja Automotive Limited, UK (*) | 44,11,66,680 | 33.16 | 23,70,52,102 | 17.82 | 67,82,18,782 | 50.98 |
| Others (***) | 1,91,58,441 | 1.44 | 63,29,61,094 | 47.58 | 65,21,19,535 | 49.02 |

* held in one consolidated share certificate ** including in GDR Form *** held by approx. 18,960 holders

ANNEXURE-B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

Shares of the Company are actively traded in the Bombay and National Stock Exchanges, and hence have good liquidity.

- m) Outstanding GDR/ Warrants and Convertible Notes, Conversion date and likely impact on the equity.

No GDR is outstanding as on March 31, 2010 having an impact on equity.

At the beginning of the year, 1,000 FCCNs remained outstanding for conversion, which have since been redeemed on April 29, 2009.

- n) **Plant Locations**

Ennore

Kathivakkam High Road
Ennore
Chennai 600 057
Tamil Nadu

Hosur – Unit I

175 Hosur Indl. Complex
Hosur 635 126
Tamil Nadu

Hosur – Unit II

77 Electronic Complex
Perandapalli Village
Hosur 635 109
Tamil Nadu

Hosur – Unit IIA

Cab Panel Press Shop
SIPCOT Industrial Complex
Mornapalli village
Hosur 635 109
Tamil Nadu

Bhandara

Plot No.1 MIDC Industrial Area
Village Gadegaon,
Sakoli Taluk, Bhandara 441 904
Maharashtra

Alwar

Plot No.SPL 298
Matsya Indl. Area
Alwar 301 030
Rajasthan

Ambattur

3A/A&2 North Phase
SIDCO Industrial Estate
Ambattur
Chennai 600 098
Tamil Nadu

Technical Centre

Vellivoyalchavadi
Via Manali New Town
Chennai 600 103
Tamil Nadu

Pantnagar

Plot No.1, Sector XII
II E, Pantnagar,
Pin - 263 153
Uttarakhand

- o) **Address for Correspondence**

To contact R&TA for all matters relating
to Shares, Dividends, Annual Reports

M/s. Integrated Enterprises
(India) Limited
2nd Floor, Kences Towers
1, Ramakrishna Street
North Usman Road
T. Nagar, Chennai 600 017

Tel : 91-44 – 2814 0801 / 03
Fax : 91-44 – 28142479
e-mail: corpserv@iepindia.com

For any other general matters or in
case of any difficulties / grievances

Secretarial Department
Ashok Leyland Limited
No.1 Sardar Patel Road
Guindy, Chennai 600 032

Tel : 91-44-2220 6000
Fax : 91-44-2220 4410
e-mail : secretarial@ashokleyland.com
corpserv@iepindia.com

Website address

www.ashokleyland.com

E-mail ID of Investor
Grievances Section

secretarial@ashokleyland.com

Name of the Compliance Officer

A R Chandrasekharan
Executive Director &
Company Secretary

ANNEXURE-B TO DIRECTORS' REPORT – REPORT ON CORPORATE GOVERNANCE

Non-mandatory requirements

1. Non-Executive Chairman

The Company maintains the office of the Non-Executive Chairman and reimburses expenses incurred in the performance of his duties.

2. Remuneration Committee

The Company has constituted a Remuneration Committee; full details are furnished under Item 4 of this Annexure.

3. Shareholder Rights

The statements of quarterly and half-yearly results are being published in the Press. The Company has been mailing half-yearly reports to shareholders since October 2001, along with a letter from the Managing Director highlighting significant events.

4. Postal Ballot

The Company has had no occasion to use the postal ballot during the year.

5. Whistle Blower Policy

The Company does not have a Whistle Blower Policy, but has an independent Ombudsman, who is not an employee of the Company.

c) Apply themselves diligently and objectively in discharging their responsibilities and contribute to the conduct of the business and the progress of the Company, and not be associated simultaneously with competing organisations either as a Director or in any managerial or advisory capacity, without the prior approval of the Board.

d) Always adhere and conform to the various statutory and mandatory regulations/guidelines applicable to the operations of the Company, avoiding violations or non-conformities.

e) Not derive personal benefit or undue advantages (financial or otherwise) by virtue of their position or relationship with the Company, and for this purpose

i) shall adopt total transparency in their dealings with the Company.

ii) shall disclose full details of any direct or indirect personal interests in dealings/transactions with the Company.

iii) shall not be party to transactions or decisions involving conflict between their personal interest and the Company's interest.

f) Conduct themselves and their activities outside the Company in such manner as not to adversely affect the image or reputation of the Company.

g) Inform the Company immediately if there is any personal development (relating to his/her business/professional activities) which could be incompatible with the level and stature of his position and responsibility with the Company.

h) Bring to the attention of the Board, Chairman or the Managing Director as appropriate, any information or development either within the Company (relating to its employees or other stakeholders) or external, which could impact the Company's operations, and which in the normal course may not have come to the knowledge of the Board/Chairman or Managing Director.

i) Always abide by the above Code of Conduct, and be accountable to the Board for their actions/violations/defaults.

SEBI Guidelines on Corporate Governance

The Company is fully compliant with the SEBI Guidelines.

Code of Conduct

Members of the Board and the Senior Management, shall

a) Always act in the best interests of the Company and its stakeholders.

b) Adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with all matters relating to the Company.

ANNEXURE-C TO DIRECTORS' REPORT

Auditors' certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of Ashok Leyland Limited

1. We have examined the compliance with the conditions of Corporate Governance by **Ashok Leyland Limited** (the Company) for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M.S. KRISHNASWAMI & RAJAN
Chartered Accountants
Registration No. 01554S

M.K. RAJAN
Partner
Membership No. 4059

April 29, 2010
Chennai

For DELOITTE HASKINS & SELLS
Chartered Accountants
Registration No. 117366W

R. LAXMINARAYAN
Partner
Membership No. 33023

ANNEXURE-D TO DIRECTORS' REPORT – MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Economy and Market Trends

Global Economy

After the unprecedented global economic downfall, World GDP dropped by 0.5 percent (IMF) in 2009. However, the revival has been better than expected, moderate in many developed economies but strong in most emerging economies. In most countries, Government initiatives and support have been key to kick start the recovery. This is an important turnaround after the free fall in world trade, industrial production, asset prices and global credit availability in early 2009 which threatened to push the global economy into the abyss of a new great depression.

For the year 2010-11, IMF has predicted an increase of about 4.2 percent in World GDP. However, the United Nations expects the world economy to bounce back with a mild 2.4 per cent growth in 2010. Economies that are off to a strong start are likely to remain in the lead, as growth in others is likely to be held back due to the lasting damage to financial sectors and household balance sheets. Activity remains dependent on highly accommodative macroeconomic policies and is subject to downside risks.

Indian Economy

As per Reserve Bank of India (RBI), real GDP growth for 2009-10 was at 7.5 percent, however, baseline projection of real GDP growth for 2010-11 is placed at 8 percent with an upside bias. Further, the Economic Survey and RBI point out that a strong domestic demand will support the recovery in India. For India, the main challenge will be to ensure durable fiscal consolidation, through implementation of fiscal and other structural reforms. The notable improvement in both domestic and export demand should enhance business prospects, and hence, attract investments.

The partial rollback of indirect tax cuts is not expected to significantly affect the economy's growth prospects. Tax concessions offered to the middle class, expected to benefit 60 percent of the tax payers, will boost private consumption and offset the impact of rise in excise duties. Further, the budget significantly raises the allocation to key infrastructure sectors. A whopping Rs.1,73,552 crores has been provided for infrastructure development, which accounts for over 46 percent of the total plan allocation. Budget allocation for road transport has increased by over 13 percent from Rs.7,520 crores to Rs.19,894 crores. Both these measures will help raise India's growth potential.

Industrial growth is expected to remain at 2009-10 levels on the back of sustained increase in demand – both exports and domestic. In the event of a normal monsoon, agriculture is expected to grow at a higher rate than its trend because of a low base of 2009-10, when the sector had contracted due to severe drought.

Commercial Vehicle (CV) Industry

Among the Auto segments, the CV industry (and in particular the medium and heavy auto segment) was the worst hit by the sudden recession witnessed during 2008-09 characterised by plant shutdowns and production cuts. However, various quick initiatives by the Government, in particular, the reduction in excise duty to 8 percent on both buses and trucks, 50 percent accelerated depreciation on new trucks and for buses purchased under the JNNURM scheme, cut in fuel prices, etc. boosted CV sales from a low of 20,282 vehicles in December'08 to 33,072 vehicles in May 2009.

After a sharp drop in 2008-09, recovery in the economy, the Government's stimulus package and easy finance rates helped the CV industry record 38 percent growth in domestic sales during 2009-10. Within the CV segment, Light Commercial Vehicles (LCVs) posted a 43 percent growth, while the M&HCV segment grew 34 percent. LCVs contributed to about 54 percent of the overall commercial vehicle segment, compared to 52 percent in the previous year.

Sales of multi-axle trucks and trailers are one of the best indicators to gauge the momentum of economic activity in the country. Data from SIAM shows that trailers with capacities of 16 to 35 tonnes and 35 to 49 tonnes have reported a sales growth of 77 percent and 73 percent respectively over the previous year. Similarly, sales of multi-axle trucks, in the 25-31 tonne capacity range, have registered growth rate of 158 percent from 2008-09 to 2009-10. These are used to transport materials used in construction, infrastructure and heavy engineering industries. Overall, truck sales across all categories doubled in March this year, as compared to the same month last year.

However, it should be noted that overall sales figures for M&HCV are still lower than the pre-recession sales figures. Doubtless, the segment is witnessing a turnaround but needs to grow even more to achieve the targets laid down in the Automotive Mission Plan. For the upcoming year, it is expected that the LCV segment will continue to grow at a rapid pace.

Exports for the industry is yet to recover since 2008-09. Exports of buses registered a negative growth of 32 percent, while trucks registered 22 percent drop over previous year.

The Total Industry Volumes registered in 2008-09 and 2009-10 are provided below:

| | 2008 – 09 | 2009 – 10 | Change |
|-----------------|----------------|----------------|-------------|
| M & HCV | 183,495 | 245,058 | 34% |
| LCV | 200,699 | 286,337 | 43% |
| Total CV | 384,194 | 531,395 | 38 % |

ANNEXURE-D TO DIRECTORS' REPORT – MANAGEMENT DISCUSSION AND ANALYSIS REPORT

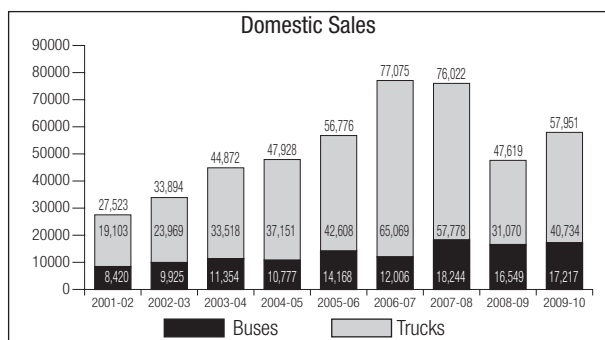
Overall, the industry has been back to good shape and there is a positive feeling about the current fiscal (2010-11). However, there is reason to be cautious as a result of a combination of four factors – the excise hike, new emission norms, (and consequent increase in vehicle price) rising commodity prices and a possible hike in interest rates. As per SIAM, this may lead to an average hike in prices by 8-10 percent. The industry is expected to grow at 20-22 percent. Various new launches were made by the Indian commercial vehicle makers during 2009-10 owing to revival in demand. Funds under JNNURM for urban passenger transport were available till March 2010. It is hoped that this will be extended, including the accelerated depreciation (expired in September 2009), as the industry has sought these benefits for an extended time period.

Going ahead, whilst market demand is robust, the vehicle industry is facing a severe challenge of capacity constraints among domestic suppliers, with manufacturers having no option but to import specific items. The Finance Ministry had imposed an anti-dumping duty on some parts imported from China meant for use in heavy and medium commercial vehicles. Recently, an anti-dumping duty has been slapped on truck/bus radial tyres sourced from China and Thailand. While trying to protect the domestic auto ancillary industries, the anti-dumping duties on imports has resulted in raising the prices of the imported components, which could in turn result in an increase in prices of commercial vehicles.

It is expected that the Government will extend the deadline for BS-III compliant emission norms until October'10, as a result of non-availability of appropriate fuel.

B. Ashok Leyland - The Year (2009-10) in Brief

Against the backdrop of increase in demand for commercial vehicles, the Company registered sales of 57,139, 21 percent more than the previous year. This includes 16,405 buses and 40,734 trucks, 2 percent and 31 percent respectively more than the previous year. The Company lost 2.4 percentage points market share in the Indian medium and heavy commercial vehicle market during the financial year 2009-10, mainly due to loss in share of the bus segment.



The Company sold 5,979 vehicles in the overseas markets during 2009-10. This represents a decrease of approximately 12 percent over the previous year, which was largely due to the reduced demand especially in the Middle East (economic downturn), where volume dropped from 2,525 units in 2008-09 to 868 units in 2009-10 i.e. a fall of 66 percent.

The Company lost market share in Q1 of 2009-10. Market share dropped from 25.7 percent in 2008-09 to 17 percent in Q1 of 2009-10. During this period, the Company switched over to 'cash and carry' policy in order to augment the liquidity and used this opportunity to run down stock in the distribution pipeline. At the same time, the Northern and Western parts of the country witnessed some revival from the downturn, whereas the Southern region remained in a slowdown phase. Moreover, at that time, buyers seemed to be less focused on the bigger multi-axle vehicles and trailers which are the best selling products of the Company. Reason for this buying pattern was lower availability of load in the market; hence smaller vehicles provide better capacity utilization. Revival of the Southern market has helped the Company regain most of its lost market share and overall, in year 2009-10, the Company achieved 23.3 percent market share.

Engines business volume dropped by 11 percent compared to 2008-09. A total of 19,388 engines were sold by the Company including 8,732 engines sold under the LEYPOWER brand of generators. Spare parts sales accounted for Rs.642 crores during 2009-10 against Rs.573 crores during previous year. Defence sales volume of the Stallion kits registered a growth of 8 percent over last year and achieved a sales volume of 2,371 units.

Several steps were taken to contain costs and conserve cash. The Company worked only at about 50 percent of the working week in all its manufacturing units during first half of the year. Overall, the Company produced 64,673 vehicles in the year compared to a production of 54,049 units in previous year, an increase of 20 percent, due to rise in demand in the latter half of the year.

To remain competitive whilst adding value to the customer, the Company introduced the U-Truck, its latest range of products during Auto Expo in January 2010. The U-Truck range is designed and developed in line with the Company's strategic objective of becoming a low cost producer alongside maximizing of customer value. This range provides a flexible platform to meet various customer requirements (different applications, emission norms, load requirements) through a large number of variants/combinations (from 16 tonne GVW to 49 tonne GCW) that can be derived from a small number of modules in a shorter time frame. This will also lead to lower cost of production. Customers will be benefited as the U-Truck will provide world-class features at Indian prices. For customers with a fleet of U-trucks, spare parts inventory

ANNEXURE-D TO DIRECTORS' REPORT – MANAGEMENT DISCUSSION AND ANALYSIS REPORT

cost will reduce due to the modularity of parts. The launch of the U-Truck Tractor and Tipper range is planned in Q2 of the current financial year.

With better road conditions, India is also following global trends of increasing power-to-weight ratio. Hence, to complement the U-Trucks with higher power, the Company has also developed a new family of engines branded the 'Neptune' Series, which will be capable of producing engine power, ranging from 160HP to 368HP. The 'Neptune' series engines will be available in four and six cylinders configuration and will comply with BS-III/IV norms. The engine is also design protected for meeting the BS-VI emission norms.

To make commercial vehicle driving an attractive profession, it is imperative to improve driving conditions. To resolve this challenge, the Company has initiated a programme called Next Generation Cab (NGC), which will provide cabs with world-class standards related to noise/heat insulations, ventilation, ergonomics, comfort and driver safety all at affordable cost. NGC will be launched on the U-Truck range and will redefine the way vehicles are developed in India. Similar to the U-Truck, the NGC will also be developed on a modular platform where Cab variants can be produced from a combination of height, length and width. Hence, it will be aligned to the Company's objective of providing higher value at lower cost.

The Company values its Human Resources and is committed to ensure employee satisfaction, development and growth. Over the last few years, the Company has successfully bridged the gap between youth and experience. The Company is working towards developing a culture of nurturing leaders, encouraging creativity and openness. The Company is striving to become a place where talented people will want to work.

The Company seeks to utilise its presence in Pantnagar to spread the benefits of industrialisation to reach the youth of the region, by creating a stepping stone for them to start a career. The Company will sponsor them for 3-4 year courses offered in association with a reputed technical training institute. During training, they will learn and earn. The curriculum will cover contemporary management and manufacturing concepts, side by side with an opportunity for practical hands-on learning at the modern plant. This training will give them the skills and knowledge to be effective shop floor associates and will qualify them for managerial positions eventually, cueing a breakthrough practice aptly called the "integrated workforce" as it seeks to break the conventional hierarchical divisions on the shop floor.

Hinduja Leyland Finance

In a move aimed at increasing sales, the Company has set up a non-banking finance company Hinduja Leyland Finance (HLF) a

captive financing arm. HLF kicked off operations across 130 centers in 16 cities and plans to expand the business to 300 centers. The new company would fulfill the needs of the commercial vehicle buyers as banks and other financial institutions still show some reluctance in funding commercial vehicle purchases and are very selective in providing financial assistance.

JV with Nissan Motors

As already informed, the Company entered into a JV with Nissan Motors to address the tremendous growth opportunities in the Light Commercial Vehicles segment. During 2009-10, contribution of LCVs increased to 54 percent of the total commercial vehicle volumes. Due to the slowdown in the economy and in the commercial vehicle industry, the JV modified its manufacturing strategy to optimise investments. This new strategy helped leverage the surplus capacities available at the two parent companies, with the ability to increase JV production capacity at the appropriate time. The JV is expected to roll out its first LCV product in April 2011.

JV with John Deere

The company Ashok Leyland John Deere Construction Equipment Company Private Limited was incorporated in July 2009 as a 50:50 Joint Venture with Ashok Leyland and John Deere Construction & Forestry Company, as partners. John Deere (JD), USA is one of the leading Construction Equipment manufacturers in the world and the joint venture will have access to the full range of Construction Equipment of JD. Subsequent to the incorporation of the company, 48 acres of industrial land has been acquired at Gummidipoondi on the outskirts of Chennai. Initial start up plan has been prepared and activities are proceeding as per the plan. Construction of the first shop has started and initial products are expected to roll out by February 2011.

The project is on schedule and orders for manufacturing equipment have been placed. Discussions are on with key suppliers to ensure cost and time readiness. The Marketing Plan is being developed. Product specs appropriate to the Indian markets have been worked out along with the JV Partner and engineering work is in full swing to ensure product readiness in time.

Recruitment of key personnel is in progress as per the JV's plans. Approvals from relevant Government Authorities have also been obtained. While the initial range of products have been identified and firmed up, options for additional product lines are being evaluated.

JV with Continental AG

The JV focused on consolidating the execution plan for the existing projects, which were aligned with a roadmap for stabilisation

ANNEXURE-D TO DIRECTORS' REPORT – MANAGEMENT DISCUSSION AND ANALYSIS REPORT

and growth. Key thrust areas during the last year were building technical competence, developing innovative low cost products for the Company and Continental and engaging in engineering services to align with Continental's product development process.

Albonair GmbH

Albonair GmbH was established in December 2007 to provide cost-effective after treatment systems for commercial vehicles in emerging markets to leverage the opportunities created due to the introduction of stringent exhaust regulations similar to Euro 4 regulations and above from 2010. The company would provide exhaust after treatment solutions based on Selective Catalytic Reduction (SCR) technology and other technologies like Diesel Particulate Filter or Oxidation Catalysts to the Company and to other commercial vehicle manufacturers.

During 2009-10, Albonair GmbH successfully developed the complete after-treatment system based on SCR for emerging markets. In order to be locally present in China, Albonair has started a small scale sales office at Shanghai, China.

C. Risk Management

The Commercial Vehicle industry has some inherent risks. The Company takes very dependable actions towards Risk-Management to mitigate the impacts of all the risks.

Regulatory Risk: The Commercial Vehicle industry is to comply with an assortment of regulatory requirements being legislated by the Government that include handling emission norms. The Company addresses these issues through advance planning and allocation of sufficient physical and human resources and expects to meet the homologation norms in various countries. The Company is ready to launch BS-III and BS-IV vehicles as per the emission regulations.

Technology Risk: With the entry of global competition in India, the technology advancement bar is also being raised. Customers have also realised the importance of advance technology in vehicles and the benefits it brings to their businesses. The Company is continuously developing and implementing strategies in order to facilitate enhancing competence in project management, lean product development process, portfolio management as well as technology management. The Company now has a wider horizon of research and development related to vehicles, aggregates and engines using advanced (in-house) product development techniques and also leveraging other joint ventures of the Company.

The Company is also filling gaps in the product portfolio to become a full range player, to meet end to end supply chain requirements. Along with the drive to become a low cost manufacturer, the Company is committed to provide products with high reliability and performance. The Company is gearing to meet these challenges

and at the same time addressing the cost-value equation. The Company is also gearing itself to offer Fully Built Solutions (ready to use) vehicles to its customers.

Operational Risk: The Commercial Vehicle industry suffered due to a sudden drop in the demand during second half of year 2008-09, which resulted in significant increase in inventory. The Company is developing strategies to mitigate such risks by putting in place practices to assess economic conditions better and improve demand forecasting. Further, the Company is working towards developing a highly responsive value chain by establishing strong partnership with the suppliers and transparent communication processes so that fluctuation in demand and supply can be recognised in time and absorbed by the value chain without losing profitability.

Another step in this direction is the introduction of a new product development process called 'Genmod'. Through Genmod, even at the vehicle development stage, the risks associated with the operations are considered and mitigated. Further, Genmod has helped the Company partner with suppliers, which in turn has helped reduce overall vehicle costs.

The recently inaugurated Pantnagar plant will further help reduce costs related to distribution of vehicles from South to North and East, as requirements of North and East will be fulfilled by this plant. Also, multiple manufacturing locations have provided the benefit to be closer to customers, which will help increase responsiveness and reduce lead time.

