



ASHOK LEYLAND



ANNUAL REPORT
2010-2011



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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General Business Profile



Parmanand Deepchand Hinduja
(1901-1971)
Founder, The Hinduja Group

"My dharma (duty) is to work so that I can give"

GUIDING PRINCIPLES

Work to Give

Word is a Bond

Act Local Think Global

Partnership for Growth

Advance Fearlessly



LETTER TO SHAREHOLDERS

Dear Shareholder,

You will be pleased to note that 2010-11 was another successful year for Ashok Leyland. Taking advantage of a buoyant domestic market and recovering traditional export markets, your Company has set a new watermark by selling 94,106 commercial vehicles, the highest ever in its history, registering an increase of 47% over the previous year.

The domestic commercial vehicle volume grew in 2010-11 by 27% within which Ashok Leyland's present core medium and heavy segment was up by 32%. In the medium and heavy segment, you will be happy to know that your Company has been able to maintain its leadership position in the bus segment and register share increase in every truck segment. The export volume has surged by 72% over the previous year to 10,306 vehicles with footprints in some new markets. The sales turnover has increased to Rs 11,117.71 Crores (+53.5% YOY) and Net Profit to Rs 631.30 Crores (+49% YOY). There have also been significant gains in the Spare Parts, Defence and Power Solutions businesses. On your behalf, I would like to record my appreciation for the creditable performance from the Ashok Leyland team during the year that went by.

Looking in Retrospect

As you are probably aware, your Company is taking strides to realise the Vision of becoming global. In that journey, in addition to the strengthening of the position in the Indian market, last year witnessed some significant developments, which I would like to highlight.

Your Company acquired a 26% controlling stake in Optare plc, U.K. a reputed bus manufacturer with a proven experience in hybrid and electric vehicles. They manufacture a range of urban buses with integral architecture including the iconic Solo midi

bus range. The acquisition will further strengthen the leadership position of your Company in the domestic market and is also expected to open up new frontiers in the developed markets.

In the medium and heavy truck segment, as you are aware, your Company has introduced the versatile future ready - U-truck that will cover the 16-49 Tonne GVW/GCW range and the initial feedback from the market has been very encouraging. Further range extension would follow progressively.

To build on the platform as the largest supplier of logistics vehicles to the Indian Army and leverage on the overseas opportunities in the segment, your Company has promoted a new entity Ashok Leyland Defence Systems. To extend the product line-up to include tactical vehicles and develop other advanced defence systems, an MoU has been signed with the renowned Krauss-Maffei Wegmann (KMW) of Germany.

On the export front, forays have been made into Russia, Ukraine and Mozambique which are new market extensions.

Registering the highest ever R&D spend in a year of Rs 312.62 Crores, your Company has widened the fully built offerings in bus and truck and has undertaken focused efforts across the range to further improve product performance, fuel efficiency and durability, the hallmarks of Ashok Leyland products.

I am also happy to share with you that Hinduja Leyland Finance, which finances vehicle purchase, has grown significantly during the year. Ramping up quickly, in its second year of operations it has disbursed over Rs 1200 Crores, Operating from 420 locations in 20 States with nearly 700 employees, Hinduja Leyland Finance provides solid support to your Company's growth in volumes.

You are aware of the enlarging profile of Ashok Leyland that includes an equal JV with John Deere, U.S.A, for construction equipment, a growing Power Solutions Business, an end-to-end Engineering Services & Business Consultancy and a high technology emissions solutions company based in Germany. Some of these initiatives are aimed at de-risking against cyclicalities in the bus and truck business and some opportunistic.

Looking into the future

Building on the strengths of extending product line-up, growing sales volume and product engineering capability, as the next logical step, your Company has charted out an aggressive plan of volume growth to be among the Global Top 10 players in trucks in the category of 7.5 Tonne GVW and above and Top 5 in buses in the category of 8m and above, within the next 5 years. The well-developed R&D infrastructure now has over 1000 engineering professionals and is still growing. Apart from maintaining the thrust to develop and position conventional products and options to global standards, your Company's R&D has clear road maps for alternate propulsion and advanced engineering activities also.

Contemporary cabins developed in-house and the globally benchmarked, best-in-class Neptune engines for the intermediate, medium and heavy truck range will enable progressive launch of a slew of products that can compete well in the global markets.

In the growing intermediate vehicle range, action is already on hand to renew the current Ecomet models with a major upgrade aimed at both domestic and overseas markets.

Market extensions are being vigorously pursued. Breakthroughs are expected soon in South Africa, Middle East, Russia, CIS, Latin America and some growing markets in the Far East.

To address the evolving trends in freight transportation in the country, your Company's truck range gets further reinforced with the LCV range (3-6 Tonne GVW) through the equal JV with Nissan Motors. I am happy to inform that the first of the series under this co-operation, unveiled as Ashok Leyland *DOST* is planned for launch this year in the 3 Tonne truck category. This would be followed by the 6 Tonne range and subsequently by an award-winning passenger minivan.

2011-12 should also see the launch of the backhoe, first of the construction equipment range from the JV with John Deere.

In parallel to the product-market initiatives, there is emphasis on creating a vibrant organisation commensurate with the challenges ahead. To steer your Company through this crucial period, Mr R Seshasayee has been elevated by the Board to the position of Executive Vice Chairman and Mr Vinod Dasari as the Managing Director. I would like to congratulate them both and wish them every success.

In this context, I wish to record my deepest respect and regard for the invaluable contribution and exemplary professionalism of Mr R J Shahaney who has stepped down as Chairman since the last Annual General Meeting. To recognise his invaluable contribution to your Company over the last 32 years and to continue to benefit from his extensive experience and wisdom, the Board has conferred on him the status of Chairman Emeritus. Please join me in wishing Mr Shahaney good health and happiness in the future.

I gratefully acknowledge the confidence and faith reposed by the shareholders on the Board and the Management team which has, in my view, spurred the Company to take on more challenges. I have great pleasure in announcing that taking into account the performance and prospects, the Board has recommended issuance of bonus shares in the ratio of 1:1. I am aware that you have been waiting for a bonus issue for some time now and I must thank you for your patience.

Finally, I must applaud the tireless efforts, dedication and commitment of our employees who have helped us reach where we are now and look forward to the benefit and comfort of their association in the journey forward. On behalf of your Company, I sincerely appreciate the loyalty and support of the extended family of dealers and countless customers as we re-dedicate ourselves to serve them better.

Looking forward to your continuing support,

Yours sincerely,



Dheeraj G Hinduja
Chairman, Ashok Leyland Limited

Dated : June 16, 2011

THE BIG PICTURE

as on 31 March 2011

NET PROFIT

Rs. **631.3** Crores

TURNOVER

Rs. **11,117.7** Crores

NUMBER OF CUSTOMER TOUCH POINTS

over **360**

NUMBER OF PLANTS

8

NUMBER OF VEHICLES SOLD

94,106

NUMBER OF VEHICLES PRODUCED

95,337



NUMBER OF EMPLOYEES

15,812

EXPANDING OUR GLOBAL FOOTPRINT



AVIA spreads its wings

AVIA Ashok Leyland Motors (AALM) is the Company's beach-head in Europe. Headquartered in Prague, Czech Republic, AALM offers the renowned D-Series trucks that are popular in the European markets of Hungary, U.K., Ireland, Slovakia, Spain and Czech Republic. Highpoints of 2010 were the launch of the AVIA vehicles in the Middle East and expansion into the category of electric vehicles in supplier arrangement with Smith Electric, U.S.A.



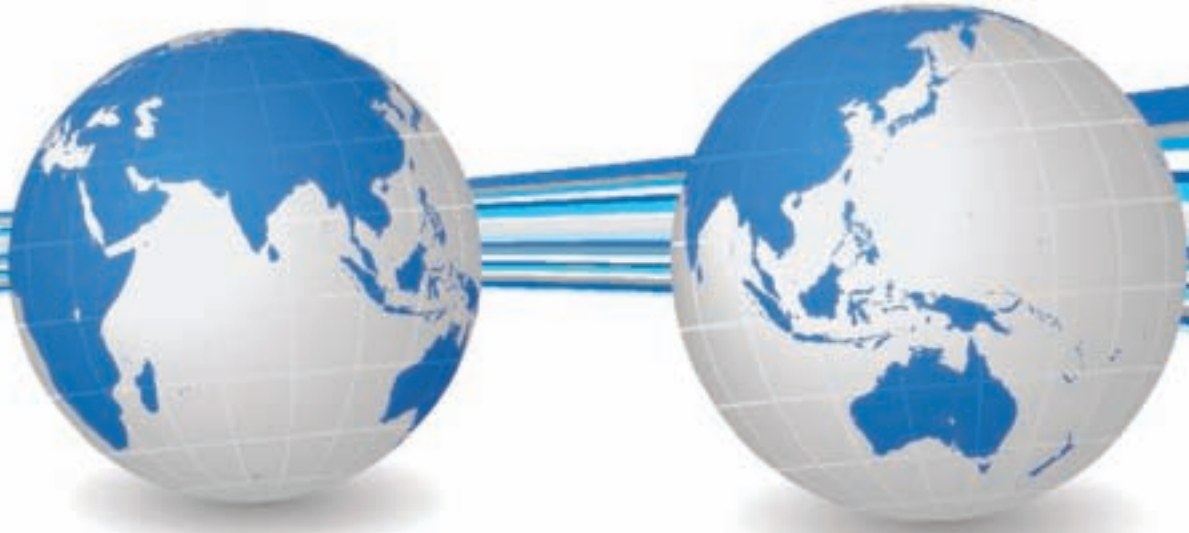
The African Sojourn

The Company is proud to be a participant in the Bus Rapid Transport (BRT) system in Lagos, Nigeria. This innovative transport model is first-of-its-kind in Sub-Saharan Africa and it aims at providing better comfort to the commuting public.



Making inroads into CIS

The Company has trained its focus on the CIS countries and more particularly on Ukraine, a market which highly values the hallmark of Ashok Leyland vehicles - reliability and ruggedness. Ashok Leyland has already established a strong network with reliable local partners.



Maintaining market leadership in Sri Lanka

As the Sri Lankan economy revived with the cessation of hostilities, demand for the Company's vehicles has also risen. Lanka Ashok Leyland, a venture with the Government of Sri Lanka, has consolidated its market leadership in the medium and heavy duty vehicle segments.



INCREASING CAPACITY, INCREASING GLOBAL REACH



Setting up RAK's first vehicle factory

A new facility was set up in Ras Al Khaimah, the 4th largest Emirate which is often hailed as the "commercial Emirate" in the UAE. This vehicle factory is also the first of its kind in Ras Al Khaimah.

With 20,000 square meters of built-up area in a facility that totally covers 100,000 sq. mtrs., this new state-of-the-art plant is fully equipped to initially roll out 2,000 vehicles of international quality which will include buses and the AVIA vehicles.

Setting up a world-class facility at Pantnagar

Ashok Leyland's newest manufacturing facility at Pantnagar (PNR) went on stream in March 2010. With a built-up area of 200,000 sq. mtrs., PNR is by far the largest of Ashok Leyland's manufacturing units and will eventually have a capacity to produce 75,000 vehicles per annum.



PRODUCT INNOVATIONS FOR AN EVOLVING WORLD



U-TRUCK

Team U-Truck



The future-ready U-Truck platform rolls out

The new, future-ready U-Truck platform was launched with the introduction of 10 models of tippers and tractor trailers in the 16 – 49 Tonne category into the Indian market. The U-Truck platform seeks to mass-migrate the market to a holistically superior trucking experience.

The 'U' in the 'U-Truck' stands for the customer and the platform is a sublimation of insightful understanding of customers' needs.

The product range offers excellent fuel efficiency, superior driveability and higher reliability all leading to better operating economics.

TASTING THE SUCCESS OF INORGANIC GROWTH

Leveraging synergies with Optare plc

Giving wheels to the Company's Global Bus and Coach Programme, Ashok Leyland acquired a 26% stake in Optare plc., a leading bus maker in the UK. This move will benefit the Company in its endeavor to accelerate technology, develop new products and address new markets. Optare has been recognized for their innovative, weight-optimized 'Low Carbon' range of low-floor midi and city buses and are the pioneers of low-floor double-deckers in the UK. Both companies will leverage mutually identified synergies: Ashok Leyland will have access to Optare's technology to manufacture buses that will appeal to even advanced, first hemisphere markets. Optare, on the other hand, will seek to improve competitiveness in UK and their export markets through access to Ashok Leyland's lower cost supply chain, co-operation in new product development and improved management of working capital.



BUILDING A PEOPLE-CENTRIC ORGANISATION

Continuous 'Improve'ment – a successful long-playing record

IMPROVE is a motivational HR initiative that had its genesis when the Company was combating one of its periodic downturns but has sunk its roots so firmly into the Ashok Leyland psyche that it has taken on the magnitude of a mass employee movement.

From a humble beginning with 72 teams, Improve, in its 12th consecutive edition featured over 5,400 projects in which 4,500+ employees participated. IMPROVE is pure and simple an innovation contest, a platform that encourages and rewards 'out-of-the-box' thinking and a forum to share innovative thoughts and solutions on ways to increase productivity, enhance efficiency and, most importantly, cut costs. IMPROVE engenders a strong sense of competition, celebrates team-work and helps create joy and fun at the work place.

The impact on the bottom line over the past 12 years is to the tune of Rs. 1.2 billion with much of it in the form of recurring savings!



Pic: ©2011: indiatodayimages.com

A 'Blessing' for all

Opportunities for the discerning is the credo of a unique HR initiative that Ashok Leyland has launched in the Pantnagar factory named BLESSING (Building Leaders of Excellence for Social Sustainability through Inspiring and Nurturing Gennext). This initiative is aimed at developing shop floor skills. Under this scheme, youth who have passed 12th grade are recruited and educated / trained by the Company at its expense, in partnership with NTTF (Nettur Technical Training Foundation), whilst enabling them to work and learn on the shop floor.

SHORING UP THE DEFENCE BUSINESS

Ashok Leyland Defence Systems formed

Ashok Leyland Defence Systems (ALDS) was formed to realise the Company's ambitions for building the Defence business from a position of being the largest supplier of logistics vehicles to the Indian Army.

ALDS has concluded a Memorandum of Understanding with Krauss Maffei Wiegmann (KMW) GmbH, Germany for the development of advanced Defence systems, armoured wheeled vehicles, recovery vehicles, artillery and combat systems, bridge laying systems for Defence forces in India and worldwide.

Leveraging this and other partnerships, ALDS is engaged in the development of tactical vehicles for Defence.







Annual Report 2010-2011



BOARD OF DIRECTORS	Dheeraj G Hinduja, Chairman (<i>Alternate : Y M Kale</i>)
	R Seshasayee, <i>Executive Vice Chairman</i>
	Anil Harish
	D J Balaji Rao
	A K Das
	Jean Brunol (from 20.10.2010)
	Jorma Antero Halonen (from 19.05.2011)
	Sanjay K Asher (from 21.12.2010)
	F Sahami
	Shardul S Shroff
	Dr V Sumantran
	Vinod K Dasari, Managing Director
CHIEF FINANCIAL OFFICER	K Sridharan
EXECUTIVE DIRECTOR AND COMPANY SECRETARY	A R Chandrasekharan
EXECUTIVE DIRECTORS	Anup Bhat
	A K Jain
	Jayendra Parikh
	R R G Menon
	P G Nilsson
	Nitin Seth
	Rajive Saharia
	Shekhar Arora
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; Pant Nagar, Uttarakhand
WEBSITE	www.ashokleyland.com

A HISTORICAL PERSPECTIVE

Rs. Lakhs

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Sales Volume										
Vehicles (numbers)	29,673	36,444	48,654	54,740	61,655	83,094	83,307	54,431	63,926	94,106
Engines (numbers)	5,258	5,924	5,085	6,254	7,171	8,202	11,757	21,447	19,050	17,377
Spare parts and others	54,920	47,710	44,680	54,600	78,380	54,684	79,124	79,969	88,506	1,06,194
Revenue (Gross sales)	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	12,09,361
Profit before tax	13,220	17,010	28,646	35,501	45,230	60,451	63,815	20,845	54,477	80,180
Profit after tax	9,230	12,021	19,358	27,141	32,732	44,129	46,931	19,000	42,367	63,130
Assets										
Net Fixed Assets	1,00,980	93,980	92,110	97,900	1,08,470	1,54,452	2,05,479	4,39,741	4,81,103	4,99,176
Investments	11,730	15,758	14,660	22,919	36,818	22,109	60,990	26,356	32,615	1,23,000
Net current assets	98,250	74,812	63,100	99,161	82,392	94,183	60,332	1,02,867	1,17,893	83,897
Total	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	7,06,073
Financed by										
Shareholder's funds - Capital	11,890	11,890	11,890	11,890	12,220	13,239	13,303	13,303	13,303	13,303
- Reserves	91,310	84,060	90,050	1,02,960	1,28,300	1,73,775	1,99,366	3,33,118	3,53,055	3,82,562
Loan funds	88,840	71,750	49,900	88,040	69,190	64,040	88,750	1,95,815	2,20,389	2,56,826
Deferred Liability	-	-	-	-	-	-	-	-	7,655	8,993
Deferred tax liability - net	18,920	16,850	18,030	17,090	17,970	19,690	25,382	26,344	38,454	44,389
Foreign currency translation difference account - Net	-	-	-	-	-	-	-	384	(1,245)	-
Total	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	7,06,073
Basic Earnings per share (Rs.)	0.78	1.01	1.63	2.28	2.74	3.38	3.53	1.43	3.18	4.75
Dividend per share (Rs.) (face value Re. 1 each)	0.45	0.50	0.75	1.00	1.20	1.50	1.50	1.00	1.50	2.00
Employees (nos.)	13,218	11,860	12,007	12,178	11,845	12,125	13,304	11,938	13,662	15,812

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, 2011.

FINANCIAL RESULTS

	(Rs. lakhs)	
	2010-2011	2009-2010
Profit before tax	80,179.93	54,477.48
Less: Provision for taxation	17,050.00	12,110.00
Profit after tax	63,129.93	42,367.48
Balance profit from last year	57,744.98	48,230.19
Transfer from/(to):		
Debenture redemption reserve	416.66	416.67
	(5,250.00)	-
General reserve	(10,000.00)	(10,000.00)
Profit available for appropriation	1,06,041.57	81,014.34
Appropriation:		
Proposed dividend	26,606.77	19,955.07
Corporate dividend tax thereon	4,316.28	3,314.29
Balance profit carried to		
Balance Sheet	75,118.52	57,744.98
Earnings per Share (face value Re.1/-)		
– Basic (in Rs.)	4.75	3.18

Dividend

The Directors recommend a dividend of 200% (Rs.2/- per equity share of Re.1/-) for the year ended March 31, 2011.

Company Performance

The Indian economy is estimated to have registered a broad-based growth of about 8.6% facilitated by policy stimulus and encouraging agricultural output. The Commercial Vehicles industry witnessed strong growth on the back of adequate freight availability and higher capacity utilization.

With the above background, your Company recorded highest ever sales for the year ended March 31, 2011 supported by a record performance in exports.

Sales increased by 47% over the previous year by volume and by 53.62% in value terms.

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

Research and development, technology absorption, energy conservation etc.

Your Company has continued to focus on Research and Development activities with specific reference to green initiatives, fuel efficiency, enhancement of comforts and development of New Generation engines.

Expenditure incurred by way of capital and revenue on these activities are 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.

Long Term Borrowings:

During the financial year 2010-11, your Company issued Secured Non-convertible Debentures Series AL 13 to AL 15 to the tune of Rs.21000 lakhs repayable at the end of 3rd, 4th and 5th year and fully redeemed Secured Non-convertible Debentures Series AL 11 of Rs.5000 lakhs (final installment of Rs.1666.67 lakh paid during FY 2010-11).

Availment of Rupee Term Loans

Your Company availed Secured Rupee Term Loans to the tune of Rs.25000 lakhs during FY 2010-11 from a Bank for a tenor of five years.

