

**BUY**  
 TP: Rs 274 | ▲ 25%

**ASHOK LEYLAND**

| Automobiles

| 13 February 2025

**Cost and realisation a positive surprise, retain BUY**

- Q3FY25 revenue grew 2%/8% YoY/QoQ to Rs 94.76bn, helped by realisation gains of 4%/6% YoY/QoQ while volume was listless
- EBITDA margin rose to 12.8% compared to 12.0%/11.6% in Q3FY24/Q2FY25 driven by overall cost savings measures
- We cut our earnings for FY26E/FY27E by 4%/5%, retain BUY rating for a revised 1-year forward SOTP-based TP of Rs 274 (from Rs 279)

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**Steady revenue gains backed by realisation gains:** Net sales in Q3FY25 rose 2%/8% YoY/QoQ to Rs 94.8bn driven by a ~4%/6% YoY/QoQ jump in net realisation per vehicle (NRPV) to ~Rs 2.4mn that offset the listless volume (-2%/+2% YoY/ QoQ) to 46.4k units. Despite an 8% fall in LCV volume, 2% volume growth in the MHCV segment restricted sharp volume decline. Domestic MHCV volume grew by 2% to ~30k units while the bus segment volume grew by ~11% YoY to ~6.2k units. AL’s domestic LCV volume was 16.3k units falling 8% YoY (flat QoQ). The export volume in Q3FY25 was 32% higher YoY though on a lower base.

**Margins gain aided by overall cost savings:** The raw material cost (adjusted for inventory) settled at 71.5% of net sales from 72.2%/71.2% in Q3FY24/Q2FY25 to Rs 67.6bn. Gross margins improved by 70bps YoY (fell 30bps QoQ) to 28.5% in Q3FY25. Staff cost rose to ~Rs 6.0bn (up 6%/flat YoY/QoQ) while other expenses was well controlled and stayed flat/-3% YoY/QoQ at ~Rs 8.9bn. EBITDA grew ~9%/19% YoY/QoQ to Rs 12.1bn and EBITDAM expanded to 12.8% vs. 12.0%/11.6% in Q3FY24/Q2FY25. APAT rose by 31%/flat YoY/QoQ to Rs 7.6bn.

**EV expansion on track:** Switch and OHM, AL’s EV subsidiaries, are progressing as planned. The first few Switch-designed buses for Europe have been delivered to Spain. At the Auto Expo, AL displayed India’s first electric port terminal tractor and 15-meter bus with air suspension and front engine (42 sleeper beds) and an electric truck with a 7.5 tonne range. Commercial production of these will start in 9-12 months.

**Revise estimates:** We cut FY26E/FY27E earnings by 4%/5% to factor in mixed momentum, late recovery in the MHCV segment and await further clarity on overall growth. We forecast EBITDA/PAT CAGR of 7%/11% for FY24-FY27. We think AL will deliver on new launches, beat industry growth in CVs, maintain its leadership in buses and improve on the MHCV space. We believe LCV recovery and inroads into EVs will broaden its portfolio. We assign 22x P/E to the standalone business, and value the vehicle finance arm at Rs 12/sh to arrive at a TP of Rs 274 (from Rs 279). We maintain our BUY rating on the stock.

**Key changes**

Target	Rating
▼	◀ ▶

Ticker/Price	AL IN/Rs 219
Market cap	US\$ 7.4bn
Free float	49%
3M ADV	US\$ 17.5mn
52wk high/low	Rs 265/Rs 158
Promoter/FPI/DII	52%/17%/15%

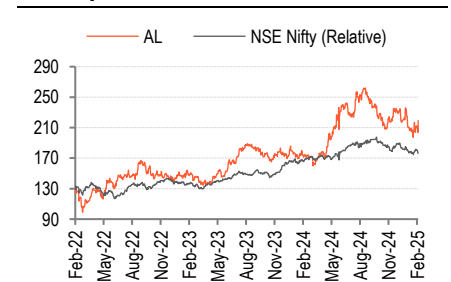
Source: NSE | Price as of 12 Feb 2025

**Key financials**

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	3,83,670	3,91,675	4,27,631
EBITDA (Rs mn)	46,066	46,571	51,276
Adj. net profit (Rs mn)	27,116	28,633	31,995
Adj. EPS (Rs)	8.9	9.8	10.9
Consensus EPS (Rs)	8.9	9.9	11.0
Adj. ROAE (%)	30.8	30.8	31.8
Adj. P/E (x)	24.6	22.5	20.1
EV/EBITDA (x)	14.3	13.3	12.1
Adj. EPS growth (%)	109.3	5.6	11.7