Environmental Risk: There are strong linkages between GDP growth and emissions growth, despite the fact that more than half of India's national income comes from services. Clearly, despite the rising population, the steady increase in the per capita emissions in India suggests that bulk of energy produced is of the high emissions type. The Company recognises its responsibility towards issues like global warming and fuel shortage. Towards this, the Company has taken several steps, both in product development and in operations. The Company had recently unveiled HYBUS, India's first plug-in CNG hybrid bus, which is amongst the latest in green technology for urban mass transportation, with enhanced fuel efficiency and low greenhouse emissions. The Company is also fully equipped for the production of BS-III and BS-IV vehicles, to meet the environmental legislation prescribed by the Government of India. Moreover, the Neptune engine platform is design protected for Euro-V/ Euro-VI emission norms. AVIA Ashok Leyland Motors, s.r.o. (an associate company) situated in the Czech Republic produces vehicles meeting Euro-V norms.

Physical Risk: The Company has a comprehensive insurance coverage and breakdown coverage for all its assets from such damages.

ANNEXURE-D TO DIRECTORS' REPORT – MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Financial Risk: Against the backdrop of gaining growth and leaving the worst behind, the Company understands the demand to supply dynamics that can cause sale and liquidity. The Company has worked out its working capital policy in order to minimize such risks. Several initiatives on production schedules had been looked at and adjustments have been made.

Political Risk: For the overseas market, the Company had initiated taking ECGC cover wherever necessary and also assured confirmed letter of credits while despatch. The Company has also broadened its visibility/presence other than many of the earlier target export markets, suffering from either political instability, natural calamities, war, terrorism, etc. that might affect the Company's business.

D. Internal Control Systems and their Adequacy

Given the nature of business and size of operations, the Company's internal control system has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting
- Adherence to applicable Accounting Standards and Policies
- Compliance with applicable statutes, policies and management policies and procedures
- Effective use of resources and safeguarding of assets

The internal control system provides for well documented policies/guidelines, authorisations and approval procedures. The Company, through its own Corporate Internal Audit Department, carries out periodic audits at all locations and functions based on the plan approved by the Audit Committee and brings out any deviation to internal control procedures. The observations arising out of audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations and status of the implementation is submitted to the Audit Committee of the Board of Directors. The status of implementation of the recommendations is reviewed by the Committee on a regular basis and concerns, if any, are reported to the Board.

Information Security and IPR protection initiatives

The Company was the first auto major in India to receive certification under BS7799 (a certificate for compliance to information security norms) during 2005.

As part of the plan to encompass all IPR related security systems, Ashok Leyland migrated to ISO27001 during 2006 and expanded the scope to Advanced Engineering during 2007.

The scope has since been extended to another important area, namely Business Continuity and Disaster Recovery site recently commissioned at Hosur. The final audit for this site has been completed and certification for the same is expected shortly.

E. Financial Review

Summary of Profit and Loss Account

Rs.crores

| | 2009-10 | 2008-09 | Inc / (Dec) % |
|--|----------|----------|---------------|
| Income | | | |
| Sales (Net of Excise Duty) | 7,244.71 | 5,981.07 | 21.1 |
| Other Income | 70.45 | 49.63 | 42.0 |
| Total | 7,315.16 | 6,030.70 | 21.3 |
| Expenditure | | | |
| Material Cost | 5,217.52 | 4,452.25 | 17.2 |
| Employee Expenses | 665.93 | 566.18 | 17.6 |
| Other Expenses | 598.42 | 493.21 | 21.3 |
| Depreciation | 204.11 | 178.42 | 14.4 |
| Financial Expenses | 81.13 | 118.71 | (31.7) |
| Total | 6,767.11 | 5,808.77 | 16.5 |
| Profit Before Exceptional item | 548.05 | 221.93 | 146.9 |
| Exceptional item - VRS Expenses Amortisation | 3.27 | 13.49 | (75.7) |
| Profit Before Tax | 544.78 | 208.44 | 161.4 |
| Tax Provision – Current | – | – | – |
| – Deferred | 121.10 | 12.45 | 872.7 |
| – FBT | – | 6.00 | (100.0) |
| Profit After Tax | 423.68 | 189.99 | 123.0 |
| Basic Earnings per Share (in Rs.) | 3.18 | 1.43 | 123.0 |

Revenues:

The Company's revenues came through the following streams of business activities:

- Vehicles: Income from vehicles was at Rs.6,098 crores, a growth of 25% over the previous year level of Rs.4,898 crores. The increase in revenue was attributable to 17% growth in vehicle sale volumes and 25% growth in fully built vehicles sales in 2009-10. Considering the increase in cost of inputs and operations, the Company increased the prices on three occasions to register a total increase of Rs.47,500/- per vehicle.
- Engines: Revenue from engines reduced to Rs.329 crores, a 16% drop over the previous year level of Rs.390 crores, largely due to lower sales to telecom sector.
- Spare Parts and others: Income from spare parts including sale of kits to Vehicle Factory, Jabalpur increased to Rs.818 crores, an increase of 18% over the previous year level of Rs.693 crores.

ANNEXURE-D TO DIRECTORS' REPORT – MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Other income registered an increase of Rs.21 crores, mainly due to gain on sale of investments during the year under review.

Costs:

- i. **Material Cost:** First half of 2008-09 witnessed significant increase in commodity prices covering rubber and steel which resulted in increase of input costs to the Company. However, commodity prices softened during later part of 2008-09. The Company managed to mitigate the impact of input cost increases through pricing action and value engineering. However, during second half of 2009-10, cost pressures were severe.
- ii. **Staff Costs:** Employee expenses were higher in 2009-10 consequent to effecting wage settlements with workers at all manufacturing units except Ennore, and due to working on all days compared to partial working during second half of 2008-09.
- iii. **Other Expenses** were higher by 21% primarily due to higher incurrence in power and fuel consumption and maintenance costs in line with the higher production during 2009-10 and also due to use of generated power to overcome powercuts in Tamil Nadu.
- iv. **Depreciation** increased to Rs.204 crores compared to Rs.178 crores in the previous year mainly due to additions made during the year and commissioning of Panthagar plant.
- v. **Financial Expenses:** Excluding interest capitalization of Rs.36 crores for the Panthagar plant, interest cost is at about the same level as in the previous year. The Company has aligned its short-term and long-term borrowings in line with investment requirements. Accordingly, the Company borrowed fresh term loans to the extent of Rs.500 crores to meet capital expenditure and investments made during the year. Centralised Treasury Department is active in the money market to manage day-to-day investment of surplus funds and raise short term funds as required and bring down overall cost of borrowings.

Capital Employed:

Total capital employed by the Company increased by 11% from Rs.5,699 crores to Rs.6,321 crores, mainly due to investments in facility creation and higher finished vehicle inventory.

Total Shareholders' funds as at March 31, 2010 aggregated to Rs.3,669 crores of which equity capital was Rs.133 crores comprising of 133 crores shares of Re.1 each.

BALANCE SHEET

Rs.crores

| | 2009-10 | 2008-09 | Inc. / (Dec.) % |
|---|-----------------|-----------------|-----------------|
| Source of Funds | | | |
| Shareholders' Funds | 3,668.76 | 3,473.90 | 5.6 |
| Loan Funds | 2,203.89 | 1,958.14 | 12.6 |
| Deferred Liability | 76.55 | — | 100.0 |
| Deferred Tax Liability - Net | 384.54 | 263.44 | 46.0 |
| Foreign Currency Monetary Item Translation Difference - Net | (12.45) | 3.84 | (424.1) |
| Total | 6,321.29 | 5,699.32 | 10.9 |
| Application of Funds | | | |
| Fixed Assets | 4,811.03 | 4,397.40 | 9.4 |
| Investments | 326.16 | 263.56 | 23.8 |
| Net current Assets | 1,178.93 | 1,028.67 | 14.6 |
| Miscellaneous Expenditure | 5.17 | 9.69 | (46.6) |
| Total | 6,321.29 | 5,699.32 | 10.9 |

Capital Expenditure and Investments

During the year, the Company incurred Rs.684 crores towards capital expenditure, mainly in the new plant at Uttarakhand for setting up integrated manufacturing facilities as well as for the development of new aggregates and driver cab. The Company also incurred capital expenditure towards enhancement of stamping facility at Hosur and for implementing a new ERP system. The rest of the capital expenditure was towards capacity optimisation programmes in existing plants.

During the year, the Company made investments in Joint Ventures (JV) for Light Commercial Vehicles (JV with Nissan). Further investment was also made in the JV for Construction Equipment (JV with John Deere). Products from the JV for Light Commercial Vehicles are expected to be launched in the middle of 2011-12, whilst products from the JV for construction equipments will be introduced a little earlier.

Net Current Assets as on March 31, 2010 was Rs.1,179 crores compared to previous year level of Rs.1,029 crores mainly due to the increase in inventory and Loans & advances. Inventories increased to Rs.1,638 crores as on March 31, 2010 compared to Rs.1,330 crores as at March 31, 2009 mainly due to pile up in production inventory as vehicles could not be produced due to constraints in supply of some critical components. There was also an increase in finished vehicles (chassis) due to a larger number of them were under body building. Advances increased to Rs.960 crores as on March 31, 2010 from Rs.790 crores as on March 31, 2009 mainly due to funding of overseas body corporates associated with the Company.

Liquidity

The Company switched over from credit to "Cash and Carry" system of sales from May 31, 2009 which resulted in significant improvement in liquidity and brought down working capital. This is evident from the marginal increase in sundry debtors as on March 31, 2010 as compared to March 31, 2009 despite increase in activity levels by around 20% over the previous year. Factoring comfortable liquidity position, payments to suppliers were prompt with no overdues as of year end. During the year, the Company availed term loans of Rs.500 crores on secured basis with first *pari passu* charge on certain movable and immovable assets and repayable over 5 years. These funds were utilised to meet requirements for capital expenditure and investments. The Company manages its liquidity through rigorous weekly monitoring of cash flows and surplus funds, if any, are invested, mainly in units of mutual funds and in bank deposits.

Profitability

The Company improved its profitability during the year consequent to improvement in its volumes in core business, better product mix and efficient liquidity management. Fully built vehicle volumes in 2009-10 was higher by 25% over the previous year. The Company managed to recover some portion of material cost increases sanctioned to the suppliers through pricing, thus recovering margins. The Company managed the commodity price based cost increases during the year through savings from various cost reduction programmes. The Company is well positioned to derive additional margins consequent to the excise duty and income tax benefits available from the Panthnagar manufacturing facility.

All the major rating agencies have reaffirmed the Company's ratings at FY 2008-09 level which is as under:

| Agency | Long Term | Short Term Loan |
|--------|-------------------------|------------------|
| CRISIL | FAA- (negative outlook) | P1+ (reaffirmed) |
| ICRA | LAA- (negative outlook) | A1+ (reaffirmed) |
| FITCH | AA- (negative outlook) | NA |

Results of Operation

The Company generated cash profits from operations after tax of Rs.656 crores. After reckoning working capital requirements, the Company registered a net cash inflow of Rs.1,090 crores from its operations.

Cash outflow in investing activities for FY 2009-10 amounted to Rs.99 crores against an inflow of Rs.94 crores in FY 2008-09. Cash inflow from financing activities is lower mainly due to lower quantum of long-term borrowings raised during 2009-10.

Profit before tax and exceptional item is Rs.548 crores. During the year, the Company charged Rs.3 crores towards amortisation of VRS expenses. After providing for taxes at Rs.121 crores (including deferred tax), profit after tax for the current year is Rs.424 crores. The Earnings per Share (EPS) increased by 123% from Rs.1.43 per share in 2008-09 to Rs.3.18 per share in the year under review.

Dividend

The Directors have recommended 150% dividend for the year 2009-10, equivalent to Rs.1.50 per share.

CASH FLOW STATEMENT

Rs.crores

| | 2009-10 | 2008-09 |
|---|----------|----------|
| Profit from operations after tax | 656.25 | 389.22 |
| (Inc.) / Dec. in Net Working Capital | 433.92 | (913.12) |
| Net Cash Flow from operating activities (before exceptional item) | 1,090.17 | (523.90) |
| Payments under Voluntary Retirement Scheme | — | (1.68) |
| Net cash flow from operating activities | 1,090.17 | (525.58) |
| Payment for Assets acquisition - net | (684.41) | (757.88) |
| Other cash flow from Investing activities - net | (98.76) | 93.70 |
| Cash flow from Financing activities | 123.31 | 459.18 |
| Net Cash inflow/(Outflow) | 430.31 | (730.58) |

The Years Ahead

There is a growing consensus across the world that the worst of the financial crisis is under control. Economies globally have started to stabilise and recover from the recession experienced in past two years. The Indian economy has emerged much stronger from the global liquidity/economic crisis. FY 2010-11 has begun with a positive outlook towards growth and sustainability. In further support of this optimism in the CV industry, the Government has enhanced the allocation for road building for FY 2010-11 at Rs.199 bn., which is higher than last year by 13%. The Company is well positioned to meet the demand surge and technology challenges. The Company is poised to consolidate its position in the Indian CV market, by offering enhanced product features at competitive costs thus offering increased value to the customers.

ANNEXURE-E TO DIRECTORS' REPORT

Directors' Responsibility Statement as per Section 217(2AA) of the Companies Act, 1956

Responsibility in relation to financial statements

The financial statements have been prepared in conformity, in all material respects, with the generally accepted accounting principles in India and the Accounting Standards prescribed by the Institute of Chartered Accountants of India in a consistent manner and supported by reasonable and prudent judgements and estimates. The Directors believe that the financial statements reflect a true and fair view of the financial position as on 31.3.2010 and of the results of operations for the year ended 31.3.2010.

The financial statements have been audited by M/s M.S. Krishnaswami & Rajan and M/s Deloitte Haskins & Sells in accordance with generally accepted auditing standards, which include an assessment of the systems of internal controls and tests of transactions to the extent considered necessary by them to support their opinion.

Going Concern

In the opinion of the Directors, the Company will be in a position to carry on its existing commercial vehicles / engines business and accordingly it is considered appropriate to prepare the financial statements on the basis of a going concern.

Maintenance of Accounting Records, Internal controls and Compliances.

The Company has taken proper and sufficient care for the maintenance of adequate accounting records as required by various Statutes.

The Directors have overall responsibility for the Company's internal control system, which is designed to provide a reasonable assurance for safeguarding of assets, reliability of financial records and for preventing and detecting fraud and other irregularities.

The system of internal control is monitored by the Internal Audit function, which encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal control and quality of performance in carrying out assigned responsibilities. The Internal Audit Department interacts with all levels of management and the Statutory Auditors, and reports significant issues to the Audit Committee of the Board.

Audit Committee supervises the financial reporting process through review of accounting and reporting practices, financial and accounting controls and financial statements. Audit Committee also periodically interacts with internal and statutory auditors to ensure quality and veracity of Company's accounts.

Internal Auditors, Audit Committee and Statutory Auditors have full and free access to all the information and records as considered necessary to carry out their responsibilities. All the issues raised by them have been suitably acted upon and followed up.

Proper systems are in place to ensure compliance of all laws applicable to the Company.

ANNEXURE-G TO DIRECTORS' REPORT

Certification by Managing Director and Chief Financial Officer to the Board

We, R. Seshasayee, Managing Director and K. Sridharan, Chief Financial Officer of Ashok Leyland Limited, certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal

audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board. The auditors and Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.

4. We have indicated to the auditors and to the Audit Committee:
 - a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year;
 - c) instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting. However, there was no such instance.

April 29, 2010
Chennai

R. SESHASAYEE
Managing Director

K. SRIDHARAN
Chief Financial Officer

Code of Conduct for the Senior Management

This is to confirm that for the financial year ended March 31, 2010 all members of the Senior Management have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

April 29, 2010
Chennai

R. SESHASAYEE
Managing Director

FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE MEMBERS OF ASHOK LEYLAND LIMITED

1. We have audited the attached Balance Sheet of **ASHOK LEYLAND LIMITED** as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement (financial statements) for the year ended on that date, annexed thereto, signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing and assurance standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - a) we have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books.
 - c) the financial statements dealt with by this report are in agreement with the books of account.
 - d) in our opinion, the aforesaid financial statements comply in all material respects with the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the Act).
 - e) in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the Statement on Significant Accounting Policies and Notes to the Accounts, give the information required by the Act, in the manner so required and also give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date
5. On the basis of written representations received from the directors as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is prima facie disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For M.S. KRISHNASWAMI & RAJAN

Chartered Accountants

Registration No. 01554S

M.K. RAJAN

Partner

Membership No. 4059

April 29, 2010

Chennai

For DELOITTE HASKINS & SELLS

Chartered Accountants

Registration No. 117366W

R. LAXMINARAYAN

Partner

Membership No. 33023

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we report that:

1. (i) the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (ii) the fixed assets are being physically verified under a phased programme of verification, which, in our opinion, is reasonable having regard to the nature and value of its assets, and no material discrepancies have been noticed on such verification.
- (iii) the Company has not disposed off substantial part of its fixed assets during the year.
2. (i) inventories have been physically verified during the year by the management at reasonable intervals.
- (ii) the procedures of physical verification of the inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) the Company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
3. the Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. to the best of our knowledge there are no contracts or arrangements referred to in Section 301 of the Act which need to be entered in the register maintained under the said section.
6. the Company has not accepted any deposits from the public to which the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 apply.

7. the Company has an internal audit system commensurate with its size and nature of its business.
8. we have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of commercial vehicles, diesel engines, gensets and auto components pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (i) the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities during the year.
- (ii) there are no dues of income tax / wealth tax, service tax, customs duty, which have not been deposited on account of any dispute. Details of dues towards sales tax, excise duty and cess that have not been deposited on account of dispute are as stated below:

| Nature of dues | Dues | Forum where the dispute is pending | Amount stayed not included in dues |
|----------------------|----------|--|------------------------------------|
| | Rs.Lakhs | | Rs.Lakhs |
| Sales Tax | 152.31 | Appellate Deputy / Additional Commissioner | 1,040.11 |
| | 8.82 | Tribunal | 851.54 |
| Excise Duty and cess | 238.62 | Commissioner of Central Excise (Appeals) | — |

10. the Company does not have any accumulated losses as at March 31, 2010 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders during the year.
12. the Company has maintained adequate documents and records where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

ANNEXURE TO THE AUDITORS' REPORT

13. the provisions of any special statute applicable to a chit fund, nidhi, mutual benefit fund / societies are not applicable to the Company.
14. the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the CARO are not applicable to the Company.
15. the terms and conditions of guarantees given during the year by the Company, for loans taken by others from banks or financial institutions, are not prima facie prejudicial to the interest of the Company.
16. the term loans availed by the Company were prima facie, applied for the purpose for which they were obtained.
17. on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used for long-term investment.
18. the Company has not made any preferential allotment of shares during the year to any party.
19. the Company has created securities / charges in respect of debentures issued and outstanding.
20. the Company has not raised any money by public issues during the year.
21. considering the size and nature of the Company's operations, no fraud of material significance on or by the Company has been noticed or reported during the year.

For M.S. KRISHNASWAMI & RAJAN

Chartered Accountants

Registration No. 01554S

M.K. RAJAN

Partner

Membership No. 4059

April 29, 2010

Chennai

For DELOITTE HASKINS & SELLS

Chartered Accountants

Registration No. 117366W

R. LAXMINARAYAN

Partner

Membership No. 33023

BALANCE SHEET AS AT MARCH 31, 2010

| | Schedule | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|--|----------|--------------------|--------------------|
| Sources of funds | | | |
| Shareholders' funds | | | |
| Capital | 1.1 | 13,303.42 | 13,303.42 |
| Reserves and surplus | 1.2 | 3,53,572.39 | 3,34,086.48 |
| | | 3,66,875.81 | 3,47,389.90 |
| Loan funds | | | |
| Secured loans | 1.3 | 71,156.68 | 30,441.33 |
| Unsecured loans | 1.4 | 1,49,232.50 | 1,65,373.06 |
| | | 2,20,389.18 | 1,95,814.39 |
| Deferred liability | | | |
| | | 7,654.85 | - |
| Deferred tax liability - net | | | |
| | | 38,453.69 | 26,343.69 |
| Foreign currency monetary item translation difference - net | | | |
| | | (1,245.01) | 384.11 |
| Total | | 6,32,128.52 | 5,69,932.09 |
| Application of funds | | | |
| Fixed assets | | | |
| | 1.5 | | |
| Gross block | | 6,01,863.37 | 4,93,894.82 |
| Less: Depreciation | | 1,76,907.45 | 1,53,983.19 |
| Net block | | 4,24,955.92 | 3,39,911.63 |
| Capital work-in-progress | | 56,146.97 | 99,828.94 |
| | | 4,81,102.89 | 4,39,740.57 |
| Investments | | | |
| | 1.6 | 32,615.49 | 26,355.71 |
| Current assets, loans and advances | | | |
| Inventories | 1.7 | 1,63,824.00 | 1,33,001.44 |
| Sundry debtors | 1.8 | 1,02,206.15 | 95,797.42 |
| Cash and bank balances | 1.9 | 51,892.05 | 8,808.36 |
| Loans and advances | 1.10 | 96,046.23 | 78,954.35 |
| | | 4,13,968.43 | 3,16,561.57 |
| Less: Current liabilities and provisions | | | |
| | 1.11 | | |
| Liabilities | | 2,59,206.57 | 1,86,886.41 |
| Provisions | | 36,869.15 | 26,808.17 |
| | | 2,96,075.72 | 2,13,694.58 |
| Net current assets | | | |
| | | 1,17,892.71 | 1,02,866.99 |
| Miscellaneous expenditure | | | |
| | 1.12 | 517.43 | 968.82 |
| (to the extent not written off or adjusted) | | | |
| Total | | 6,32,128.52 | 5,69,932.09 |

Statement on significant accounting policies, Schedules 1.1 to 1.12 and Notes to the accounts form part of this Balance Sheet.

| | |
|---|---|
| For and on behalf of the Board | |
| R. SESHASAYEE Managing Director | R. J. SHAHANEY Chairman |
| K. SRIDHARAN Chief Financial Officer | A. R. CHANDRASEKHARAN Executive Director & Company Secretary |

This is the Balance Sheet referred to in our report of even date.