Debentures / Term Loans were utilized to fund capital expenditure programmes of the Company as per the terms thereof.

DIRECTORS' REPORT

Strategic Alliances

Optare plc, U.K.

In line with the Company's strategy, your Company acquired 26% in the equity share capital of Optare plc, U.K., a leading bus manufacturer in U.K., which will benefit the Company in its endeavour to address new markets, and to accelerate technology development.

Ashok Leyland Defence Systems Limited

In order to continue to participate in the defence business of the Company and to exploit opportunities available in the defence industry, your Company has made a strategic investment of 26% of the equity shares capital in Ashok Leyland Defence Systems Limited.

Ashok Leyland (UAE) LLC,

The state-of-the-art factory built as a venture between your Company and Ras Al Khaimah Investment Authority (RAKIA), at Ras Al Khaimah was inaugurated on December 16, 2010. This facility will cater to the needs of the African/Middle East markets and also facilitate launching of AVIA range of trucks manufactured by Avia Ashok Leyland Motors s.r.o. to these markets.

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 Executive Vice Chairman 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 information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder, in respect of employees is provided in the **Annexure - F** forming part of 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

Mr R J Shahaney resigned as Director and Chairman of the Company with effect from October 20, 2010. The Board of Directors wishes to place on record its deep appreciation of Mr Shahaney's contribution during his tenure as a member of the Board since 1978 and as Chairman since 1997.

In recognition of his outstanding contribution to your Company, the Board has honoured him with the title of Chairman Emeritus.

Your Board of Directors place on record the resignation of Mr Ramachandran R Nair and Mr Anders Spare from the directorship and wishes to record its appreciation for the valuable contributions made by them.

DIRECTORS' REPORT

Mr D J Balaji Rao, Mr Dheeraj G Hinduja and Dr V Sumantran Directors, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. Necessary resolutions are being placed before the shareholders for approval.

Mr Jean Brunol, Mr Sanjay K Asher and Mr Jorma Antero Halonen were appointed as Additional Directors at the Board Meetings held on October 20, 2010, December 21, 2010 and May 19, 2011 respectively. Their term of office expires at the end of the ensuing Annual General Meeting. The Company has received Notices under Section 257 of the Companies Act proposing them for appointment as Directors of the Company. Necessary resolutions relating to the same are being placed before the shareholders for approval.

The term of Mr R Seshasayee as Managing Director expired on March 31, 2011. In order to secure his leadership to realize the Company's Vision, your Board of Directors appointed him as Executive Vice Chairman with effect from April 1, 2011. The necessary resolution proposing his appointment and the remuneration payable to him is being placed before the shareholders for approval.

In line with the succession plan drawn up and in recognition of the contributions made by Mr Vinod K Dasari, your Board of Directors appointed Mr Vinod K Dasari as Managing Director with effect from April 1, 2011. The necessary resolution proposing his appointment and the remuneration payable to him is 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

Secretarial Audit is being carried out by a practising professional on voluntary basis. 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.

Chennai
May 19, 2011

On behalf of the Board of Directors
Dheeraj G Hinduja
Chairman

Annexure-A to Directors' Report

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

A) Conservation of Energy

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

About 3.2 Mn electrical units have been saved leading to significant savings in energy costs during 2010-11.

This was possible by the high degree of awareness and involvement of employees through Mission Gemba Cost Management Initiative.

Some Key initiatives were:

- Use of wind power, about 61% of total savings in cost was through the use of wind power.
- Maintenance of Power factor throughout the year through optimum use of capacitor banks.
- Use of solar energy initiated.
- Use of natural lighting and ventilation.

Awards and recognition :

- Bhandara plant was awarded 1st prize in " National level Innovation Quest 2011" conducted by Indian Institute of Industrial Engineering for the Case study "Energy conservation through Innovative approach (Questioning status quo)"

B) Technology Absorption

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

Engines

- Innovative development of Bharat Stage III Engine by using in line mechanical pump which is both friendly to the customer as well as to the quality of fuel.
- Innovative development of Bharat Stage IV Engine families with world-class Exhaust Gas Recirculation (EGR) and Selective Catalytic Reduction (SCR) technologies.
- 'N' series engines with superior fuel efficiency applied on vehicles.

Vehicle models

- New platform of truck models called "U" Truck developed and launched providing superior features, higher fuel efficiency, higher comfort levels and better driver environment.

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

- Compliance to all emission standards at lower cost than competition.
- Next generation of vehicle models launched with superior price-performance points.
- Development of a modern and contemporary engine package protected for Euro-6 emission standards.

3. Future plan of action:

- Next generation of truck platform being taken up
- Next generation of cab being developed
- Upgradation of engine families to Euro 5 emission levels
- New medium duty platform of vehicles is under development

4. Expenditure on R & D

	Rs. Lakhs
	2010-11
Capital	13,132.52
Revenue (excluding depreciation)	18,129.61
Total	31,262.13
Total R & D Expenditure as a% of total turnover	2.59%

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

The Company is committed to good Corporate Governance, based on an effective independent Board, separation of supervisory role from the executive management and the constitution of Committees to oversee critical areas.

1. Philosophy on Corporate Governance

Ashok Leyland's Corporate Governance philosophy encompasses not only regulatory and legal requirements but also practices to strive towards enhancement of shareholder value through

- sound business decisions
- prudent financial management and
- high standards of ethics throughout the organization

It strives to:

- ensure transparency and professionalism in all decisions and transactions of the Company; and
- achieve excellence in Corporate Governance by
 - conforming to the prevalent mandatory stipulations/guidelines on Corporate Governance
 - regular review of the Board processes and the management systems for further improvement
 - Following Voluntary Guidelines 2009 issued by the Ministry of Corporate Affairs

The Company has adopted a Code of Conduct for members of the Board and senior management. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. The Company has received confirmations from all concerned regarding their adherence to the above Code.

Pursuant to Clause 49 of the Listing Agreement, a confirmation from the Executive Vice Chairman of the Company regarding compliance with the Code by all members of the Board and senior management is given on Page 36 of the Annual Report. 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:

In compliance of the Companies Act, 1956 and Listing Agreement entered into with the Stock Exchanges, the Company has a broad based Board of Directors with composition and constitution of Committees as detailed below:

a) Composition: As at March 31, 2011, the Board of Directors consisted of 11 members. The Board is headed by Mr Dheeraj G Hinduja as a non-executive Chairman and is categorized as follows:

i) Non-Executive and Independent directors:

Mr Anil Harish

Mr D J Balaji Rao

Mr Jean Brunol

Mr Sanjay K Asher

Mr Shardul S Shroff

Other Non-Executive Directors

Mr Dheeraj G Hinduja –Chairman

(Alternate: Mr Y M Kale)

Mr A K Das

Mr F Sahami

Dr V Sumantran

ii) Executive Directors:

Mr R Seshasayee

Managing Director - upto March 31, 2011

(Appointed as Executive Vice Chairman w.e.f. April 1, 2011)

Mr Vinod K Dasari

Managing Director-Designate

(Appointed as Managing Director w.e.f.

April 1, 2011)

None of the above Directors are related to each other.

Board appointments are made by the issue of formal letters of appointment.

Annexure-B to Directors' Report

REPORT ON CORPORATE GOVERNANCE

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 2010-11	Whether attended last A.G.M. held on July 27, 2010	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 (Note 1)	3	Yes	Not applicable – See Note 1			
Mr Dheeraj G Hinduja	6	Yes	6	Nil	2	Nil
Mr Anil Harish	6	Yes	13	Nil	9	3
Mr D J Balaji Rao	5	Yes	9	1	8	4
Mr A K Das	5	Yes	10	2	3	Nil
Mr Jean Brunol (Note 2)	2	Not applicable	1	Nil	Nil	Nil
Mr Ramachandran R Nair (Note 3)	3	Yes	Not applicable – See Note 3			
Mr F Sahami	4	Yes	1	Nil	1	Nil
Mr Sanjay K Asher (Note 4)	3	Not applicable	14	Nil	9	4
Mr Shardul S Shroff	Nil	No	5	Nil	2	Nil
Mr Anders Spare (Note 5)	3	Yes	Not applicable – See Note 5			
Dr V Sumantran	6	Yes	7	2	3	1
Mr R Seshasayee	5	Yes	13	4	3	Nil
Mr Vinod K Dasari	6	Yes	5	2	Nil	Nil
Alternate Directors :						
Mr Prabal Banerjee (Note 6)	1	Not applicable	Not applicable – See Note 6			
Mr Y M Kale	Nil	Not applicable	1	Nil	1	1

Note – 1 Resigned as a Director w.e.f. October 20, 2010 and ceased to be the Chairman.

Note – 2 Appointed as a Director w.e.f. October 20, 2010

Note – 3 Ceased to be a Director w.e.f. December 6, 2010

Note – 4 Appointed as a Director w.e.f. December 21, 2010

Note – 5 Resigned as a Director w.e.f. December 30, 2010

Note – 6 Resigned as an Alternate Director w.e.f. October 20, 2010

(#) Excludes Alternate Directorships

(**) Represents memberships in Audit Committee, and Shareholders/Investors Grievance Committee of Public Companies governed by the Companies Act, 1956, Public Companies exclude Foreign Companies.

Annexure-B to Directors' Report

REPORT ON CORPORATE GOVERNANCE

None of the Directors of the Company was a member of more than 10 specified Committees or acted as Chairman of more than 5 such Committees in companies in which he was a Director.

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 was paid to them.

The details of shares held by the Directors of the Company are furnished below:

Name of the Director	No. of equity shares held
Mr R Seshasayee	11,236
Mr Vinod K Dasari	30,000

The Company does not have any outstanding instruments for conversion into shares.

Board Meetings held during the year 2010-11

Date of Meeting	Total no. of Directors	No. of Directors present
April 29, 2010	12	11
July 27, 2010	12	11
October 20, 2010	13	11
December 21, 2010	12	6
January 22, 2011	11	9
March 10 & 11, 2011	11	10

The time gap between any two meetings did not exceed four months.

- The last Annual General Meeting was held on July 27, 2010.

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:

The Audit Committee of the Company has been in existence from July 1987.

a) Terms of Reference:

The Audit Committee is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitor the scope and quality of internal and statutory audits.

The Head of Internal Audit function reports to the Audit Committee. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the company.

Before submission to the Board for approval, the Committee reviews the quarterly/half yearly/annual financial statements with reference to changes if any in accounting policies and reasons for the same, major accounting entries involving estimates based on exercise of judgment by management, adjustments if any arising out of audit findings, disclosure of related party transactions, compliance with listing and legal requirements relating to financial statements, qualifications if any in the draft audit report and above all adequacy of internal control systems.

The Committee holds discussion with external auditors before the audit commences regarding the nature and scope of audit and post audit discussion to ascertain any area of concern. It also reviews the Company's financial and risk management policies especially enterprise level risks.

The Committee also looks into the matters as are specifically referred to it by the Board of Directors

Annexure-B to Directors' Report

REPORT ON CORPORATE GOVERNANCE

besides looking into the mandatory requirements of Clause 49 of the Listing Agreement and provisions of Section 292A of the Companies Act, 1956.

b) Composition, Names of Members and Chairman

The Audit Committee consists of Mr Anil Harish, Independent Director as Chairman, Mr D J Balaji Rao, Independent Director as Member and Mr F Sahami, a Non-independent Director as Member.

All the members of the Audit Committee have expertise in financial and 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 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. Mr F Sahami had been senior partner in a leading firm of Chartered Accountants.

c) Meetings and Attendance

Audit Committee Meetings held during the year 2010-11 and attendance details

Date of Meeting	No. of members present
April 29, 2010	3
July 27, 2010	3
October 20, 2010	2
January 22, 2011	3

- Mr A R Chandrasekharan, Executive Director and Company Secretary is the Secretary to the Committee.
- Mr Vinod K Dasari, Managing Director, Mr K Sridharan, Chief Financial Officer and Mr Ashim Kumar Gangopadhyay, Special 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 meetings of the Committee.

4. Remuneration Committee

- a) The Remuneration Committee consists of Independent Directors Mr D J Balaji Rao as the Chairman of the Committee, Mr Anil Harish, Independent Director as member and Non-Independent Directors Mr A K Das and Mr Dheeraj G Hinduja as the other members.

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

The Terms of Reference of this Committee are:

- Search for, evaluate, shortlist and recommend the incumbent for the position of Managing Director and Wholtime Directors and their engagement terms
- Evaluate and approve for appointment, candidates recommended by Managing Director for positions of Executive Directors and above.
- Design and administer processes for evaluating the effectiveness [i.e., Performance Management System] of Managing Director, whole time directors and senior management.
- Review the succession plan for critical positions and suggest actions.

b) Remuneration Committee Meetings held during the year 2010-11 and attendance details

Date of Meeting	No. of members present
April 29, 2010	3
July 27, 2010	3
January 21, 2011	4
March 11, 2011	4

Annexure-B to Directors' Report

REPORT ON CORPORATE GOVERNANCE

c) The Remuneration Policy of the Company is summarized as follows:

The remuneration is governed by the external competitive environment, track record, potential, individual performance, Company's performance and industry standards. Remuneration is subject to the approval of the Board of Directors and shareholders.

- i) For the Managing Director and for the Managing Director (Designate)

The total remuneration 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 Managing Director (Designate), 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 of Rs.20,000/- was paid to each of the Non-executive Directors for attending the meetings of the Board or Committee thereof. All 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 remuneration was paid to Non-executive Directors other than the above.

d) The details of remuneration paid/payable to the Directors for the year 2010-11 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	2,20,000	Mr F Sahami	1,80,000
Mr Dheeraj G Hinduja	2,60,000	Mr Sanjay K Asher	80,000
Mr Anil Harish	2,40,000	Mr Shardul S Shroff	Nil
Mr D J Balaji Rao	3,40,000	Dr V Sumantran	2,20,000
Mr A K Das	1,40,000	Mr Anders Spare	1,20,000
Mr Jean Brunol	40,000	Mr Prabal Banerjee	20,000
Mr Ramachandran R Nair (**)	60,000		

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

Annexure-B to Directors' Report

REPORT ON CORPORATE GOVERNANCE

iii) Executive Directors:

(Rs.)

	Managing Director	Managing Director (Designate)
a) Fixed Component		
(i) Salary	36,60,000	31,20,000
(ii) Perquisites (**)	88,45,439	45,75,994
(iii) Special Allowance	36,60,000	31,20,000
b) Variable Component		
- Commission	98,42,800	79,46,400
c) Contribution to Provident Fund and Superannuation Fund	24,64,620	20,34,360
Total	2,84,72,859	2,07,96,754

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

Mr Seshasayee and Mr Vinod K Dasari 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.

5. Shareholders/Investors Grievance Committee

- The Shareholders/Investors Grievance Committee was constituted in 2000. The Committee consists of Mr Sanjay K Asher, an Independent Director as Chairman (Mr R J Shahaney was the Chairman upto 20/10/2010), Mr D J Balaji Rao, an Independent Director as a member and Mr R Seshasayee, Executive Vice Chairman as a member.
- The Committee approves issue of new share certificates and looks into investor complaints/grievances on a periodical basis.
- 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.

- Based on the delegated powers of the Board of Directors, the Managing Director/Managing Director(Designate) approved the share transfers/transmissions on a fortnightly basis and the same reported to at the next meeting of the Committee, normally held every quarter.
- Mr A R Chandrasekharan, Executive Director and Company Secretary is the Secretary to the Committee and is also the Compliance Officer appointed for the compliance of capital market related laws.
- Meetings and Attendance during the year 2010-11:

April 29, 2010	3
July 27, 2010	3
October 20, 2010	3
January 22, 2011	3

During the year, 2459 complaint/correspondence letters were received from investors (including 23 letters from SEBI / Stock Exchanges/ MCA); 1983

Annexure-B to Directors' Report

REPORT ON CORPORATE GOVERNANCE

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. 3 unresolved complaints as at March 31, 2011 have since been resolved by April 5, 2011.

For the tenth year in succession, the Company conducted an Investor Satisfaction Survey through a questionnaire, which was mailed along with the Notice of AGM 2010. 664 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 2010 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.

- g) As on March 31, 2011, there were 2 share transfers pending; this was completed on April 12, 2011.

6) General body meetings

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

Year	Location	Date & Time
59th AGM 2008	Kamaraj Memorial Hall, 492 Anna Salai, Teynampet, Chennai 600 006	July 30, 2008 10.30 a.m.
60th AGM 2009	Kamaraj Memorial Hall, 492 Anna Salai, Teynampet, Chennai 600 006	July 28, 2009 10.30 a.m.
61st AGM 2010	Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai 600 108	July 27, 2010 2.45 p.m.

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

No EGM was held in the last three years.

- 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.

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 2010-11.

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, 2011.

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.

Annexure-B to Directors' Report

REPORT ON CORPORATE GOVERNANCE

d) A Management Discussion and Analysis Report is being presented as a part of the Annual Report.

e) Green Initiative

Pursuant to "Green Initiative" proposed by Ministry of Corporate Affairs (MCA) vide its Circular dated 21/4/2011, in response to the suggestions made by many shareholders in the past and to contribute

towards improved environment, the Company has already taken action for sending communication / Annual Report and other documents through electronic mode to shareholders. It is hoped that with wide acceptance of the Green Initiative by the shareholders, the Company would be able to successfully implement the same, thereby contributing its mite to a greener environment.

9) General shareholder information

a. 62nd Annual General Meeting		
– Day, Date and Time	Tuesday, July 19, 2011 – 2.45 p.m.	
– Venue	The Music Academy Madras 168 TTK Road, Royapettah, Chennai 600 014	
b. Financial Calendar		
Annual General Meeting	July 19, 2011	
Unaudited results for the quarter ending June 30, 2011	July 19, 2011	
Unaudited results for the quarter/half-year ending September 30, 2011	1st week of November 2011	
Unaudited results for the quarter ending December 31, 2011	1st week of February 2012	
Audited Results for the year ending March 31, 2012	Before end of May 2012	
c. Book Closure Date	From July 1, 2011 to July 2, 2011 (both days inclusive)	
d. Dividend payment date	Commencing July 20, 2011 – to be completed on or before July 25, 2011	
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 2010	60.30	53.15	18,047.86	17,276.80	60.45	53.55	5,399.65	5,160.90
May 2010	70.35	56.15	17,536.86	15,960.15	70.60	56.20	5,278.70	4,786.45
June 2010	65.15	59.50	17,919.62	16,318.39	65.15	59.45	5,366.75	4,961.05
July 2010	74.00	62.05	18,237.56	17,395.58	74.00	62.30	5,477.50	5,225.60
Aug 2010	74.20	68.60	18,475.27	17,819.99	77.00	60.00	5,549.80	5,348.90
Sep 2010	78.75	71.90	20,267.98	18,027.12	78.70	71.80	6,073.50	5,403.05
Oct 2010	79.40	71.85	20,854.55	19,768.96	79.00	71.80	6,284.10	5,937.10
Nov 2010	81.90	65.10	21,108.64	18,954.82	81.90	64.75	6,338.50	5,690.35
Dec 2010	75.75	53.20	20,552.03	19,074.57	75.25	61.10	6,147.30	5,721.15
Jan 2011	68.70	52.25	20,664.80	18,038.48	68.75	52.30	6,181.05	5,416.65
Feb 2011	59.45	45.10	18,690.97	17,295.62	59.90	45.05	5,599.25	5,177.70
Mar 2011	57.90	46.70	19,575.16	17,792.17	57.90	46.50	5,872.00	5,348.20

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 89.

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 have been delegated by the Board to the Shareholders / Investors Grievance Committee which consists of Mr Sanjay K Asher (Chairman), Mr D J Balaji Rao and Mr R Seshasayee.

In order to further improve and speed up investor servicing, the Board has authorized the Managing Director to approve all routine transfers, transmissions, etc., of shares. Such approval is being given by the Managing Director at frequent intervals (29 times during 2010-11). Transfers, transmissions, etc., were generally approved within 15 days; requests for dematerialization were confirmed within 7 days (as against the norm of 15 days). In addition, the Committee met 4 times during the year 2010-11 for approving transfers, transmissions, issue of duplicate shares etc., and reviewing investor grievances.

