

Fundamental View

India's Commercial Vehicle (CV) Market Seeing Strong Revival

- The Indian CV market is undergoing a structural recovery driven by government capex, rising freight demand, and fleet replacement, with growth expected across MHCV, LCV, and buses in FY26; additionally, electrification is accelerating, supported by strong STU demand and policy push, including the planned deployment of over 1,000 electric buses in Delhi.
- Ashok Leyland plans ₹1,000 Cr capex and ₹500–750 Cr subsidiary investments in FY26, with a focus on EVs and alternative fuels; defence business is expected to double in 2–3 years, supported by a financing tie-up with ESAF Bank and a strong order pipeline.

Strong Order Inflow and Strategic Momentum

- Ashok Leyland holds over 30% market share in the MHCV segment and the company recently received a significant 200-truck order from Instant Transport Solution on June 27, 2025, along with other major wins including 250 trucks from Patanjali Parivahan and 543 buses (₹183 Cr) from TNSTC.
- Switch Mobility turned EBITDA positive with 1,800 EVs in pipeline; backed by ₹4,242 Cr net cash, Ashok Leyland continues to invest in green tech while rewarding shareholders with a 1:1 bonus and ₹6.25/share dividend.

Robust Q4FY25 result

- Ashok Leyland reported a 38% YoY growth in Q4 FY25 PAT, reaching ₹1,246 Cr, with an all-time high EBITDA margin of 15%.
- For FY25, revenue stood at ₹38,753 Cr, while PAT grew 26% YoY to ₹2,618 Cr, and EBITDA margin improved to 12.7%.

Ashok Leyland

17.06%
Target Return

₹ 252
Current Price

₹ 295
Target Price

₹ 229 (9.12%)
Stop Loss

BUY

Particulars	FY23	FY24	FY25	FY26E	FY27E
Revenue (Rs. Cr)	36,144	38,367	38,753	43,280	46,858
Revenue Growth %		6.2%	1.0%	11.7%	8.3%
EBITDA (Rs Cr)	2,931	4,607	4,931	5,495	5,757
EBITDA Growth %		57.2%	7.0%	11.4%	4.8%
EBITDA Margin %	8.1%	12.0%	12.7%	12.7%	12.3%
PAT (Rs. Cr)	1,380	2,618	3,303	3,454	3,620
ROE %	16.4%	31.5%	31.5%	27.6%	24.9%
P/E (x)	54	25.9	22	20.6	19.6

ASHOK LEYLAND : WEEKLY CHART



Technical View

- Stock is moving in a higher top higher bottom formation, where every dip is getting bought into around the 20-DEMA.
- Recently, prices gave a breakout from a six-month consolidation on the weekly chart, with the breakout level now acting as a strong support.
- Prices have witnessed a continuation pattern breakout with the formation of a "Pole and Flag" structure.
- RSI Smoothened is gaining momentum and is well placed above the 70 mark on both daily and weekly charts, indicating inherent strength.

Overall, the chart structure and momentum indicators point towards a continued bullish bias over the short to medium term, backed by strong support zones and sustained buying interest.

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