For M.S. KRISHNASWAMI & RAJAN
Chartered Accountants
Registration No. 01554S

For DELOITTE HASKINS & SELLS
Chartered Accountants
Registration No. 117366W

M.K. RAJAN
Partner

R. LAXMINARAYAN
Partner

April 29, 2010
Chennai

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

| | Schedule | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|--|----------|------------------|------------------|
| Income | | | |
| Sales and services | 2.1 | 7,87,259.74 | 6,66,664.01 |
| Less: Excise duty | | 62,788.69 | 68,556.64 |
| | | 7,24,471.05 | 5,98,107.37 |
| Other income | 2.2 | 7,044.54 | 4,962.28 |
| | | 7,31,515.59 | 6,03,069.65 |
| Expenditure | | | |
| Manufacturing and other expenses | 2.3 | 6,48,187.13 | 5,51,163.86 |
| Depreciation, amortisation and impairment | 2.4 | 20,410.79 | 17,841.42 |
| Financial expenses | 2.5 | 8,113.04 | 11,870.87 |
| | | 6,76,710.96 | 5,80,876.15 |
| Profit before exceptional item | | 54,804.63 | 22,193.50 |
| Exceptional item | | | |
| Voluntary retirement scheme compensation amortised | | 327.15 | 1,348.87 |
| Profit before tax | | 54,477.48 | 20,844.63 |
| Provision for taxation - Current tax (Refer note 16 to the Accounts) | | - | - |
| - Deferred tax | | 12,110.00 | 1,245.00 |
| - Fringe benefit tax | | - | 600.00 |
| Profit after tax | | 42,367.48 | 18,999.63 |
| Excess provision written back - Dividend | | - | 22.05 |
| - Corporate dividend tax thereon | | - | 3.75 |
| Balance profit from last year | | 48,230.19 | 50,227.38 |
| Transfer from / (to) - Debenture redemption reserve | | 416.67 | (2,958.33) |
| - General reserve | | (10,000.00) | (2,500.00) |
| | | 81,014.34 | 63,794.48 |
| Proposed dividend | | 19,955.07 | 13,303.38 |
| Corporate dividend tax thereon | | 3,314.29 | 2,260.91 |
| Balance profit carried to Balance Sheet | | 57,744.98 | 48,230.19 |
| Earnings per share (Face value Re.1) - Basic (in Rs.) | | 3.18 | 1.43 |

Statement on significant accounting policies, Schedules 2.1 to 2.5 and

Notes to the accounts form part of this Profit and Loss Account.

| | |
|---|---|
| For and on behalf of the Board | |
| R. SESHASAYEE Managing Director | R. J. SHAHANEY Chairman |
| K. SRIDHARAN Chief Financial Officer | A. R. CHANDRASEKHARAN Executive Director & Company Secretary |

This is the Profit and Loss Account referred to in our report of even date.

For M.S. KRISHNASWAMI & RAJAN
Chartered Accountants
Registration No. 01554S

For DELOITTE HASKINS & SELLS
Chartered Accountants
Registration No. 117366W

M.K. RAJAN
Partner

R. LAXMINARAYAN
Partner

April 29, 2010
Chennai

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|--|--------------------|------------------|
| Cash flow from operating activities | | |
| Profit before tax | 54,477.48 | 20,844.63 |
| Adjustments for: | | |
| Depreciation, amortisation and impairment | 20,410.79 | 17,841.42 |
| Other amortisations | 860.65 | 1,534.91 |
| Foreign exchange (gains) / losses | (1,898.87) | (2,909.97) |
| Interest expense net of interest capitalisation | 9,121.42 | 14,052.06 |
| Interest income | (2,532.32) | (3,858.67) |
| Income from investments | (264.29) | (450.01) |
| (Profit)/Loss on disposal of fixed assets / long term investments / division - net | (5,477.45) | (2,539.65) |
| Diminution in value of investments | (144.24) | 364.80 |
| Operating profit before working capital changes | 74,553.17 | 44,879.52 |
| Adjustments for changes in: | | |
| Inventories | (30,822.56) | (10,610.04) |
| Debtors | (8,242.13) | (56,117.02) |
| Advances | 1,234.08 | (1,637.80) |
| Current liabilities and provisions | 81,222.35 | (22,946.87) |
| Cash generated from operations | 1,17,944.91 | (46,432.21) |
| Income tax including Fringe Benefit tax paid | (8,928.09) | (5,958.18) |
| Net cash flow from operating activities before exceptional item | 1,09,016.82 | (52,390.39) |
| Compensation under Voluntary retirement scheme | - | (168.06) |
| Net cash flow from operating activities after exceptional item | 1,09,016.82 | (52,558.45) |
| Cash flow from investing activities | | |
| Payments for assets acquisition | (69,472.33) | (76,413.17) |
| Proceeds on sale of fixed assets | 363.22 | 624.92 |
| Proceeds from sale of division | 668.00 | - |
| Purchase of Investments | (19,268.89) | (4,462.20) |
| Sale / redemption of Investments | 19,743.64 | 2,749.03 |
| Income from investments - Interest | 3,610.43 | 623.95 |
| - Dividend | 264.29 | 450.01 |
| Changes in advances | (14,225.06) | 10,009.66 |
| Net cash flow used in investing activities | (78,316.70) | (66,417.80) |

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|---|------------------|--------------------|
| Cash flow from financing activities | | |
| Long term borrowings - Raised | 52,318.50 | 97,335.60 |
| - Repaid | (9,822.86) | (8,672.16) |
| Changes in short term borrowings | - | (9,933.22) |
| Debenture / Loan raising expenses paid | (21.41) | (74.31) |
| Interest paid - net | (14,578.52) | (9,391.21) |
| Dividend paid and tax thereon | (15,564.29) | (23,346.43) |
| Net cash flow from financing activities | 12,331.42 | 45,918.27 |
| Net cash inflow/ (outflow) | 43,031.54 | (73,057.98) |
| Opening cash and cash equivalents | 8,514.69 | 81,572.67 |
| Closing cash and cash equivalents | 51,546.23 | 8,514.69 |
| Net increase/(decrease) in cash and cash equivalents | 43,031.54 | (73,057.98) |

Notes to the cash flow statement

Components of cash and cash equivalents:

| | | |
|--|------------------|-----------------|
| Cash and bank balances, cash credit excluding those relating to unclaimed dividend | 51,536.50 | 8,508.13 |
| Unrealised foreign exchange gains - net | 9.73 | 6.56 |
| | 51,546.23 | 8,514.69 |

For and on behalf of the Board
R. SESHASAYEE
Managing Director

R. J. SHAHANEY
Chairman

K. SRIDHARAN
Chief Financial Officer

A. R. CHANDRASEKHARAN
Executive Director & Company Secretary

This is the Cash Flow Statement referred to in our report of even date.

For M.S. KRISHNASWAMI & RAJAN
Chartered Accountants
Registration No. 01554S

For DELOITTE HASKINS & SELLS
Chartered Accountants
Registration No. 117366W

M.K. RAJAN
Partner

R. LAXMINARAYAN
Partner

April 29, 2010
Chennai

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. Accounting convention

1.1 Financial statements are prepared in accordance with the generally accepted accounting principles including accounting standards in India under historical cost convention except so far as they relate to revaluation of certain land and buildings.

1.2 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 the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt within the period in which the results are known/ materialise.

2. Fixed assets and depreciation / amortisation

2.1 Cost of all civil works (including electrification and fittings) is capitalised with the exception of alterations and modifications of a capital nature to existing structures where the cost of such alteration or modification is Rs.1,00,000 and below. Other fixed assets, including intangible assets and assets given on lease, where the cost exceeds Rs.10,000 and the estimated useful life is two years or more, is capitalised. Cost of initial spares and tools is capitalised along with the respective assets. Cost of fixed assets is net of eligible credits under Cenvat / Vat Scheme. Expenditure directly related and incidental to construction are capitalised upto the date of attainment of commercial production. Interest and other related costs, including amortised cost of borrowings attributable only to major projects are capitalised as part of the cost of the respective assets. Exchange differences are capitalised to the extent dealt with in para 5.2 below.

2.2 Assets are depreciated / amortised, as below, on straight line basis:

- a) Leasehold land, over 40 years or the period of the lease, whichever is less;
- b) Leasehold land and buildings subject to revaluation, is calculated on the respective revalued amounts, over the balance useful life as determined by the valuers in the case of buildings and as per (a) above in the case of land;
- c) Buildings, plant and machinery (except assets subject to impairment) and other assets, including assets given on lease, over their estimated useful lives or lives derived from the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is lower and in the case of intangible assets, over their estimated useful life.
- d) Assets subject to impairment, on the asset's revised carrying amount, over its remaining useful life.

2.3 Depreciation / amortisation on additions during the year is provided on a pro rata basis from the month the assets are put to use. In respect of assets sold or disposed off during the year, depreciation / amortisation is provided till the month of sale or disposal of the assets.

3. Investments

Long term investments are stated at cost less provision for diminution other than temporary, if any. Current investments are valued at lower of cost and fair value.

4. Inventories

4.1 Inventories are valued at lower of cost and net realisable value; cost being ascertained on the following basis:

- Stores, spares, consumable tools, raw materials and components: on monthly moving weighted average basis. In respect of works-made components, cost includes applicable production overheads.
- Work-in-progress, finished / trading goods: under absorption costing method.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

4.2 Cost includes taxes and duties and is net of eligible credits under Cenvat / Vat Schemes.

4.3 Cost of patterns and dies is amortised equally over five years.

4.4 Surplus / obsolete / slow moving inventories are adequately provided for.

5. Foreign currency transactions and derivatives

5.1 Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at closing rate. Exchange differences arising on settlement or translation of monetary items other than those mentioned in para 5.2 below are recognised as income or expense in the Profit and Loss Account.

5.2 Exchange differences on translation or settlement of long term foreign currency monetary items (i.e. whose term of settlement exceeds twelve months from date of its origination) at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets are adjusted to the cost of the assets. In other cases, these 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 of such items till settlement occurs but not beyond March 31, 2011.

5.3 Gains and losses on certain forward contracts designated as effective cash flow hedges as per Accounting Standard 30 - "Financial Instruments" are recognised in the Hedge Reserve Account till the underlying forecasted transaction occurs.

5.4 Gains and losses on all other derivatives (including forward contracts not designated as cash flow hedge) are recognised in the Profit and Loss Account. Premium or discount on forward contracts is amortised over the life of the contract.

5.5 Investments in equity capital of companies registered outside India are carried in the Balance Sheet at the rates prevailing on the date of the transaction.

5.6 Income / expenditure of overseas branches are recognised at the average rate prevailing during the month in which transaction occurred.

6. Amortisation of deferred expenditure

Expenditure incurred on issue of debentures / raising loans is amortised over the period of such borrowings. Premium paid on prepayment of any borrowing is amortised over the unexpired period thereof or sixty months, whichever is less.

7. Revenue recognition

Revenue from sale of products is recognised on despatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty and export incentives, but net of incentive on sales including commission, rebates and discounts. Revenue arising due to price escalation claim is recognised in the period when such claim is made in accordance with terms of sale.

Revenue from services is recognised in accordance with the specific terms of contract on performance.

8. Government grants

Grants in the form of capital / investment subsidy are treated as Capital reserve. Export incentives and incentives in the nature of subsidies given by the Government are reckoned in revenue in the year of eligibility.

9. Research and Development Costs

Expenditure on the design and production of prototypes is charged to revenue as incurred. Product development costs, including knowhow developed / acquired, incurred on new vehicle / engine platforms, variants on existing platforms and aggregates are recognised as intangible assets and amortised.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

10. Employee benefits

10.1 Short term employee benefit obligations are estimated and provided for.

10.2 Post employment benefits and other long term employee benefits

Defined contribution plans:

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to revenue.

Defined benefit plans and compensated absences:

Company's liability towards gratuity, other retirement benefits and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in revenue.

10.3 Termination benefits

Compensation under voluntary retirement scheme is amortised over lesser of thirty-six months and the period from incurrence of expenditure to March 31, 2010.

11. Product warranties

Provision for product warranties is made for contractual obligations in accordance with the policy in force and is estimated for the unexpired period.

12. Deferred tax

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

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

| | | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|-----------------------|---|------------------|------------------|
| 1.1 CAPITAL | | | |
| Authorised | | | |
| 2,00,00,00,000 | (2009: 1,50,00,00,000) Equity shares of Re.1 (2009: Re.1) each | 20,000.00 | 15,000.00 |
| Issued | | | |
| a) 52,45,98,695 | (2009: 52,45,98,695) Equity Shares of Re.1 (2009: Re.1) each | 5,245.99 | 5,245.99 |
| b) 34,17,42,940 | (2009: 34,17,42,940) Equity Shares of Re.1 (2009: Re.1) each issued by way of conversion of debentures | 3,417.43 | 3,417.43 |
| c) 32,31,57,240 | (2009: 32,31,57,240) Equity Shares of Re.1 (2009: Re.1) each issued through Global depository receipts | 3,231.57 | 3,231.57 |
| d) 14,10,44,117 | (2009: 14,10,44,117) Equity Shares of Re.1 (2009: Re.1) each issued by way of conversion of Foreign Currency Convertible Notes (FCCN) | 1,410.44 | 1,410.44 |
| | | 13,305.43 | 13,305.43 |
| Subscribed | | | |
| a) 52,43,94,020 | (2009: 52,43,94,020) Equity Shares of Re.1 (2009: Re.1) each | 5,243.94 | 5,243.94 |
| b) 34,17,42,940 | (2009: 34,17,42,940) Equity Shares of Re.1 (2009: Re.1) each issued by way of conversion of debentures | 3,417.43 | 3,417.43 |
| c) 32,31,57,240 | (2009: 32,31,57,240) Equity Shares of Re.1 (2009: Re.1) each issued through Global depository receipts | 3,231.57 | 3,231.57 |
| d) 14,10,44,117 | (2009: 14,10,44,117) Equity Shares of Re.1 (2009: Re.1) each issued by way of conversion of Foreign Currency Convertible Notes (FCCN) | 1,410.44 | 1,410.44 |
| | | 13,303.38 | 13,303.38 |
| Add: Forfeited shares | | 0.04 | 0.04 |
| | | 13,303.42 | 13,303.42 |

Of the above,

1. 1,47,88,880 (2009: 1,47,88,880) Equity Shares were allotted under an agreement without payment being received in cash.
2. 6,23,08,110 (2009: 6,23,08,110) Equity shares were allotted as fully paid up by way of bonus shares by capitalisation out of General reserve and from Securities premium account.
3. Hinduja Automotive Limited, the holding company, holds 51,36,18,712 (2009: 51,36,18,712) equity shares of Re.1 (2009: Re.1) each and 54,86,669 (2009: 54,86,669) Global depository receipts equivalent to 16,46,00,070 (2009: 16,46,00,070) equity shares of Re.1 (2009: Re.1) each.
4. Refer Note 9 to the Accounts for option on unissued shares.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|--|--------------------|--------------------|
| 1.2 RESERVES AND SURPLUS | | |
| Capital reserve | | |
| As per last Balance Sheet | 89.50 | 89.50 |
| Revaluation reserve | | |
| As per last Balance Sheet | 1,36,486.44 | 2,237.70 |
| Less: Transfer to Profit and Loss account (Refer Note 3.7(b) to the Accounts) | 2,982.47 | 57.80 |
| Transfer to General reserve on sale of asset | 134.64 | - |
| Deletion occasioned on extinguishment of asset | 29.10 | - |
| Loss on disposal of revalued asset | 22.83 | - |
| Reversal of previous revaluation done as at December 31, 1984 | - | 2,179.90 |
| Add: Surplus on revaluation of Land and Buildings as at March 31, 2009 | - | 1,36,486.44 |
| | 1,33,317.40 | 1,36,486.44 |
| Securities premium | | |
| As per last Balance Sheet | 89,033.66 | 89,033.66 |
| Debenture redemption reserve | | |
| As per last Balance Sheet | 4,583.33 | 1,625.00 |
| Add: Transfer from Profit and Loss account | - | 3,750.00 |
| Less: Transfer to Profit and Loss account | 416.67 | 791.67 |
| | 4,166.66 | 4,583.33 |
| General reserve | | |
| As per last Balance Sheet | 59,118.69 | 58,381.59 |
| Add: Transfer from Profit and Loss account | 10,000.00 | 2,500.00 |
| Transfer from Revaluation reserve on sale of asset | 134.64 | - |
| Less: Adjustments pertaining to long term monetary items in foreign currency - net of tax (Refer Note 12.1 to the Accounts) | - | 1,762.90 |
| | 69,253.33 | 59,118.69 |
| Hedge reserve | | |
| As per last Balance Sheet | (3,455.33) | - |
| Add: Unrealised gains / (losses) on cash flow hedges - net (Refer Note 12.2 to the Accounts) | 3,422.19 | (3,455.33) |
| | (33.14) | (3,455.33) |
| Surplus - balance in Profit and Loss account | 57,744.98 | 48,230.19 |
| | 3,53,572.39 | 3,34,086.48 |
| 1.3 SECURED LOANS | | |
| Debentures | 16,666.67 | 18,333.33 |
| Long term monetary liabilities in foreign currency | | |
| - External commercial borrowings from banks | 4,453.33 | 6,679.99 |
| - Exchange loss on translation | 36.68 | 928.01 |
| | 4,490.01 | 7,608.00 |
| Term loans from banks | 50,000.00 | 4,500.00 |
| | 71,156.68 | 30,441.33 |
| 1. a) Debentures and term loan from banks aggregating Rs.66,666.67 lakhs (2009: Rs.22,833.33 lakhs) are secured by a first pari passu charge created / to be created on certain immovable properties and movable assets of the Company. External commercial borrowing from banks aggregating to Rs.4,490.01 lakhs (2009: Rs.7,608.00 lakhs) is secured by a first charge on the Aircraft of the company. | | |
| b) Cash credit facility is secured by a first charge on certain movable assets and goods-in-transit and book debts (excluding deferred receivables). | | |
| 2. Debentures are to be redeemed at par in equal installments, as stated below: | | |
| Debenture | 2010 | 2009 |
| Series | Rs.Lakhs | Rs.Lakhs |
| AL 11 | 1,666.67 | 3,333.33 |
| AL 12 | 15,000.00 | 15,000.00 |
| | 16,666.67 | 18,333.33 |
| 3. Loans include Rs.3,911.67 lakhs (2009: Rs.8,702.67 lakhs) due within 12 months. | | |

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|---|--------------------|--------------------|
| 1.4 UNSECURED LOANS | | |
| Long term monetary liabilities in foreign currency | | |
| – Foreign currency convertible notes (Refer Note 9 to the Accounts) | - | 445.00 |
| – External commercial borrowings from banks | 1,25,108.21 | 1,25,108.21 |
| – Exchange loss on translation | 7,346.79 | 24,577.99 |
| | 1,32,455.00 | 1,50,131.20 |
| Interest free sales tax loans | 9,459.00 | 10,241.86 |
| Loans and advances from | | |
| – Banks | 5,000.00 | 5,000.00 |
| – Others | 2,318.50 | - |
| | 1,49,232.50 | 1,65,373.06 |
| Of the above, amount due within 12 months | | |
| – Long term monetary liabilities in foreign currency | 3,741.67 | 507.20 |
| – Interest free sales tax loans | 710.48 | 779.04 |
| – Loans and advances from - Others | 205.98 | - |

1.5 FIXED ASSETS

| | GROSS BLOCK (COST/VALUATION) | | | | | | DEPRECIATION / AMORTISATION/IMPAIRMENT | | NET BLOCK | |
|-------------------------------------|------------------------------|-------------|------------|-------------------------------------|------------------------------------|-------------|---|-------------------|--------------------|--------------------|
| DESCRIPTION | 01.04.2009 | Additions | Deductions | Reversal of prior revaluation | Added on current revaluation | 31.03.2010 | Upto 31.03.2010 | Upto 31.3.2009 | 31.03.2010 | 31.03.2009 |
| Land - Freehold | 76,644.61 | 20.99 | 33.17 | - | - | 76,632.43 | - | - | 76,632.43 | 76,644.61 |
| - Leasehold | 41,924.51 | (1,778.67) | - | - | - | 40,145.84 | 2,828.60 | 788.78 | 37,317.24 | 41,135.72 |
| Buildings | 83,736.42 | 30,624.15 | 237.52 | - | - | 1,14,123.05 | 13,733.46 | 10,866.13 | 1,00,389.59 | 72,870.28 |
| Plant and machinery | 2,36,763.52 | 78,056.83 | 504.08 | - | - | 3,14,316.27 | 1,29,748.70 | 1,17,134.82 | 1,84,567.57 | 1,19,628.70 |
| Furniture, fittings and equipment | 19,786.80 | (23.51) | 338.49 | - | - | 19,424.80 | 12,913.16 | 10,991.43 | 6,511.64 | 8,795.37 |
| Vehicles and aircraft | 14,841.26 | (619.42) | 241.65 | - | - | 13,980.19 | 4,583.53 | 4,013.89 | 9,396.66 | 10,827.37 |
| Assets given on lease | | | | | | | | | | |
| - Leasehold land | 126.41 | - | - | - | - | 126.41 | 37.92 | 34.76 | 88.49 | 91.65 |
| - Buildings | 805.60 | - | - | - | - | 805.60 | 42.36 | 26.65 | 763.24 | 778.96 |
| - Plant and machinery- windmills | 5,996.16 | (292.46) | - | - | - | 5,703.70 | 2,028.39 | 1,549.49 | 3,675.31 | 4,446.67 |
| - Furniture, fittings and equipment | 102.78 | - | - | - | - | 102.78 | 36.97 | 22.37 | 65.81 | 80.41 |
| Intangible assets | | | | | | | | | | |
| Computer software | | | | | | | | | | |
| - Developed | 2,446.84 | - | - | - | - | 2,446.84 | 2,442.32 | 2,422.05 | 4.52 | 24.80 |
| - Acquired | 5,103.34 | 1,039.46 | 182.05 | - | - | 5,960.75 | 3,668.56 | 3,001.04 | 2,292.19 | 2,102.30 |
| Technical knowhow - acquired | 5,616.57 | 2,478.14 | - | - | - | 8,094.71 | 4,843.48 | 3,131.78 | 3,251.23 | 2,484.79 |
| | 4,93,894.82 | 1,09,505.51 | 1,536.96 | - | - | 6,01,863.37 | 1,76,907.45 | 1,53,983.19 | 4,24,955.92 | 3,39,911.63 |
| Previous year | 2,94,243.80 | 71,483.27 | 4,706.39 | 3,612.30 | 1,36,486.44 | 4,93,894.82 | | - | | |
| Capital work-in-progress | 99,828.94 | | | | | 56,146.97 | | | 56,146.97 | 99,828.94 |
| | | | | | | | | | 4,81,102.89 | 4,39,740.57 |

- Buildings include installations of gross value Rs.9,713.06 lakhs (2009: Rs.7,600.32 lakhs).
- Land and Buildings, other than those given on lease and installations, were revalued as at March 31, 2009 after considering depreciation / amortisation upto that date as per external valuer's report, on the governing principles of current cost. This valuation superseded the previous valuation done as at December 31, 1984. Reversal of prior revaluation of Rs.3,612.30 lakhs represents gross cost - net cost Rs.2,179.90 lakhs.
- A portion of buildings in Bhandara revalued at Rs.950.00 lakhs is on a land, title for which is yet to be transferred to the Company.
- Cost of Buildings as at March 31, 2010 includes:
 - Rs.3.42 lakhs (2009: Rs.3.42 lakhs) being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.
 - Rs.132.38 lakhs (2009: Rs.132.38 lakhs) representing cost of residential flats including undivided interest in land.
- Depreciation / amortisation / impairment for the year is disclosed in Schedules 2.3(C) and 2.4 to the Profit and Loss account.
- Additions to fixed assets and capital work-in-progress include:
 - Exchange loss / (gain) of (Rs.14,934.34 lakhs) (2009: Rs.21,247.66 lakhs)
 - Borrowing cost of Rs.3,613.27 lakhs (2009: Rs.1,628.54 lakhs) and
 - Other expenses in the course of construction of Rs.1,499.93 lakhs (2009: Rs.800.55 lakhs).