Annexure-B to Directors' Report

REPORT ON CORPORATE GOVERNANCE

k. (i) Distribution of Shareholding as on March 31, 2011

No. of Shares	Shareholders		No. of shares	
	Number	%	Number	%
Upto 50	60,553	24.46	17,11,339	0.13
51-100	54,700	22.10	51,91,874	0.39
101-200	36,347	14.68	65,38,851	0.49
201-500	46,474	18.77	1,81,32,301	1.36
501-1000	23,817	9.62	2,01,46,740	1.51
1001-2000	14,668	5.92	2,24,10,526	1.69
2001-5000	8,197	3.31	2,59,02,019	1.95
5001-10000	1,700	0.69	1,23,38,722	0.93
10001 & above	1,106	0.45	1,21,79,65,945	91.55
Total	2,47,562	100.00	1,33,03,38,317	100.00

No. of shares

Physical - 45,88,47,155

Electronic Mode

- NSDL - 83,77,64,081

- CDSL - 3,37,27,081

(ii) Pattern of Shareholding as on March 31, 2011

SI No.	Category	No. of Holders	No. of Shares	%
1	Promoter - Hinduja Automotive Ltd. (Includes 16,46,00,070 shares in GDR Form)	1	67,82,18,782	50.98
2	Residents (Individuals / Clearing Members)	2,42,686	13,54,52,605	10.18
3	Financial Institutions/Insurance Co. / State Govt./Govt. Companies/UTI	38	17,56,12,205	13.20
4	Foreign Institutional Investors	138	17,51,09,628	13.16
5	Non-Resident Indians/ OCB / Corporate Bodies - Foreign / Bank - Foreign / Foreign Nationals	2,811	1,22,87,315	0.93
6	Corporate Bodies	1,781	8,98,91,746	6.76
7	Mutual Funds	48	4,90,79,884	3.69
8	Trusts	21	3,04,800	0.02
9	Banks	36	2,71,352	0.02
10	Others - GDR	2	1,41,10,000	1.06
TOTAL		2,47,562	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, 2011

Holders	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 (**)	44,11,66,680	33.16	23,70,52,102	17.82	67,82,18,782	50.98
Others (***)	1,76,80,475	1.33	63,44,39,060	47.69	65,21,19,535	49.02

** including in GDR Form

*** held by 17,771 holders

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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, 2011 having an impact on equity.
- 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

Pant Nagar

Plot No.1, Sector XII
II E, Pant Nagar,
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 : corpserve@iepinidia.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
corpserve@iepinidia.com

Website address

www.ashokleyland.com

Email 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 Report.

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 from 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.

SEBI Guidelines on Corporate Governance

The Company is compliant with the SEBI Guidelines. The requirement relating to composition of the Board is met by Mr Jorma Antero Halonen agreeing to join the Board as Independent Director from May 2011, well before the date by which the Company is required to fill in the vacancy caused by the cessation of Mr Ramachandran R Nair as Director.

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.
- 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.

Code of Conduct for the Senior Management

This is to confirm that for the financial year ended March 31, 2011 all members of the Senior Management have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

May 19, 2011
Chennai

R Seshasayee
Executive Vice Chairman

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, 2011 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

May 19, 2011
Chennai

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

R. LAXMINARAYAN
Partner
Membership No. 33023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Economy and Market Trends

Global Economy

The global economy continued to recover from the fall of 2008, albeit with a few minor setbacks. IMF has estimated real GDP growth to be 5% in 2010.

Growth, though uneven, was driven largely by developing economies across Asia, Africa and Latin America, that demonstrated greater buoyancy. These countries recorded an average growth of 8%. Whilst Indian economy grew at 8.6%, Nigeria, Africa's largest nation, grew at 6.8%, and Ethiopia, the second largest nation, at 7%. Similarly, Brazil and Argentina, South America's largest economies, grew at 7.5%. Developed economies, on the other hand, grew more sedately at around 3%, with the US and EU growing at 2.8% and 1.8% respectively.

The year was marked by imbalances in the US, the world's largest economy, which is yet to be restored. The US continued to cope with high per capita debt (~USD 46000 in March 2011).

The Federal Reserve resorted to a second infusion of USD 600bn in November 2010 to stimulate the economy, while continuing to maintain interest rates at near zero levels. The resultant liquidity impacted several global markets – currency, commodity and stock - which also created considerable volatility. IMF has forecast global GDP to grow at 4.5% in 2011-12 with emerging economies leading the charge (growth rate of 6.5%), whilst developed markets are expected to grow more slowly at 2.5%. However, commodity inflation, particularly oil, is expected to remain a cause for concern, especially given the geopolitical uncertainties in oil producing regions. Nonetheless, fears of a double dip recession seem to have receded.

Given these factors, your Company remains cautiously optimistic about global economic growth, particularly in emerging markets across Asia, Africa and South America.

Indian Economy

The Economic Survey of India revealed that India's real GDP grew by about 8% in 2009-10 and by about 8.6% in 2010-11.

Though broad based, growth during 2010-11 was driven significantly by a rebounding Agriculture sector which is estimated to have grown by about 5.4% primarily due to a normal monsoon, following the severely deficient one the year before. Index of Industrial Production (IIP) grew 7.8% in April 2010-February 2011, a shade below the previous year.

The Government has targeted a GDP growth rate of 9% in 2011-12 and with conscious efforts to support it through the Union Budget. An allocation of Rs. 214,000 crore (US\$ 46.5 billion) for infrastructure in 2011-12 reflects an increase of 23.3% over 2010-11.

Some announcements made in the Union Budget are expected to impact commercial vehicles positively like financial assistance for metro projects in Delhi, Mumbai, Bengaluru, Kolkata and Chennai. Many metro phases are expected to go live in 2011-12. Growth can be expected in the cold chain business which should increase demand for reefer trucks and power generators. The launch of a 'National Mission for Hybrid and Electric Vehicles' has been announced, and moderate fiscal incentives provided for hybrid and electric vehicle components are being considered.

High inflation persisted throughout 2010-11, forcing the Reserve Bank of India to make several calibrated interventions to contain it, without sacrificing growth. With global prices of crude oil continuing to remain high and volatile, oil marketing companies have hiked the prices of petroleum products. Recent moves by RBI include a 50 basis points increase in repo rates which will impact interest rates, which, in turn, will dampen growth in several sectors, especially real estate and automobiles.

In light of the above, your Company remains cautiously positive about the continued growth of the Indian economy, and consequently, the commercial vehicle industry, during the year.

Annexure-D to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Commercial Vehicle (CV) Industry

The domestic Commercial Vehicle (CV) industry continued to grow robustly during 2010-11 as it recovered from the lows of 2008. Medium and Heavy Commercial Vehicles (M&HCV) grew by 32%, to touch 322,788 numbers, recording the highest ever sales surpassing the previous high of 275,556 units in 2006-07. Light Commercial Vehicles (LCV) posted 23% growth and reached volumes of 353,620 units. The contribution of M&HCV grew to about 48% of the overall commercial vehicle segment, compared to 46% in the previous year.

Multi-axle rigid trucks and trailers, which act as good indicators of economic activity, continued to grow at a scorching pace. Data published by SIAM reveal that tractor-trailers with capacities greater than 35 tonnes reported sales growth of 66% against 73% over the previous year; sales of multi-axle trucks, in the 25 - 31 tonne capacity range, used for transportation of materials used in construction, infrastructure and heavy engineering industries, also grew significantly at 207% as against 158% in 2009-10. Within multi-axle vehicles, the market demonstrated a pronounced shift to rigid vehicles with higher capacity (8X2), thus moving towards greater operating efficiencies. The new emission norms (Bharat Stage IV for identified metros and Bharat Stage III for the rest of India) were introduced with effect from April 1, 2010 & October 1, 2010 respectively, triggering the launch of upgraded vehicles across the product range of all OEMs.

2010-11 was also a watershed year for Indian exports, with the highest ever number of vehicles being exported worldwide. Exports of M&HCV buses registered a substantial growth of 75%, while M&HCV trucks registered 30% over the previous year. Buses and trucks in the LCV range registered growth rates of 40% and 98% respectively over the previous year.

The Total Industry Volumes registered in 2010-11 and 2009-10 were:

	DOMESTIC			EXPORTS		
	2010 - 11	2009 - 10	Change	2010 - 11	2009 - 10	Change
M&HCV Bus	47,553	43,083	10.38%	10,605	6,069	74.74%
M&HCV Truck	2,75,235	2,01,861	36.35%	18,667	14,356	30.03%
LCV Bus	37,480	34,413	8.91%	3,799	2,706	40.39%
LCV Truck	3,16,140	2,53,364	24.78%	43,226	21,878	97.58%
Total CV	6,76,408	5,32,721	26.97%	76,297	45,009	69.51%

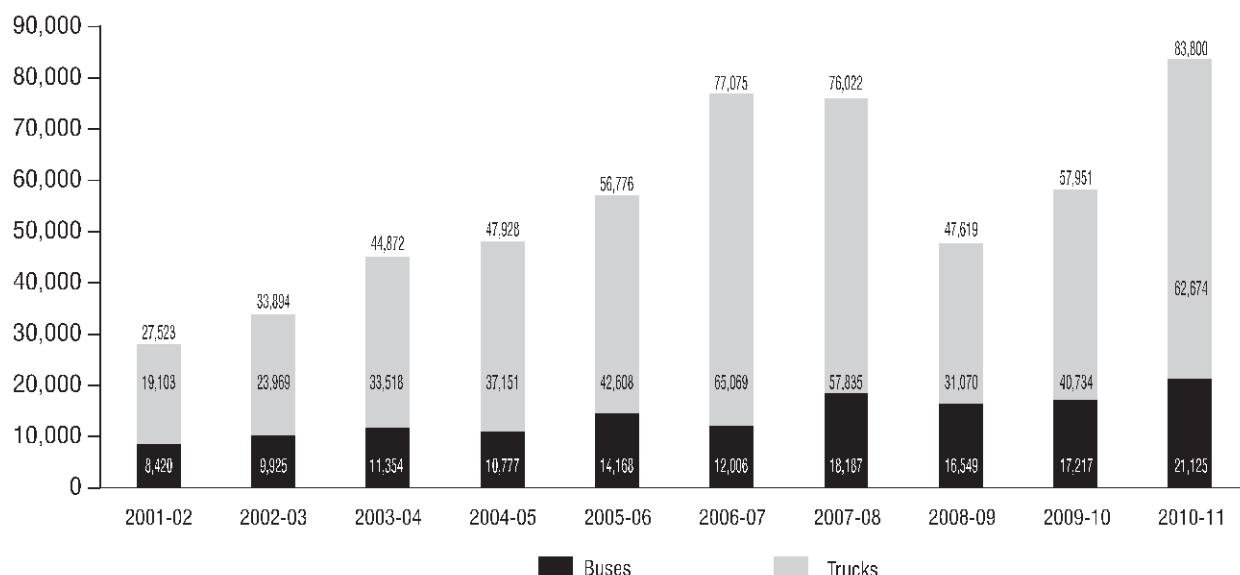
Overall economic growth indicators remain positive, auguring well for the CV Industry in 2011-12. The thrust on infrastructure and a normal monsoon should drive truck sales, while the continued focus on urban renewal should give a fillip to bus sales. However, the same dampeners of GDP growth could slow down the growth of CVs too. Rising interest rates as well as any upward revisions in diesel prices to contain the extent of subsidy could also dampen growth. Commodity price inflation could apply pressure on margins. CRISIL, the rating agency, estimates that M&HCV will grow by 13-14% and LCV by 17 -18% during 2011-12.

B. Ashok Leyland - The Year (2010-11) in brief

Against the backdrop of rising demand for commercial vehicles, Ashok Leyland registered several 'firsts' in 2010-11. Your Company registered its highest ever sales of 94,106 vehicles, a growth of 47% compared to the previous year. In the domestic market, the Company sold 83,098 M&HCV, 45% more than the previous year that included 20,425 buses and 62,673 trucks, 25% and 54% respectively more than the previous year. Your Company gained 2.4 percentage point market share in the Indian M&HCV segment during the same period.

Exports demonstrated phenomenal growth clocking 10,306 vehicles in 2010-11, a 72% growth against the previous year largely attributable to a revival in the

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



Sri Lankan economy and buoyant growth in other SAARC markets. Your Company also undertook several initiatives to establish presence in fast growing markets across Asia, Africa and Latin America. A new plant was inaugurated at Ras-Al-Khaimah, United Arab Emirates, to build buses and AVIA trucks for the region. Ashok Leyland renewed its focus on the Defence business for export markets especially in the emerging economies.

The Power Solutions Business Unit sold 17,643 engines in the year 2010-11, a 9% drop compared to the previous year partly due to capacity constraints caused by the overwhelming demand from the commercial vehicle business, and partly due to the slowdown in the Telecom tower market. Spare parts business grew at 11% with an all-time high turnover of Rs. 712.51 crores.

Your Company produced 95,337 vehicles during the year, up 47% compared to the previous year. Nearly 500 vehicle variants were launched during the year partly driven by change in emission standards, the highlight of which was the launch of the flagship U Truck range in October 2010. The U Truck range has received excellent initial response from customers, with nearly 1100 vehicles sold in the first 6 months from launch, with just a limited range of models

on offer. The U-truck range features several 'firsts'; an engine fitted with mechanical fuel pump that meets Bharat Stage III emission norms; India's first 8X4 medium duty tipper and the country's first 4 year comprehensive service care package.

Ashok Leyland has started production at its all-new, state-of-the-art production facility at Pantnagar, Uttarakhand. Over 1,500 executives and associates have been recruited at Pantnagar and this plant will cater to the growing vehicle demand in North / Eastern part of India.

A unique initiative, known as 'BLESSING' was launched by your Company at Pantnagar in partnership with the State Government to develop shop floor skills. Under this scheme, youth who have passed 12th grade are recruited and educated / trained by Ashok Leyland at its expense, in partnership with NTTF, whilst enabling them to work and learn on the shop floor.

To complement the increased capacity from Pantnagar, Ashok Leyland expanded its dealer network substantially in areas where it had hitherto limited coverage. Dealer outlets increased from 178 to 205 numbers, Authorised Service Centres, grew from 138 to 155 numbers. To support the driver community better and to facilitate

Annexure-D to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

customers to obtain trained drivers, your Company opened a new driver training centre in Kaithal, Haryana, to increase the number of such Ashok Leyland supported institutes to three.

Your Company continued to invest heavily in Product Development in 2010-11. The New Generation Cab and the Neptune Engine programmes are on track and will be progressively integrated into the U-Truck range. Substantial effort is being made to revamp the range of Intermediate Commercial Vehicles and offer a global product to the Indian market, drawing upon the strengths of AVIA, Ashok Leyland's associate company in the Czech Republic. Your Company's wide portfolio of buses and coaches are further being enhanced. The acquisition of 26% equity stake in Optare, a UK based manufacturer of contemporary rear-engine city buses and a leader in 'green' technology, has added to Ashok Leyland's bus building capabilities. A range of products incorporating best practices from this range is under development. In addition, your Company continued to invest in drive train technologies of the future, particularly in Hybrid and Electric vehicles, by enhancing the HYBUS portfolio.

The Company's present Enterprise Resource Planning (ERP) system is a well-established home-grown system that connects end-to-end, addressing most enterprise transaction needs. Also in use is a Product Lifecycle Management platform to support the Design Release process, to manage Bill of Material and to integrate with Product Performance Reports filed by field service for issue of clarifications based on severity, analysis and resolution.

Given the pace of growth, your Company has launched a large scale project to upgrade its systems to address future needs more effectively – be it system aided centralized constraint based planning, higher levels of integration with suppliers, collaborative planning and build or demand planning. Mission GenNext has been launched as a business process transformation initiative that will re-engineer your Company's processes to be future-

ready and enable easy migration to the world class SAP platform.

Hinduja Leyland Finance

Your Company had promoted a non-banking finance company named Hinduja Leyland Finance Limited (HLFL) as its financing arm to boost sales. With approximately 690 employees, HLFL operates in over 400 centres across over 20 States. In its first full year of operation, it financed approximately 5,300 Ashok Leyland vehicles and made a total disbursement of Rs. 1200 Crores.

JV with Nissan Motors

The Joint Venture with Nissan Motor Company has recently unveiled its first product branded DOST, which is powered by a specially-developed, 55 hp high-torque, 3-cylinder, turbo-charged common rail diesel engine and having a payload capacity of 1.25 Tonnes.

Mirroring the evolution of the Indian light truck market, the small commercial vehicle segment (vehicles less than 3.5 Tonnes) has been witnessing a perceptible upward shift in terms of features, performance and payload and the DOST has been positioned as a contemporary, powerful yet highly efficient product. With the hub-and-spoke model fast gaining ground, it is well-placed to ride the robust demand for vehicles making last-mile deliveries. The product from the JV aims to blend the best in terms of Japanese engineering from Nissan, with the insight into local relevance that Ashok Leyland brings to the table. It represents a very attractive value proposition to the small and medium businesses that it is targeted at.

JV with John Deere

The Company Ashok Leyland John Deere Construction Equipment Company Private Limited, incorporated in July 2009, as a 50:50 Joint Venture between Ashok Leyland and John Deere Construction & Forestry Company marks a fast growing market with state-of-the-art products.

A 48-acre manufacturing facility at Gummidipoondi, on the outskirts of Chennai was inaugurated in October 2010.

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The first product – the backhoe loader -- is undergoing field trials and is expected to be launched by third quarter of 2011-12.

JV with Continental AG

Leveraging Ashok Leyland's market knowledge and Continental's technology leadership, this JV aims to become an innovation centre for delivering automotive infotronics solutions at value price points. The JV displayed its products capability at Continental's booth at the International Motor Show, IAA, Hanover and is currently in the process of developing a portfolio of products for mass application.

Albonair GmbH

Albonair GmbH, established with a vision of being a complete solution provider for reducing automotive emissions, has in the short period since inception, developed the complete solution for Selective Catalytic Reduction (SCR) and Urea Dosing System (UDS) conforming to Euro 4, 5 and 6 emission standards for commercial as well as passenger vehicles. Albonair has succeeded in securing orders from Global OEMs and is gearing to develop and deliver the same.

Ashok Leyland Defence Systems Limited (ALDS)

Ashok Leyland has a long standing relationship with Indian Army for supply of logistics vehicles. ALDS, a newly formed associate company, will provide increased focus to address the opportunities in the Indian and overseas Defence markets.

Further ALDS has signed a Memorandum of Understanding with Krauss-Maffei Wegmann (KMW) GmbH, Germany, in order to develop advanced Defence systems for the Indian Defence establishment as well as other Defence forces worldwide. Leveraging this and other partnerships, ALDS is engaged in the development of tactical vehicles for Defence.

Ashley Alteams India Limited (AAIL)

The 50:50 JV partnership between Ashok Leyland and Alteams OY, Finland aims to be a world-class aluminium die-casting manufacturer and become a 'partner of choice' to their customers by providing innovative product solutions. The state-of-the-art foundry and machine shop at Cheyyar, Tamil Nadu, provides complete die-casting solutions with the latest technological expertise. Ashley Alteams is strongly backed by European technology and has an annual installed capacity of 7000 MT, with the capability to produce high pressure die-casting components ranging from 0.5 kg to 20 kg. In order to cater to the fast growing needs of Telecom customers, AAIL is setting up an Electroplating Project.

AVIA Ashok Leyland Motors s.r.o. (AALM)

AVIA Ashok Leyland Motors s.r.o., based in Prague, is part of Ashok Leyland since October 2006. AALM, offers the D Series trucks (consisting of 6T, 7.5T, 9T and 12T GVW models) that are marketed in the Czech Republic, Hungary, UK, Ireland, Slovakia and Spain. The economic recovery in Central Europe has helped AALM post higher sales number of diesel vehicles. In 2010, AALM launched the 7.5T and 12T vehicles in the Middle East market and its strategy of focused expansion into electric vehicles in supplier arrangement with Smith Electric, USA has begun to yield results, with several chassis for Electric trucks being exported to the USA.