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



**Fig 1 – Earnings call highlights**

Parameter	Q3FY25	Q2FY25	Our view
Industry growth	<p>Despite the pickup in consumption demand and better flow of government capex, the commercial vehicle industry was down 1% YoY. However, it was better compared to Q2FY25.</p> <p>Domestic MHCV trucks volume fell 2% YoY to 22.7k units and MHCV bus volume grew 5% YoY to 4k units. AL's LCV domestic volume in Q3FY25 was at 15.4k numbers, lower by 9% YoY.</p> <p>At the end of Q3FY25, Switch India had an order book of more than 1,800 buses including exports order of 100 buses from Mauritius. OHM Global Mobility is operating 600 buses with a 98% fleet availability. AL to invest Rs5bn in Switch Mobility with Switch Mobility UK using funds for repaying debt and Switch Mobility India to use funds enhancing business.</p>	<p>Due to extreme weather conditions, rainfall and slowdown in government capex, the MHCV industry experienced a 12% drop in volume in Q2. MHCV domestic sales volume dropped by 14% YoY in Q2FY25 to 25.6k units and LCV volumes fell by 2.17% to 16.6k units YoY. Overall, AL's CV volumes dropped 8% YoY but grew 4% QoQ in Q2FY25.</p> <p>AL's subsidiary OHM Global Mobility was awarded an order of 500 buses by Chennai's Metropolitan Transport Corporation and AL's subsidiary Switch Mobility is fulfilling an order of 1,200 buses and has an order book for 2,000 buses to be fulfilled in the next 15 months.</p>	<p>AL will focus on recovering lost market share in the MHCV segment and further consolidate its market share in the Bus segment. It will focus on expanding its portfolio in the LCV segment. Its target of 20% market share, from the current 11%, is a positive for AL.</p> <p>Switch mobility UK is going through a tough phase, AL to rationalize operations is a positive move. Switch Mobility India is gaining traction and will need support</p>
Market share	<p>AL's domestic MHCV market share continues to be over 30% and AL maintained market leadership in the Bus segment. AL targets a medium-term goal of 35% in the MHCV segment.</p> <p>With the launch of SAATHI, AL is committed to improve its market share to 20% in the short term and 25% in the medium term.</p>	<p>AL's domestic MHCV market share continues to be over 31% and AL maintained market leadership in the Bus segment. AL targets 35% market share in the medium term and currently has 50% of the addressable market in the LCV segment and targets to expand it to ~80% with new launches.</p>	<p>The revival in the LCV segment and healthy order book of e-buses from various states only helps to add market share.</p>
Exports	<p>The company achieved export volume of 4.1k units in Q3FY25 vs 3.1k units YoY (growth of 33%) though on a low base.</p> <p>AL continues to have a strong presence in GCC, SAARC and African markets.</p>	<p>Despite global challenges, export volumes grew 14%/42% YoY/QoQ to 3.3k units. AL is currently intensifying its expansion in the SAARC and MENA markets. AL's long-term target is to export 50k units.</p>	<p>Expanding domestically and globally has helped AL improve its space and its beat to the industry pace.</p>
Margins	<p>EBITDA grew ~ 9%/19% YoY/QoQ to Rs 12.1bn and EBITDA margin further expanded to 12.8% compared to 12.0%/11.6% in Q3FY24/Q2FY25. APAT rose by 31%/flat YoY/QoQ to Rs 7.6bn translating to a PAT margin of 8.0% compared to 6.3% YoY due to continuous cost saving focus.</p> <p>Cost delta due to mandatory AC cabin is minuscule on the industry hence demand impact will be minimal.</p>	<p>EBITDA margin for Q2FY25 was 11.6% vs 10.6%/11.2% in Q1FY25/Q2FY24. Reported PAT grew 37% YoY to Rs 7.70bn. Margin expansion was on account of steel prices softening, leading to material cost savings. AL expects Switch India to be EBITDA positive by Q1/Q2 of FY26. Mandatory AC cabin norms will affect about 80% of new vehicles sold, however its additional delta cost will be only 0.5%.</p>	<p>AL is looking at aggressive margin expansion, we remain conservative and project EBITDA margin of ~12% for FY25E/ FY26E/ FY27E.</p>
Launch pipeline	<p>AL's recently launched SAATHI, its foray into the entry level LCV segment opened up a new customer segment, which was previously unaddressed.</p> <p>At the Bharat Mobility Global Expo, AL showcased concept of industry-first electric Port Terminal</p>	<p>Next year AL will launch a 15-metre front-engine bus competing in the high-end intracity movement segment.</p>	<p>The launch pipeline continues to be strong. This will help AL to improve its product mix and aid margins.</p>