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

| | 2010 | | 2009 | |
|--|-------------|------------------|-------------|------------------|
| 1.6 INVESTMENTS | | | | |
| DESCRIPTION | Nos. | Rs.Lakhs | Nos. | Rs.Lakhs |
| Long-term investments | | | | |
| A) Trade | | | | |
| 1) Equity shares of Rs.10 each | | | | |
| Arka Energy (Rameswaram) Limited | - | - | 6,00,000 | 60.00 |
| Ashley Alteams India Limited | 2,50,00,000 | 2,500.00 | 2,50,00,000 | 2,500.00 |
| Ashok Leyland John Deere Construction Equipment Company Private Limited | 2,92,40,750 | 2,924.08 | - | - |
| Ashok Leyland Nissan Vehicles Limited | 3,60,04,500 | 3,600.45 | 24,74,500 | 247.45 |
| Ashley Bio-Fuels Limited | 20,014 | 2.00 | 20,014 | 2.00 |
| Automotive Coaches and Components Limited | 51,70,664 | 488.27 | 14,10,664 | 112.27 |
| Automotive Infotronics Private Limited | 50,00,000 | 500.00 | 25,00,000 | 250.00 |
| Hinduja Foundries Limited | 34,24,449 | 1,430.58 | 34,24,449 | 1,430.59 |
| Hinduja Leyland Finance Limited | 72,00,000 | 720.00 | 9,00,000 | 90.00 |
| Irizar - TVS Limited | 30,50,000 | 305.00 | 30,50,000 | 305.00 |
| Nissan Ashok Leyland Powertrain Limited | 1,32,63,980 | 1,326.40 | 28,43,500 | 284.35 |
| Nissan Ashok Leyland Technologies Limited | 2,55,04,000 | 2,550.40 | 57,84,000 | 578.40 |
| Albonair (India) Private Limited | 4,000 | 0.40 | - | - |
| Defiance Technologies Limited | 83,80,000 | 838.00 | - | - |
| 2) Equity shares of Rs.100 each | | | | |
| Ashley Transport Services Limited | 6,00,000 | 600.00 | 6,00,000 | 600.00 |
| Gulf Ashley Motor Limited | 5,79,190 | 579.19 | 3,54,000 | 354.00 |
| 3) Equity shares of Srilankan Rs.10 each | | | | |
| Lanka Ashok Leyland Limited | 10,08,332 | 57.46 | 10,08,332 | 57.46 |
| 4) 6% Cumulative Non-Convertible Redeemable Preference shares of Rs.100 each | | | | |
| Hinduja Foundries Limited | 25,00,000 | 2,166.67 | 25,00,000 | 2,166.67 |
| 5) Ownership interest in share capital in Czech Koruna | | | | |
| Avia Ashok Leyland Motors s.r.o. | 40% | 1.52 | 40% | 1.52 |
| 6) Equity shares of UAE Dirhams of 1000 each | | | | |
| Ashok Leyland (UAE) LLC | 1,000 | 123.50 | 2,450 | 302.59 |
| 7) Equity shares of US Dollars 0.01 each | | | | |
| Defiance Testing and Engineering Services, Inc. USA | 49 | 691.15 | 49 | 691.15 |
| 8) Equity shares of Euro 1 each | | | | |
| Albonair GmbH | 10,000 | 6.36 | 10,000 | 6.36 |
| B) Other than trade | | | | |
| 1) Equity shares of Rs.10 each | | | | |
| Ashley Airways Limited (under liquidation) | 14,70,000 | 147.00 | 14,70,000 | 147.00 |
| Ashley Holdings Limited | 47,07,500 | 470.75 | 20,90,000 | 209.00 |
| Ashley Investments Limited | 45,77,500 | 457.75 | 20,90,000 | 209.00 |
| Ashok Leyland Project Services Limited | 34,42,400 | 344.24 | 34,42,400 | 344.24 |
| Chennai Willingdon Corporate Foundation (Cost Rs.900) | 100 | - | 100 | - |
| Hinduja TMT Global Solutions Limited | 2,029 | 4.05 | 2,029 | 4.05 |
| Hinduja Ventures Limited | 2,029 | 4.06 | 2,029 | 4.06 |
| ICICI Bank Limited | 24,231 | 10.52 | 24,231 | 10.52 |
| IndusInd Bank Limited | 1,72,15,698 | 7,164.37 | 1,92,15,698 | 3,881.45 |
| 2) Equity shares of Rs.100 each, partly paid-up | | | | |
| Adyar Property Holding Co. Limited (Rs.65 paid up) | 400 | 0.26 | 400 | 0.26 |
| 3) 2% Non-Cumulative Non-Convertible Redeemable Preference shares of Rs.10 each | | | | |
| Ashley Holdings Limited | 1,50,00,000 | 1,500.00 | 32,50,000 | 325.00 |
| Ashley Investments Limited | 1,50,00,000 | 1,500.00 | 32,50,000 | 325.00 |
| 4) Non-convertible redeemable bonds of Rs.1 million each | | | | |
| IndusInd Bank Limited | - | - | 1,140 | 11,400.00 |
| ICICI Bank Limited | 20 | 200.56 | 20 | 200.56 |
| 5) National Savings Certificate of the face value of Rs.0.50 lakh | | | | |
| | | 33,215.49 | | 27,099.95 |
| Less: Provision for diminution in value | | 600.00 | | 744.24 |
| | | 32,615.49 | | 26,355.71 |

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

1.6 INVESTMENTS (CONTINUED)

| 1.6 INVESTMENTS (CONTINUED) | 2010 | 2009 | | |
|--|----------------|-------------------------|----------------|-------------|
| | Rs.Lakhs | Rs.Lakhs | | |
| 1. Investments are fully paid-up unless otherwise stated | | | | |
| 2. Quoted Investments – Cost | 8,814.15 | 16,931.23 | | |
| – Market value | 32,836.14 | 19,397.95 | | |
| Unquoted Investments – Others – Cost | 24,401.34 | 10,168.72 | | |
| 3. The shares in the following companies can be disposed off / encumbered only with the consent of Banks / Financial Institutions who have given loans to / subscribed to the Debentures of those companies: | | | | |
| a) Ashley Alteams India Limited | | | | |
| b) Automotive Coaches and Components Limited | | | | |
| c) Hinduja Foundries Limited | | | | |
| 4. Purchase and sales / redemption of investments during the year are as under: | | | | |
| | Acquisition | Disposals / Redemptions | | |
| Description | Nos. | Cost | Nos. | Cost |
| | | Rs.Lakhs | | Rs.Lakhs |
| a) Units in schemes of mutual funds | | | | |
| Birla Sunlife Mutual Fund | 1,13,85,55,374 | 1,14,029.35 | 1,13,85,55,374 | 1,14,029.35 |
| Canara Mutual Fund | 7,37,05,723 | 7,400.79 | 7,37,05,723 | 7,400.79 |
| Deutsche Mutual Fund | 17,89,80,976 | 17,952.04 | 17,89,80,976 | 17,952.04 |
| DSP Merrill Lynch Mutual Fund | 37,89,719 | 37,905.11 | 37,89,719 | 37,905.11 |
| Franklin Templeton Mutual Fund | 1,49,910 | 1,500.11 | 1,49,910 | 1,500.11 |
| HDFC Mutual Fund | 68,44,08,380 | 74,081.01 | 68,44,08,380 | 74,081.01 |
| ICICI Prudential Mutual Fund | 42,00,52,834 | 1,38,884.31 | 42,00,52,834 | 1,38,884.31 |
| IDFC Mutual Fund | 71,62,95,231 | 71,646.13 | 71,62,95,231 | 71,646.13 |
| JM Mutual Fund | 9,98,53,125 | 10,001.79 | 9,98,53,125 | 10,001.79 |
| Kotak Mahindra Mutual Fund | 80,36,84,330 | 94,733.21 | 80,36,84,330 | 94,733.21 |
| LIC Mutual Fund | 1,76,11,38,166 | 1,89,939.20 | 1,76,11,38,166 | 1,89,939.20 |
| Principal Mutual Fund | 41,20,30,046 | 41,205.89 | 41,20,30,046 | 41,205.89 |
| Reliance Mutual Fund | 94,63,33,728 | 1,20,863.66 | 94,63,33,728 | 1,20,863.66 |
| SBI Mutual Fund | 1,69,46,389 | 1,700.15 | 1,69,46,389 | 1,700.15 |
| Sundaram Mutual Fund | 1,98,12,553 | 2,000.14 | 1,98,12,553 | 2,000.14 |
| Tata Mutual Fund | 2,71,51,936 | 27,008.09 | 2,71,51,936 | 27,008.09 |
| UTI Mutual Fund | 55,41,820 | 56,044.34 | 55,41,820 | 56,044.34 |
| b) Equity Shares | | | | |
| Associate companies | | | | |
| Automotive Coaches and Components Limited | 37,60,000 | 376.00 | - | - |
| Gulf Ashley Motor Limited | 2,25,190 | 225.19 | - | - |
| Ashley Holdings Limited | 26,17,500 | 261.75 | - | - |
| Ashley Investments Limited | 24,87,500 | 248.75 | - | - |
| Hinduja Leyland Finance Limited | 63,00,000 | 630.00 | - | - |
| Albonair (India) Private Limited | 4,000 | 0.40 | - | - |
| Defiance Technologies Limited | 83,80,000 | 838.00 | - | - |

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

| 1.6 INVESTMENTS (CONTINUED) | Acquisition | | Disposals/Redemption | |
|---|-------------|--------------------|----------------------|-----------------|
| | Nos. | Rs.Lakhs | Nos. | Rs.Lakhs |
| Ashok Leyland (UAE) LLC | - | - | 1,450 | 179.09 |
| Joint Ventures | | | | |
| Automotive Infotronics Private Limited | 25,00,000 | 250.00 | - | - |
| Ashok Leyland Nissan Vehicles Limited | 3,35,30,000 | 3,353.00 | - | - |
| Nissan Ashok Leyland Powertrain Limited | 1,04,20,480 | 1,042.05 | - | - |
| Nissan Ashok Leyland Technologies Limited | 1,97,20,000 | 1,972.00 | - | - |
| Ashok Leyland John Deere Construction Equipment Company Private Limited | 2,92,40,750 | 2,924.08 | - | - |
| Others | | | - | - |
| IndusInd Bank Limited | 55,00,000 | 4,797.17 | 75,00,000 | 1,514.25 |
| Arkay Energy (Rameswaram) Limited | - | - | 6,00,000 | 60.00 |
| c) Preference Shares | | | | |
| 2% Preference shares in Ashley Holdings Limited | 1,17,50,000 | 1,175.00 | - | - |
| 2% Preference shares in Ashley Investments Limited | 1,17,50,000 | 1,175.00 | - | - |
| d) Non-convertible redeemable bonds of Rs.1 million each | | | | |
| IndusInd Bank Limited | - | - | 1,140 | 11,400.00 |
| e) National Savings Certificate of the face value of Rs.0.50 lakh | - | 0.50 | - | - |
| | | 2010 | | 2009 |
| | | Rs.Lakhs | | Rs.Lakhs |
| 1.7 INVENTORIES | | | | |
| Stores and spares | | 3,640.68 | | 3,647.49 |
| Consumable tools | | 2,332.40 | | 2,036.64 |
| Raw materials and components (including patterns and dies) | | 58,606.54 | | 53,257.43 |
| Work-in-progress | | 34,656.26 | | 9,408.24 |
| Finished / trading goods | | 64,588.12 | | 64,651.64 |
| | | 1,63,824.00 | | 1,33,001.44 |
| 1.8 SUNDRY DEBTORS | | | | |
| Trade | | 1,00,865.17 | | 92,904.84 |
| Others | | 1,403.99 | | 2,955.59 |
| | | 1,02,269.16 | | 95,860.43 |
| Less: Provision | | 63.01 | | 63.01 |
| | | 1,02,206.15 | | 95,797.42 |
| Of the above, | | | | |
| 1. Unsecured – Considered good | | 1,02,206.15 | | 95,797.42 |
| – Considered doubtful | | 63.01 | | 63.01 |
| 2. Age analysis of debts | | | | |
| – Outstanding for more than six months | | 14,766.79 | | 11,488.07 |
| (includes deferred receivables Rs.6.87 lakhs (2009: Rs.11.38 lakhs)) | | | | |
| – Other debts | | 87,502.37 | | 84,372.36 |
| 3. Debtors include bills receivable | | 17,104.89 | | 25,737.97 |

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|--|------------------|------------------|
| 1.9 CASH AND BANK BALANCES | | |
| Cash and stamps on hand | 24.42 | 23.26 |
| Cheques on hand and remittances in transit | 20.48 | 0.90 |
| Balances with scheduled banks | | |
| – Current account | 18,718.55 | 8,169.82 |
| – Deposit account | 33,000.50 | 1.00 |
| Balances with other banks | | |
| – Current account | 128.10 | 499.38 |
| – Deposit account | - | 114.00 |
| | 51,892.05 | 8,808.36 |

| Balances with other banks | Currency | 2010 | | 2009 | |
|---|--------------------|--------------|--|---------|--|
| | | Balance | Maximum balance at any time during the year | Balance | Maximum balance at any time during the year |
| – Current account | | | | | |
| ABSA Bank – South Africa | South African Rand | 64.90 | 731.70 | 53.17 | 658.96 |
| Bank of America – Hong Kong | US\$ | - | 0.29 | 0.29 | 445.44 |
| Citi Bank – London | US\$ | - | 293.12 | 286.57 | 1,381.38 |
| Citi Bank – New York | US\$ | - | - | - | 0.17 |
| HSBC – Egypt | US\$ | 4.10 | 7.83 | 0.17 | 4.58 |
| Indian Ocean International Bank – Mauritius | Mauritian Rupees | 3.23 | 8.11 | 4.57 | 164.95 |
| National Bank of Sharjah – Sharjah | Dirham | 39.75 | 221.23 | 11.16 | 224.88 |
| National Bank of Sharjah – Sharjah | US\$ | 14.81 | 130.56 | 74.87 | 330.81 |
| Standard Chartered Bank – Ghana | Ghana Cedis | 1.30 | 68.84 | 67.01 | 118.66 |
| Standard Chartered Bank – Ghana | US\$ | - | 1.15 | 1.15 | 20.99 |
| State Bank of Bangladesh – Bangladesh | Taka | 0.01 | 0.42 | 0.42 | 3.98 |
| – Deposit account | | | | | |
| Bank of America – Hong Kong | US \$ | - | - | - | 2,761.52 |
| Standard Chartered Bank – Ghana | Ghana Cedis | - | 114.01 | 114.00 | 120.69 |

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT MARCH 31, 2010**

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|---|------------------|------------------|
| 1.10 LOANS AND ADVANCES | | |
| Advances recoverable in cash or in kind or for value to be received | 46,907.67 | 34,085.53 |
| Long term monetary assets in foreign currency | | |
| – Loans to overseas body corporates | 41,091.74 | 28,084.19 |
| – Exchange gain / (loss) on translation | 714.23 | 5,762.72 |
| | 41,805.97 | 33,846.91 |
| Balances with customs, port trust, central excise, etc. | 5,191.72 | 6,080.08 |
| Other receivables | 3,568.93 | 6,369.89 |
| | 97,474.29 | 80,382.41 |
| Less: Provision | 1,428.06 | 1,428.06 |
| | 96,046.23 | 78,954.35 |
| Of the above, | | |
| 1. Unsecured – Considered good | 96,046.23 | 78,954.35 |
| – Considered doubtful | 1,428.06 | 1,428.06 |
| 2. Due from a Director / Officers | | |
| – At the end of the year | 35.03 | 3.38 |
| – Maximum amount due at any time during the year | 64.75 | 11.96 |
| 3. Advances for capital items and investments | 5,823.53 | 4,490.09 |
| 4. Interest accrued on Investments | 11.27 | 689.49 |
| 5. Advance Income tax (net of provision) | 14,320.93 | 5,529.91 |

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|---|--------------------|--------------------|
| 1.11 CURRENT LIABILITIES AND PROVISIONS | | |
| Liabilities | | |
| Acceptances | 76,912.59 | 66,124.93 |
| Creditors for materials and expenses | | |
| – Micro and Small Enterprises | 8,884.16 | 2,977.87 |
| – Others | 1,47,371.04 | 1,08,026.33 |
| Other liabilities | 23,122.03 | 6,458.87 |
| Interest accrued but not due on loans | 2,916.75 | 3,298.41 |
| | 2,59,206.57 | 1,86,886.41 |
| Provisions | | |
| Fringe benefit tax – net | - | 137.07 |
| Proposed dividend | 19,955.07 | 13,303.38 |
| Corporate dividend tax on proposed dividend | 3,314.29 | 2,260.91 |
| Product warranties | 8,094.56 | 5,533.70 |
| Employee benefits | 5,505.23 | 5,573.11 |
| | 36,869.15 | 26,808.17 |
| | 2,96,075.72 | 2,13,694.58 |
| Of the above, | | |
| 1. Provision / (withdrawal) made for the year | | |
| – Product warranties | 2,560.86 | 507.22 |
| – Employee benefits | (67.88) | (538.27) |
| 2. Other liabilities include | | |
| – Unclaimed dividends | 355.55 | 300.23 |
| 3. Creditors for materials and expenses include | | |
| – Gratuity | 808.26 | 743.72 |
| 4. Provision for employee benefits relates to | | |
| – Compensated absences | 4,942.07 | 4,966.00 |
| – Other defined benefit plans | 563.16 | 607.11 |
| 1.12 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | | |
| Debenture issue / loan raising expenses | 517.43 | 641.67 |
| Compensation under voluntary retirement scheme | - | 327.15 |
| | 517.43 | 968.82 |

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED MARCH 31, 2010**

| | | Unit of | 2010 | | 2009 | |
|------------|--|-------------|---------------|--------------------|--------|-------------|
| | | Measurement | Volume | Rs.Lakhs | Volume | Rs.Lakhs |
| 2.1 | SALES AND SERVICES | | | | | |
| | Sales | | | | | |
| | Commercial vehicles | Nos. | 63,926 | 6,74,558.23 | 54,431 | 5,51,949.97 |
| | Engines and gensets | Nos. | 19,050 | 36,879.74 | 21,447 | 44,227.79 |
| | Spare parts and others | | | 88,505.84 | | 79,969.45 |
| | | | | 7,99,943.81 | | 6,76,147.21 |
| | Services | | | 3,567.70 | | 2,252.11 |
| | | | | 8,03,511.51 | | 6,78,399.32 |
| | Less: Commission, rebate and discounts | | | 16,251.77 | | 11,735.31 |
| | | | | 7,87,259.74 | | 6,66,664.01 |

| | 2010 | 2009 |
|--|----------|----------|
| | Rs.Lakhs | Rs.Lakhs |
| 2.2 OTHER INCOME | | |
| Income from current investments | | |
| Dividend – Other than trade | 257.48 | 413.31 |
| Income from long term investments | | |
| Dividend – Trade | 30.53 | 262.45 |
| – Other than trade | 233.76 | 187.56 |
| Interest – Other than trade | 737.61 | 1,049.30 |
| | 1,001.90 | 1,499.31 |
| Profit on sale of fixed assets – net | 132.56 | 374.48 |
| Profit on sale of division | 395.07 | - |
| Profit (loss) on disposal of investments – net | | |
| – Current | - | 1.31 |
| – Long term | 4,949.82 | 2,165.17 |
| | 4,949.82 | 2,166.48 |
| Miscellaneous income | 307.71 | 508.70 |
| | 7,044.54 | 4,962.28 |
| Of the above, | | |
| Tax deducted at source on income from long-term investments: | | |
| – Trade | 3.05 | 4.49 |