Defiance Technologies Limited

Defiance Technologies Limited is a leading provider of Engineering, ERP and IT services to global customers leveraging the global delivery model. Headquartered at Chennai, Defiance has world-class development centres at Chennai and Bangalore in India, state-of-the-art testing facilities at Troy and Westland, Michigan and business offices in USA, Europe, Middle East, South Africa and

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India. Defiance has set up its European headquarters in Cologne in 2010, because of the strategic advantage of its location in terms of access to roadways, airport and Benelux region.

In 2010, Defiance became one of the first few companies in India to receive the AS 9100 Revision 'C' certification which is considered as the gold standard for Aerospace and Defence customers globally. The Company partnered with MSC Software Corporation, the leader in multidisciplinary simulation solutions that accelerate product innovation, to help customers improve design development while minimizing software costs.

C. Risk Management

The Company has initiated a focused approach towards Enterprise Risk Management across the organisation based on the Committee of Sponsoring Organisations (COSO) framework to identify, analyse, prioritise, mitigate and monitor all the risks including strategic, operational, industry and regulatory in nature, across all functions and at all levels.

Risk Management is an integral part of management, not a separate function for specialists.

Environmental Risk: The Company is presently fully equipped to meet the environmental legislation prescribed by the Government for Commercial Vehicles.

Though the Indian CV market continues to grow rapidly, increase in interest rates and fuel prices could dampen demand to a certain extent. Your Company is addressing this through increased focus on export markets and on non-cyclical businesses such as spares, Defence and power solutions. Your Company's entry into the relatively less volatile Light Commercial Vehicles business in 2011-12 will further de-risk the business.

In case of surge in demand, your Company has built adequate manufacturing capacity to meet such increases. With review of the production plan at regular intervals, your Company has the capability to add modules of capacity at short cycle times to meet demand increases.

Rising material cost poses a major risk to profitability. To mitigate this risk, your Company has undertaken a wide range of product cost reduction exercises through deep dives, value engineering and alternate sourcing to sustain profitability to the extent feasible.

Legislation will continue to put pressure on technology advancements resulting in higher investment and product cost. To address this issue, Ashok Leyland's associate company Albonair is working on competitive emission treatment systems. Your Company has also proactively launched programmes with its strategic partners to develop power trains to meet upcoming emissions norms equivalent to Euro 5 and 6. Ashok Leyland has also ensured that its products under development meet all norms expected in the near future, such as the bus body code, safety norms for trucks and upcoming requirements for onboard diagnostics.

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

Political Risk: Many of our target overseas markets suffer from political instability, natural calamities, war, terrorism, etc., that could affect the Company's business. These risks are mitigated by taking ECGC cover wherever necessary and also delivering vehicles against confirmed letters of credit.

Financial Risk: Unanticipated demand recession results in mismatch between production and sale, which in turn causes strain on liquidity. The Company has revised its working capital policy in order to minimize such risks. Several initiatives on interest rates (both floating and fixed) have been taken in order to leverage the rate fluctuations.

The Company also has a currency related policy to mitigate Foreign Exchange risks.

The Company's foreign exchange exposure has increased considerably on account of External Commercial Borrowings and increase in exports. The Company has

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activated a system monitored by centralised Treasury Department to mitigate adverse effects of currency/ interest rate fluctuations.

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 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 implementation are 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

Ashok Leyland, among the first auto majors in India to be certified under BS7799 in 2005, strategically decided to expand the scope on a modular manner to critical areas handling particularly IPR and / or sensitive information.

As part of this strategy, your Company migrated to ISO 27001 during 2006 and expanded the scope to Advanced Engineering during 2007 and Business Continuity and Disaster Recovery site in 2010.

E. Financial Review

Summary of Profit and Loss Account Rs. Crores

	2010-11	2009-10	Inc / (Dec)%
Income			
Sales (Net of Excise Duty)	11,117.71	7,244.71	53.5
Other Income	15.33	70.45	(78.2)
Total	11,133.04	7,315.16	52.2
Expenditure			
Material Cost	8,121.17	5,217.52	55.7
Employee Expenses	959.72	665.93	44.1
Other Expenses	819.26	598.42	36.9
Depreciation	267.43	204.11	31.0
Financial Expenses	163.66	81.13	101.7
Total	10,331.24	6,767.11	52.7
Profit Before Exceptional Item	801.80	548.05	46.3
Exceptional item – VRS Expenses Amortisation	-	3.27	(100.0)
Profit Before Tax	801.80	544.78	47.2
Tax Provision - Current	111.15	-	100.0
- Deferred	59.35	121.10	(51.0)
Profit After Tax	631.30	423.68	49.0
Basic Earnings Per Share (in Rs.)	4.75	3.18	49.0

Revenues

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

- **Vehicles:** Income from vehicles was at Rs. 9,836 Crores, a growth of 61% over the previous year level of Rs. 6,098 Crores. The increase in revenue was attributable mainly to a 47% growth in vehicle sale volumes in 2010-11. Considering the increase in input costs and operations aided by the legislation on emission requirements, the Company revised the prices on four occasions to register cumulative increase of about Rs. 89,000/- per vehicle.
- **Engines:** Revenue from engines reduced to Rs. 309 Crores, a 6% drop over the previous year level of Rs. 329 Crores, largely due to capacity constraints and

Annexure-D to Directors' Report

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lower sales to telecom sector as explained in Para B above.

- **Spare Parts and others:** Income from spare parts including sale of kits to Vehicle Factory, Jabalpur increased to Rs. 973 Crores, an increase of 19% over the previous year level of Rs. 818 Crores.

Other income registered a drop of Rs. 55 Crores, mainly due to gain on sale of investments during previous year.

Costs

- **Material Cost:** In the first half of 2009-10 the Company managed to mitigate the impact of cost increases through pricing actions and value engineering. However, in the second half of 2009-10, cost pressures were severe.
- **Staff costs:** Employee expenses rose significantly in 2010-11 primarily due to increase in executive strength and enhanced compensation, higher bonuses / exgratia and annual performance pay as well as the impact of long term wage settlement at the Ennore Unit.
- Other expenses were higher by 37% primarily due to higher incurrence in power, fuel and maintenance costs in line with the higher production during 2010-11.
- Depreciation for the year increased to Rs. 267 Crores compared to Rs. 204 Crores in the previous year primarily due to fuller utilization of Pantnagar plant in the current year.
- Financial expenses doubled to Rs. 164 Crores during the year. In line with its funding policy, the Company borrowed fresh term loans to the extent of Rs. 460 Crores during the year to meet investments and capital expenditure. Interest cost on these fresh loans, together with the full year impact of the interest on loans availed at the end of 2009-10, resulted in higher interest costs for the year. Further, interest cost during the previous year was lower due to capitalization of interest amounting to Rs.36 Crores, relating to capital expenditure on Pantnagar. Centralised Treasury Department is active in the money market to manage day-to-day investment of surplus funds and to raise

short term funds as required and to optimize the overall cost of borrowings.

Capital Employed

Total capital employed by the Company increased by 12% from Rs. 6,321 Crores to Rs. 7,065 Crores, mainly due to fresh acquisitions, investments in joint ventures, facility creation and higher finished vehicle inventory.

Total Shareholders' funds as at March 31, 2011 aggregated to Rs. 3,963 Crores of which equity capital was Rs. 133 Crores comprising of 133 Crore shares of Re.1 each.

	Rs. Crores		
	2010-11	2009-10	Inc (Dec) %
BALANCE SHEET			
Sources of Funds			
Shareholders' Funds	3,962.96	3,668.77	8.0
Loan Funds	2,568.26	2,203.89	16.5
Deferred Liability	89.93	76.55	17.5
Deferred Tax Liability-Net	443.89	384.54	15.4
Foreign Currency Monetary Item Translation Difference -net	-	(12.45)	(100.0)
Total	7,065.04	6,321.29	11.8
Application of Funds			
Fixed Assets	4,991.76	4,811.03	3.8
Investments	1,230.00	326.16	277.1
Net current Assets	838.97	1,178.93	(28.8)
Miscellaneous Expenditure	4.31	5.17	(16.7)
Total	7,065.04	6,321.29	11.8

Capital Expenditure and Investments

During the year, the Company incurred Rs. 490 Crores towards capital expenditure, mainly development of infrastructure, engine, cab, frame and chassis assembly at Pantnagar for setting up integrated manufacturing facilities as well as for development of new aggregates such as engines, cabs, etc. The Company also incurred capital expenditure towards implementing a new ERP system. The rest of the capital expenditure was towards capacity optimisation programmes in existing plants.

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

During the year, the Company acquired 26% stake in Optare plc, UK in pursuit of its objective to become one of the top five bus manufacturers in the world. The Company invested Rs. 102 Crores in Hinduja Leyland Finance Limited during the year and made investments in JVs for LCV and in the JV for Construction Equipment.

Net Current Assets as on March 31, 2011 at Rs. 839 Crores compares well with previous year level of Rs. 1,179 Crores despite increase in activity level by about 47%. Loans and Advances were lower by Rs. 167 Crores primarily due to conversion of loans given to associate companies into equity. Inventories increased to Rs. 2,209 Crores as on March 31, 2011 compared to Rs. 1,638 Crores as at March 31, 2010 mainly due to increase in finished vehicles and production inventory. Receivables increased to Rs. 1,185 Crores as on March 31, 2011 from Rs. 1,022 Crores as on March 31, 2010 mainly due to higher sales to and dues from State Transport Undertakings.

Liquidity

The Company continued with the 'cash and carry' system of sales during the year. This has enabled the Company manage the increased liquidity requirements better, though the activity levels increased by 47% over previous year. Increase in inventory and receivables has necessitated additional requirement of funds. This is evident from the drop in cash and bank balances from Rs. 519 Crores in 2009-10 to Rs. 180 Crores in 2010-11. During the year, the Company availed term loans and non-convertible debentures totalling to Rs. 460 Crores which are secured by a first pari passu charge created / to be created on certain immovable properties and movable assets. These funds were utilized 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 volumes in core business, better product mix and increased benefits consequent to increased volumes from Panthnagar. The Company managed to recover some portion of material cost increases sanctioned to the suppliers through pricing, thus improving margins. Similarly, additional costs to comply with emission standards were also recovered through pricing action. The Company managed the commodity price based cost increases during the year through savings from various cost reduction programmes.

Presently, the Company's debts have been rated by CRISIL and ICRA.

The rating agencies have reaffirmed the Company's ratings at FY 2009-10 level with revision in outlook from negative to stable and again to positive now which is as under:

Agency	Long Term	Short Term Loan
CRISIL	FAA- (positive outlook)	P1+ (reaffirmed)
ICRA	LAA- (positive outlook)	A1+ (reaffirmed)

Results of Operation

The Company generated cash profits from operations after tax of Rs. 1,083 Crores. After meeting working capital requirements, the Company registered a net cash inflow of Rs. 591 Crores from its operations.

Cash outflow for investing activities for FY 2010-11 amounted to Rs. 568 Crores as against an outflow of Rs. 99 Crores in FY 2009-10. Fresh loans for Rs. 460 Crores were raised to meet investing activities.

Profit before tax and exceptional items was Rs. 802 Crores. After providing for taxes at Rs. 171 Crores (including deferred tax), profit after tax for the current year is Rs. 631 Crores. The earnings per share (EPS) increased by 49% from Rs. 3.18 per share in 2009-10 to Rs. 4.75 per share in the year under review.

Annexure-D to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Dividend

The Directors have recommended 200% dividend for the year 2010-11, equivalent to Rs. 2 per share.

CASH FLOW STATEMENT	Rs. Crores	
	2010-11	2009-10
Profit from operations after tax	1,082.80	656.14
(Inc) / Dec. in Net Working Capital	(491.42)	433.92
Net Cash Flow from operating activities (before exceptional item)	591.38	1,090.06
Net cash flow from operating activities	591.38	1,090.06
Payment for Assets acquisition - net	(350.09)	(684.41)
Other cash flow from Investing activities - net	(567.63)	(98.76)
Cash flow from Financing activities	(13.64)	123.31
Net Cash inflow / (Outflow)	(339.98)	430.21

Looking Ahead

With the economy still reasonably buoyant, continued accent on infrastructure development and construction activities and growth across freight generating sectors augurs well. Another year of good monsoon should act as a great fillip for the agricultural sector. Therefore, overall,

the CV industry should be able to hold its growth trend in 2011-12, albeit at a slower rate. 2011-2012 will be a year of growth and consolidation for Ashok Leyland in quest of the vision to be among the global top 10 in trucks and top 5 in buses in volume terms.

Your Company is well placed and well equipped to meet demand spikes and also to meet the challenges of up-graded products compliant to stricter emission norms. With the launch of the U Truck platform with improved aggregates like the Next Generation Cab and Neptune Engine, your Company is confident of meeting the growing competition in the domestic market and improve its market share both in domestic and in international markets.

With global economies recovering, opportunities are arising for Ashok Leyland to spread its global footprint beyond the SAARC countries to the growing markets of Asia, Africa and CIS.

On the domestic front, rising interest costs and diesel prices are going to be growth dampeners but since the fundamentals remain strong and the economy continues to be on a growth trajectory, your Company is cautiously positive about the future.

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 true and fair view of the financial position as on 31.3.2011 and of the results of operations for the year ended 31.3.2011.

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 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.

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. 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, Vinod K Dasari, 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 Statutory 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.

May 19, 2011
Chennai

Vinod K Dasari
Managing Director

K. Sridharan
Chief Financial Officer





FINANCIAL STATEMENTS



AUDITORS' REPORT TO THE MEMBERS OF ASHOK LEYLAND LIMITED

1. We have audited the attached Balance Sheet of **ASHOK LEYLAND LIMITED** ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto, (collectively referred to as the financial statements), 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, 2011;
 - (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, 2011, and taken on record by the Board of Directors, we report that none of the directors is prima facie disqualified as on March 31, 2011 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

May 19, 2011
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 on the accounts for the year ended March 31, 2011 of Ashok Leyland Limited).

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 Deposit) 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 and customs duty which have not been deposited on account of any dispute. Details of dues towards sales tax, excise duty, service tax and cess that

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date on the accounts for the year ended March 31, 2011 of Ashok Leyland Limited).

have not been deposited on account of dispute are as stated below:

Rs. Lakhs

Nature of dues	Dues	Forum where the dispute is pending	Amount stayed not included in dues
Sales Tax	1,284.29	Appellate Deputy / Additional Commissioner	1,384.23
	15.12	Tribunal	697.09
Excise Duty, and cess thereon	24.70	Commissioner of Central Excise (Appeals)	—
	1,419.66	Tribunal (CESTAT)	—
Service tax and cess thereon	230.31	Tribunal (CESTAT)	—

10. the Company does not have any accumulated losses as at March 31, 2011 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.
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

May 19, 2011
Chennai

For Deloitte Haskins & Sells
Chartered Accountants
Registration No. 117366W

R. Laxminarayan
Partner
Membership No.33023

BALANCE SHEET AS AT MARCH 31, 2011

		2011	2010
	Schedule	Rs. Lakhs	Rs. Lakhs
Sources of funds			
Shareholders' funds			
Capital	1.1	13,303.42	13,303.42
Reserves and surplus	1.2	3,82,992.79	3,53,572.39
		3,96,296.21	3,66,875.81
Loan funds			
Secured loans	1.3	1,18,229.75	71,156.68
Unsecured loans	1.4	1,38,596.73	1,49,232.50
		2,56,826.48	2,20,389.18
Deferred liability		8,992.67	7,654.85
Deferred tax liability - net		44,388.69	38,453.69
Foreign currency monetary item translation difference - net		–	(1,245.01)
Total		7,06,504.05	6,32,128.52
Application of funds			
Fixed assets	1.5		
Gross block		6,69,188.87	6,01,863.37
Less: Depreciation		2,05,809.69	1,76,907.45
Net block		4,63,379.18	4,24,955.92
Capital work-in-progress		35,796.61	56,146.97
		4,99,175.79	4,81,102.89
Investments	1.6	1,22,999.68	32,615.49
Current assets, loans and advances			
Inventories	1.7	2,20,890.34	1,63,824.00
Sundry debtors	1.8	1,18,521.33	1,02,206.15
Cash and bank balances	1.9	17,952.72	51,892.05
Loans and advances	1.10	79,360.14	96,046.23
		4,36,724.53	4,13,968.43
Less: Current liabilities and provisions	1.11		
Liabilities		3,03,794.77	2,59,206.57
Provisions		49,032.63	36,869.15
		3,52,827.40	2,96,075.72
Net current assets		83,897.13	1,17,892.71
Miscellaneous expenditure	1.12	431.45	517.43
(to the extent not written off or adjusted)			
Total		7,06,504.05	6,32,128.52

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

K. SRIDHARAN
Chief Financial Officer

A.R. CHANDRASEKHARAN
Executive Director & Company Secretary

DHEERAJ G HINDUJA
Chairman

R.SESHASAYEE
Executive Vice Chairman

VINOD K DASARI
Managing Director

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

May 19, 2011
Chennai

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	2011 Rs. Lakhs	2010 Rs. Lakhs
Income			
Sales and services	2.1	12,09,360.68	7,87,259.74
Less: Excise duty		97,589.78	62,788.69
		11,11,770.90	7,24,471.05
Other income	2.2	1,533.43	7,044.54
		11,13,304.33	7,31,515.59
Expenditure			
Manufacturing and other expenses	2.3	9,90,015.16	6,48,187.13
Depreciation, amortisation and impairment	2.4	26,743.10	20,410.79
Financial expenses	2.5	16,366.14	8,113.04
		10,33,124.40	6,76,710.96
Profit before exceptional item		80,179.93	54,804.63
Exceptional item			
Voluntary retirement scheme compensation amortised		-	327.15
Profit before tax		80,179.93	54,477.48
Provision for taxation - Current tax (Refer note 15 to the Accounts)		11,115.00	-
- Deferred tax		5,935.00	12,110.00
Profit after tax		63,129.93	42,367.48
Balance profit from last year		57,744.98	48,230.19
Transfer from / (to) - Debenture redemption reserve		416.66	416.67
		(5,250.00)	-
- General reserve		(10,000.00)	(10,000.00)
		1,06,041.57	81,014.34
Proposed dividend		26,606.77	19,955.07
Corporate dividend tax thereon		4,316.28	3,314.29
Balance profit carried to Balance Sheet		75,118.52	57,744.98
Earnings per share (Face value Re.1) - Basic (in Rs.)		4.75	3.18
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

K. SRIDHARAN
Chief Financial Officer

A.R. CHANDRASEKHARAN
Executive Director & Company Secretary

DHEERAJ G HINDUJA
Chairman

R.SESHASAYEE
Executive Vice Chairman

VINOD K DASARI
Managing Director

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

May 19, 2011
Chennai

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	2011 Rs. Lakhs	2010 Rs. Lakhs
Cash flow from operating activities		
Profit before tax	80,179.93	54,477.48
Adjustments for:		
Depreciation, amortisation and impairment - net of capitalisation	26,743.10	20,410.79
Other amortisations	1,068.02	860.65
Foreign exchange (gains) / losses	458.41	(1,909.57)
Interest expense net of capitalisation	17,536.75	9,121.42
Interest income	(2,101.04)	(2,532.32)
Income from investments	(390.32)	(264.29)
Profit on disposal of fixed assets / long term investments - net	(188.50)	(5,477.45)
Diminution in value of investments	-	(144.24)
Operating profit before working capital changes	1,23,306.35	74,542.47
Adjustments for changes in :		
Inventories	(57,066.35)	(30,822.56)
Debtors	(16,060.95)	(8,242.13)
Advances	(12,660.05)	1,234.08
Current liabilities and provisions	36,645.69	81,222.35
Cash generated from operations	74,164.69	1,17,934.21
Income tax paid	(15,026.42)	(8,928.09)
Net cash flow from operating activities	59,138.27	1,09,006.12
Cash flow from investing activities		
Payments for assets acquisition	(35,260.26)	(69,472.33)
Proceeds on sale of fixed assets	250.83	363.22
Proceeds on sale of division	-	668.00
Purchase of Investments	(90,516.49)	(19,268.89)
Sale / redemption of Investments	137.08	19,743.64
Income from investments - Interest	1,002.70	3,610.43
- Dividend	390.32	264.29
Changes in Advances (Net)	32,222.91	(14,225.06)
Net cash flow used in investing activities	(91,772.91)	(78,316.70)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	2011 Rs. Lakhs	2010 Rs. Lakhs
Cash flow from financing activities		
Long term borrowings - Raised	46,000.00	52,318.50
- Repaid	(8,601.12)	(9,822.86)
Debenture / Loan raising expenses paid	(69.28)	(21.41)
Interest paid - net	(15,423.86)	(14,578.52)
Dividend paid and tax thereon	(23,269.36)	(15,564.29)
Net cash flow from financing activities	(1,363.62)	12,331.42
Net cash inflow / (outflow)	(33,998.26)	43,020.84
Opening cash and cash equivalents	51,535.53	8,514.69
Closing cash and cash equivalents	17,537.27	51,535.53
Net increase / (decrease) in cash and cash equivalents	(33,998.26)	43,020.84

Notes to the cash flow statement

Components of cash and cash equivalents:

Cash and bank balances, cash credit excluding those relating to unclaimed dividend	17,551.91	51,536.50
Unrealised foreign exchange loss - net	(14.64)	(0.97)
	17,537.27	51,535.53

For and on behalf of the Board

K. SRIDHARAN
Chief Financial Officer

A.R. CHANDRASEKHARAN
Executive Director & Company Secretary

DHEERAJ G HINDUJA
Chairman

R.SESHASAYEE
Executive Vice Chairman

VINOD K DASARI
Managing Director

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

May 19, 2011
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 / materialize.