Parameter	Q3FY25	Q2FY25	Our view
	Tractor as well as India's first 15-meter bus with a front engine and capacity of 42 sleeper berths. At the show, Switch displayed a concept electric truck in the 7.5T GVW range.		
Other key points	<p>Capex for Q3FY25 was Rs 1.79bn and its target is Rs 4.86bn for FY25.</p> <p>Turned cash positive at quarter end with net cash of Rs 9.58bn as against net debt of Rs 17.47bn at end of Q3FY24.</p> <p>The overall AUM of Hinduja Leyland Finance is Rs 444bn and of Hinduja Housing Finance ~Rs 134bn. Going forward, AL may infuse equity worth Rs 2bn.</p> <p>Engine volumes grew 3.5% YoY. Spare Parts revenue grew 14% YoY while defense experienced a decline QoQ.</p>	<p>Capex for Q2FY25 was Rs 1.53bn and its target is Rs 3.07bn for FY25.</p> <p>The overall AUM of Hinduja Leyland Finance is Rs 420bn and of Hinduja Housing Finance ~Rs 125bn, with a cumulative AUM of Rs 545bn. Revenue from this stood at Rs 30bn with profit totalling Rs 2bn-2.5bn. Going forward, AL may infuse equity worth Rs 2bn-2.5bn.</p> <p>In H1FY25, AL almost doubled its YoY defence revenue. Engine volumes grew 17% YoY. Spare Parts revenue grew 13% YoY.</p>	<p>The improvement in balance sheet augurs well for the company aiding further organic and inorganic growth.</p> <p>Profitability of AL's non-core businesses has kept overall margin profile healthy.</p>

Source: Company, BOBCAPS Research | eLCV: Electric Light Commercial Vehicle, OBD: On-board diagnostics, MHCV: Medium and heavy commercial vehicles, LCV: Light Commercial Vehicle, AUM: Assets under management, SAARC: South Asian Association for Regional Cooperation

