

Notes :

- 1 The above results were approved by the Board of Directors in their meeting held at Chandigarh on 14th February, 2012 and have been subjected to a Limited Review by the Auditors of the Company. Review report of the Auditors containing qualification on point 4 on Modvat Credit has been filed with stock exchange and is available on Company's website www.smlisuzu.com
- 2 The statement of unaudited financial results for the quarter and nine months ended 31st December, 2011 have been prepared following the same accounting policies as those followed in the annual financial statements for the year ended 31st March, 2011.
- 3 The Company is primarily engaged in the business of Commercial Vehicles and its parts. As the basic nature of these activities are governed by same set of risk and returns, these constitute and have been grouped as single segment in above disclosure as per Accounting Standard 17 dealing with "Segment Reporting".
- 4 Through issue of Excise Notification No. 11/95 dated March 16, 1995, the Government sought to lapse Rs. 4.88 crores out of Modvat Credit receivable balance as on March 10, 1995. Petition by the Company and others with the Delhi High Court challenging the said Notification on grounds of law and equity was allowed by the Supreme Court vide order dated January 28, 1999. The Finance Act, 1999 has, however, brought in retrospective amendments w.e.f. March 16, 1995 in the Central Excise Act, empowering the Central Government to lapse such Modvat. On legal advice obtained by the Company to seek redressal against the action of the Government, the Company has filed writ petition before the Delhi High Court on the ground that the Government action violates the doctrine of promissory estoppel / expectation principle besides other grounds. The court has already admitted the petition. Accordingly, pending the Company's petition and decision thereupon, the amount of Rs. 4.88 crores though adjusted in Excise Records has not been provided in the books of account.
- 5 The Company had issued 3,984,946 Equity shares of Rs. 10 each at a premium of Rs. 190 per share on Rights basis on 26th March, 2010. The net proceeds (Net of issue expenses Rs. 118.52 lacs) of the Rights issue were utilized for repayment of Allahabad Bank Term Loan Rs. 5,000.00 lacs and for general corporate purposes Rs. 1,051.37 lacs. Out of proceeds of Rs. 1,800.00 lacs earmarked for financing the expansion project, Rs. 500.31 lacs have been utilized for ongoing Phase I of expansion project till 31st December, 2011 and Rs. 1,299.69 lacs are placed with a commercial bank as fixed deposit as per terms of Letter of Offer.
- 6 Interest expense for the nine months and quarter ended 31 December 2011 is net of Interest income of Rs. 3.10 crores (nine months 31 December 2010 - Rs. 0.85 crores) and Rs. 1.09 crores (quarter ended 31 December 2010 - Rs. 0.29 crores) respectively. Interest expense for the year ended 31 March 2011 is net of interest income of Rs. 1.22 crores and interest expense for the quarter ended 30 September 2011 is net of interest income of Rs. 1.06 crores.
- 7 During the quarter ended 31st December, 2011, the Company received 1 complaint from the shareholder which was duly resolved. There are no complaints remaining unresolved as at the beginning and end of the quarter.
- 8 Previous period figures have been regrouped / recast, wherever necessary to confirm to current period classification.

For and on behalf of
the Board of Directors


(Takashi Watanabe)

Managing Director & CEO

B S R & Company

Chartered Accountants

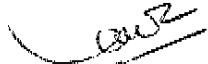
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Review report to the Board of Directors of SML Isuzu Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of SML Isuzu Limited ('the Company') for the quarter and nine months ended 31 December 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is invited to non provision of Rs. 4.88 crores in respect of MODVAT credit receivable as explained in the notes to the unaudited financial results for the quarter and nine months ended 31 December 2011. Had the said amount been provided, profit for the quarter and nine months ended 31 December 2011 would have been lower by the corresponding amount.*
4. *Except as stated in para 3 above, based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.*

For BSR & Company
Chartered Accountants
Membership No: 128032W


Rajesh Arora
Partner
Membership No. 076124

Place: Gurgaon
Date: 14 February 2012