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

| | | 2010 | | 2009 | |
|------------|--|-------------|-------------|-------------|-------------|
| | | Rs.Lakhs | Rs.Lakhs | Rs.Lakhs | Rs.Lakhs |
| 2.3 | MANUFACTURING AND OTHER EXPENSES | | | | |
| A. | Materials | | | | |
| | Consumption of raw materials and components-net | 5,25,523.28 | | 4,32,185.73 | |
| | Less: Scrap sales | 3,662.55 | | 4,296.52 | |
| | | | 5,21,860.73 | | 4,27,889.21 |
| | Purchase of trading goods | | 24,488.36 | | 20,219.17 |
| B. | Employees' remuneration and benefits | | | | |
| | Salaries, wages and bonus | 54,072.45 | | 44,827.46 | |
| | Contribution to provident, gratuity and other funds | 5,439.30 | | 4,894.07 | |
| | Welfare expenses | 7,649.73 | | 6,904.58 | |
| | | | 67,161.48 | | 56,626.11 |
| C. | Other expenses | | | | |
| | Power and fuel | 4,447.15 | | 3,841.99 | |
| | Consumption of stores and tools | 3,412.19 | | 3,030.99 | |
| | Repairs and maintenance | | | | |
| | – Buildings | 1,071.65 | | 1,288.81 | |
| | – Machinery | 4,550.72 | | 5,029.66 | |
| | Rent (net) | 1,557.54 | | 1,771.36 | |
| | Rates and taxes | 557.05 | | 429.52 | |
| | Insurance | 475.47 | | 495.12 | |
| | Selling and administration expenses – net | 41,010.99 | | 31,426.40 | |
| | Research and development | 3,968.79 | | 2,333.77 | |
| | Diminution in value of investments – Provided / (Written- back) | (144.24) | | 364.80 | |
| | Bad and doubtful debts / advances provided / written-off | | | | |
| | – Net of recovery - charge / (write-back) | (288.05) | | 100.90 | |
| | | | 60,619.26 | | 50,113.32 |
| D. | Movement in value of stock of finished / trading goods and work-in-progress | | | | |
| | Opening stock | 74,059.88 | | 73,955.22 | |
| | Closing stock | 99,244.38 | | 74,059.88 | |
| | (Increase) | | (25,184.50) | | (104.66) |
| E. | Excise duty in value of finished / trading goods | | | | |
| | Increase / (Decrease) | | 767.07 | | (2,759.38) |
| | | | 6,49,712.40 | | 5,51,983.77 |
| F. | Less: Expenses capitalised | | 1,525.27 | | 819.91 |
| | | | 6,48,187.13 | | 5,51,163.86 |
| 1. | Rent includes amortisation of cost / value of leasehold assets as reduced by transfer from Revaluation reserve (Refer Note 3.7(b) to the Accounts) | | 384.05 | | 391.42 |
| 2. | Selling and administration expenses include Directors' Sitting Fees | | 15.80 | | 13.40 |

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|---|------------------|------------------|
| 2.4 DEPRECIATION, AMORTISATION AND IMPAIRMENT | | |
| Buildings | 2,926.89 | 1,377.18 |
| Plant and machinery | 12,864.84 | 11,345.09 |
| Furniture, fittings and equipment | 2,132.74 | 1,842.58 |
| Vehicles and aircraft | 799.08 | 923.51 |
| Assets given on lease | | |
| – Buildings | 15.70 | 15.03 |
| – Plant and machinery - windmills | 478.89 | 477.03 |
| – Furniture, fittings and equipment | 14.60 | 14.67 |
| Intangible assets | | |
| Computer software | | |
| – Developed | 22.41 | 260.81 |
| – Acquired | 762.92 | 781.49 |
| Technical knowhow - acquired | 1,716.25 | 854.93 |
| | 21,734.32 | 17,892.32 |
| Less: Transfer from Revaluation reserve (Refer Note 3.7(b) to the Accounts) | 1,323.53 | 50.90 |
| | 20,410.79 | 17,841.42 |
| 1. Of the above, Impairment of | | |
| – Buildings | 65.08 | 39.44 |
| – Plant and machinery | 361.49 | 75.63 |
| – Technical know-how | 700.07 | - |
| 2. Depreciation on Plant and Machinery is net off amount capitalised for assets used in the course of construction | 185.93 | - |

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|---|------------------|------------------|
| 2.5 FINANCIAL EXPENSES | | |
| Interest | 12,734.69 | 15,680.60 |
| Others | 1,063.73 | 1,979.77 |
| | 13,798.42 | 17,660.37 |
| Less: Interest earned on bills receivable, deposits and other accounts | 1,794.71 | 3,858.67 |
| Cash discounts earned | 277.40 | 302.29 |
| | 2,072.11 | 4,160.96 |
| | 11,726.31 | 13,499.41 |
| Less: Borrowing cost capitalised | 3,613.27 | 1,628.54 |
| | 8,113.04 | 11,870.87 |
| Of the above, | | |
| 1. Debenture issue / loan raising expenses amortised | 145.65 | 124.33 |
| 2. Premium on prepayment of borrowings amortised | - | 29.45 |
| 3. Tax deducted at source from interest earned | 164.94 | 163.34 |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

| | | | 2010 | | 2009 |
|---|---------------------|----------|-------------|----------|-------------|
| 1. Information regarding goods manufactured, imports and foreign currency transactions | | | | | |
| | Unit of Measurement | | | | |
| 1.1 Installed capacity – Two shifts (as certified by the Managing Director) | | | | | |
| Commercial vehicles | Nos. | | 1,50,500 | | 1,00,500 |
| 1.2 Production | | | | | |
| Commercial Vehicles | Nos. | | 64,673 | | 54,049 |
| Engines® and Gensets | Nos. | | 17,934 | | 21,901 |
| ® Engines manufactured against spare capacity of commercial vehicles | | | | | |
| 1.3 Finished / trading goods and work-in-progress | | | Rs.Lakhs | | Rs.Lakhs |
| Opening stock | | | | | |
| Commercial Vehicles | Nos. | 6,358 | 48,840.98 | 6,748 | 48,514.01 |
| Engines and Gensets | Nos. | 1,561 | 2,913.99 | 1,168 | 698.32 |
| Parts for sale | | | | | |
| – Bought out finished | | | 10,321.67 | | 9,962.31 |
| – Works made | | | 2,575.00 | | 3,375.90 |
| Work-in-progress | | | 9,408.24 | | 11,404.68 |
| Closing stock | | | | | |
| Commercial Vehicles | Nos. | 7,062 | 54,073.13 | 6,358 | 48,840.98 |
| Engines and Gensets | Nos. | 406 | 583.85 | 1,561 | 2,913.99 |
| Parts for sale | | | | | |
| – Bought out finished | | | 8,428.25 | | 10,321.67 |
| – Works made | | | 1,502.89 | | 2,575.00 |
| Work-in-progress | | | 34,656.26 | | 9,408.24 |
| Capitalised / transferred for internal use and others | | | | | |
| – Commercial Vehicles | Nos. | 43 | | 8 | |
| – Engines and Gensets | Nos. | 39 | | 61 | |
| 1.4 Consumption of raw materials and components | | | | | |
| Plates, sheets and angles | Tonnes | 49,858 | 18,422.74 | 34,896 | 13,092.77 |
| Bars | Tonnes | 2,874 | 1,699.92 | 3,069 | 1,835.12 |
| Steel tubes | Metres | 5,90,573 | 693.33 | 25,496 | 12.15 |
| Tyres, tubes and flaps | Sets | 5,50,612 | 42,279.79 | 4,61,480 | 34,447.85 |
| Forgings and castings | | | 37,536.25 | | 36,320.02 |
| Finished and other items | | | 4,24,891.26 | | 3,46,477.82 |
| | | | 5,25,523.29 | | 4,32,185.73 |
| Of the above | | | | | |
| – Imported items | | | 40,238.08 | | 23,217.97 |
| | | | 7.66% | | 5.37% |
| – Indigenous items | | | 4,85,285.21 | | 4,08,967.76 |
| | | | 92.34% | | 94.63% |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|--|------------------|------------------|
| 1.5 Imports (c.i.f.) | | |
| Raw materials | 28,337.14 | 24,762.09 |
| Trading goods and others | 1,653.78 | 850.74 |
| Spares and tools | 399.23 | 556.18 |
| Capital items | 27,115.36 | 29,381.78 |
| | 57,505.51 | 55,550.79 |
| 1.6 Expenditure remitted in foreign currency | | |
| Royalty | 38.07 | 33.47 |
| Technical knowhow | 4,363.71 | 12,340.09 |
| Interest and commitment charges | 6,470.62 | 3,681.59 |
| Commission paid on sales | 5,521.31 | 6,737.16 |
| Research and development | 1,926.46 | 493.51 |
| Travel | 254.09 | 414.28 |
| Consultancy | 1,725.78 | 470.91 |
| Other expenses | 2,464.42 | 8,600.27 |
| | 22,764.46 | 32,771.28 |
| 1.7 Earnings in foreign currency | | |
| Export – FOB value | 60,410.93 | 86,307.74 |
| Interest | 1,013.28 | 2,881.30 |
| Others (Includes freight, insurance, dividend and commission earned) | 3,020.92 | 9,116.48 |
| | 64,445.13 | 98,305.52 |
| 1.8 Dividend remitted in foreign currency | | |
| Number of non-resident shareholders | 1 | 1 |
| Number of shares on which dividend was remitted | 44,11,66,680 | 44,11,66,680 |
| Dividend remitted during the year relating to previous year | 4,411.67 | 6,617.50 |
| 2. Information regarding managerial remuneration | | |
| 2.1 Remuneration to Managing Director and Whole Time Director | | |
| Salary | 122.85 | 111.17 |
| Contribution to provident, gratuity and other funds | 41.83 | 27.25 |
| Commission | 165.48 | 78.80 |
| Perquisites | 105.25 | 100.29 |
| | 435.41 | 317.51 |
| Perquisites include amounts evaluated as per Income tax Rules in respect of certain items. | | |
| Remuneration to Whole Time Director is from May 8, 2008 - the date of his appointment. | | |
| 2.2 Computation of net profits under Section 198/349 of the Companies Act, 1956 | | |
| Profit before tax | 54,477.48 | 20,844.63 |
| Add | | |
| – Depreciation / impairment as per books | 20,410.79 | 17,841.42 |
| – Directors' remuneration | 451.21 | 330.91 |
| – Amortisation of expenses relating to raising / repayment of loans | 145.65 | 153.78 |
| – Diminution in value of investments - Provision / (Write- back) | (144.24) | 364.80 |
| | 75,340.89 | 39,535.54 |
| Deduct | | |
| – Depreciation as per Section 350 of the Act | 19,558.87 | 17,018.25 |
| – Capital profit on sale of fixed assets, investments and division - net | 5,365.83 | 2,251.63 |
| – Expenses relating to raising / repayment of loans | 20.74 | 73.93 |
| Net Profit | 50,395.45 | 20,191.73 |
| The total remuneration as stated in 2.1 above is within the maximum permissible limit under the Act. | | |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|--|------------------|--------------------------|
| 3. Other financial information | | |
| 3.1 Capital commitments (net of advances) not provided for (including Rs.497.86 lakhs (2009: Rs.301.19 lakhs) in respect of Intangible assets) | 13,275.21 | 33,573.33 |
| 3.2 Contingent liabilities | | |
| a) Guarantees | 27,394.87 | 29,361.48 |
| b) Partly paid shares | 0.14 | 0.14 |
| c) Claims (net) against the Company not acknowledged as debts – Sales tax | 2,689.27 | 2,563.36 |
| – Others | 1,143.65 | 1,266.91 |
| d) Bills discounted | - | 8,672.19 |
| 3.3 Interest charge on | | |
| a) Debentures | 1,874.96 | 1,149.35 |
| b) Fixed loans | 8,579.09 | 9,665.49 |
| 3.4 Auditors' remuneration | | |
| Included under Selling and Administration expenses | | |
| For financial audit | 30.00 | 30.00 |
| For cost audit | 1.50 | 1.50 |
| For taxation matters | 9.00 | 6.50 |
| For company law matters | 0.60 | 0.60 |
| For other matters | 26.58 | 25.65 |
| Expenses reimbursed | 10.53 | 7.26 |
| 3.5 Total Research and Development costs charged to the Profit and Loss account (including amount shown under Schedule 2.3) | 14,853.10 | 13,259.93 |
| 3.6 Impact of exchange (gain) / loss for the year in Profit and Loss Account due to: | | |
| a) Translation / settlement | 1,219.71 | (3,437.33) |
| b) Amortisation of exchange differences | 537.50 | (600.01) |
| c) Depreciation on exchange differences capitalised | 533.15 | 657.13 |
| 3.7 a) Useful life of Fixed Assets | | Useful life (yrs) |
| (i) Useful life lower than that derived from the rates specified in Schedule XIV to the Companies Act, 1956 | | |
| Buildings | | |
| Revalued buildings are depreciated over the balance useful life as determined by the valuers. | | |
| Plant and machinery | | |
| Assets subjected to impairment - revised carrying amount over its remaining useful life | | |
| Windmills | | 12 |
| Furniture, fittings and equipment | | |
| Furniture and fittings | | 8 |
| Office equipment | | 8 |
| Data processing system | | 5 |
| Vehicles | | |
| Cars and motorcycles | | 3 |
| Trucks and buses | | 5 |
| (ii) Useful life not prescribed in Schedule XIV to the Companies Act, 1956 | | |
| Intangible assets | | |
| Computer software | | |
| – Developed | | 5 |
| – Acquired | | 5 |
| Technical knowhow - acquired | | 5 / 6 |

- b) Depreciation for the year computed on assets revalued as on March 31, 2009 (2009: revalued as on December 31, 1984) over the balance useful life on straight line method includes a net charge of Rs.2,982.47 lakhs (2009: Rs.57.80 lakhs) [Rs.1,658.93 lakhs (2009: Rs.6.90 lakhs) in Schedule 2.3 and Rs.1,323.54 lakhs (2009: Rs.50.90 lakhs) in Schedule 2.4]

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

respectively being the excess over the depreciation computed by the method followed by the Company prior to revaluation and the same has been transferred from Revaluation reserve to the Profit and Loss Account.

- c) The Company has, during the year, changed its accounting policy to charge depreciation / amortisation on straight line method 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 hitherto followed 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 off during the year. The impact of the said change for the year is a higher net profit of Rs.2,080.59 lakhs and a corresponding lower charge of depreciation / amortisation reflected in Schedule 2.4 to the Profit and Loss Account.

| | | 2010 | 2009 |
|---|-------|-----------------------|-----------------|
| 4. Earnings per share | | | |
| <i>Basic earnings per share</i> | | | |
| Profit after taxation as per Profit and Loss account (in Rs.lakhs) | (A) | 42,367.48 | 18,999.63 |
| Weighted average number of equity shares outstanding | (B) | 1,33,03,38,317 | 1,33,03,38,317 |
| Basic earnings per share (Face value Re. 1) (in Rs.) | (A/B) | 3.18 | 1.43 |
| 5. Composition of net deferred tax liability | | Rs.Lakhs | Rs.Lakhs |
| Deferred tax liabilities | | | |
| – Depreciation/ Research and Development expenditure | | 40,910.95 | 33,732.71 |
| – Other timing differences | | 150.74 | 109.89 |
| Deferred tax assets | | | |
| – Voluntary retirement scheme compensation | | (348.80) | (499.51) |
| – Unabsorbed depreciation | | (303.47) | (5,946.90) |
| – Other timing differences | | (1,955.73) | (1,052.50) |
| | | 38,453.69 | 26,343.69 |
| 6. Segment information | | | |
| 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. Related party disclosure | | | |
| a) List of parties where control exists | | | |
| <i>Holding company</i> | | | |
| Hinduja Automotive Limited, United Kingdom | | | |
| Machen Holdings SA (Holding Company of Hinduja Automotive Limited) | | | |
| Machen Development Corporation, Panama (Holding Company of Machen Holdings SA) | | | |
| Amas Holdings SA (Holding Company of Machen Development Corporation, Panama) | | | |
| b) Other related parties with whom transactions have taken place during the year | | | |
| <i>Fellow subsidiary</i> | | | |
| Hinduja Foundries Limited, a company under the same management | | | |
| Hinduja Auto Components Limited | | | |
| Hinduja Automotive (UK) Limited | | | |
| <i>Associates</i> | | | |
| Albonair GmbH, Germany | | | |
| Albonair India Private Limited | | | |
| Ashley Airways Limited | | | |
| Ashley Biofuels Limited | | | |
| Ashley Holdings Limited | | | |
| Ashley Investments Limited | | | |
| Ashley Transport Services Limited | | | |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

| | | |
|---|------------------|-----------------|
| Ashok Leyland (UAE) LLC, Ras Al Khaimah, UAE | | |
| Automotive Coaches and Components Limited | | |
| Avia Ashok Leyland Motors s.r.o, Czech Republic | | |
| Defiance Technologies Limited | | |
| Defiance Testing and Engineering Services, Inc. USA | | |
| Gulf Ashley Motor Limited | | |
| Hinduja Leyland Finance Limited | | |
| Irizar TVS Limited | | |
| Lanka Ashok Leyland Limited, Sri Lanka | | |
| <i>Joint Ventures</i> | | |
| Ashley Alteams India Limited | | |
| Automotive Infotronics Private Limited | | |
| Ashok Leyland John Deere Construction Equipment Company Private Limited | | |
| Ashok Leyland Nissan Vehicles Limited | | |
| Nissan Ashok Leyland Powertrain Limited | | |
| Nissan Ashok Leyland Technologies Limited | | |
| <i>Key management personnel</i> | | |
| Mr. R Seshasayee, Managing Director | | |
| | | |
| | 2010 | 2009 |
| | Rs.Lakhs | Rs.Lakhs |
| (c) Material Transactions with related parties | | |
| (i) Purchase of raw materials and components net of scrap sales | | |
| <i>Fellow subsidiary</i> | | |
| Hinduja Foundries Limited | 16,548.18 | 15,213.17 |
| <i>Associates</i> | | |
| Automotive Coaches and Components Limited | 6,319.08 | 7,441.62 |
| Irizar TVS Limited | 6,637.85 | 6,213.81 |
| Avia Ashok Leyland Motors s.r.o. | 5,693.73 | - |
| Other associate companies | 87.73 | - |
| <i>Joint Ventures</i> | | |
| Ashley Alteams India Limited | 198.00 | - |
| Automotive Infotronics Private Limited | 166.48 | - |
| Other Joint ventures | 33.07 | - |
| (ii) Sales and Services | | |
| <i>Associates</i> | | |
| Lanka Ashok Leyland Limited | 17,813.61 | 8,367.86 |
| Gulf Ashley Motor Limited | 7,390.25 | 6,793.38 |
| Ashok Leyland (UAE) LLC | 3,299.49 | - |
| Other associate companies | 1,162.92 | 500.05 |
| <i>Joint Ventures</i> | | |
| Ashok Leyland Nissan Vehicles Limited | 173.03 | - |
| Nissan Ashok Leyland Powertrain Limited | 37.21 | - |
| Nissan Ashok Leyland Technologies Limited | 990.52 | - |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|---|------------------|------------------|
| (iii) Other expenditure | | |
| <i>Fellow subsidiary</i> | | |
| Hinduja Foundries Limited | 0.94 | 0.14 |
| <i>Associates</i> | | |
| Ashley Transport Services Limited | - | 91.82 |
| Defiance Technologies Limited | 134.26 | - |
| Other associate companies | 274.53 | 429.10 |
| <i>Joint Ventures</i> | | |
| Ashok Leyland Nissan Vehicles Limited | 155.84 | - |
| Automotive Infotronics Private Limited | 143.79 | - |
| Nissan Ashok Leyland Technologies Limited | 199.84 | - |
| Other Joint Ventures | 16.75 | - |
| <i>Holding company</i> | | |
| Hinduja Automotive Limited | 21.58 | - |
| (iv) Advance / Current account - Net increase / (decrease) | | |
| <i>Fellow subsidiary</i> | | |
| Hinduja Foundries Limited | 108.50 | 42.50 |
| <i>Associates</i> | | |
| Defiance Technologies Limited | 306.42 | - |
| Other associate companies | 15.11 | 203.50 |
| <i>Joint Ventures</i> | | |
| Ashok Leyland Nissan Vehicles Limited | - | 649.47 |
| Nissan Ashok Leyland Technologies Limited | - | 572.43 |
| Automotive Infotronics Private Limited | 100.00 | - |
| <i>Holding company</i> | | |
| Hinduja Automotive Limited | - | 81.46 |
| (v) Interest and other income | | |
| <i>Fellow subsidiary</i> | | |
| Hinduja Foundries Limited | 225.00 | - |
| <i>Associates</i> | | |
| Albonair GmbH | 125.23 | - |
| Avia Ashok Leyland Motors s.r.o. | 430.36 | 884.21 |
| Defiance Testing and Engineering Services Inc. | 398.17 | 432.05 |
| Defiance Technologies Limited - Sale of Division | 668.00 | - |
| Hinduja Foundries Limited - Sale of asset | 8.14 | - |
| Other associate companies | 74.83 | 276.38 |
| (vi) Dividend income | | |
| <i>Fellow subsidiary</i> | | |
| Hinduja Foundries Limited | - | 218.49 |
| <i>Associates</i> | | |
| Lanka Ashok Leyland Limited | 30.53 | 43.96 |
| Other associate companies | - | 13.00 |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|---|------------------|------------------|
| (vii) Dividend | | |
| <i>Holding company</i> | | |
| Hinduja Automotive Limited | 4,411.67 | 6,782.19 |
| <i>Key management personnel</i> | | |
| Managing Director | 0.11 | 0.11 |
| (viii) Remuneration to key management personnel | | |
| Managing Director | 250.57 | 193.23 |
| (ix) Guarantees given | | |
| <i>Associates</i> | | |
| Avia Ashok Leyland Motors s.r.o. | - | 21,236.70 |
| Ashok Leyland (UAE) LLC | - | 6,171.63 |
| Automotive Coaches and Components Limited | - | 335.00 |
| <i>Joint Ventures</i> | | |
| Ashley Alteams India Limited | 604.53 | - |
| (x) Acquisition / (disposal) of investments | | |
| Fellow subsidiaries /Associate companies/Joint Ventures (Refer Note 4 in Schedule 1.6) | 14,292.13 | 4,128.87 |
| (xi) Advance given for share capital | | |
| <i>Associates</i> | | |
| Ashley Biofuels Limited | - | 99.56 |
| Albonair GmbH | 880.58 | - |
| Albonair India Private Limited | 180.00 | - |
| Defiance Technologies Limited | 92.00 | - |
| <i>Joint Ventures</i> | | |
| Automotive Infotronics Private Limited | 186.91 | 80.79 |
| Ashok Leyland Nissan Vehicles Limited | - | 196.00 |
| Nissan Ashok Leyland Technologies Limited | - | 96.00 |
| Ashley Alteams India Limited | - | 0.50 |
| (xii) Loans given by Company | | |
| <i>Associates</i> | | |
| Avia Ashok Leyland Motors s.r.o. | 6,863.04 | 7,590.90 |
| Albonair GmbH | 4,959.10 | 2,563.67 |
| Ashok Leyland (UAE) LLC | 1,185.41 | 1,208.19 |
| Other associate companies | - | 279.87 |
| (xiii) Loans Repaid to Company | | |
| <i>Associates</i> | | |
| Avia Ashok Leyland Motors s.r.o. | - | 17,236.22 |
| Ashok Leyland (UAE) LLC | - | 1,276.86 |
| (xiv) Outstanding balances | | |
| – Debtors | | |
| <i>Associates</i> | | |
| Lanka Ashok Leyland Limited | 3,711.70 | 511.51 |
| Other associate companies | 2,360.11 | 953.31 |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|---|------------------|------------------|
| <i>Joint Ventures</i> | - | 220.37 |
| – Loans and advances (including interest accrued) | | |
| <i>Fellow subsidiary</i> | | |
| Hinduja Foundries Limited | 2,676.29 | 42.50 |
| <i>Associates</i> | | |
| Avia Ashok Leyland Motors s.r.o | 25,141.30 | 21,783.84 |
| Defiance Testing and Engineering Services Inc. | 6,649.93 | 8,317.34 |
| Ashok Leyland (UAE) LLC | 3,379.11 | 2,531.71 |
| Albonair GmbH | 7,292.43 | 3,210.64 |
| Defiance Technologies Limited | 28.23 | - |
| Ashley Bio Fuels Limited | 1,789.60 | - |
| Other associate companies | 2,587.45 | 3,798.61 |
| <i>Holding company</i> | | |
| Hinduja Automotive Limited | 21.58 | 81.46 |
| Machen Development Corporation | 2,065.61 | 2,065.61 |
| <i>Key management personnel</i> | | |
| Managing Director | 1.72 | 1.72 |
| <i>Joint Ventures</i> | | |
| Automotive Infotronics Private Limited (Expenses Reimbursement) | 208.14 | - |
| Other Joint Ventures | 25.05 | - |
| – Advance for Share Capital | | |
| <i>Associates</i> | | |
| Albonair GmbH | 880.58 | - |
| Albonair India Private Limited | 180.00 | - |
| Ashley Bio Fuels Limited | - | 99.56 |
| Defiance Technologies Limited | 92.00 | - |
| <i>Joint Ventures</i> | | |
| Ashley Alteams India Ltd. | - | 0.50 |
| Ashok Leyland Nissan Vehicles Limited | - | 196.00 |
| Automotive Infotronics Private Limited | 186.91 | 80.79 |
| Nissan Ashok Leyland Technologies Limited | - | 96.00 |
| – Creditors for materials and expenses | | |
| <i>Fellow subsidiary</i> | | |
| Hinduja Foundries Limited | 1,125.71 | 766.10 |
| <i>Associates</i> | | |
| Avia Ashok Leyland Motors s.r.o | 7,679.72 | - |
| Irizar TVS Limited | 1,217.58 | 864.85 |
| Other associate companies | 611.99 | - |
| <i>Joint Ventures</i> | 109.81 | - |
| <i>Key management personnel</i> | | |
| Managing Director | 91.56 | 43.60 |
| – Financial guarantees | | |
| <i>Associates</i> | | |
| Avia Ashok Leyland Motors s.r.o | 18,502.16 | 21,236.70 |
| Ashok Leyland (UAE) LLC | 5,388.00 | 6,171.63 |
| Automotive Coaches and Components Limited | 1,000.00 | 1,000.00 |
| <i>Joint Ventures</i> | | |
| Ashley Alteams India Limited | 604.52 | - |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|--|------------------|------------------|
| (xv) Advances to associate companies in the nature of loan (excluding interest accrued) included in (xiv) above | | |
| <i>Associates</i> | | |
| Avia Ashok Leyland Motors s.r.o | 25,128.29 | 21,302.40 |
| Defiance Testing and Engineering Services Inc. | 6,061.50 | 7,610.14 |
| Ashok Leyland (UAE) LLC | 3,361.88 | 2,529.66 |
| Defiance Technologies Limited | 28.23 | - |
| Albonair GmbH | 7,254.30 | 3,167.66 |
| – Maximum loan (excluding interest accrued) outstanding during the year from associate companies | | |
| <i>Associates</i> | | |
| Avia Ashok Leyland Motors s.r.o | 25,128.29 | 31,845.90 |
| Defiance Testing and Engineering Services Inc. | 7,610.14 | 6,901.88 |
| Ashok Leyland (UAE) LLC | 3,361.88 | 3,834.38 |
| Defiance Technologies Limited | 28.23 | - |
| Albonair GmbH | 7,254.30 | 3,167.66 |