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 and assets in leased premises / customer premises, 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 is provided on a pro-rata basis from the month the assets are put to use during the financial year. 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.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

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.
- 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 recognized 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 amortized 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 recognized 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

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

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.

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, 2011.

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, 2011

			2011 Rs. Lakhs	2010 Rs. Lakhs
1.1 CAPITAL				
Authorised				
2,00,00,00,000	(2010 : 2,00,00,00,000) Equity shares of Re.1 (2010 :Re.1) each		20,000.00	20,000.00
Issued				
a) 52,45,98,695	(2010: 52,45,98,695) Equity shares of Re.1 (2010: Re.1) each		5,245.99	5,245.99
b) 34,17,42,940	(2010: 34,17,42,940) Equity shares of Re.1 (2010: Re.1) each			
	issued by way of conversion of debentures		3,417.43	3,417.43
c) 32,31,57,240	(2010: 32,31,57,240) Equity shares of Re.1 (2010: Re.1) each			
	issued through Global depository receipts		3,231.57	3,231.57
d) 14,10,44,117	(2010: 14,10,44,117) Equity shares of Re.1 (2010: 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	(2010: 52,43,94,020) Equity shares of Re.1 (2010: Re.1) each		5,243.94	5,243.94
b) 34,17,42,940	(2010: 34,17,42,940) Equity shares of Re.1 (2010: Re.1) each			
	issued by way of conversion of debentures		3,417.43	3,417.43
c) 32,31,57,240	(2010: 32,31,57,240) Equity shares of Re.1 (2010: Re.1) each			
	issued through Global depository receipts		3,231.57	3,231.57
d) 14,10,44,117	(2010: 14,10,44,117) Equity shares of Re.1(2010: 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,

- 1,47,88,880 (2010: 1,47,88,880) Equity shares were allotted under an agreement without payment being received in cash.
- 6,23,08,110 (2010: 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.
- Hinduja Automotive Limited, the holding company, holds 51,36,18,712 (2010: 51,36,18,712) equity shares and 54,86,669 (2010: 54,86,669) Global depository receipts equivalent to 16,46,00,070 (2010: 16,46,00,070) Equity shares.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	2011 Rs. Lakhs	2010 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	1,33,317.40	1,36,486.44		
Less: Transfer to Profit and Loss account (Refer Note 3.7 (b) to the Accounts)	2,685.06	2,982.47		
Transfer to General reserve on sale of asset	-	134.64		
Deletion occasioned on extinguishment of asset	4.74	29.10		
Loss on disposal of revalued asset	-	22.83		
	1,30,627.60	1,33,317.40		
Securities premium				
As per last Balance Sheet	89,033.66	89,033.66		
Debenture redemption reserve				
As per last Balance Sheet	4,166.66	4,583.33		
Add: Transfer from Profit and Loss account	5,250.00	-		
Less: Transfer to Profit and Loss account	416.66	416.67		
	9,000.00	4,166.66		
General reserve				
As per last Balance Sheet	69,253.33	59,118.69		
Add: Transfer from Profit and Loss account	10,000.00	10,000.00		
Transfer from Revaluation reserve on sale of asset	-	134.64		
	79,253.33	69,253.33		
Hedge reserve				
As per last Balance Sheet	(33.14)	(3,455.33)		
Add: Unrealised gains / (losses) on cash flow hedges - net (Refer note 11.2 to the Accounts)	(96.68)	3,422.19		
	(129.82)	(33.14)		
Surplus - balance in Profit and Loss account	75,118.52	57,744.98		
	3,82,992.79	3,53,572.39		
1.3 SECURED LOANS				
Debentures	36,000.00	16,666.67		
Long term monetary liabilities in foreign currency				
– External commercial borrowing from bank	2,226.66	4,453.33		
– Exchange loss on translation	3.09	36.68		
	2,229.75	4,490.01		
Term loans from banks	80,000.00	50,000.00		
	1,18,229.75	71,156.68		
1. a)	Debentures and term loans from banks aggregating Rs. 1,16,000 lakhs (2010: Rs. 66,666.67 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 bank aggregating to Rs. 2,229.75 lakhs (2010: Rs. 4,490.01 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	2011	2010	Dates of Redemption
	Series	Rs. Lakhs	Rs. Lakhs	
	AL 11	-	1,666.67	September 17, 2010
	AL 12	15,000.00	15,000.00	October 31, 2011, 2012, 2013, 2014 and 2015
	AL 13	7,000.00	-	July 22, 2013
	AL 14	7,000.00	-	July 22, 2014
	AL 15	7,000.00	-	July 22, 2015
		36,000.00	16,666.67	
3.	Loans include Rs. 6,896.42 lakhs (2010: Rs. 3,911.67 lakhs) due within 12 months.			

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	2011 Rs. Lakhs	2010 Rs. Lakhs
1.4 UNSECURED LOANS		
Long term monetary liabilities in foreign currency		
– External commercial borrowings from banks	1,21,420.20	125,108.21
– Exchange loss on translation	6,418.80	7,346.79
	1,27,839.00	132,455.00
Interest free sales tax loans	8,748.52	9,459.00
Loans and advances from		
– Banks	–	5,000.00
– Others	2,009.21	2,318.50
	1,38,596.73	149,232.50
Of the above, amount due within 12 months		
– Long term monetary liabilities in foreign currency	14,121.75	3,741.67
– Interest free sales tax loans	687.98	710.48
– Loans and advances from - Others	307.50	205.98

	Rs. Lakhs							
DESCRIPTION	GROSS BLOCK (COST / VALUATION)				DEPRECIATION / AMORTISATION / IMPAIRMENT		NET BLOCK	
	01.04.2010	Additions	Deductions	31.03.2011	Upto 31.03.2011	Upto 31.3.2010	2011	2010
Land - Freehold	76,632.43	125.39	-	76,757.82	-	-	76,757.82	76,632.43
- Leasehold	40,145.84	(93.12)	-	40,052.72	4,748.21	2,828.60	35,304.51	37,317.24
Buildings	1,14,123.05	8,293.78	34.62	1,22,382.21	17,567.44	13,733.46	1,04,814.77	1,00,389.59
Plant and machinery	3,14,316.27	38,188.16	711.72	3,51,792.71	1,50,447.81	1,29,748.70	2,01,344.90	1,84,567.57
Furniture, fittings and equipment	19,424.80	1,717.16	192.47	20,949.49	14,760.93	12,913.16	6,188.56	6,511.64
Vehicles and aircraft	13,980.19	557.77	240.24	14,297.72	5,155.05	4,583.53	9,142.67	9,396.66
Assets given on lease:								
- Leasehold land	126.41	-	-	126.41	41.08	37.92	85.33	88.49
- Buildings	805.60	-	-	805.60	57.39	42.36	748.21	763.24
- Plant and machinery - windmills	5,703.70	(5,703.70)	-	-	-	2,028.39	-	3,675.31
- Furniture, fittings and equipment	102.78	-	-	102.78	51.51	36.97	51.27	65.81
Intangible assets								
Computer software								
- Developed	2,446.84	-	-	2,446.84	2,446.82	2,442.32	0.02	4.52
- Acquired	5,960.75	1,376.59	-	7,337.34	4,549.37	3,668.56	2,787.97	2,292.19
Technical knowhow								
- Developed	-	21,050.13	-	21,050.13	292.42	-	20,757.71	-
- Acquired	8,094.71	2,992.39	-	11,087.10	5,691.66	4,843.48	5,395.44	3,251.23
	601,863.37	68,504.55	1,179.05	6,69,188.87	2,05,809.69	1,76,907.45	4,63,379.18	4,24,955.92
Previous year	4,93,894.82	1,09,505.51	1,536.96	6,01,863.37				
Capital work-in progress							35,796.61	56,146.97
							4,99,175.79	4,81,102.89

- Buildings include installations of gross value Rs. 10,582.38 lakhs (2010: Rs. 9,714.61 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. The amount of increase on such revaluation was Rs. 1,36,486.44 lakhs. This valuation superseded the previous valuation done as at December 31, 1984.
- 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.
- Additions to Land - Freehold include Rs. 0.42 lakhs (2010: Rs. Nil), title for which is yet to be transferred to the company.
- Cost of Buildings as at March 31, 2011 includes:
 - Rs. 3.42 lakhs (2010: Rs. 3.42 lakhs) being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings thereat.
 - Rs. 132.38 lakhs (2010: 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 gain of Rs. 879.51 lakhs (2010: Rs. 14,934.34 lakhs)
 - Borrowing cost of Rs. 175.34 lakhs (2010: Rs. 3,613.27 lakhs) and
 - Other expenses capitalised Rs. 2,178.10 lakhs (2010: Rs. 1,499.93 lakhs).
- Consequent to the cancellation of lease in respect of windmills during the year, Rs. 5,703.70 lakhs has been reclassified from assets given on lease to Plant and Machinery.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

		2011		2010	
1.6	INVESTMENTS				
	DESCRIPTION	Nos	Rs. Lakhs	Nos	Rs. Lakhs
	Long term investments				
A)	Trade				
1)	Equity shares of Rs. 10 each				
	Albonair (India) Private Limited	40,00,000	400.00	4,000	0.40
	Ashley Alteams India Limited	3,50,00,000	3,500.00	2,50,00,000	2,500.00
	Ashok Leyland Defence Systems Limited	17,567	1.76	-	-
	Ashok Leyland John Deere Construction Equipment Company Private Limited	4,23,68,150	4,236.82	2,92,40,750	2,924.08
	Ashok Leyland Nissan Vehicles Limited	16,88,41,500	16,884.15	3,60,04,500	3,600.45
	Ashley Bio-Fuels Limited	75,20,014	752.00	20,014	2.00
	Automotive Coaches and Components Limited	51,70,664	488.27	51,70,664	488.27
	Automotive Infotronics Private Limited	1,57,51,762	1,575.18	50,00,000	500.00
	Defiance Technologies Limited	3,13,61,619	3,136.16	83,80,000	838.00
	Hinduja Foundries Limited #	54,05,793	2,421.26	34,24,449	1,430.58
	Hinduja Leyland Finance Limited	10,92,00,000	10,920.00	72,00,000	720.00
	Irizar TVS Limited	33,00,000	367.50	30,50,000	305.00
	Nissan Ashok Leyland Powertrain Limited	5,44,30,705	5,443.07	1,32,63,980	1,326.40
	Nissan Ashok Leyland Technologies Limited	2,55,04,000	2,550.40	2,55,04,000	2,550.40
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	5,79,190	579.19
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.	48.33%	13,068.48	40%	1.52
6)	Equity shares of UAE Dirhams of 1000 each				
	Ashok Leyland (UAE) LLC	9,400	1,168.52	1,000	123.50
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	96,12,000	5,963.18	10,000	6.36
9)	Equity Shares of Pence 5 each				
	Optare plc, UK	19,55,57,828	5,025.24	-	-
B)	Other than trade				
1)	Equity shares of Rs. 10 each				
	Ashley Airways Limited (under liquidation)	14,70,000	14.70	14,70,000	147.00
	Ashley Holdings Limited	14,35,37,500	14,353.75	47,07,500	470.75
	Ashley Investments Limited	14,45,77,500	14,457.75	45,77,500	457.75
	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 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 #	1,80,25,923	9,210.33	1,72,15,698	7,164.37
	Mangalam Retail Services Limited	24,980	2.50	-	-
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	1,50,00,000	1,500.00
	Ashley Investments Limited	1,50,00,000	1,500.00	1,50,00,000	1,500.00
4)	Non convertible redeemable bonds of Rs. 1 million each				
	ICICI Bank Limited #	20	200.56	20	200.56
5)	National Savings Certificate of the face value of Rs. 0.50 lakh	-	0.50	-	0.50
			1,23,599.68		33,215.49
	Less: Provision for diminution in value		600.00		600.00
			1,22,999.68		32,615.49

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

1.6 INVESTMENTS (CONTINUED)

			2011	2010
			Rs. Lakhs	Rs. Lakhs
1.	Investments are fully paid-up unless otherwise stated.			
2.	Quoted Investments (#) - Cost		11,850.78	8,814.14
	- Market value		52,413.46	32,836.14
	Unquoted Investments - Others - Cost		1,11,748.90	24,401.35
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:			
Description	Acquisition		Disposals / Redemptions	
	Nos.	Cost Rs. Lakhs	Nos.	Cost Rs. Lakhs
a) Units of Rs.10 each in schemes of mutual funds (Current)				
Axis Mutual Fund	30,00,594	30,007.60	30,00,594	30,007.60
Baroda Pioneer Mutual Fund	15,50,13,573	16,204.25	15,50,13,573	16,204.25
Birla Sunlife Mutual Fund	69,41,91,879	69,537.38	69,41,91,879	69,537.38
Canara Robeco Mutual Fund	23,37,60,242	23,503.82	23,37,60,242	23,503.82
Deutsche Mutual Fund	56,93,90,369	57,112.13	56,93,90,369	57,112.13
DSP Black Rock Mutual Fund	31,19,724	31,207.10	31,19,724	31,207.10
Fidelity Mutual Fund	34,11,78,305	34,908.17	34,11,78,305	34,908.17
Franklin Templeton Mutual Fund	39,38,796	39,414.46	39,38,796	39,414.46
HDFC Mutual Fund	66,74,67,537	73,818.03	66,74,67,537	73,818.03
HSBC Mutual Fund	99,95,590	1,000.12	99,95,590	1,000.12
ICICI Prudential Mutual Fund	8,20,90,266	82,763.93	8,20,90,266	82,763.93
IDFC Mutual Fund	59,26,81,980	59,281.91	59,26,81,980	59,281.91
ING Mutual Fund	29,69,31,925	29,707.45	29,69,31,925	29,707.45
JM Mutual Fund	53,42,83,958	53,516.55	53,42,83,958	53,516.55
Kotak Mahindra Mutual Fund	1,36,73,36,906	1,57,955.10	1,36,73,36,906	1,57,955.10
LIC Mutual Fund	35,79,76,758	39,110.12	35,79,76,758	39,110.12
Principal Mutual Fund	16,95,19,006	16,953.09	16,95,19,006	16,953.09
Reliance Mutual Fund	1,15,32,45,445	1,43,318.62	1,15,32,45,445	1,43,318.62
Religare Mutual Fund	28,93,25,861	33,806.88	28,93,25,861	33,806.88
SBI Mutual Fund	23,90,55,971	25,507.55	23,90,55,971	25,507.55
Sundaram Mutual Fund	21,99,47,885	22,204.40	21,99,47,885	22,204.40
Tata Mutual Fund	6,38,42,288	50,116.43	6,38,42,288	50,116.43
Taurus Mutual Fund	74,31,642	74,320.07	74,31,642	74,320.07
UTI Mutual Fund	5,96,74,619	1,02,658.65	5,96,74,619	1,02,658.65
b) Equity Shares (Long term)				
<i>Fellow subsidiaries</i>				
Hinduja Foundries Limited	19,81,344	990.68	-	-
<i>Associate companies</i>				
Ashley Holdings Limited	13,88,30,000	13,883.00	-	-
Ashley Investments Limited	14,00,00,000	14,000.00	-	-
Avia Ashok Leyland Motors s.r.o.	-	13,066.96	-	-
Irizar TVS Limited	2,50,000	62.50	-	-

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

1.6 INVESTMENTS (CONTINUED)

Description	Acquisition		Disposals / Redemptions	
	Nos.	Cost Rs. Lakhs	Nos.	Cost Rs. Lakhs
Ashok Leyland (UAE) LLC	8,400	1,045.02	-	-
Albonair GmbH	96,02,000	5,956.82	-	-
Ashley Bio-Fuels Limited	75,00,000	750.00	-	-
Hinduja Leyland Finance Limited	10,20,00,000	10,200.00	-	-
Albonair India Private Limited	39,96,000	399.60	-	-
Defiance Technologies Limited	2,29,81,619	2,298.16	-	-
Mangalam Retail Services Limited	24,980	2.50	-	-
Optare plc, UK	19,55,57,828	5,025.24	-	-
Ashok Leyland Defence Systems Limited	17,567	1.76	-	-
Ashley Airways Limited *	-	-	-	132.30
<i>Joint Ventures</i>				
Ashley Alteams India Limited	1,00,00,000	1,000.00	-	-
Automotive Infotronics Private Limited	1,07,51,762	1,075.18	-	-
Ashok Leyland Nissan Vehicles Limited	13,28,37,000	13,283.70	-	-
Nissan Ashok Leyland Powertrain Limited	4,11,66,725	4,116.67	-	-
Ashok Leyland John Deere Construction Equipment Company Private Limited	1,31,27,400	1,312.74	-	-
<i>Others</i>				
IndusInd Bank Limited	8,10,225	2,045.96	-	-
* 90% of share capital received during members' voluntary liquidation				

1.7 INVENTORIES

	2011	2010
	Rs. Lakhs	Rs. Lakhs
Stores and spares	5,327.38	3,640.68
Consumable tools	3,923.53	2,332.40
Raw materials and components (including patterns and dies)	94,841.45	58,606.54
Work-in -progress	26,282.03	34,656.26
Finished / trading goods	90,515.95	64,588.12
	2,20,890.34	1,63,824.00

1.8 SUNDRY DEBTORS

Trade	1,16,475.77	1,00,865.17
Others	2,108.57	1,403.99
	1,18,584.34	1,02,269.16
Less: Provision	63.01	63.01
	1,18,521.33	1,02,206.15
Of the above,		
1 Unsecured – Considered good	1,18,521.33	1,02,206.15
– Considered doubtful	63.01	63.01
2 Age analysis of debts		
– Outstanding for more than six months	30,067.38	14,766.79
[includes deferred receivables Rs. 35.18 lakhs (2010 : Rs. 6.87 lakhs)]		
– Other debts	88,516.96	87,502.37
3 Debtors include Bills receivable	15,983.46	17,104.89

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	2011 Rs. Lakhs	2010 Rs. Lakhs
1.9 CASH AND BANK BALANCES		
Cash and stamps on hand	32.49	24.42
Cheques on hand and remittances in transit	182.02	20.48
Balances with scheduled banks		
– Current account	17,474.85	18,718.55
– Deposit account	–	33,000.50
Balances with other banks		
– Current account	263.36	128.10
	17,952.72	51,892.05