**Fig 2 – Quarterly performance (Standalone)**

(Rs mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Q3FY25E
Volume	46,404	47,241	(1.8)	45,624	1.7	46,404
Avg. Realisation per Vehicle	20,42,641	19,62,916	4.1	19,21,977	6.3	19,21,977
Net Revenues	94,787	92,730	2.2	87,688	8.1	89,187
<b>Total Income (A)</b>	<b>94,787</b>	<b>92,730</b>	<b>2.2</b>	<b>87,688</b>	<b>8.1</b>	<b>89,187</b>
<b>Operating Expenses</b>						
Raw materials consumed	67,743	66,977	1.1	62,410	8.5	63,585
Employee Expenses	6,064	5,695	6.5	5,987	1.3	6,020
Other Expenses	8,866	8,919	(0.6)	9,118	(2.8)	9,142
<b>Total Expenditure (B)</b>	<b>82,672</b>	<b>81,591</b>	<b>1.3</b>	<b>77,515</b>	<b>6.7</b>	<b>78,747</b>
<b>EBITDA (A-B)</b>	<b>12,114</b>	<b>11,139</b>	<b>8.8</b>	<b>10,173</b>	<b>19.1</b>	<b>10,440</b>
Other Income	247	300	(17.7)	973	(74.6)	334
Depreciation	1,923	1,785	7.8	1,754	9.6	1,761
EBIT	10,438	9,655	8.1	9,391	11.1	9,013
Finance Costs	501	616	(18.8)	607	(17.5)	599
PBT after excep items	9,938	9,033	10.0	9,958	(0.2)	8,402
Tax expense	2,320	3,232	(28.2)	2,257	2.8	1,933
<b>Reported PAT</b>	<b>7,617</b>	<b>5,800</b>	<b>31.3</b>	<b>7,701</b>	<b>(1.1)</b>	<b>6,470</b>
<b>Adjusted PAT</b>	<b>7,617</b>	<b>5,806</b>	<b>31.2</b>	<b>6,527</b>	<b>16.7</b>	<b>6,482</b>
EPS (Rs)	2.6	2.0	31.2	2.2	16.7	2.2
<b>Key Ratios (%)</b>			<b>(bps)</b>		<b>(bps)</b>	
Gross Margin	28.5	27.8	76.0	28.8	(29.6)	28.7
EBITDA Margin	12.8	12.0	76.8	11.6	117.9	11.7
EBIT Margin	11.0	10.4	60.0	10.7	30.2	10.1
PBT Margin	10.5	9.7	73.7	10.0	46.6	9.4
Tax Rate	23.3	35.8	(1,243.9)	22.7	67.9	23.0
Adj PAT Margin	8.0	6.3	177.5	7.4	59.3	7.3

Source: Company, BOBCAPS Research

## Valuation methodology

We cut FY26E/FY27E earnings by 4%/5% to factor in mixed momentum, late recovery in the MHCV segment and further clarity on overall growth. We forecast EBITDA/PAT CAGR of 7%/11% for FY24-FY27. We feel AL will deliver on new launches, beat industry growth in CVs, maintain its leadership in buses and improve on the MHCV space. We believe LCV business is promising and broadening the base from 47-49% addressable market to ~ 80% addressable market will ease the path for enhanced market share. Further inroads into EVs will broaden its portfolio. Optimal fleet utilisation rates leading to better replacement demand is the key for MHCV segment revival. Better cost controls and healthy balance sheet offer further comfort

Effectively, we reiterate our BUY rating for a revised 1-year forward SOTP-based TP of Rs 274 (from Rs 279). We continue to assign 22x P/E to the standalone business factoring in strong structural health and value the vehicle finance arm at Rs 12/sh.

**Fig 3 – Revised estimates**

(Rs mn)	New			Old			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	3,91,675	4,27,631	4,69,683	3,91,675	4,36,979	4,83,026	(0.0)	(2.1)	(2.8)
EBITDA	46,571	51,276	57,159	46,571	52,935	59,520	(0.0)	(3.1)	(4.0)
Adj PAT	28,633	31,995	36,036	28,633	33,268	37,939	(0.0)	(3.8)	(5.0)
Adj EPS (Rs)	9.8	10.9	12.3	9.8	11.3	12.9	(0.5)	(3.5)	(4.8)

Source: BOBCAPS Research

**Fig 4 – Key assumptions**

	FY25E	FY26E	FY27E
M&HCV volumes (nos)	1,24,885	1,32,378	1,41,645
LCV volumes (nos)	71,894	76,208	80,780
<b>Total volumes sold (nos)</b>	<b>1,96,779</b>	<b>2,08,586</b>	<b>2,22,425</b>
M&HCV volume share (%)	63.5	63.5	63.7
LCV volume share (%)	36.5	36.5	36.3
Revenue per vehicle (Rs)	19,90,431	20,50,144	21,11,648
Raw material cost per vehicle (Rs)	14,47,043	14,86,354	15,25,666
As a % of revenue	72.7	72.5	72.3
Gross margin per vehicle (Rs)	5,43,388	5,63,789	5,85,982
<b>As a % of revenue</b>	<b>27.3</b>	<b>27.5</b>	<b>27.8</b>
Staff cost per vehicle (Rs)	1,23,144	1,22,796	1,21,777
As a % of revenue	6.2	6.0	5.8
Other expense per vehicle (Rs)	1,89,091	1,99,889	2,12,221
As a % of revenue	9.5	9.8	10.1
EBITDA per vehicle (Rs)	2,31,153	2,41,105	2,51,985
<b>As a % of revenue</b>	<b>11.6</b>	<b>11.8</b>	<b>11.9</b>
Other Income (Rs mn)	2,565	2,772	2,851
Depreciation (Rs mn)	7,307	7,480	7,703
Interest (Rs mn)	2,199	2,284	2,431
PAT per vehicle (Rs)	1,45,507	1,53,391	1,62,014
As a % of revenue	7.3	7.5	7.7