8. Disclosures in respect of Joint Ventures

a) List of joint ventures

| Sl. No. | Name of the Joint Venture | Nature of Business | Proportion of ownership interest | Country of residence / Incorporation |
|---------|---|--|----------------------------------|--------------------------------------|
| 1. | Ashok Leyland Nissan Vehicles Limited | Manufacture of Light Commercial Vehicles (LCV) | 49.29% | India |
| 2. | Nissan Ashok Leyland Powertrain Limited | Manufacture of Powertrain for LCV vehicles | 47.29% | India |
| 3. | Nissan Ashok Leyland Technologies Limited | Development of related Automotive Technology | 49% | India |
| 4. | Ashok Leyland John Deere Construction Equipment Company Private Limited | Manufacture of construction equipment | 50% | India |
| 5. | Ashley Alteams India Limited | Manufacture of aluminum high pressure die casting. | 50% | India |
| 6. | Automotive Infotronics Private Limited | Design, development and adoption of digital electronics products for transportation sector | 50% | India |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

b) Financial interest in jointly controlled entities

Rs.Lakhs

| Sl. No. | Name of the Joint Venture | Current status of Operations and Financials | Company's share of | | | |
|---------|---|--|------------------------|------------------------|-------------------------------------|-----------------------|
| | | | As at March 31, 2010 | | For the period ended March 31, 2010 | |
| | | | Assets | Liabilities | Income | Expenses |
| 1. | Ashok Leyland Nissan Vehicles Limited | <ul style="list-style-type: none"> Commercial production yet to start Financial statements were first prepared and audited for the year ended March 31, 2009 | 2,236.67 (495.93) | 328.64 (435.08) | 40.49 (4.19) | 749.33 (992.53) |
| 2. | Nissan Ashok Leyland Powertrain Limited | <ul style="list-style-type: none"> Commercial production yet to start Financial statements were first prepared and audited for the year ended March 31, 2009 | 1,092.68 (389.36) | 137.80 (100.25) | 21.61 (8.26) | 322.75 (101.33) |
| 3. | Nissan Ashok Leyland Technologies Limited | <ul style="list-style-type: none"> Commercial production yet to start Financial statements were first prepared and audited for the year ended March 31, 2009 | 623.67 (454.25) | 533.18 (905.23) | 11.57 (12.01) | 1,796.76 (1516.31) |
| 4. | Ashok Leyland John Deere Construction Equipment Company Private Limited | <ul style="list-style-type: none"> JV entered into in the year 2009-10 Commercial production yet to start Previous year figures hence not furnished | 2,893.88 - | 28.94 - | 14.58 - | 73.71 - |
| 5. | Ashley Alteams India Limited | <ul style="list-style-type: none"> Commenced commercial production First Balance Sheet was prepared as at March 31, 2008 | 6,107.12 (3,065.29) | 4,549.61 (1,001.18) | 1,249.14 (169.48) | 1,745.09 (453.92) |
| 6. | Automotive Infotronics Private Limited | <ul style="list-style-type: none"> Commenced commercial operation First Balance Sheet was prepared as at March 31, 2008 | 441.64 (144.92) | 496.65 (208.07) | 457.81 (6.69) | 699.67 (294.08) |

Notes:

- Figures in brackets relate to year ended March 31, 2009.
- Contingent liabilities, incurred in relation to interest in joint ventures as on March 31, 2010 is Rs.Nil (2009 – Rs.Nil)
- Share in contingent liabilities of joint ventures themselves for which the Company is contingently liable as on March 31, 2010 Rs.204.39 lakhs (2009 – Rs.Nil)
- Capital commitments, in relation to interests in joint ventures as on March 31, 2010 Rs.Nil (2009 – Rs.Nil)
- Share in capital commitments of joint ventures themselves as on March 31, 2010 Rs.4,825.84 lakhs (2009 – Rs.1,471.76 lakhs)
- The information furnished above in regard to the current year is based on unaudited figures made available to the Company, except Ashok Leyland John Deere Construction Equipment Company Private Limited.
- Figures given above in expenses are excluding taxes.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

9. Out of the 1,00,000 Foreign Currency Convertible Notes (FCCN) aggregating to US\$ 100 million issued in April 2004, 1,000 FCCN were outstanding as of March 31, 2009. Note holders had an option to convert each note of US\$ 1,000 into 1,470 shares of Re.1 each at the then prevailing conversion price of Rs.30. These notes were redeemed on April 29, 2009.
10. The Company has entered into operating lease arrangements with various parties during the year, for leasing out windmills. Ashok Leyland Project Services Limited, through its wind energy division, operates and maintains these assets and has guaranteed the following minimum lease rentals:

| | 2010 Rs.Lakhs | 2009 Rs.Lakhs |
|---|------------------|------------------|
| (a) Receivable within one year from the end of the year | - | 825.00 |
| (b) Receivable between one year and five years | - | 3,770.00 |
| (c) Receivable after five years | - | 1,975.00 |
| (d) Amount recognised during the year | 770.01 | 770.01 |

11. Derivatives

The Company uses derivative financial instruments such as forward contracts, currency swap to hedge certain currency exposures, present and anticipated, denominated mostly in US dollars, EURO, Japanese YEN and Great Britain Pounds. Generally such contracts are taken for exposures materialising in the next twelve months. The Company actively manages its currency / interest rate exposures through a centralised treasury division and uses derivatives to mitigate the risk from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management. The limits and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of underlying assets, liabilities or transactions, as derivatives are used only for risk management.

The information on derivative instrument is as follows:

| A] Derivative instruments outstandings: | | In Lakhs | |
|--|------------|----------------------------|------------|
| Details | Buy / Sell | Amount in foreign currency | |
| | | 2010 | 2009 |
| Foreign Exchange Contracts | | | |
| – USD/INR | Sold | \$263.31 | \$656.80 |
| – USD/INR | Bought | \$292.84 | \$391.40 |
| – EUR/USD | Bought | €13.09 | €125.04 |
| – GBP/USD | Bought | - | £5.77 |
| – USD/JPY | Sold | \$6.31 | \$55.60 |
| – USD/CHF | Sold | - | \$10.00 |
| Currency Swaps | | | |
| – USD/JPY | Bought | \$2,550.00 | \$2,600.00 |
| Refer Clause 5 in significant accounting policies for accounting treatment of such derivatives | | | |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

B] Foreign currency exposure not hedged by derivative instrument

In Lakhs

| Details | Amount (Foreign currency) | | Amount Rs. | |
|--|---------------------------|------------|--------------------|-------------|
| | 2010 | 2009 | 2010 | 2009 |
| Amount receivable on account of sale of goods, loans, deposits, etc. | \$1,694.80 | \$653.93 | 76,096.70 | 32,459.94 |
| | Others | Others | 7,292.43 | 3,210.64 |
| Amount payable on account of purchase of goods, loans, interest etc. | \$3,377.30 | \$3,617.18 | 1,51,640.89 | 1,83,463.59 |
| | €112.38 | €200.56 | 6,793.42 | 13,525.77 |
| | ¥11,461.96 | ¥130.83 | 5,507.24 | 67.41 |
| | £25.24 | £70.12 | 1,714.99 | 5,082.65 |
| | - | CHF 12.27 | - | 545.28 |

12. Accounting for long term monetary items in foreign currency and forward contracts designated as cash flow hedge

12.1 Exchange difference in Long term monetary items in foreign currency

Pursuant to the notification G.S.R.225 (E) dated March 31, 2009 issued by Ministry of Corporate Affairs, the Company during the earlier year, exercised its option irrevocably to account for exchange difference on long term monetary items in foreign currency (i.e. 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 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, 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 year over the balance term till settlement occurs but not beyond March 31, 2011. This was different from the method followed upto March 31, 2008 where all exchange differences on long term monetary items were reckoned in the Profit and Loss account. The impact of the change upto March 31, 2008 amounting to Rs.1,762.90 lakhs was adjusted to General reserve in the previous year.

12.2 Forward contracts designated as cash flow hedges

The Company had 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 commitments and highly probable forecast transactions meeting necessary criteria for designation as "Cash flow hedges". The gains and losses on effective Cash flow hedges are recognised in Hedge Reserve Account till the underlying forecasted transaction occurs.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

13. Employee benefits

a) Defined benefit plans - As per Actuarial valuation on March 31, 2010

| | Gratuity | | | Compensated absences | | | Other defined benefit plans | | |
|--|------------|------------|-----------|----------------------|------------|------------|-----------------------------|------------|----------|
| | 2010 | 2009 | 2008 | 2007 | 2010 | 2009 | 2008 | 2007 | 2008 |
| A. Expense recognised in the statement of Profit and Loss Account for the year ended March 31, 2010 | | | | | | | | | |
| 1. Current service cost | 795.50 | 848.89 | 848.16 | 770.27 | 525.76 | 508.88 | 575.36 | 572.25 | 56.32 |
| 2. Interest cost | 1,227.16 | 1,101.91 | 935.21 | 778.38 | 366.54 | 406.56 | 365.81 | 328.05 | 40.92 |
| 3. Expected return on plan assets | (1,406.11) | (1,062.60) | (855.96) | (695.43) | - | - | - | - | - |
| 4. Net actuarial (gain) / loss recognised during the year | 106.54 | (144.49) | 63.93 | 1,267.10 | (758.60) | (717.43) | 140.28 | 5.98 | (18.17) |
| 5. Total expense | 723.09 | 743.72 | 991.34 | 2,120.32 | 133.70 | 198.01 | 1,081.45 | 906.28 | 79.07 |
| B. Actual return on plan assets | | | | | | | | | |
| 1. Expected return on plan assets | 1,406.11 | 1,062.60 | 855.96 | 695.43 | - | - | - | - | - |
| 2. Actuarial gain/ (loss) on plan assets | - | 223.03 | 275.30 | 204.87 | - | - | - | - | - |
| 3. Actual return on plan assets | 1,406.11 | 1,285.63 | 1,131.26 | 900.29 | - | - | - | - | - |
| C. Net Asset / (Liability) recognised in the Balance Sheet | | | | | | | | | |
| 1. Present value of the obligation | 16,595.63 | 15,339.50 | 14,237.66 | 12,823.80 | 4,942.07 | 4,966.00 | 5,396.09 | 4,822.60 | 563.16 |
| 2. Fair value of plan assets | 15,877.10 | 14,595.78 | 13,253.22 | 10,703.25 | - | - | - | - | - |
| 3. Funded status [surplus / (deficit)] | (718.53) | (743.72) | (984.44) | (2,120.55) | (4,942.07) | (4,966.00) | (5,396.09) | (4,822.60) | (563.16) |
| 4. Net Asset / (Liability) recognised in the Balance Sheet | (718.53) | (743.72) | (984.44) | (2,120.55) | (4,942.07) | (4,966.00) | (5,396.09) | (4,822.60) | (563.16) |
| D. Change in present value of the obligation during the year | | | | | | | | | |
| 1. Present value of obligation as at beginning of the year | 15,339.50 | 14,237.66 | 12,823.80 | 10,741.49 | 4,966.00 | 5,396.09 | 4,822.60 | 4,284.86 | 607.11 |
| 2. Current service cost | 795.50 | 848.89 | 848.16 | 770.27 | 525.76 | 508.88 | 575.36 | 572.25 | 56.32 |
| 3. Interest cost | 1,227.16 | 1,101.91 | 935.21 | 778.38 | 366.54 | 406.56 | 365.81 | 328.05 | 40.92 |
| 4. Benefits paid | 873.08 | 927.50 | 708.74 | 938.31 | 157.63 | 628.10 | 507.96 | 368.54 | 123.02 |
| 5. Actuarial (gain) / loss on obligation | 106.54 | 78.54 | 339.23 | 1,471.96 | (758.60) | (717.43) | 140.28 | 5.98 | (18.17) |
| 6. Present value of obligation as at end of the year | 16,595.63 | 15,339.50 | 14,237.66 | 12,823.80 | 4,942.07 | 4,966.00 | 5,396.09 | 4,822.60 | 563.16 |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

| | Gratuity | | | | Compensated absences | | | | Other defined benefit plans | | | |
|--|-----------|-----------|-----------|-----------|----------------------|----------|--------|------|-----------------------------|---------|---------|-------|
| | 2010 | 2009 | 2008 | 2007 | 2010 | 2009 | 2008 | 2007 | 2010 | 2009 | 2008 | 2007 |
| E. Change in assets during the year | | | | | | | | | | | | |
| 1. Fair value of plan assets as at beginning of the year | 14,595.56 | 13,253.45 | 10,703.48 | 8,741.60 | - | - | - | - | - | - | - | - |
| 2. Expected return on plan assets | 1,406.11 | 1,062.60 | 855.96 | 695.43 | - | - | - | - | - | - | - | - |
| 3. Contributions | 748.51 | 983.98 | 2,127.45 | 1,999.89 | 157.63 | - | - | - | 123.02 | - | - | - |
| 4. Benefits paid | 873.08 | 927.50 | 708.74 | 938.31 | (157.63) | - | - | - | (123.02) | - | - | - |
| 5. Actuarial gain / (loss) on plan assets | - | 223.03 | 275.30 | 204.87 | - | - | - | - | - | - | - | - |
| 6. Fair value of plan assets as at end of the year | 15,877.10 | 14,595.56 | 13,253.45 | 10,703.48 | - | - | - | - | - | - | - | - |
| F. Experience adjustments in | | | | | | | | | | | | |
| 1. Plan liabilities – loss / (gain) | 106.54 | 78.54 | 339.23 | 1,471.96 | (181.28) | (717.43) | 140.28 | 5.98 | (3.73) | (95.57) | (64.19) | 70.31 |
| 2. Plan assets – loss / (gain) | - | 223.03 | 275.30 | 204.87 | - | - | - | - | - | - | - | - |
| G. Major categories of plan assets as a percentage of total plan | | | | | | | | | | | | |
| 100% Qualifying insurance policy | | | | | | | | | | | | |
| Unfunded | | | | | | | | | | | | |
| H. Actuarial Assumptions | | | | | | | | | | | | |
| 1. Discount rate | 2010 | 2009 | 2008 | 2007 | | | | | | | | |
| | 8.0% | 8.0% | 8.0% | 7.5% | | | | | | | | |
| 2. Salary escalation | 5.1% | 5.7% | 6.3% | 5.0% | | | | | | | | |
| 3. Expected rate of return on plan assets | 8.0% | 8.0% | 8.0% | 7.5% | | | | | | | | |
| The estimates of future salary increases have reckoned inflation, seniority, promotion and other relevant factors. | | | | | | | | | | | | |

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

- b) Gratuity is administered through Group gratuity scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligation.
- c) During the year, the Company has recognised the following amounts in the Profit and Loss Account in Schedule 2.3 B -
- Salaries and wages includes compensated absences Rs.133.70 Lakhs (2009: Rs.198.01 Lakhs) and other defined employee benefits Rs.19.84 lakhs (2009: Rs.13.64 Lakhs)
 - Contribution to provident, gratuity and other funds includes Provident Fund and family pension Rs.3,017.66 lakhs (2009: Rs.2,708.90 Lakhs), super annuation Rs.755.39 Lakhs (2009: Rs.691.96 Lakhs), gratuity Rs.808.26 Lakhs (2009: Rs.743.72 Lakhs) and other funds Rs.817.51 lakhs (2009: Rs.717.32 Lakhs)
 - Welfare expenses includes contribution to employee state insurance plan Rs.(42.47) Lakhs (2009: Rs.28.25 Lakhs) and other defined employee benefits Rs.10.90 Lakhs (2009: Rs.15.18 Lakhs)
- d) The Company has adopted Revised Accounting Standard 15 from financial year 2006-07. Comparatives have been provided since then.
14. The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no overdues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.
15. Details of Research and Development expenditure incurred on R&D facilities approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India under section 35 (2AB) of Income Tax Act, 1961.

| | | | Rs.Lakhs | |
|---|---|-----------|-----------|--|
| Particulars | Included in | 2010 | 2009 | |
| (i) Capital expenditure | | | | |
| (a) Land | | 22.91 | 15.00 | |
| (b) Buildings | Schedule 1.5 - Additions and Capital work-in-progress | 157.52 | 1,450.72 | |
| | | 180.43 | 1,465.72 | |
| (c) Capital equipments | | | | |
| Capital expenditure under Section 35 (2AB) | | 10,103.98 | 13,301.36 | |
| (ii) Revenue expenditure * | | | | |
| (a) Salaries / Wages | Schedule 2.3 B | 6,080.95 | 5,626.17 | |
| (b) Material / Consumables / spares | Schedule 2.3 C | 4,097.93 | 2,437.21 | |
| (c) Utilities | Schedule 2.3 C | 357.01 | 302.21 | |
| (d) Other expenditure directly related to R&D | Schedule 2.3 C | 2,796.04 | 3,233.95 | |
| (e) Total revenue expenditure (Total of (ii) (a) to (ii) (d)) | | 13,331.93 | 11,599.54 | |
| (iii) Total R&D expenditure on approved R&D facilities | | | | |
| (Total of (i) (c) and (ii) (e)) | | 23,435.91 | 24,900.90 | |
| (iv) Less: Amount received by R&D facilities | Schedule 2.3 A & C | 208.16 | 154.03 | |
| (v) Net amount chargeable to R&D expenditure (iii) - (iv) | | 23,227.75 | 24,746.87 | |
| * Net of Amount Capitalised | | | | |

16. There is no current tax expense for the year as the Minimum Alternate Tax of Rs.9,215.46 lakhs is subject to credit under section 115 JAA(1A) of the Income Tax Act, 1961 and hence is recognised as an asset as advances in Schedule 1.10 to the Accounts.
17. Profit on sale of division in Schedule 2.2 represents profit on sale of the Defiance Technologies Division, Chennai, as a going concern to Defiance Technologies Limited, with effect from March 1, 2010.
18. Figures for the previous year have been regrouped / amended wherever necessary.