Balances with other banks	Currency	2011		2010	
		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	119.97	317.84	64.90	731.70
Bank of America - Hong Kong	US\$	-	-	-	0.29
Citibank - London	US\$	-	-	-	293.12
HSBC - Egypt	US\$	0.30	5.06	4.10	7.83
Indian Ocean International Bank - Mauritius	Mauritian rupees	6.57	6.57	3.23	8.11
National Bank of Sharjah - Sharjah	Dirham	32.36	58.45	39.75	221.23
National Bank of Sharjah - Sharjah	US\$	104.15	156.99	14.81	130.56
Standard Chartered Bank - Ghana	Ghana Cedis	-	1.30	1.30	68.84
Standard Chartered Bank - Ghana	US\$	-	-	-	1.15
State Bank of Bangladesh - Bangladesh	Taka	0.01	0.01	0.01	0.42
– Deposit account					
Standard Chartered Bank - Ghana	Ghana Cedis	-	-	-	114.01

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	2011	2010
	Rs. Lakhs	Rs. Lakhs
1.10 LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	49,395.67	46,907.67
Long term monetary assets in foreign currency		
- Loans to overseas body corporates	13,692.08	41,091.74
- Exchange gain on translation	627.84	714.23
	14,319.92	41,805.97
Balances with customs, port trust, central excise, etc.	9,615.91	5,191.72
Other receivables	7,457.70	3,568.93
	80,789.20	97,474.29
Less: Provision	1,429.06	1,428.06
	79,360.14	96,046.23
Of the above		
1. Unsecured – Considered good	79,360.14	96,046.23
– Considered doubtful	1,429.06	1,428.06
2. Due from Directors / Officer		
– At the end of the year	0.60	1.32
– Maximum amount due at any time during the year	1.32	2.04
3. Advances for capital items and investments	2,985.77	5,457.55
4. Interest accrued on Investments	11.27	11.27
5. Advance Income tax (net of provision)	18,180.35	14,320.93

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	2011 Rs. Lakhs	2010 Rs. Lakhs
1.11 CURRENT LIABILITIES AND PROVISIONS		
Liabilities		
Acceptances	57,901.55	76,912.59
Creditors for materials and expenses		
– Micro and Small enterprises	17,782.39	8,884.16
– Others	1,95,056.59	1,47,371.04
Other liabilities	28,933.99	23,122.03
Interest accrued but not due on loans	4,120.25	2,916.75
	3,03,794.77	2,59,206.57
Provisions		
Proposed dividend	26,606.77	19,955.07
Corporate dividend tax on proposed dividend	4,316.28	3,314.29
Product warranties	11,459.51	8,094.56
Employee benefits	6,650.07	5,505.23
	49,032.63	36,869.15
	3,52,827.40	2,96,075.72
Of the above,		
1. Provision / (withdrawal) made for the year		
– Product warranties	3,364.95	2,560.86
– Employee benefits	1,144.84	(67.88)
2. Other liabilities include		
– Unclaimed dividends	400.81	355.55
3. Creditors for materials and expenses include		
– Gratuity	2,085.39	808.26
4. Provision for employee benefits relates to		
– Compensated absences	6,011.81	4,942.07
– Other defined benefits plans	638.26	563.16
1.12 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Debenture issue / loan raising expenses	431.45	517.43
	431.45	517.43

	Unit of Measurement	2011		2010	
		Volume	Rs. Lakhs	Volume	Rs. Lakhs
2.1 SALES AND SERVICES					
Sales					
Commercial vehicles	Nos	94,106	10,90,109.64	63,926	6,74,558.23
Engines and gensets	Nos	17,377	35,581.46	19,050	36,879.74
Spare parts and others			1,06,193.77		88,505.84
			12,31,884.87		7,99,943.81
Services			2,304.00		3,567.70
			12,34,188.87		8,03,511.51
Less: Commission, rebate and discounts			24,828.19		16,251.77
			12,09,360.68		7,87,259.74
			2011		2010
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
2.2 OTHER INCOME					
Income from current investments					
Dividend - Other than trade			439.55		257.48
Income from long term investments					
Dividend – Trade		62.40		30.53	
– Other than trade		327.92		233.76	
Interest – Other than trade		14.90		737.61	
			405.22		1,001.90
Profit on sale of fixed assets - net			188.50		132.56
Profit on sale of division			–		395.07
Profit on disposal of investments - net					
– Current		1.60		–	
– Long term		–		4,949.82	
			1.60		4,949.82
Miscellaneous income			498.56		307.71
			1,533.43		7,044.54
Of the above,					
Tax deducted at source on income from long term investments:					
– Trade			6.24		3.05

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

		2011	2010
		Rs. Lakhs	Rs. Lakhs
2.3	MANUFACTURING AND OTHER EXPENSES		
A	Materials		
	Consumption of raw materials and Components-net	8,06,677.97	5,25,523.28
	Less: Scrap sales	5,147.39	3,662.55
		8,01,530.58	5,21,860.73
	Purchase of trading goods	27,336.97	24,488.36
		8,28,867.55	5,46,349.09
B.	Employees' remuneration and benefits		
	Salaries, wages and bonus	77,135.86	54,072.45
	Contribution to provident, gratuity and other funds	8,506.07	5,439.30
	Welfare expenses	11,818.08	7,649.73
		97,460.01	67,161.48
C.	Other expenses		
	Power and fuel	6,518.51	4,447.15
	Consumption of stores and tools	6,602.55	3,412.19
	Repairs and maintenance		
	– Buildings	1,765.94	1,071.65
	– Machinery	8,603.59	4,550.72
	Rent (net)	1,701.50	1,557.54
	Rates and taxes	527.02	557.05
	Insurance	650.25	475.47
	Selling and administration expenses - net	51,429.32	41,010.99
	Research and development	4,757.35	3,968.79
	Diminution in value of investments - Provided / (Written-back)	–	(144.24)
	Bad and doubtful debts / advances provided / written-off		
	- Net of recovery - charge / (write-back)	60.01	(288.05)
		82,616.04	60,619.26
D	Movement in value of stock of finished / trading goods and work-in-progress		
	Opening stock	99,244.38	74,059.88
	Closing stock	1,16,797.98	99,244.38
	(Increase)	(17,553.60)	(25,184.50)
E	Excise duty in value of finished/ trading goods		
	Increase / (Decrease)	1,031.20	767.07
		9,92,421.20	6,49,712.40
F	Less: Expenses capitalised	2,406.04	1,525.27
		9,90,015.16	6,48,187.13
1.	Rent includes amortisation of cost / value of leasehold assets as reduced by transfer of Rs. 1,514.71 lakhs (2010: Rs. 1,658.94 lakhs) from Revaluation reserve (Refer Note 3.7(b) to the Accounts)	408.06	384.05
2.	Selling and administration expenses include Directors' sitting fees	19.20	15.80

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	2011 Rs. Lakhs	2010 Rs. Lakhs
2.4 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Buildings	3,861.16	2,926.89
Plant and machinery	19,161.46	12,864.84
Furniture, fittings and equipment	2,036.93	2,132.74
Vehicles and aircraft	802.97	799.08
Assets given on lease		
– Buildings	15.03	15.70
– Plant and machinery - windmills	–	478.89
– Furniture, fittings and equipment	14.55	14.60
Intangible assets		
Computer software		
– Developed	5.69	22.41
– Acquired	879.61	762.92
Technical knowhow		
– Developed	292.42	–
– Acquired	843.63	1,716.25
	27,913.45	21,734.32
Less: Transfer from Revaluation reserve (Refer Note 3.7(b) to the Accounts)	1,170.35	1,323.53
	26,743.10	20,410.79
1. Of the above		
Impairment of		
– Buildings	–	65.08
– Plant and machinery	333.44	361.49
– Furniture, Fittings and Equipment	0.26	–
– Technical knowhow	–	700.07
2. Depreciation on Plant and machinery is net of amount capitalised	182.74	185.93

	2011 Rs. Lakhs	2011 Rs. Lakhs	2010 Rs. Lakhs	2010 Rs. Lakhs
2.5 FINANCIAL EXPENSES				
Interest		17,712.09		12,734.69
Others		1,355.59		1,063.73
		19,067.68		13,798.42
Less: Interest earned on bills receivable, deposits and other accounts	2,086.14		1,794.71	
Cash discounts earned	440.06		277.40	
		2,526.20		2,072.11
		16,541.48		11,726.31
Less: Borrowing cost capitalised		175.34		3,613.27
		16,366.14		8,113.04
1. Others include Debenture issue / Loan raising expenses amortised		155.26		145.65
2. Tax deducted at source from interest earned		150.03		164.94

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

2011

2010

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		1,50,500
1.2	Production				
	Commercial Vehicles	Nos.	95,337		64,673
	Engines® and Gensets	Nos.	17,603		17,934
	@ 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.	7,062	54,073.13	6,358
	Engines and Gensets	Nos.	406	583.85	1,561
	Parts for sale				
	– Bought out finished		8,428.25		10,321.67
	– Works made		1,502.89		2,575.00
	Work-in-progress				
	– Chassis for body building		-		-
	– Others		34,656.26		9,408.24
	Closing stock				
	Commercial Vehicles	Nos.	8,246	76,953.47	7,062
	Engines and Gensets	Nos.	588	862.74	406
	Parts for sale				
	– Bought out finished		10,971.92		8,428.25
	– Works made		1,727.82		1,502.89
	Work-in-progress				
	– Chassis for body building	Nos.	12	71.68	-
	– Others		26,210.35		34,656.26
	Capitalised / transferred for internal use and others				
	– Commercial Vehicles	Nos.	35		43
	– Engines and Gensets	Nos.	44		39
1.4	Consumption of raw materials and components				
	Plates, sheets and angles	Tonnes	46,486	18,521.27	49,858
	Bars	Tonnes	5,664	2,884.32	2,874
	Steel tubes	Metres	2,96,078	376.33	5,90,573
	Tyres, tubes and flaps	Sets	8,58,590	85,853.97	5,50,612
	Forgings and castings			69,337.37	
	Finished and other items			6,29,704.71	
				8,06,677.97	
	Of the above				
	– Imported items		56,822.54		40,238.08
			7.04%		7.66%
	– Indigenous items		7,49,855.43		4,85,285.20
			92.96%		92.34%

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	2011 Rs. Lakhs	2010 Rs. Lakhs
1.5 Imports (c.i.f.)		
Raw materials	44,459.36	28,337.14
Trading goods and others	1,634.65	1,653.78
Spares and tools	1,006.79	399.23
Capital items	9,241.35	28,466.27
	56,342.15	58,856.42
1.6 Expenditure remitted in foreign currency		
Royalty	79.55	38.07
Technical knowhow	54.08	4,363.71
Interest and commitment charges	6,166.15	6,470.62
Commission paid on sales	8,612.63	5,521.31
Research and development	548.29	575.55
Travel	459.95	254.09
Consultancy	321.03	1,725.78
Other expenses	2,810.61	2,464.42
	19,052.29	21,413.55
1.7 Earnings in foreign currency		
Export - FOB value	1,10,909.12	60,410.93
Interest	818.09	1,013.28
Other income (Includes freight, insurance, dividend and commission earned)	5,929.33	3,020.92
	1,17,656.54	64,445.13
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	6,617.50	4,411.67
2 Information regarding managerial remuneration		
2.1 Remuneration to Managing Director and Wholetime Director / Managing Director (Designate)		
Salary	135.60	122.85
Contribution to provident, gratuity and other funds	44.99	41.83
Commission	177.89	165.48
Perquisites	134.21	105.25
	492.69	435.41
Perquisites include amounts evaluated as per Income tax Rules in respect of certain items.		
2.2 Computation of net profits under Section 198 / 349 of the Companies Act, 1956		
Profit before tax	80,179.93	54,477.48
Add:		
– Depreciation / impairment as per books	26,743.10	20,410.79
– Directors' remuneration	511.90	451.21
– Amortisation of expenses relating to raising / repayment of loans	155.26	145.65
– Provision / (write back of Provision) for diminution in value of capital assets	38.57	(144.24)
	1,07,628.76	75,340.89
Deduct:		
– Depreciation as per Section 350 of the Act	25,735.46	19,558.87
– Capital profit on sale of fixed assets, investments and division - net	20.64	5,365.83
– Expenses relating to raising / repayment of loans	68.48	20.74
Net Profit	81,804.18	50,395.45
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, 2011

	2011 Rs. Lakhs	2010 Rs. Lakhs
3. Other financial information		
3.1 Capital commitments (net of advances) not provided for (including Rs. 220.96 lakhs (2010 : Rs. 497.86 lakhs) in respect of Intangible assets)	44,089.98	13,275.21
3.2 Contingent liabilities		
a) Claims (net) against the company not acknowledged as debts - Sales tax	3,194.78	2,689.27
- Others	2,722.75	1,143.65
b) Guarantees	37,925.49	27,394.87
c) Uncalled Liability on Partly paid shares / investments	0.14	0.14
d) Bills discounted	243.90	-
3.3 Interest charge on		
a) Debentures	3,074.57	1,874.96
b) Fixed loans	12,032.60	8,579.09
3.4 Auditors' remuneration		
Included under Selling and Administration expenses		
For financial audit	50.00	30.00
For cost audit	2.00	1.50
For taxation matters	8.50	9.00
For company law matters	0.50	0.60
For other matters	31.33	26.58
Expenses reimbursed	7.76	10.53
3.5 Total Research and Development costs charged to the Profit and Loss account (including amount shown under Schedule 2.3)	20,489.68	14,853.10
3.6 Impact of exchange (gain) / loss (other than considered as Finance cost) for the year in Profit and Loss Account due to:		
a) Translation / Settlement	581.55	1,219.71
b) Amortisation of exchange differences	122.76	537.50
c) Depreciation on exchange differences capitalised	269.41	533.15
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.		
Non-factory service installations		
Customer premises		12
Lease improvements		3
Plant and machinery		
Assets subjected to impairment - revised carrying amount over its remaining useful life		
Windmills		12
Furniture, fittings and equipments		
Furniture and fittings		8
Furniture and fittings - lease improvements		3
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		
- Developed		6
- Acquired		5 / 6
b) Depreciation for the year computed on assets revalued as on March 31, 2009 over the balance useful life on straight line method includes a net charge of Rs. 2,685.06 lakhs (2010: Rs. 2,982.47 lakhs) [Rs. 1,514.71 lakhs (2010: Rs. 1,658.93 lakhs) in Schedule 2.3 and Rs. 1,170.35 lakhs (2010: Rs. 1,323.53 lakhs) in Schedule 2.4] 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.		

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	2011	2010
4. Earnings per share		
<i>Basic earnings per share</i>		
Profit after taxation as per Profit and Loss account (in Rs. lakhs)	(A) 63,129.93	42,367.48
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) 4.75	3.18
5. Composition of net deferred tax liability	Rs. Lakhs	Rs. Lakhs
Deferred tax liabilities		
– Depreciation/ Research and Development expenditure	46,500.63	40,910.95
– Other timing differences	230.61	150.74
Deferred tax assets		
– Voluntary retirement scheme compensation	(78.83)	(348.80)
– Unabsorbed depreciation	–	(303.47)
– Other timing differences	(2,263.72)	(1,955.73)
	44,388.69	38,453.69
6. Segment information		
The company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The company is principally engaged in a single business segment viz., Commercial vehicles and related components.		
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, United Kingdom)		
Machen Development Corporation, Panama (Holding Company of Machen Holdings SA)		
Amas Holdings SA (Holding Company of Machen Development Corporation, Panama)		
b) Other related parties		
<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 (under liquidation)		
Ashley Bio-Fuels Limited		
Ashley Holdings Limited		
Ashley Investments Limited		
Ashley Transport Services Limited		
Ashok Leyland Defence Systems Limited		
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		
Mangalam Retail Services Limited		
Optare plc, UK		
<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		
Mr. Vinod K Dasari, Managing Director (Designate)		

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

c) Related Party Transactions										Rs. Lakhs	
RELATED PARTY TRANSACTION SUMMARY	Fellow Subsidiary*		Associates		Joint Ventures		Holding Company		Key Management Personnel		Total
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
<i>Transactions during the year ended March 31</i>											
1 Purchase of raw materials and components (net of scrap sales)	21,910.84	16,548.18	16,993.71	13,092.18	2,842.45	397.55	-	-	-	-	41,747.00
2 Sales and Services (net of excise duties)	-	-	68,108.49	29,666.27	246.22	1,200.76	-	-	-	-	68,354.71
3 Other Expenditure incurred / (recovered)	880.89	0.94	(652.85)	408.79	(447.12)	516.22	52.66	21.58	-	-	(166.42)
4 Advance / Current account - Net increase / (decrease)	(0.15)	108.50	2,322.97	321.53	-	100.00	-	-	-	-	2,322.82
5 Interest and other income	0.80	225.00	922.58	1,028.59	436.01	-	-	-	-	-	1,359.39
6 Interest expense	-	-	104.32	45.91	-	-	-	-	-	-	104.32
7 Sale of Division - Defiance Technologies Limited	-	-	-	668.00	-	-	-	-	-	-	668.00
8 Sale of Asset	-	8.14	-	-	-	-	-	-	-	-	8.14
9 Purchase of Asset	843.00	-	1,445.62	7,654.86	-	-	-	-	-	-	2,288.62
10 Dividend income	-	-	76.92	30.53	-	-	-	-	-	-	76.92
11 Dividend payments #	-	-	-	-	-	-	6,617.50	4,411.67	-	0.11	6,617.50
12 Remuneration to key management personnel (Refer Note 2 to Notes to the Accounts)	-	-	-	-	-	-	-	-	388.83	250.57	388.83
13 Guarantees given	8,919.00	-	-	-	1,930.78	604.53	-	-	-	-	10,849.78
14 Acquisition / (disposal) of investments (Refer Note 4 in Sch 1.6)	990.67	-	66,559.26	4,751.00	20,788.29	9,541.13	-	-	-	-	88,338.22
15 Advance given for share capital	-	-	393.06	1,152.58	-	186.91	-	-	-	-	393.06
16 Loans given	-	-	6,594.77	13,007.55	-	-	-	-	-	-	6,594.77
17 Loans repaid	-	-	35,260.81	-	-	-	-	-	-	-	35,260.81
Balances as on March 31											
1 Debtors	1.01	-	7,732.02	6,071.81	21.11	-	-	-	-	-	7,754.14
2 Loans and advances (including interest accrued)	180.19	2,676.29	18,039.18	46,868.05	174.35	233.19	2,065.61	2,087.19	0.60	1.72	20,459.93
3 Advance for Share Capital	-	-	393.06	1,152.58	-	186.91	-	-	-	-	393.06
4 Creditors for materials and expenses	2,150.76	1,125.71	2,192.92	1,854.44	424.20	109.81	40.74	-	177.89	91.56	4,986.51
5 Deferred Liability (including interest accrued)	-	-	-	7,670.75	-	-	-	-	-	-	9,013.05
6 Financial guarantees	-	-	-	-	-	-	-	-	-	-	-
- for working capital (maximum limit USD 2 millions)	-	-	5.15	542.16	-	-	-	-	-	-	5.15
- others	8,919.00	-	24,189.40	24,348.00	2,535.30	604.52	-	-	-	-	35,643.70
# relates to Hinduja Automotive Limited											
* relates to Hinduja Foundries Limited											