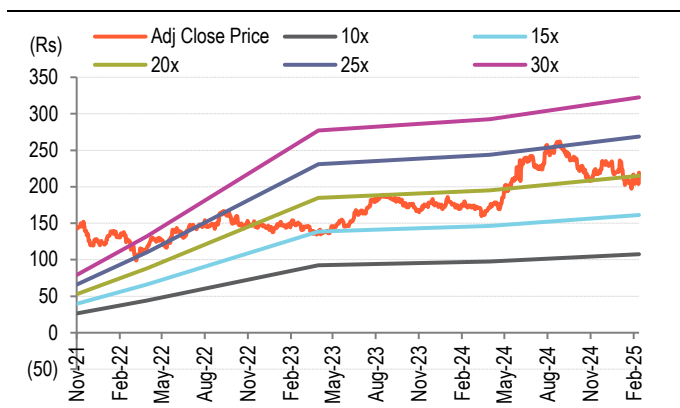
Source: BOBCAPS Research

**Fig 5 – Valuation summary**

Business	1-year forward EPS (Rs)	Target P/E (x)	Value (Rs)
Standalone Business	11.9	22	262
Hinduja Leyland Finance	-	-	12
<b>Total</b>	<b>-</b>	<b>-</b>	<b>274</b>

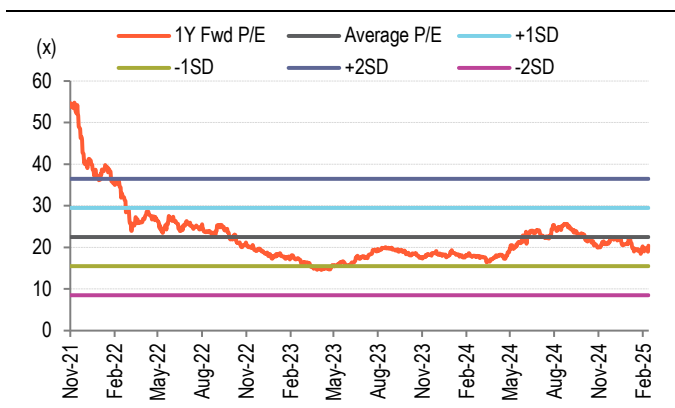
Source: BOBCAPS Research | Note: Valuation is 1-year forward based on Dec-26

**Fig 6 – P/E band: We value AL at 22x 1-year forward core business EPS**



Source: Bloomberg, Company, BOBCAPS Research

**Fig 7 – P/E 1Y fwd: AL will align to the mean in the medium term as it gains growth traction**



Source: Bloomberg, Company, BOBCAPS Research

**Fig 8 – Peer comparison**

Company	Ticker	Rating	Target Price (Rs)	EPS (Rs)		ROE (%)	
				FY26E	FY27E	FY26E	FY27E
Ashok Leyland	AL IN	BUY	274	10.9	12.3	33.1	34.1
Mahindra & Mahindra	MM IN	BUY	3,689	127.1	142.5	22.3	20.8
TTMT IN*	NOT RATED	-	-	65.8	79.3	30.9	28.9

Source: BOBCAPS Research \*Bloomberg Estimates

### Key risks

Key downside risks to our estimates are:

- fierce competition and, hence, pressure on margins,
- delays in planned launches in the M&HCV and Bus segments, and
- faster reversal in the commodity cycle unfavourably hitting costs.