Signatures to Statement of Significant Accounting Policies, Schedules and Notes to the Accounts.

For and on behalf of the Board
R. SESHASAYEE
Managing Director

R. J. SHAHANEY
Chairman

K. SRIDHARAN
Chief Financial Officer

A. R. CHANDRASEKHARAN
Executive Director & Company Secretary

April 29, 2010
Chennai

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 0 | 0 | 0 | 1 | 0 | 5 |
|--|--|---|---|---|---|---|---|

 State Code

| | |
|---|---|
| 1 | 8 |
|---|---|

Balance Sheet Date

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3 | 1 | 0 | 3 | 2 | 0 | 1 | 0 |
|---|---|---|---|---|---|---|---|

Date Month Year

II. Capital Raised during the year (Amount in Rs.Thousands)

Public Issue

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | N | I | L |
|--|--|--|--|--|---|---|---|

 Rights Issue

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | N | I | L |
|--|--|--|--|--|---|---|---|

Bonus Issue

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | N | I | L |
|--|--|--|--|--|---|---|---|

 Private Placement

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | N | I | L |
|--|--|--|--|--|---|---|---|

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 9 | 2 | 8 | 2 | 0 | 4 | 2 | 4 |
|---|---|---|---|---|---|---|---|

 Total Assets

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 9 | 2 | 8 | 2 | 0 | 4 | 2 | 4 |
|---|---|---|---|---|---|---|---|

Sources of Funds

Paid-up Capital

| | | | | | | | |
|--|---|---|---|---|---|---|---|
| | 1 | 3 | 3 | 0 | 3 | 4 | 2 |
|--|---|---|---|---|---|---|---|

 Reserves & Surplus

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3 | 5 | 3 | 5 | 7 | 2 | 3 | 9 |
|---|---|---|---|---|---|---|---|

Secured Loans

| | | | | | | | |
|--|---|---|---|---|---|---|---|
| | 7 | 1 | 1 | 5 | 6 | 6 | 8 |
|--|---|---|---|---|---|---|---|

 Unsecured Loans

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | 4 | 9 | 2 | 3 | 2 | 5 | 0 |
|---|---|---|---|---|---|---|---|

Deferred Tax Liability

| | | | | | | | |
|--|---|---|---|---|---|---|---|
| | 3 | 8 | 4 | 5 | 3 | 6 | 9 |
|--|---|---|---|---|---|---|---|

 Foreign currency monetary item translation difference-net

| | | | | | | | |
|--|-----|---|---|---|---|---|---|
| | (-) | 1 | 2 | 4 | 5 | 0 | 1 |
|--|-----|---|---|---|---|---|---|

Deferred Liability

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 7 | 6 | 5 | 4 | 8 | 5 |
|--|--|---|---|---|---|---|---|

Application of Funds

Net Fixed Assets

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4 | 8 | 1 | 1 | 0 | 2 | 8 | 9 |
|---|---|---|---|---|---|---|---|

 Investments

| | | | | | | | |
|--|---|---|---|---|---|---|---|
| | 3 | 2 | 6 | 1 | 5 | 4 | 9 |
|--|---|---|---|---|---|---|---|

Net Current Assets

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | 1 | 7 | 8 | 9 | 2 | 7 | 1 |
|---|---|---|---|---|---|---|---|

 Miscellaneous Expenditure

| | | | | | | | |
|--|--|--|---|---|---|---|---|
| | | | 5 | 1 | 7 | 4 | 3 |
|--|--|--|---|---|---|---|---|

Accumulated Losses

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | N | I | L |
|--|--|--|--|--|---|---|---|

IV. Performance of Company (Amount in Rs.Thousands)

Turnover

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 7 | 3 | 1 | 5 | 1 | 5 | 5 | 9 |
|---|---|---|---|---|---|---|---|

 Total Expenditure

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 6 | 7 | 7 | 0 | 3 | 8 | 1 | 1 |
|---|---|---|---|---|---|---|---|

Profit / Loss Before Tax

| | | | | | | | | | |
|---|---|--|---|---|---|---|---|---|---|
| + | - | | 5 | 4 | 4 | 7 | 7 | 4 | 8 |
|---|---|--|---|---|---|---|---|---|---|

 Profit / Loss after Tax

| | | | | | | | | | |
|---|---|--|---|---|---|---|---|---|---|
| + | - | | 4 | 2 | 3 | 6 | 7 | 4 | 8 |
|---|---|--|---|---|---|---|---|---|---|

Earnings per share in Rs.

| | | | | | | | |
|--|--|--|--|---|---|---|---|
| | | | | 3 | . | 1 | 8 |
|--|--|--|--|---|---|---|---|

 Dividend Rate %

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | 1 | 5 | 0 |
|--|--|--|--|--|---|---|---|

V. Generic Names of Three Principal Products of Company

Item Code No. (ITC Code)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 8 | 7 | 0 | 6 | 0 | 0 | 4 | 2 |
|---|---|---|---|---|---|---|---|

Product Description

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|---|---|
| C | O | M | M | E | R | C | I | A | L | | V | E | H | I | C | L | E | S |
|---|---|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|---|---|

Item Code No. (ITC Code)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 8 | 4 | 0 | 8 | 9 | 0 | 1 | 0 |
|---|---|---|---|---|---|---|---|

Product Description

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|--|--|--|--|--|--|--|--|--|--|--|--|
| E | N | G | I | N | E | S | | | | | | | | | | | | |
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Item Code No. (ITC Code)

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| 8 | 7 | 0 | 8 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|

Product Description

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|---|---|---|---|---|--|---|---|---|---|---|--|--|--|--|--|--|--|--|
| S | P | A | R | E | | P | A | R | T | S | | | | | | | | |
|---|---|---|---|---|--|---|---|---|---|---|--|--|--|--|--|--|--|--|

For and on behalf of the Board

K. SRIDHARAN
Chief Financial Officer

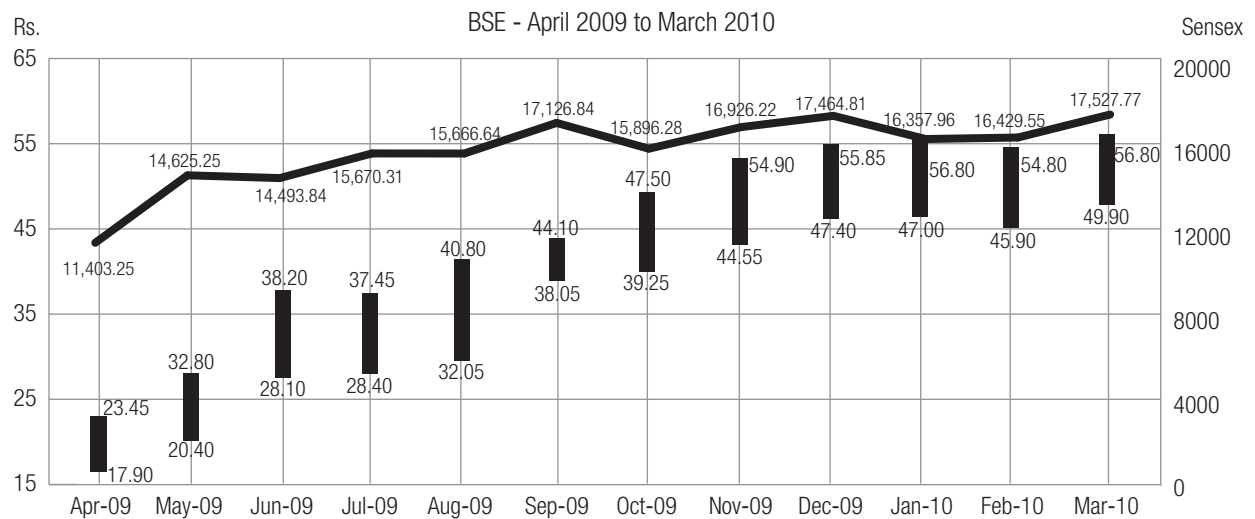
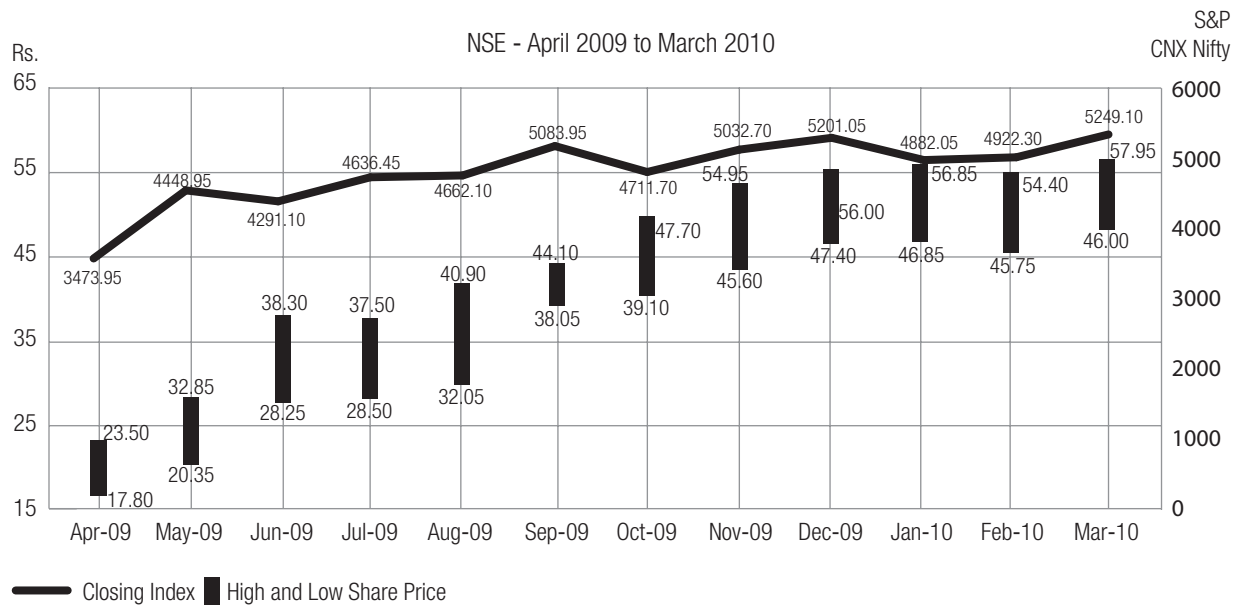
A.R. CHANDRASEKHARAN
Executive Director &
Company Secretary

R. SESHASAYEE
Managing Director

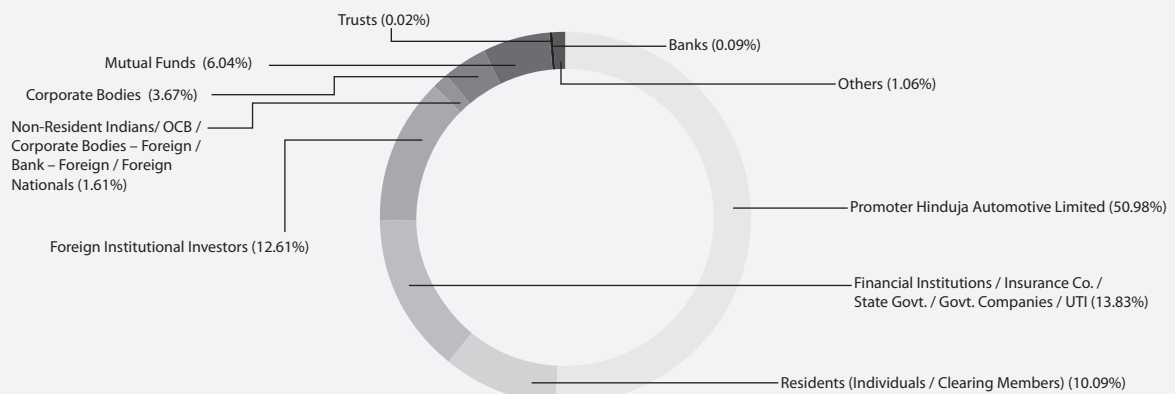
R. J. SHAHANEY
Chairman

April 29, 2010
Chennai

SHARE PRICE MOVEMENT



SHAREHOLDING PATTERN AS ON MARCH 31, 2010



ANNEXURE-F TO DIRECTORS' REPORT

Information as per Section 217(2A)(b)(ii) read with the Companies (particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2010

| SL. NO. | NAME | AGE YEARS | DESIGNATION | DATE OF COMMENCEMENT OF EMPLOYMENT | REMUNERATION RECEIVED / RECEIVABLE RS. | QUALIFICATION | TOTAL EXPERIENCE (YEARS) | PARTICULARS OF PREVIOUS EXPERIENCE |
|---------|-------------------------------|-----------|--|------------------------------------|--|---|--------------------------|--|
| 1 | Abdul Ayub | 58 | Deputy General Manager - Exports | 18.04.78 | 2,835,067 | LAE | 38 | Asst. Mech Foreman, APSRTC |
| 2 | Abraham TT | 59 | Special Director - Corporate Communications | 15.11.91 | 5,350,188 | B.Sc., M.A., DMM, DBM | 38 | MICO Ltd., Manager PR and Publicity |
| 3 | Adhinathan K | 49 | General Manager - Marketing | 03.11.08 | 4,373,486 | B.Sc., B.Tech. | 26 | Vice-President, Carnation Auto India (P) Ltd. |
| 4 | Akbar Khan A | 54 | General Manager - Personnel & Administration | 06.05.85 | 3,727,303 | M.A., LLB, M.Sc. (Psychology) | 33 | Dy. Mgr. Travancore Titanium Products Ltd. |
| 5 | Amrolia JN | 62 | Executive Director - Construction and Allied Business | 16.05.80 | 9,744,175 | B.A. (Hons.), M.A. (PM & L.W) | 39 | Selection & Training Manager, Brooke Bond India Ltd. |
| 6 | Anand TV * | 59 | General Manager - Defence Sales | 18.04.79 | 3,240,868 | B.Sc., DMIT | 36 | Sales Engineer, L&T Ltd. |
| 7 | Annamalai S | 51 | Deputy General Manager - Product Development | 15.04.81 | 2,490,972 | DME, BS (ENGG TECH) | 29 | — |
| 8 | Anup Bhat | 53 | Executive Director - Strategic Sourcing | 14.06.00 | 9,981,965 | B.Tech. | 31 | Divisional GM, Eicher Royal Enfield Motors |
| 9 | Avinash Kumar Jain | 50 | Executive Director - Project Planning | 13.04.06 | 8,575,754 | B.Tech., DBM, MMS | 29 | Director - Operations, Piaggio Vehicles P. Ltd. |
| 10 | Badrinathan R | 52 | General Manager - Project Planning | 22.10.81 | 2,745,952 | B.E. | 28 | — |
| 11 | Bakshi BS Lt. Col. | 57 | Deputy General Manager - Personnel & Admn., Pant Nagar Factory, Uttarkhand | 02.11.07 | 2,705,321 | B.A., PGDPM & IR | 35 | DGM (HR & SP), Tayo Rolls Ltd. |
| 12 | Balachandran B | 58 | Deputy General Manager - Total Quality Management | 05.02.87 | 2,746,182 | B.Tech. | 35 | Asst Supdt, WG Forge & Allied Inds Ltd. |
| 13 | Balasubramanian M | 54 | Asst General Manager, Sales - Heavies | 22.07.80 | 2,471,662 | B. Tech. | 29 | — |
| 14 | Balasubramanian S | 62 | Executive Director - Project Coordination | 01.01.73 | 9,088,341 | B.E., Dip. in SQC & OR, ICWA (Inter), MBA | 41 | — |
| 15 | Begg JRW | 65 | Head-Vehicle Engineering | 07.01.02 | 6,146,212 | B.Sc. (Mech. Engg.) MBA | 41 | General Manager (Engg. & R&D), Transmobile Ltd. |
| 16 | Belsare CG | 51 | Special Director - Power Solutions Business | 01.08.06 | 5,044,070 | B.E. | 29 | Own Consultancy |
| 17 | Bhattacharya SK | 50 | Deputy General Manager - Purchase | 14.10.83 | 2,825,001 | B.E., PG Cert in Engg. Bus Mgt. | 33 | — |
| 18 | Bhimasena Rau H | 50 | Resident Director - Dubai | 01.03.04 | 5,862,153 | B.E., MBA | 18 | GM, Al Aquili Group, Dubai |
| 19 | Chadha RK | 49 | Regional Manager - Chandigarh | 07.06.99 | 2,664,400 | B.Sc. (Engg.) | 28 | Vice-President, Rohit Auto Ltd. |
| 20 | Chandramohan PG | 53 | Special Director - Pricing & Product Cost Engineering | 16.11.81 | 3,822,664 | B.E., MBA | 28 | — |
| 21 | Chandrasekar S | 57 | General Manager - Systems | 18.09.81 | 3,445,269 | B.Com., ICWA | 38 | Systems Analyst, Kudremukh Iron Ore Ltd. |
| 22 | Chandrasekaran N | 58 | Special Director - Information Technology | 30.06.04 | 5,606,660 | B.Sc., DMIT | 34 | CEO, Esix Technologies |
| 23 | Chandrasekharan AR | 57 | Executive Director & Company Secretary | 17.04.06 | 9,220,147 | B.Com. (Hons), ACA, ACS, LLB, CAIB | 36 | President, Orchid Chemicals & Pharmaceuticals Ltd. |
| 24 | Chatterjee AK | 58 | Plant Director - Bhandara | 03.02.97 | 4,927,348 | B.E. | 34 | Manager - Maintenance, Voltas Ltd. |
| 25 | Chopra AK | 52 | General Manager - Alwar | 10.02.83 | 2,993,312 | B.E. | 27 | — |
| 26 | Debasis Ghose | 57 | Deputy General Manager - Tech Centre | 04.02.08 | 2,969,487 | B.Tech. | 33 | DGM-Electric Vehicle, Bajaj Auto Ltd. |
| 27 | Devarajan R | 68 | Special Director - Product Development | 01.10.68 | 5,996,401 | B.Sc., DMIT | 42 | — |
| 28 | Felix Radlizi * | 35 | Head - Defence Exports | 01.12.09 | 2,660,305 | BSc; PGD; M.Sc. | 14 | Executive Manager - Sales, IMAN Ferrostaal AG, Germany |
| 29 | Gade Venkata Narasimha Prasad | 40 | Asst. General Manager, Product Development | 12.12.08 | 2,669,281 | B.E., M.Sc. MS, Ph.D | 11 | DGM - Mahindra & Mahindra Ltd. |