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

d) Significant Related Party Transactions

	Category	2011 Rs. Lakhs	2010 Rs. Lakhs
1 Purchase of raw materials and components (net of scrap sales)			
Automotive Coaches and Components Limited	Associate	8,516.09	6,319.08
Irizar TVS Limited	Associate	8,143.28	6,637.85
Ashley Alteams India Limited	Joint Venture	2,402.69	198.00
Automotive Infotronics Private Limited	Joint Venture	432.90	166.48
2 Sales and Services			
Ashok Leyland (UAE) LLC	Associate	10,150.40	3,299.49
Gulf Ashley Motor Limited	Associate	14,814.21	7,390.25
Lanka Ashok Leyland Limited	Associate	39,464.72	17,813.61
Automotive Infotronics Private Limited	Joint Venture	114.69	-
Nissan Ashok Leyland Technologies Limited	Joint Venture	112.09	990.52
3 Other Expenditure incurred / (recovered)			
Hinduja Automotive Limited	Holding Company	52.66	21.58
Ashok Leyland (UAE) LLC	Associate	(199.35)	28.31
Avia Ashok Leyland Motors s.r.o.	Associate	(339.18)	-
Defiance Technologies Limited	Associate	1,100.64	134.26
Gulf Ashley Motor Limited	Associate	76.27	26.47
Hinduja Leyland Finance Limited	Associate	(163.15)	-
Lanka Ashok Leyland Limited	Associate	(1,132.51)	87.12
Ashok Leyland Nissan Vehicles Limited	Joint Venture	(243.69)	155.84
Automotive Infotronics Private Limited	Joint Venture	85.63	143.79
Nissan Ashok Leyland Technologies Limited	Joint Venture	(286.02)	199.84
4 Advance / Current account - Net increase / (decrease)			
Ashok Leyland (UAE) LLC	Associate	870.64	-
Ashley Bio-Fuels Limited	Associate	(1,789.60)	15.11
Automotive Coaches and Components Limited	Associate	1,050.31	-
Hinduja Leyland Finance Limited	Associate	2,000.00	-
5 Interest and other income			
Avia Ashok Leyland Motors s.r.o.	Associate	314.66	430.36
Defiance Testing & Engineering Services Inc.	Associate	395.81	398.17
Ashok Leyland Nissan Vehicles Limited	Joint Venture	110.18	-
Nissan Ashok Leyland Technologies Limited	Joint Venture	281.35	-
6 Interest expense			
Avia Ashok Leyland Motors s.r.o.	Associate	104.32	45.91
7 Dividend income			
Lanka Ashok Leyland Limited	Associate	62.40	30.53
Ashley Airways Limited	Associate	14.52	-

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

d) Significant Related Party Transactions (Continued)

	Category	2011 Rs. Lakhs	2010 Rs. Lakhs
8 Advance given for share capital			
Albonair GmbH	Associate	-	880.58
Ashley Investments Limited	Associate	390.00	-
9 Loans given by the Company			
Albonair GmbH	Associate	885.74	4,959.10
Avia Ashok Leyland Motors s.r.o.	Associate	5,709.02	6,863.04
10 Loans repaid to the Company			
Albonair GmbH	Associate	8,182.07	-
Avia Ashok Leyland Motors s.r.o.	Associate	27,078.74	-
11 Purchase of asset			
Avia Ashok Leyland Motors s.r.o.	Associate	1,337.81	7,654.86
Defiance Technologies Limited	Associate	57.81	-
Irizar TVS Limited	Associate	50.00	-
12 Guarantees given			
Ashley Alteams India Limited	Joint Venture	1,930.78	604.53
13 Remuneration to key management personnel			
Mr. R Seshasayee	Managing Director	284.72	250.57
Mr. Vinod K Dasari	Managing Director(Designate)	104.11	-

e. Details of Advances in the nature of Loan (excluding interest accrued) to Associate companies

Company Name	2011		2010	
	Outstanding amount	Maximum loan outstanding during the year	Outstanding amount	Maximum loan outstanding during the year
Associates				
Avia Ashok Leyland Motors s.r.o.	3,774.97	30,740.28	25,128.29	25,128.29
Defiance Testing & Engineering Services Inc.	6,020.33	6,353.78	6,061.50	7,610.14
Ashok Leyland (UAE) LLC	4,524.62	4,709.56	3,361.88	3,361.88
Defiance Technologies Limited	-	28.23	28.23	28.23
Albonair GmbH	-	7,235.10	7,254.30	7,254.30
Automotive Coaches and Components Limited	1,380.85	1,380.85	-	-
Irizar TVS Limited	95.00	95.00	95.00	95.00

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

8. Disclosures in respect of Joint Ventures

a) List of joint ventures

Sl No.	Name of the Joint Venture	Name of the Business	Proportion of ownership interest	Country of residence / Incorporation
1	Ashok Leyland Nissan Vehicles Limited	Manufacture of Light Commercial Vehicles (LCV)	49.06%	India
2	Nissan Ashok Leyland Powertrain Limited	Manufacture of Powertrain for LCV vehicles	48.57%	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

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			
			Assets	Liabilities	Income	Expenses
			As at March 31, 2011		For the year ended March 31, 2011	
1	Ashok Leyland Nissan Vehicles Limited	Commercial production yet to start	15,566.68 (2,387.92)	16,883.80 (3,600.63)	205.35 (40.49)	315.41 (264.18)
2	Nissan Ashok Leyland Powertrain Limited	Commercial production yet to start	5,220.04 (1,153.98)	5,442.98 (1,326.53)	117.10 (21.61)	162.82 (100.68)
3	Nissan Ashok Leyland Technologies Limited	Commercial activities yet to start	414.79 (83.58)	6,504.26 (3,368.26)	28.14 (12.68)	2,832.94 (1,790.43)
4	Ashok Leyland John Deere Construction Equipment Company Private Limited	JV entered into in the year 2009-10. Commercial production yet to start	6,594.09 (2,893.87)	3,682.87 (28.94)	10.64 (14.55)	1,277.09 (73.70)
5	Ashley Alteams India Limited	Commenced commercial production.	9,228.17 (7,129.91)	11,229.02 (8,235.42)	4,689.71 (1,237.31)	5,592.92 (1,880.71)
6	Automotive Infotronics Private Limited	Commenced commercial operation.	931.22 (491.35)	355.40 (493.23)	315.94 (545.59)	813.86 (734.32)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

Notes:

- 1 Figures in brackets relate to year ended March 31, 2010.
 - 2 Contingent liabilities, incurred in relation to interest in joint ventures as on March 31, 2011 is Rs. Nil (2010: Rs. Nil)
 - 3 Share in contingent liabilities of joint ventures themselves for which the company is contingently liable as on March 31, 2011 Rs. 979.15 lakhs (2010: Rs. 203.17 lakhs)
 - 4 Capital commitments, in relation to interests in joint ventures as on March 31, 2011 Rs. Nil (2010: Rs. Nil)
 - 5 Share in Capital commitments of joint ventures themselves as on March 31, 2011 Rs. 2,422.60 lakhs (2010: Rs. 3,188.49 Lakhs)
 - 6 The information furnished above in regard to the current year is based on unaudited figures made available to the company.
 - 7 Figures given above in expenses are excluding taxes.
9. The company had entered into operating lease arrangements with various parties during earlier years, for leasing out windmills. Ashok Leyland Project Services Limited, through its wind energy division, operated and maintained these assets.

	2011	2010
	Rs. Lakhs	Rs. Lakhs
Amount recognized during the year	–	770.01

10. 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 centralized 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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

The information on derivative instrument is as follows:

A]	Derivative instruments outstanding:	In Lakhs		
	Details	Buy / Sell	Amount in foreign currency	
			2011	2010
	Foreign Exchange Contracts			
	– USD/INR	Sold	\$431.30	\$263.31
	– USD/INR	Bought	\$467.91	\$292.84
	– EUR/USD	Bought	€ 14.99	€ 13.09
	– GBP/USD	Bought	£5.00	-
	– EURO/USD	Sold	€ 15.00	-
	– USD/JPY	Sold	\$20.23	\$6.31
	Currency Swaps			
	– USD/JPY	Bought	\$2,500.00	\$2,550.00
	Refer Clause 5 in significant accounting policies for accounting treatment of such derivatives			
B]	Foreign currency exposures not hedged by a derivative instrument	In Lakhs		
	Details	Amount (Foreign currency)		Amount Rs.
		2011	2010	2011
	Amount receivable on account of sale of goods, loans, deposits, etc.	\$1,828.79	\$1,694.80	81,554.91
		-	€ 120.63	-
	Amount payable on account of purchase of goods, loans, interest etc.	\$3,324.49	\$3,377.30	1,51,640.89
		€ 106.73	€ 112.38	6,793.42
		¥3,741.15	¥11,461.96	5,507.24
		£5.33	£25.24	1,714.99

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

11.1 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.

11.2 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 recognized in Hedge Reserve Account till the underlying forecasted transaction occurs.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

12 Employee benefits

Rs. Lakhs

a) Defined benefit plans - As per Actuarial valuation on March 31, 2011

	Gratuity					Compensated absences					Other defined benefit plans				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
A) Expense recognised in the statement of Profit and Loss Account for the year ended March 31, 2011															
1	847.73	795.50	848.89	848.16	770.27	639.56	525.76	508.88	575.36	572.25	63.83	56.32	60.71	105.75	142.50
2	1,327.97	1,227.16	1,101.91	935.21	778.38	369.02	366.54	406.56	365.81	328.05	39.48	40.92	48.51	55.49	45.47
3	(1,494.17)	(1,406.11)	(1,062.60)	(855.96)	(695.43)	-	-	-	-	-	-	-	-	-	-
4	1,420.88	110.53	(144.49)	63.93	1,267.10	719.78	(758.60)	(717.43)	140.28	5.98	111.02	(18.17)	(80.40)	(64.19)	70.31
5	2,102.41	727.08	743.72	991.34	2,120.32	1,728.36	133.70	198.01	1,081.45	906.28	214.33	79.07	28.82	97.04	258.28
B) Actual return on plan assets															
1	1,494.17	1,406.11	1,062.60	855.96	695.43	-	-	-	-	-	-	-	-	-	-
2	-	-	223.03	275.30	204.87	-	-	-	-	-	-	-	-	-	-
3	1,494.17	1,406.11	1,285.63	1,131.26	900.29	-	-	-	-	-	-	-	-	-	-
C) Net Asset/ (Liability) recognised in the Balance Sheet															
1	18,481.57	16,599.62	15,339.50	14,237.66	12,823.80	6,011.81	4,942.07	4,966.00	5,396.09	4,822.60	638.26	563.16	607.11	715.29	768.92
2	16,466.18	15,877.10	14,595.78	13,253.22	10,703.48	-	-	-	-	-	-	-	-	-	-
3	(2,015.39)	(722.52)	(743.72)	(984.44)	(2,120.32)	(6,011.81)	(4,942.07)	(4,966.00)	(5,396.09)	(4,822.60)	(638.26)	(563.16)	(607.11)	(715.29)	(768.92)
4	(2,015.39)	(718.53)	(743.72)	(984.44)	(2,120.32)	(6,011.81)	(4,942.07)	(4,966.00)	(5,396.09)	(4,822.60)	(638.26)	(563.16)	(607.11)	(715.29)	(768.92)
D) Change in Present value of the obligation during the year															
1	16,599.62	15,339.50	14,237.66	12,823.80	10,741.49	4,942.07	4,966.00	5,396.09	4,822.60	4,284.86	563.16	607.11	715.29	768.92	626.21
2	847.73	795.50	848.89	848.16	770.27	639.56	525.76	508.88	575.36	572.25	63.83	56.32	60.71	105.75	142.50
3	1,327.97	1,227.16	1,101.91	935.21	778.38	369.02	366.54	406.56	365.81	328.05	39.48	40.92	48.51	55.49	45.47
4	1,714.63	873.08	927.50	708.74	938.31	658.62	157.63	628.10	507.96	368.54	139.23	123.02	137.00	150.67	115.57
5	1,420.88	110.53	78.54	339.23	1,471.96	719.78	(758.60)	(717.43)	140.28	5.98	111.02	(18.17)	(80.40)	(64.19)	70.31
6	18,481.57	16,599.62	15,339.50	14,237.66	12,823.80	6,011.81	4,942.07	4,966.00	5,396.09	4,822.60	638.26	563.16	607.11	715.29	768.92

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	Gratuity						Compensated absences				Other defined benefit plans			
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007	2011	2010	2009	2008
E) Change in Assets during the year														
1 Fair value of plan assets as at beginning of the year	15,877.10	14,595.56	13,253.45	10,703.48	8,741.60	-	-	-	-	-	-	-	-	-
2 Expected return on plan assets	1,494.18	1,406.11	1,062.60	855.96	695.43	-	-	-	-	-	-	-	-	-
3 Contributions	809.53	748.51	983.98	2,127.45	1,999.89	658.62	157.63	-	-	-	139.23	123.02	-	-
4 Benefits paid	1,714.63	873.08	927.50	708.74	938.31	(658.62)	(157.63)	-	-	-	(139.23)	(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	16,466.18	15,877.10	14,595.56	13,253.45	10,703.48	-	-	-	-	-	-	-	-	-
F) Experience adjustments in														
1 Plan liabilities - loss / (gain)	1,420.88	110.53	78.54	339.23	1,471.96	719.78	(181.28)	(717.43)	140.28	5.98	111.02	(3.73)	(85.57)	(64.19)
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													
H) Actuarial Assumptions	2011	2010	2009	2008	2007									
1 Discount rate	8.0%	8.0%	8.0%	8.0%	7.5%									
2 Salary escalation	4.0%	5.1%	5.7%	6.3%	5.0%									
3 Expected rate of return on plan assets	8.0%	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, 2011

- 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. 1,728.36 lakhs (2010: Rs. 133.70 lakhs).
 - Contribution to provident, gratuity and other funds includes Provident fund and family pension Rs. 4,111.61 lakhs (2010: Rs. 3,017.66 lakhs), super annuation Rs. 1,175.93 lakhs (2010: Rs.755.39 lakhs), gratuity Rs. 2,085.39 lakhs (2010: Rs. 808.26 lakhs) and other funds Rs. 1,088.14 lakhs (2010: Rs. 817.51 lakhs).
 - Welfare expenses includes contribution to employee state insurance plan Rs. 76.02 lakhs (2010: Rs. (42.47 lakhs)), retirement benefits Rs. 139.27 lakhs (2010: Rs. 43.33 lakhs) and other defined employee benefits Rs. 74.85 lakhs (2010: Rs. 36.69 lakhs).
- 13** a) 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 over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.
- b) Deferred liability of Rs. 8,992.67 lakhs (2010: Rs. Nil) is due within 12 months.
- 14** Details of expenditure incurred on in-house Research and Development (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	2011	2010
(i) Capital expenditure			
(a) Land	Schedule 1.5 - Additions	113.95	22.91
(b) Buildings	and Capital work-in-progress	962.54	157.52
		1,076.49	180.43
(c) Capital equipments		12,056.03	10,103.98
(ii) Revenue expenditure (net)			
(a) Salaries/Wages	Schedule 2.3 B	9,607.22	6,080.95
(b) Material/Consumables/spares	Schedule 2.3 C	4,907.52	4,097.93
(c) Utilities	Schedule 2.3 C	389.62	357.01
(d) Other expenditure directly related to R&D	Schedule 2.3 C	3,698.81	2,796.04
(e) Total revenue expenditure (Total of (ii) (a) to (ii) (d))		18,603.17	13,331.93
(iii) Total R&D expenditure on approved R & D facilities (Total of (i) (c) and (ii) (e))		30,659.20	23,435.91
(iv) Less: Amount received by R & D facilities	Schedule 2.3 A & C	473.56	208.16
(v) Net amount of R & D expenditure (iii) - (iv)		30,185.64	23,227.75

- 15.** Current tax expense for the year is after considering credit of Minimum Alternate Tax (MAT) of Rs. 4,855.90 lakhs (2010: Rs. 9,215.46 lakhs) under Section 115 JAA (1A) of the Income-tax Act, 1961.

- 16.** 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

K. SRIDHARAN
Chief Financial Officer

A.R. CHANDRASEKHARAN
Executive Director & Company Secretary

DHEERAJ G HINDUJA
Chairman

R.SESHASAYEE
Executive Vice Chairman

VINOD K DASARI
Managing Director

May 19, 2011
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	1
---	---	---	---	---	---	---	---

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

1	0	5	9	3	3	1	4	5
---	---	---	---	---	---	---	---	---

 Total Assets

1	0	5	9	3	3	1	4	5
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

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

 Reserves and Surplus

	3	8	2	9	9	2	7	9
--	---	---	---	---	---	---	---	---

Secured Loans

	1	1	8	2	2	9	7	5
--	---	---	---	---	---	---	---	---

 Unsecured Loans

	1	3	8	5	9	6	7	3
--	---	---	---	---	---	---	---	---

Deferred Liability

			8	9	9	2	6	7
--	--	--	---	---	---	---	---	---

 Foreign currency monetary item translation difference - net

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

Deferred Tax Liability

		4	4	3	8	8	6	9
--	--	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

	4	9	9	1	7	5	7	9
--	---	---	---	---	---	---	---	---

 Investments

	1	2	2	9	9	9	6	8
--	---	---	---	---	---	---	---	---

Net Current Assets

		8	3	8	9	7	1	3
--	--	---	---	---	---	---	---	---

 Miscellaneous Expenditure

				4	3	1	4	5
--	--	--	--	---	---	---	---	---

Accumulated Losses

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

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

Turnover

1	1	1	3	3	0	4	3	3
---	---	---	---	---	---	---	---	---

 Total Expenditure

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

+ - Profit/Loss Before Tax

+		8	0	1	7	9	9	3
---	--	---	---	---	---	---	---	---

 Profit/Loss After Tax

+		6	3	1	2	9	9	3
---	--	---	---	---	---	---	---	---

Earning per share in Rs.