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Total revenue</b>	<b>3,61,441</b>	<b>3,83,670</b>	<b>3,91,675</b>	<b>4,27,631</b>	<b>4,69,683</b>
EBITDA	29,307	46,066	46,571	51,276	57,159
Depreciation	7,320	7,178	7,307	7,480	7,703
EBIT	23,149	41,353	41,829	46,568	52,307
Net interest inc./(exp.)	(2,891)	(2,494)	(2,199)	(2,284)	(2,431)
Other inc./(exp.)	1,161	2,466	2,565	2,772	2,851
Exceptional items	846	(937)	0	0	0
EBT	21,104	37,922	39,630	44,284	49,877
Income taxes	7,303	11,743	10,997	12,289	13,841
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>13,801</b>	<b>26,179</b>	<b>28,633</b>	<b>31,995</b>	<b>36,036</b>
Adjustments	(846)	937	0	0	0
<b>Adjusted net profit</b>	<b>12,955</b>	<b>27,116</b>	<b>28,633</b>	<b>31,995</b>	<b>36,036</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Accounts payables	72,441	63,727	73,239	79,569	87,782
Other current liabilities	21,996	42,431	14,595	17,495	19,024
Provisions	10,377	13,748	14,600	15,621	16,717
Debt funds	31,801	22,545	26,332	27,416	28,144
Other liabilities	0	0	0	0	0
Equity capital	2,936	2,936	2,936	2,936	2,936
Reserves & surplus	81,322	85,168	90,027	97,581	1,07,954
Shareholders' fund	84,257	88,103	92,962	1,00,516	1,10,889
<b>Total liab. and equities</b>	<b>2,20,873</b>	<b>2,30,554</b>	<b>2,21,729</b>	<b>2,40,617</b>	<b>2,62,556</b>
Cash and cash eq.	5,013	34,382	11,050	8,311	7,298
Accounts receivables	40,627	35,699	38,631	43,349	48,898
Inventories	27,745	31,907	31,656	35,734	40,534
Other current assets	21,529	16,999	20,120	23,432	25,736
Investments	66,627	55,598	65,107	70,107	76,107
Net fixed assets	59,378	56,079	55,728	59,248	63,545
CWIP	490	955	5,000	6,000	6,000
Intangible assets	4,499	4,499	0	0	0
Deferred tax assets, net	(5,035)	(5,563)	(5,563)	(5,563)	(5,563)
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>2,20,872</b>	<b>2,30,554</b>	<b>2,21,729</b>	<b>2,40,617</b>	<b>2,62,556</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Cash flow from operations</b>	<b>18,994</b>	<b>41,973</b>	<b>(699)</b>	<b>22,800</b>	<b>25,655</b>
Capital expenditures	(3,735)	(4,345)	(6,501)	(12,000)	(12,000)
Change in investments	(18,431)	11,029	(9,509)	(5,000)	(6,000)
Other investing cash flows	1,161	2,466	2,565	2,772	2,851
<b>Cash flow from investing</b>	<b>(21,004)</b>	<b>9,150</b>	<b>(13,445)</b>	<b>(14,228)</b>	<b>(15,149)</b>
Equities issued/Others	50	17	(66)	0	0
Debt raised/repaid	(3,270)	(9,256)	3,787	1,083	728
Interest expenses	(2,891)	(2,494)	(2,199)	(2,284)	(2,431)
Dividends paid	(7,632)	(14,531)	(14,678)	(14,678)	(14,678)
Other financing cash flows	3,669	459	(431)	0	0
<b>Cash flow from financing</b>	<b>(10,075)</b>	<b>(25,806)</b>	<b>(13,587)</b>	<b>(15,879)</b>	<b>(16,380)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(12,085)</b>	<b>25,318</b>	<b>(27,731)</b>	<b>(7,307)</b>	<b>(5,874)</b>
<b>Closing cash &amp; cash eq.</b>	<b>5,013</b>	<b>34,382</b>	<b>11,050</b>	<b>8,311</b>	<b>7,298</b>

### Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
Reported EPS	4.4	9.2	9.8	10.9	12.3
Adjusted EPS	4.7	8.9	9.8	10.9	12.3
Dividend per share	2.6	5.0	5.0	5.0	5.0
Book value per share	28.7	30.0	31.7	34.2	37.8

### Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
EV/Sales	1.9	1.7	1.6	1.5	1.4
EV/EBITDA	22.9	14.3	13.3	12.1	11.4
Adjusted P/E	46.7	24.6	22.5	20.1	17.9
P/BV	7.6	7.3	6.9	6.4	5.8

### DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Tax burden (Net profit/PBT)	61.4	71.5	72.3	72.3	72.3
Interest burden (PBT/EBIT)	91.2	91.7	94.7	95.1	95.4
EBIT margin (EBIT/Revenue)	6.4	10.8	10.7	10.9	11.1
Asset turnover (Rev./Avg TA)	322.0	338.5	340.7	345.9	351.9
Leverage (Avg TA/Avg Equity)	1.4	1.3	1.3	1.3	1.3
Adjusted ROAE	16.4	31.5	31.6	33.1	34.1

### Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
<b>YoY growth (%)</b>					
Revenue	66.7	6.2	2.1	9.2	9.8
EBITDA	194.7	57.2	1.1	10.1	11.5
Adjusted EPS	4079.0	109.3	5.6	11.7	12.6
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	8.1	12.0	11.9	12.0	12.2
EBIT margin	6.4	10.8	10.7	10.9	11.1
Adjusted profit margin	3.6	7.1	7.3	7.5	7.7
Adjusted ROAE	15.4	30.8	30.8	31.8	32.5
ROCE	13.5	25.2	26.3	27.2	28.3
<b>Working capital days (days)</b>					
Receivables	36	36	35	35	36
Inventory	24	28	30	29	30
Payables	94	89	88	90	90
<b>Ratios (x)</b>					
Gross asset turnover	0.3	0.3	0.3	0.3	0.3
Current ratio	0.9	1.0	1.0	1.0	1.0
Net interest coverage ratio	(8.0)	(16.6)	(19.0)	(20.4)	(21.5)
Adjusted debt/equity	0.4	0.3	0.3	0.3	0.3

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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**Recommendation scale: Recommendations and Absolute returns (%) over 12 months**

**BUY** – Expected return >+15%

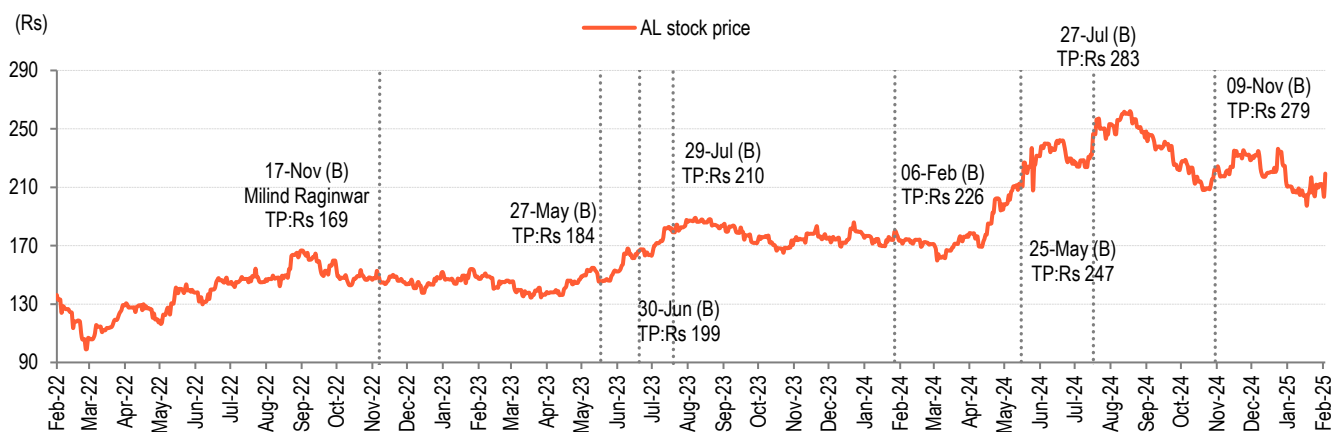
**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

### Ratings and Target Price (3-year history): ASHOK LEYLAND (AL IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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