| SL. NO. | NAME | AGE YEARS | DESIGNATION | DATE OF COMMENCEMENT OF EMPLOYMENT | REMUNERATION RECEIVED / RECEIVABLE RS. | QUALIFICATION | TOTAL EXPERIENCE (YEARS) | PARTICULARS OF PREVIOUS EXPERIENCE |
|---------|---------------------------|-----------|---|------------------------------------|--|---------------------------------------|--------------------------|--|
| 30 | Ganesan VR * | 49 | Deputy General Manager, Product Development | 07.04.03 | 2,700,013 | M.Tech. | 27 | Principal Member - R&D, TAFE |
| 31 | Ganesh M | 43 | Deputy General Manager - Human Resources | 21.08.06 | 3,040,268 | B.Sc., M.A., PGDPM & IR, MBA, BGL | 21 | Sr. Divnl Manager - HR, Caterpillar India P. Ltd. |
| 32 | Gopalakrishnan S | 41 | Principal Engineer, Advanced Engineering Group | 14.02.05 | 2,595,802 | B.E. (EEE); MS (ELEC & CS) (ILLINOIS) | 15 | Senior Research Scientist, Southwest Research Institute, USA |
| 33 | Gopalan J | 58 | Deputy General Manager - Customer Group | 01.04.74 | 3,963,813 | DME, PDAE, B.E., PGDBM, MBA | 36 | — |
| 34 | Guin AK | 66 | Deputy General Manager - Product Development | 01.10.80 | 3,980,264 | B.E. | 42 | Site Representative, Jessop & Co. Ltd. |
| 35 | Gupta Alok Kumar | 50 | Head - Pant Nagar Plant | 18.04.86 | 3,348,594 | B.E. (Metal), Dip. in Prodn. Mgt. | 29 | Senior Metallurgist, Lakshmi Precision Engg. |
| 36 | Harthar P | 48 | Plant Director - Hosur | 01.08.05 | 4,577,710 | B.Sc., DBM | 24 | Director - Sourcing, GE Power Controls |
| 37 | Heslop WW Capt. | 61 | Pilot, Aircraft Division, Mumbai | 01.01.08 | 7,900,779 | Aircraft Pilot's Licence | 36 | — |
| 38 | Hombali VM | 57 | Special Director - Customer Care | 01.09.82 | 4,677,376 | B.Tech., MBA | 33 | Engineer - Market Planning, HMT Ltd. |
| 39 | Janardhanan TC | 58 | Deputy General Manager - MPS & Imports | 01.07.74 | 3,259,841 | DME | 36 | — |
| 40 | Jayaram Krishnan | 51 | Head - Telematics | 13.10.08 | 4,728,495 | B.Tech., PDGM | 26 | Director & CEO - American Megatrends India Ltd., Chennai |
| 41 | Jayendra Parikh * | 56 | Executive Director - Advanced Engg & Mission Summit | 01.10.09 | 2,758,190 | B.E.; MS | 29 | Staff Researcher - R&D, General Motors, USA |
| 42 | Jeyagopu E | 56 | Head - Reliability | 13.10.79 | 4,149,447 | B.Sc., DMIT | 30 | — |
| 43 | Kaisi SS * | 60 | Deputy General Manager - Parts | 01.02.78 | 2,868,432 | B.E. | 32 | — |
| 44 | Kannan G | 56 | General Manager - Product Development | 25.07.07 | 4,452,971 | B.E., ME | 32 | Engineering Manager, Caterpillar India P. Ltd. |
| 45 | Karthick A | 43 | Deputy General Manager - New Gen Cab | 30.06.07 | 2,973,591 | B.Tech. | 20 | Director - Tech, IIRS Mfg. Ltd. |
| 46 | Karthik A | 34 | Deputy General Manager - Program Management Office | 04.08.05 | 3,155,300 | B.Tech., Master of Mgt. | 11 | Analyst, TCS |
| 47 | Karthik J * | 34 | Deputy General Manager - Business Planning | 30.12.09 | 982,127 | B.Tech.; MS, PGDBA | 11 | Engagement Manager, McKinsey & Co. |
| 48 | Khalitan B | 60 | Special Director - Special Vehicles | 05.08.79 | 4,974,572 | B.E. | 37 | Regional Service Engineer, Hindustan Motors |
| 49 | Krishnan S | 42 | General Manager - Product Development | 06.12.07 | 4,694,161 | B.Sc., B.Tech., ME, MBA | 20 | AGM (Engines), Tata Motors |
| 50 | Kumar Ashok | 52 | Regional Manager - Central | 11.04.92 | 2,733,087 | B.E. | 27 | Asst. Manager - Parts Mkg, Bharat Earthmovers Ltd. |
| 51 | Kumar VS | 57 | Deputy General Manager - Exports | 01.10.76 | 2,812,070 | B.E., DIIT, PGDBA, PGDFT, MBA | 33 | — |
| 52 | Lakshminarayanan PA Dr. | 60 | Head - Engine Research & Development | 16.05.02 | 4,393,353 | B.Tech., M.S., Ph.D | 31 | Sr. GM - Research , Kirloskar Oil Engines Ltd. |
| 53 | Lobo A | 55 | General Manager - Exports | 21.08.80 | 4,077,983 | B.E. | 29 | — |
| 54 | Madhukar Sharma | 57 | Deputy General Manager - Spare Parts | 02.02.04 | 3,131,516 | M.Com., PGDBM | 34 | DGM - Service, Kinetic Engg Ltd. |
| 55 | Medhekar Achyut Kamalakar | 56 | Deputy General Manager-Power Solutions Business | 07.07.08 | 2,836,819 | B.Sc.; DME; PGDBM | 36 | Senior General Manager, Cummins India Ltd. |
| 56 | Menon CBS * | 64 | Deputy General Manager - Product Development | 28.01.91 | 3,971,387 | B.Sc. (Engg.), ME | 38 | Chief Development Engineer, Telco |
| 57 | Mohan M | 51 | Deputy General Manager - Manufacturing | 20.01.83 | 2,910,095 | B.E. (Hons.) | 27 | — |
| 58 | Mohana Srinivasan Mrs * | 55 | General Manager - Finac Services | 05.12.96 | 1,046,442 | B.Sc., ACA, CAIIB | 31 | Vice-President, Apple Credit Corporation |
| 59 | Mohanakrishnan N | 58 | Executive Director - Internal Audit | 01.07.77 | 8,569,754 | B.Sc., ACA | 34 | Group Accounts Officer, Eastern Coal Fields Ltd. |
| 60 | Murali S | 52 | Special Director - Neptune Project | 10.10.81 | 4,361,391 | B.E. (Hons.) | 28 | — |
| 61 | Muralitharan N | 52 | General Manager - Engine Research & Development | 09.02.07 | 4,003,253 | B.E. (Hons.), MBA | 28 | Sr. GM - R&D, Indian Pistons |
| 62 | Murugappan N | 60 | Plant Director - Ennore | 01.05.75 | 4,374,305 | B.E. | 33 | — |
| 63 | Nagarajan R | 48 | Deputy General Manager - Product Management Group | 01.09.88 | 2,416,599 | B.Sc.; B.Tech. | 23 | Service Engineer, Bajaj Tempo Ltd. |

| SL. NO. | NAME | AGE YEARS | DESIGNATION | DATE OF COMMENCEMENT OF EMPLOYMENT | REMUNERATION RECEIVED / RECEIVABLE RS. | QUALIFICATION | TOTAL EXPERIENCE (YEARS) | PARTICULARS OF PREVIOUS EXPERIENCE |
|---------|--------------------------|-----------|--|------------------------------------|--|-----------------------------|--------------------------|---|
| 64 | Nagesh Prakash K | 53 | General Manager - Manufacturing | 16.10.81 | 4,317,986 | B.E., MS | 28 | — |
| 65 | Nair MKR | 63 | General Manager - Projects | 01.10.72 | 4,443,516 | B.Sc. (Engg.), DIM | 40 | — |
| 66 | Narasimha Rao KVL | 43 | Deputy General Manager - Strategic Sourcing | 29.11.07 | 3,065,817 | B.E. | 20 | Divisional Manager-Materials, Tata Motors |
| 67 | Naresh Gupta | 59 | General Manager - Global Sourcing | 13.12.06 | 4,930,651 | B.Tech, M.A. (Mgt. Science) | 33 | Country Head, Continental Engines Ltd. |
| 68 | Nataraj M | 68 | Executive Director - Global Bus Programme | 07.04.78 | 9,053,395 | B.E. | 45 | Manager - Ptg. & Devpt. Bimetal Bearings Ltd., Coimbatore |
| 69 | Parameswaran R | 54 | Deputy General Manager - Network Planning | 21.07.80 | 2,954,286 | B.Sc., DMIT | 29 | — |
| 70 | Parthasarathy P | 57 | Chief Operating Officer - Defence Technologies | 04.09.08 | 5,180,017 | DMIT, M.Sc. | 40 | President & COO, TVS-E Technologies Ltd., Bangalore |
| 71 | Parthasarathy P | 54 | Deputy General Manager - Strategic Sourcing | 27.07.80 | 2,670,309 | B.E., ME | 29 | — |
| 72 | Patel AK * | 60 | Deputy General Manager - Materials | 01.10.81 | 1,870,776 | B.E. | 37 | Engineer-QC, Telco, Pune |
| 73 | Pilkiwal I S Brig | 58 | Deputy General Manager - Admn, Pant Nagar Factory, Uttarkhand | 01.09.07 | 2,525,680 | M.A., MBA | 37 | Brigadier, Indian Army |
| 74 | Pillai NSN | 61 | Deputy General Manager - Information Security and Risk Management | 20.01.82 | 3,196,342 | B.Sc., ACA, CIA, CISM | 36 | — |
| 75 | Prabhat Khare * | 47 | Deputy General Manager - Project Planning | 16.01.07 | 2,943,747 | B.E., PGDM | 27 | Honda Siel Power Products Ltd. |
| 76 | Prakash C | 58 | General Manager - Product Development | 01.03.78 | 2,915,002 | B.E., M.Tech. | 32 | — |
| 77 | Prasanna Deshpande | 56 | General Manager - Engine Research and Development | 03.01.00 | 3,364,050 | M.Tech. | 31 | Manager-Design, Texmaco |
| 78 | Purushotam Hinduja Capt. | 46 | Pilot, Aircraft Division, Mumbai | 05.09.07 | 6,682,501 | Aircraft Pilot's Licence | 21 | — |
| 79 | Purushotaman R | 51 | Deputy General Manager - Corporate Quality Engg. | 17.02.83 | 4,108,107 | B.E. (Hons.), MS | 27 | — |
| 80 | Rajagopala Menon R | 55 | Executive Director-Product Development | 09.08.80 | 7,177,155 | B.Tech. | 29 | — |
| 81 | Rajan P | 57 | Deputy General Manager - Plant Engg | 16.09.81 | 2,626,436 | B.E. | 31 | Asst. Production Engineer, TAFE |
| 82 | Rajaraman N | 55 | Deputy General Manager - Materials | 12.09.79 | 2,708,870 | B.E., MBA | 30 | — |
| 83 | Rajendra Kumar Ayya | 42 | Deputy General Manager - Engine Assembly, Pant Nagar Factory, Uttarkhand | 21.10.08 | 2,731,586 | B.E.; MBA | 17 | AGM-Engine Plant, Maruti Suzuki India Ltd. |
| 84 | Rajendra Kumar K | 46 | General Manager-Strategic Sourcing | 03.07.06 | 3,285,604 | B.E., PGDBA | 24 | GM-Strategic Sourcing, Royal Enfield Motors |
| 85 | Rajesh S | 50 | Regional Manager - South | 20.01.83 | 3,182,371 | B.E. | 26 | — |
| 86 | Rajinder Malhan | 61 | Executive Director - International Operations | 29.05.02 | 8,780,314 | B.Sc. (Engg.) | 44 | Consultant |
| 87 | Rajive Saharia | 51 | Executive Director - Marketing | 02.06.07 | 6,693,359 | B.E. (Hons.) | 28 | President, Brose India Automotive Systems P. Ltd. |
| 88 | Raju S | 59 | Deputy General Manager - Strategic Sourcing | 14.02.79 | 2,721,047 | B.E. | 36 | Prodn Engr. Suri & Nayar Ltd. |
| 89 | Rakesh Jain | 49 | Regional Manager-East | 10.01.85 | 3,009,914 | B.Sc., B.Tech., PGDBM | 24 | — |
| 90 | Rama Rao A | 58 | General Manager - Project Planning | 01.04.75 | 3,684,035 | B.E. | 35 | — |
| 91 | Ramadural SG | 58 | Special Director - Product Planning & Portfolio Management | 10.05.82 | 4,614,988 | B.E. | 35 | Sales Executive, Greaves Cotton & Co. Ltd. |
| 92 | Ramakumar M * | 60 | Deputy General Manager - Product Development | 01.01.75 | 5,545,174 | DME, BS | 35 | — |
| 93 | Raman KS | 57 | Deputy General Manager - Parts | 10.08.85 | 3,235,847 | B.E., DIM | 36 | Asst. Sales Manager, Shadlow India Ltd. |
| 94 | Ramesh V | 52 | General Manager - Product Development | 28.02.83 | 3,467,080 | B.Tech. | 27 | — |
| 95 | Ranji Narayanawamy | 57 | General Manager-Product Management Group | 01.03.81 | 3,803,846 | B.E. | 36 | Sales Asst, Kavery Structuralis |
| 96 | Ramkumar K | 45 | General Manager-Corporate Treasury | 07.03.96 | 3,428,428 | M.Com., AICWA, ACS | 22 | Manager-Finance, MAC Industries |

| SL. NO. | NAME | AGE YEARS | DESIGNATION | DATE OF COMMENCEMENT OF EMPLOYMENT | REMUNERATION RECEIVED / RECEIVABLE RS. | QUALIFICATION | TOTAL EXPERIENCE (YEARS) | PARTICULARS OF PREVIOUS EXPERIENCE |
|---------|------------------------|-----------|---|------------------------------------|--|---------------------------|--------------------------|--|
| 97 | Ranganathan PK | 52 | Deputy General Manager-Finance | 13.11.85 | 3,428,722 | B.Com., ACA, AICWA | 27 | Sr. Asst., SViswanathan, Chartered Accountants |
| 98 | Ranganathan TR | 52 | General Manager-Manufacturing | 19.01.83 | 3,391,781 | B.E., MBA, CPME | 27 | — |
| 99 | Rao RN | 56 | Special Director-Sales & Marketing | 30.09.93 | 4,420,283 | B.E. MMM | 33 | Sales Engineer, Lucas TVS Ltd. |
| 100 | Ravi CR | 55 | Deputy General Manager - Project Planning | 10.12.80 | 2,539,324 | B.E., DIIT, PGDBA | 33 | — |
| 101 | Ravi TS | 49 | Deputy General Manager - Product Development | 03.04.91 | 2,513,585 | B.Sc., B.Tech. | 23 | Asst. Engineer, Simpson & Co. |
| 102 | Ravichandran K | 52 | General Manager-Strategic Sourcing | 23.10.81 | 3,214,786 | B.E. | 28 | — |
| 103 | Ravichandran VS | 54 | Regional Manager-North | 12.09.79 | 2,788,655 | B.E. | 30 | — |
| 104 | Saravanan N Dr | 44 | Special Director -Product Development | 26.09.05 | 6,553,863 | B.E., MS, PhD, MBA | 15 | Strategic Planning Manager, Intel Corporation, USA |
| 105 | Sarma SR Akella Dr | 45 | Asst.General Manager-Product Development | 01.11.07 | 2,517,875 | B.E., MS, PhD | 22 | Manager-Engg, Eaton Industries P Ltd. |
| 106 | Saskaran G | 52 | General Manager-Personnel & Administration | 10.07.03 | 3,132,447 | B.A., M.A. (SW) | 29 | DGM-P&A, Hindustan Aeronautics Ltd. |
| 107 | Sathya Prasad M Dr | 42 | Section Head-Advanced Engineering | 18.04.04 | 3,043,198 | B.E., MS, PhD | 19 | Lead CAE Specialist, Dana Corporation, USA |
| 108 | Sathyarayanan A | 50 | Deputy General Manager-Systems | 19.01.83 | 3,136,850 | B.E. (Hons) | 27 | — |
| 109 | Sathyaseelan G | 40 | Asst.General Manager-Product Development | 05.10.07 | 2,981,076 | B.E., M DES | 18 | Head-Styling, Tata Elxsi Ltd. |
| 110 | Seetharaman P | 56 | Deputy General Manager-Export Finance | 04.02.81 | 3,222,367 | B.Com., ICWAI | 34 | Accounts Asst, Indian Organic Chemicals |
| 111 | Sekar J | 52 | Deputy General Manager - Product Development | 23.07.80 | 2,631,008 | DME, BS, M.Tech. | 31 | Supervisor, Krishna Fabrications P Ltd. |
| 112 | Seshadri A | 54 | Deputy General Manager-Mission Summit | 12.09.79 | 3,086,632 | B.Sc., DMIT, MBA | 30 | — |
| 113 | Seshadri KS | 57 | Deputy General Manager-Product Development | 01.04.75 | 3,117,316 | DME, B.Tech. | 35 | — |
| 114 | Seshasayee R | 62 | Managing Director | 21.01.76 | 19,543,737 | B.Com., ACA | 39 | Manager - Accounts, Hindustan Lever Ltd. |
| 115 | Shekhar Arora | 57 | Executive Director -HR | 02.01.81 | 8,772,038 | B.A., MSW | 33 | Personnel Officer, Oswal Steel |
| 116 | Sivaraman L | 49 | Program Manager- Truck Migration Program | 15.10.07 | 3,760,451 | B.E., PGDBA | 25 | Joint GM, L&T e-Engg Solutions |
| 117 | Soundararajan G | 61 | General Manager - Projects | 01.03.74 | 3,877,206 | B.E., DIM | 35 | — |
| 118 | Sridharan Balaji K | 55 | General Manager-Manufacturing | 21.10.79 | 3,258,242 | B.E. | 30 | — |
| 119 | Sridharan K | 56 | Chief Financial Officer | 06.03.82 | 11,179,004 | B.Com., ACA, Grad. CWA | 33 | Sr-System Analyst, Tata Consultancy Services, Mumbai |
| 120 | Srikant Srinivasan | 53 | Special Director - HR | 26.03.82 | 2,563,676 | B.Com., M.A. (Pers. Mgt.) | 31 | Personnel Officer, ACC Ltd. |
| 121 | Srinivasan R | 61 | General Manager -Finance | 01.08.76 | 4,722,294 | B.Sc., ACA | 33 | — |
| 122 | Srinivasan R | 53 | Deputy General Manager - Project Planning | 21.07.80 | 2,498,593 | B.E. | 30 | — |
| 123 | Srinivasan S * | 62 | Asst General Manager- Admn & Technical Services | 02.09.79 | 3,824,837 | B.E., Dip. in SOC & OR | 40 | Asst. Supdt, Telco |
| 124 | Srinivasan SR | 57 | General Manager - Internal Audit | 10.07.82 | 4,027,650 | B.Com., ACA | 32 | Chief Accountant, Cymax Distributors P. Ltd. |
| 125 | Stanley Johnstone | 56 | Deputy General Manager-Manufacturing | 06.01.80 | 2,931,081 | B.E. | 30 | — |
| 126 | Subramanian KV | 60 | General Manager-Project Planning | 01.07.74 | 3,273,190 | B.E., DIIT | 35 | — |
| 127 | Sumit Vyas | 42 | Deputy General Manager - Engines | 01.09.05 | 3,035,991 | B.E., ME, PGDBA | 21 | Branch Manager, Honda Siel Power Products Ltd. |
| 128 | Sundaram Parthasarathi | 57 | Special Director - Business Planning | 01.10.78 | 4,718,501 | B.E., M.S. (U.S.A) | 31 | — |
| 129 | Sundarajan MS | 53 | Deputy General Manager-Quality Engineering | 25.07.80 | 2,811,771 | B.E. | 29 | — |
| 130 | Sundaraman CN * | 59 | Deputy General Manager-Improvement Cell | 28.01.82 | 2,444,892 | B.E., PGIE, PGTD | 35 | Junior Exec, Fertilizer Corpn of India |
| 131 | Surendran J | 57 | Deputy General Manager-Manufacturing | 20.06.96 | 3,168,822 | B.E. | 32 | — |
| 132 | Surendranath M | 50 | Deputy General Manager-Technical Services | 14.10.84 | 3,223,889 | B.E., MBA | 25 | — |
| 133 | Swaminathan R | 59 | Deputy General Manager-Customer Support Group | 01.11.75 | 2,726,187 | B.E., MBA | 34 | — |
| 134 | Tiwari SD | 53 | General Manager-Production & Plant Engg. | 27.11.83 | 3,277,797 | B.E. | 27 | — |
| 135 | Udayashanker BM | 60 | Executive Director - Manufacturing | 01.07.74 | 8,751,314 | B.E. | 39 | — |

| SL. NO. | NAME | AGE YEARS | DESIGNATION | DATE OF COMMENCEMENT OF EMPLOYMENT | REMUNERATION RECEIVED / RECEIVABLE RS. | QUALIFICATION | TOTAL EXPERIENCE (YEARS) | PARTICULARS OF PREVIOUS EXPERIENCE |
|---------|----------------------------|-----------|---|------------------------------------|--|--|--------------------------|---|
| 136 | Umapathy K | 65 | Deputy General Manager-Product Development | 05.10.78 | 3,117,575 | DME, DBM | 42 | Engineer IED, Enfield India Ltd. |
| 137 | Umesh Gautam | 55 | Deputy General Manager - Exports, Sri Lanka | 31.03.78 | 2,443,803 | DAE, B.A. | 35 | Jr. Foreman, UPSRTC |
| 138 | Usha Soman Mrs | 56 | General Manager-Corporate HR | 09.12.96 | 3,243,564 | B.Sc., MBA | 32 | Sr. Exec-CHRM, National Dairy Development Board |
| 139 | Vasudevan NS | 62 | General Manager-Projects | 19.08.81 | 4,259,819 | B.Sc., DMIT | 38 | Senior Engineer, International Instruments Ltd. |
| 140 | Ved Parkash | 53 | Deputy General Manager-Quality Assurance | 01.10.08 | 3,312,527 | B.Sc. (Engg.) | 30 | Associate Vice-President, HI Tech Gears Ltd. |
| 141 | Venkat Subramaniam B | 48 | Special Director-Future Vehicle Development Program | 01.08.03 | 4,545,688 | B.Tech. PGDBM | 23 | GM - Sales, TVS Motor Co. |
| 142 | Venkata Subramanian SH Dr. | 48 | Section Head-Advanced Engineering | 23.06.04 | 3,028,937 | B.E., M.Tech., Ph.D | 21 | Mechanical Engineer, GE India Tech Centre P. Ltd. |
| 143 | Venkatashubramanian S | 54 | Deputy General Manager- Secretarial | 01.06.06 | 2,518,281 | BBA; DIM; ACS | 33 | Company Secretary, Lotte India Corpn Ltd. |
| 144 | Venkatesh Natarajan | 47 | General Manager-Systems | 15.03.00 | 3,894,353 | B.E., ME (Mgt.), M.Tech, PGD in Computer | 24 | ERP Consultant, Continental Information |
| 145 | Venkataraman S | 52 | General Manager-Legal | 22.11.04 | 3,340,478 | B.Com., BL | 26 | Sr. Manager-Legal, Tata Teleservices Ltd. |
| 146 | Venkatraman Srinivas * | 40 | General Manager-Product Development | 25.01.10 | 1,656,047 | B.Tech., MS, PHD, MBA | 19 | Program Manager, Ford Motor Company, USA |
| 147 | Venkatramani N | 59 | General Manager-Projects | 30.11.79 | 3,979,127 | B.E. | 35 | Jr. Executive, Dalal Consultants & Engineers |
| 148 | Venugopalan R | 58 | General Manager - Finance | 01.12.83 | 3,173,226 | B.Com., ACA | 32 | Accounts-cum-Admn. Officer, Geep Industrial Syndicate Ltd |
| 149 | Vijayakumar Unni VK | 56 | General Manager-Project Planning | 29.03.79 | 3,481,377 | B.E. | 34 | Engineer, ACC Vickers Babcock Ltd. |
| 150 | Vinod Jacob Chacko | 46 | Deputy General Manager- Corporate Communications | 15.12.05 | 2,499,731 | B.A.; M.A.; DMM | 22 | Management Supervisor, Ogilvy & Mather |
| 151 | Vinod K Dasari | 43 | Whole Time Director & Chief Operating Officer | 01.04.05 | 14,055,650 | BS (Engg.) University of Louisville, USA; MEM, Northwestern University; MBA, Kellogg School of Management. | 21 | JMD, Cummins India Ltd. |
| 152 | Viswanathan G | 56 | General Manager-Product Development | 26.05.78 | 3,438,638 | B.E., MS | 31 | — |

* Part of the year

- Gross remuneration shown above is subject to tax and comprises Salaries, Annual Performance Pay, Allowances, Medical benefits, Leave Travel Assistance as applicable in accordance with the Company's rules, Commission, Company's Contribution to Provident Fund and Superannuation Fund and perquisites evaluated as per Income-tax rules. In addition to the above, the employees are entitled to Gratuity.
- All appointments are contractual.
- None of the employees is a relative of any Director of the Company.
- The above list does not include employees on deputation.



ASHOK LEYLAND
ENGINEERING YOUR TOMORROWS

ASHOK LEYLAND LIMITED

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HINDUJA GROUP