				4	.	7	5
--	--	--	--	---	---	---	---

 Dividend Rate%

					2	0	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)

8	7	0	8	0	0	0	0
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Product Description

S	P	A	R	E
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P	A	R	T	S
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For and on behalf of the Board

K. SRIDHARAN
Chief Financial Officer

A.R. CHANDRASEKHARAN
Executive Director & Company Secretary

DHEERAJ G HINDUJA
Chairman

R.SESHASAYEE
Executive Vice Chairman

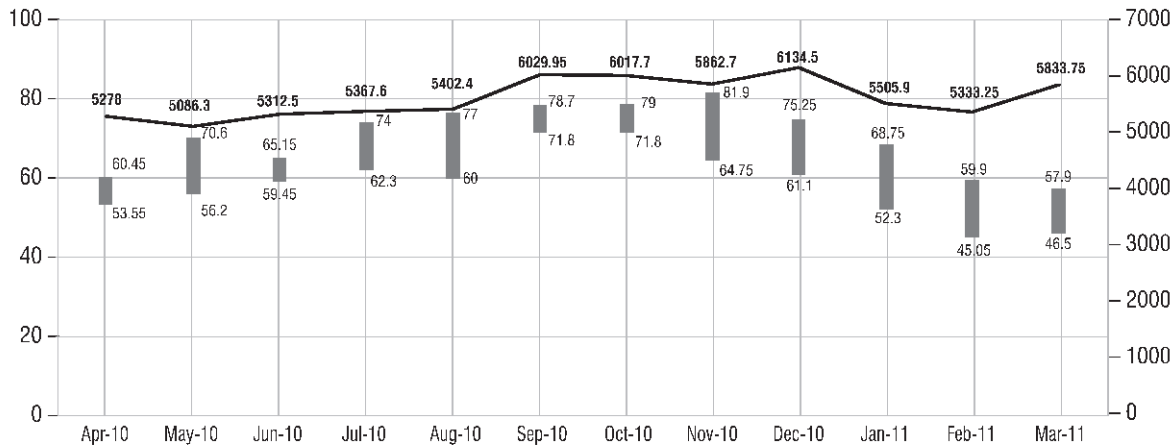
VINOD K DASARI
Managing Director

May 19, 2011
Chennai

SHARE PRICE MOVEMENT

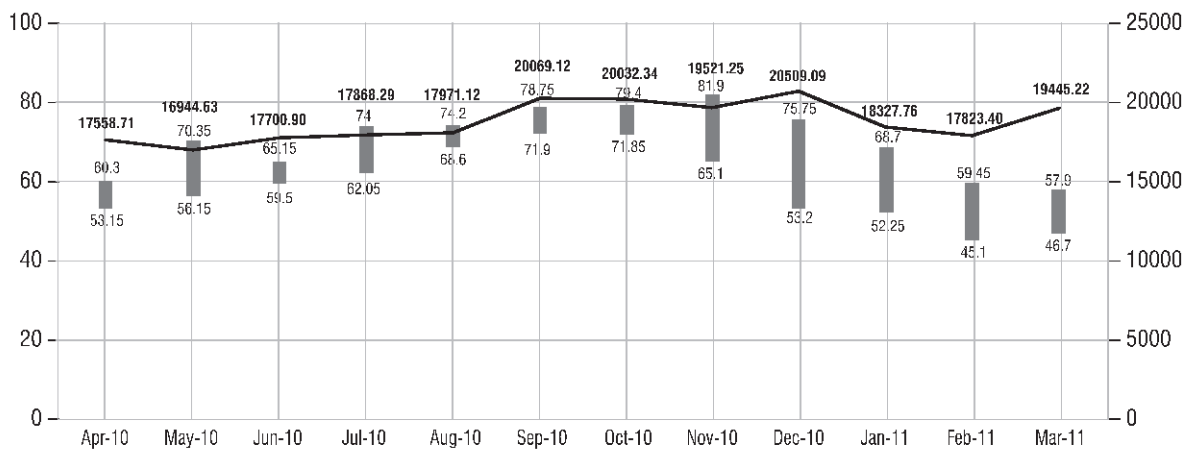
S&P
CNX Nifty

NSE - April 2010 to March 2011

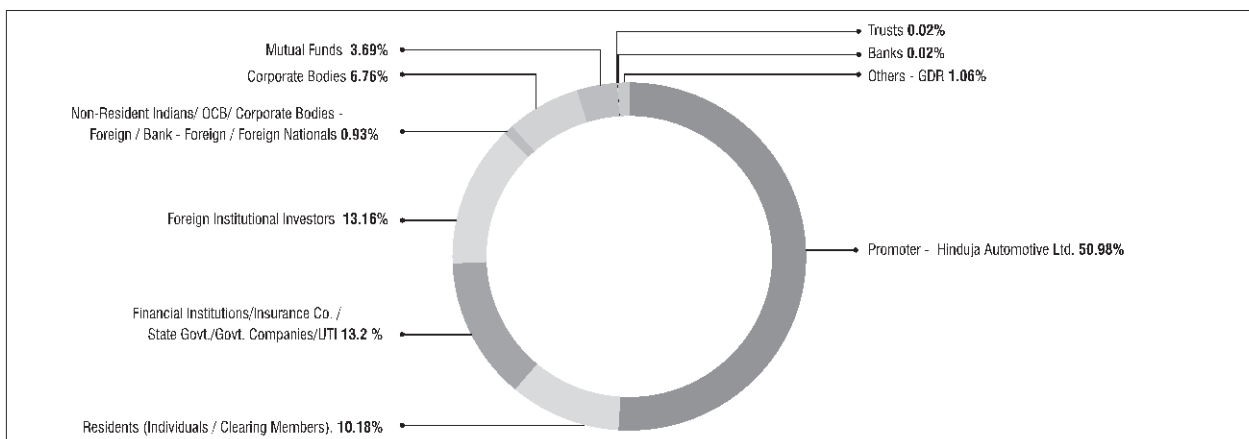


BSE - April 2010 to March 2011

Sensex



SHAREHOLDING PATTERN AS ON MARCH 31, 2011



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, 2011

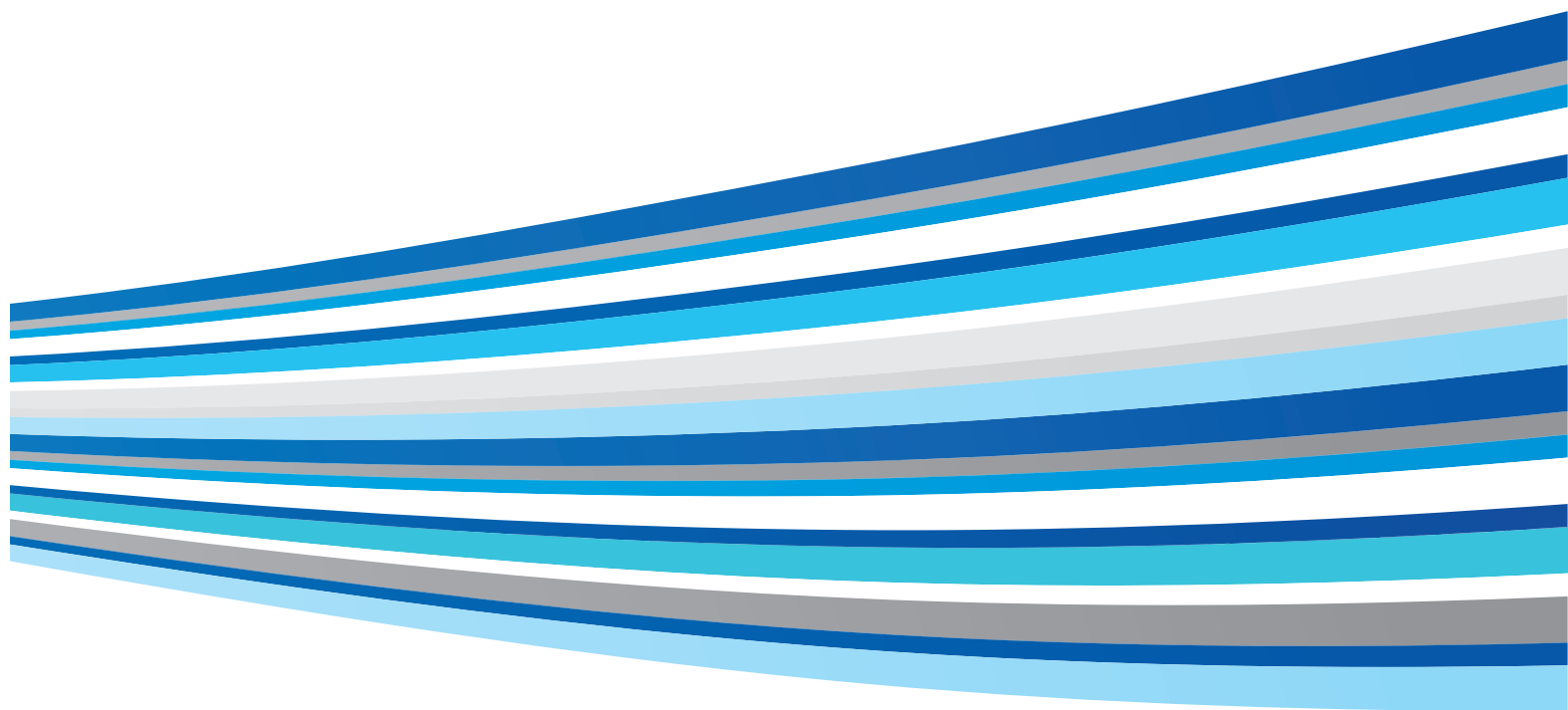
SL.NO.	NAME	AGE YEARS	DESIGNATION	DATE OF COMMENCEMENT OF EMPLOYMENT	REMUNERATION RECEIVED / RECEIVABLE Rs.	QUALIFICATION	TOTAL EXPERIENCE (YEARS)	PARTICULARS OF PREVIOUS EXPERIENCE
1	ADHINATHAN K	50	General Manager - Marketing	03.11.08	74,93,286	B.Sc., B.Tech	27	Vice President, Camation Auto India (P) Ltd
2	AKBAR KHAN A	55	General Manager-Personnel & Administration	06.05.85	66,11,350	MA, LLB	34	Dy Mgr. Travancore Titanium Products Ltd
3	AMROLIA J N	63	Executive Director - Construction and Allied Business	16.05.80	1,74,73,407	BA(Hons), M.A.(PM & L.W.)	40	Selection & Training Manager, Brooke Bond India Ltd,
4	ANUJ KATHURIA	43	Special Director- Strategic Sourcing	06.04.10	83,54,077	B.Tech., PGDBM	19	General Manager, Tata Motors
5	ANUP BHAT	54	Executive Director - Manufacturing	14.06.00	1,51,69,937	B.Tech	32	Divisional GM, Eicher Royal Enfield Motors
6	AVINASH KUMAR JAIN	51	Executive Director -Project Planning	13.04.06	1,37,93,113	B.Tech., DBM, MMS	30	Director-Operations, Piaggio Vehicles P Ltd
7	BALACHANDRAN B *	59	Deputy General Manager - Total Quality Management, Corporate	05.02.87	6,720,967	B.Tech.	36	Asst Supdt, WG Forge & Allied Inds Ltd
8	BALASUBRAMANIAN S	63	Executive Director - Projects	01.01.73	1,42,32,388	B.E., Dip.in SOC & OR, ICWA (Inter), MBA	42	-
9	BEGGS JRW *	66	Head-Vehicle Engineering	07.01.02	77,62,650	B.Sc. (Mech.Engg.) MBA	42	General Manager (Engg. & R&D), Transmobile Ltd.
10	BELSARE C G	52	Special Director - Power Solutions Business	01.08.06	84,64,066	BE	30	Own Consultancy
11	BHIMA SENA RAU H	51	Resident Director-Dubai	01.03.04	99,77,291	BE, MBA	19	GM, Al Aquil Group, Dubai
12	CHANDRAMOHAN P G	54	Special Director - Pricing & Product Cost Engineering	16.11.81	83,38,363	BE, MBA	29	-
13	CHANDRASEKAR S	58	General Manager -Systems	18.09.81	60,55,655	B.Com., ICWA	39	Systems Analyst, Kudremukh Iron Ore Ltd
14	CHANDRASEKARAN N *	59	Special Director - Information Technology	30.06.04	1,19,77,185	B.Sc., DMIT	35	CEO, Esix Technologies
15	CHANDRASEKHARAN A R	58	Executive Director & Company Secretary	17.04.06	1,50,47,166	B.Com(Hons), ACA, ACS, LLB, CAIIB	37	President, Orchid Chemicals & Pharmaceuticals Ltd
16	CHATTERJEE A K	59	Plant Director -Bhandara	03.02.97	1,00,73,351	B.E.	35	Manager - Maintenance, Voltas Ltd
17	DEVARAJAN R *	69	Special Director - Product Development	01.10.68	59,47,468	B.Sc., DMIT	43	-
18	FELIX RADZI	36	Head - Defence Exports	01.12.09	1,22,15,192	BSc ; PGD ; MSc	15	Executive Manager-Sales, MAN Ferrostaal AG, Germany
19	GUPTA ALOK KUMAR	51	Head - Panthagar Plant, Uttarkhand	18.04.86	65,33,629	BE (Metal), Dip in Prodn. Mgt.	30	Senior Metallurgist, Lakshmi Precision Engg.
20	HARIHAR P	49	Plant Director-Hosur	01.08.05	79,87,229	B.Sc., DBM	25	Director-Sourcing, GE Power Controls
21	HESLOP WW Capt.	62	Pilot, Aircraft Division, Mumbai	01.01.08	73,57,177	Aircraft Pilot's Licence	37	-
22	HOMBALI V M *	58	Special Director-Customer Support	01.09.82	70,96,414	B.Tech., MBA	34	Engineer-Market Planning , HMT Ltd
23	JANARDHANAN T C *	59	Deputy General Manager - Master Production Scheduling	01.07.74	71,54,660	DME	37	---
24	JAYARAM KRISHNAN	52	Head - Telematics	13.10.08	66,31,097	B.Tech, PDGM	27	Director & CEO - American Megatrends India Ltd, Chennai
25	JAYENDRA PARIKH	57	Executive Director-Advanced Engg and Mission Summit	01.10.09	1,08,56,267	BE ; MS	30	Staff Researcher-R&D, General Motors, USA
26	JAYAGOPU E	57	Head-Reliability	13.10.79	68,26,352	B.Sc., DMIT	30	---
27	KHAITAN B *	61	Special Director-Defence	05.08.79	1,36,35,215	B.E.	38	Regional Service Engineer, Hindustan Motors
28	KRISHNAN S	43	General Manager-Product Development, Corporate	06.12.07	62,63,708	B.Sc., B.Tech., ME, MBA	21	AGM (Engines), Tata Motors
29	LAKSHMINARAYANAN PA Dr*	61	Head - Engine Research & Development , Hosur	16.05.02	93,23,614	B.Tech., M.S., Ph.D	32	Sr. GM - Research, Kirloskar Oil Engines 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	LOBO A	56	Special Director-Exports	21.08.80	66,33,275	BE	30	-
31	MOHANAKRISHNAN N *	59	Executive Director - Internal Audit	01.07.77	2,15,53,790	B.Sc., ACA.	35	Group Accounts Officer, Eastern Coal Fields Ltd
32	MURALI S	53	Special Director - Neptune Project	10.10.81	81,68,577	BE (Hons)	29	---
33	MURALITHARAN N	53	General Manager - Engine Research & Development	09.02.07	64,02,201	BE (Hons), MBA	29	Sr GM-R&D, Indian Pistons
34	MURUGAPPAN N *	61	Plant Director- Ernore	01.05.75	1,10,00,888	B.E.	34	---
35	MUTHUKUMAR T	54	General Manager - Defence & Special Vehicles	29.01.83	63,26,245	B.Sc., B.Tech.	28	---
36	NAGESH PRAKASH K	54	General Manager - Manufacturing, Hesur 2	16.10.81	64,60,996	BE, MS	29	---
37	NAIR M K R	64	General Manager - Special Projects	01.10.72	80,28,065	B.Sc.(Engg.) , DIM	41	---
38	NARESH GUPTA	60	General Manager - Global Sourcing	13.12.06	67,71,054	B.Tech. MA (Mgt Science)	34	Country Head, Continental Engines Ltd
39	NATRAJ M *	69	Executive Director - Product Development	07.04.78	1,21,44,890	B.E.	46	Manager - Plg. & Devt. Bimetal Bearings Ltd, Coimbatore
40	PARTHASARATHY P *	58	Chief Operating Officer - Defiance Technologies	04.09.08	26,54,544	DMIT, MSC.	41	President & COO, TVS-E Technologies Ltd, Bangalore
41	PER GUSTAV RAGNAR NILSSON	55	Executive Director - International Operations	01.07.10	60,03,015	B.Sc.(Pol.Sc.), B.Sc.(Soc.Sc), Doctoral Studies in Business Admn	25	CEO-MAN CIS, Moscow, Russia
42	PILLAI N S N *	62	Deputy General Manager - Information Security and Risk Management	20.01.82	60,50,330	B.Sc. ACA, CIA, CISM	37	---
43	PURSHOTAM HINDUJA CAPT	47	Pilot, Aircraft Division, Mumbai	05.09.07	66,45,000	Aircraft Pilot's Licence	22	---
44	RAJAGOPAL MENON R	56	Executive Director-Product Development	09.08.80	1,20,28,215	B.Tech.	30	---
45	RAJINDER MALHAN *	62	Executive Director - International Operations	29.05.02	1,00,37,991	B.Sc (Engg.)	45	Consultant
46	RAJIVE SAHARIA	52	Executive Director - Marketing	02.06.07	1,24,35,430	BE (Hons)	29	President, Brose India Automotive Systems P Ltd
47	RAJU S K	64	Special Director - Product Development	19.04.78	92,96,177	ME	39	Senior Development Engineer, TELCO
48	RAMA RAO A *	59	General Manager-Product Planning	01.04.75	78,30,842	BE	36	---
49	RAMADURAI S G *	59	Special Director - Product Planning & Portfolio Management	10.05.82	60,88,996	B.E.	36	Sales Executive, Greaves Cotton & Co. Ltd.
50	RAMESH V	53	General Manager-Product Development	28.02.83	61,84,167	B.Tech.	28	---
51	RAMKUMAR K	46	General Manager-Treasury & Accounting	07.03.96	62,99,579	M.Com, AICWA, ACS	23	Manager-Finance, MAC Industries
52	RANGANATHAN T R	53	General Manager-Manufacturing	19.01.83	62,57,734	BE, MBA	28	---
53	RAO R N	57	Special Director-Sales & Marketing	30.09.93	85,52,701	B.E. MMM	34	Sales Engineer , Lucas TVS Ltd
54	SESHADRI K S *	58	Deputy General Manager-Product Development	01.04.75	71,76,883	DME, B.Tech.	36	---
55	SESHASAYEE R	63	Managing Director	21.01.76	2,82,29,789	B.Com., A.C.A.	40	Manager - Accounts, Hindustan Lever Ltd.
56	SHEKAR ARORA	58	Executive Director -HR	02.01.81	1,46,75,021	B.A., MSW	34	Personnel Officer, Oswal Steel
57	SOUNDARARAJAN G	62	General Manager - Special Projects	01.03.74	74,97,737	B.E. DIM	36	---
58	SRIDHARAN K	57	Chief Financial Officer	06.03.82	1,80,20,422	B.Com., ACA, Grad.CWA	34	Sr. System Analyst, Tata Consultancy Services, Mumbai
59	SRIKANT SRINIVASAN	54	Special Director - Human Resources	26.03.82	1,67,61,375	B.Com. , MA (Pers Mgt)	32	Personnel Officer, ACC Ltd.
60	SRINIVASAN R *	62	General Manager - Finance	01.08.76	42,10,981	B.Sc., ACA	34	---
61	SRINIVASAN S R	58	General Manager - Internal Audit	10.07.82	74,45,821	B.Com. ACA	33	Chief Accountant, Cymax Distributors P Ltd
62	SUBRAMANIAN K V	61	General Manager-Project Planning	01.07.74	88,18,597	BE, DIT	36	---
63	SUNDARAM PARTHASARATHI	58	Special Director - Business Planning	01.10.78	85,77,579	B.E., M.S.(U.S.A)	32	---
64	UDAYASANKAR B M	61	Executive Director - Manufacturing	01.07.74	1,88,20,389	B.E.	40	---
65	VASUDEVAN N S *	63	General Manager-Projects	19.08.81	53,32,596	B.Sc., DMIT	39	Senior Engineer, International Instruments Ltd

SL.NO.	NAME	AGE YEARS	DESIGNATION	DATE OF COMMENCEMENT OF EMPLOYMENT	REMUNERATION RECEIVED / RECEIVABLE Rs.	QUALIFICATION	TOTAL EXPERIENCE (YEARS)	PARTICULARS OF PREVIOUS EXPERIENCE
66	VENKAT SUBRAMANIAM B	49	Special Director- Future Vehicles Development Program	01.08.03	76,89,307	B.Tech. PGDBM	24	GM - Sales , TVS Motor Co.
67	VENKATARAMAN S	53	General Manager-Legal	22.11.04	60,69,936	B.Com., BL	27	Sr Manager-Legal, Tata Teleservices Ltd
68	VENKATARAMANI N	60	General Manager-Projects	30.11.79	61,09,579	BE	36	Jr Executive, Dalal Consultants & Engineers
69	VENKATESH NATARAJAN	48	General Manager-Systems	15.03.00	64,19,271	BE, ME (Mgt), M.Tech, PGD in Computer	25	ERP Consultant, Continental Information
70	VENUGOPALAN R *	59	General Manager - Finance	01.12.83	82,53,234	B.Com, ACA	33	Accounts-cum-Admin Officer, Geep Industrial Syndicate Ltd
71	VIJAYAKUMAR UNNI V K	57	General Manager-Project Planning	29.03.79	60,18,307	BE	35	Engineer, ACC Vickers Babcock Ltd
72	VINOD K DASARI	44	Managing Director - Designate	01.04.05	2,06,24,944	BS (Engg), MEM, MBA.	22	JMD, Cummins India Ltd.
73	VISWANATHAN G	57	General Manager-Product Development	26.05.78	61,45,644	BE, MS	32	-

* Part of the year as employee

1. Gross remuneration shown above is subject to tax and comprises of 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 certain perquisites evaluated as per Income-Tax rules. In addition to the above, the employees are entitled to Gratuity.
2. All appointments are contractual.
3. None of the employees is a relative of any Director of the Company.
4. The above list does not include employees on deputation.



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Ashok Leyland Limited

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