

Report Review -

Since the initiation of coverage on Ashok Leyland Ltd on August 21, 2024, with a BUY rating at a then CMP of ₹125.3 (pre-1:2 stock split; adjusted entry price ₹125.6), the stock has delivered a strong rerating, scaling an all-time high of ₹198 on February 1, 2026 and decisively surpassing our earlier target price of ₹182. At the current level, the stock trades at a P/E multiple of 31.7x, broadly in line with the 30x multiple prevailing at the time of our recommendation, despite a materially stronger earnings base, improved balance sheet discipline, and enhanced cash flow visibility. The sustained valuation reflects the market's confidence in Ashok Leyland's structurally improved profitability, prudent capital allocation, and resilience across CV cycles. Given the meaningful upside already realized and the stock trading marginally above our assessed fair value band, **we recommend booking 50% of your holding to lock in gains, while continuing to HOLD the remaining position**, as we believe the current valuation remains supportable over the medium term, anchored by steady earnings compounding and disciplined execution.

14 Feb 2026

Partial Profit Booking

Company Data

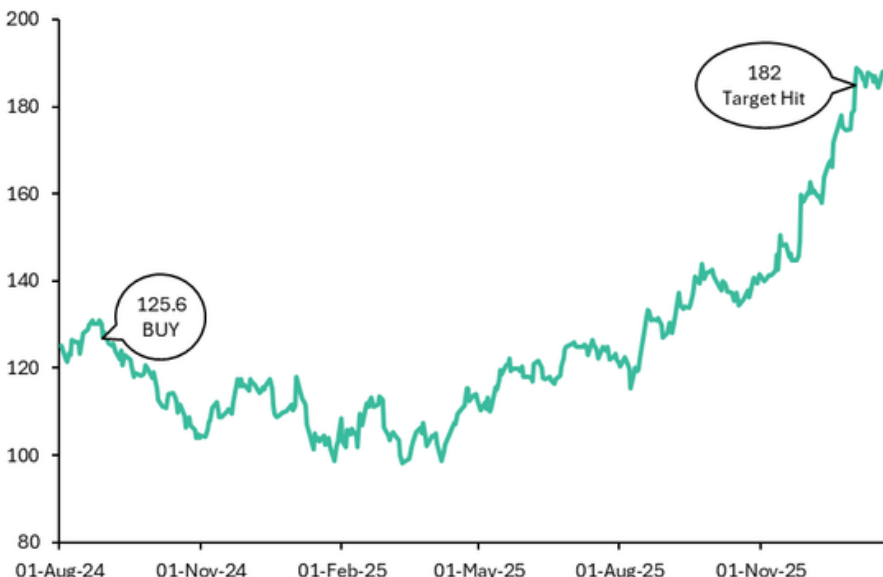
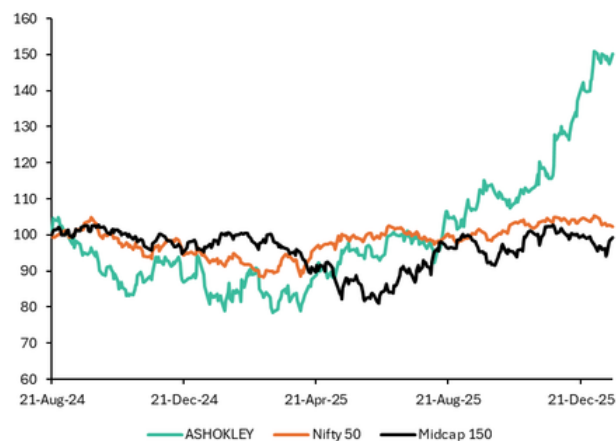
Ticker / CMP	ASHOKLEY / Rs. 194
Earlier Price Target Upside %	Rs. 182 40%
Record Price Date	Rs. 125.6 3 Sept, 2024
Market Cap	Rs. 1,14,123 Cr
Outstanding shares	587.30 Cr
Free Float	48.409%
52w High/Low	192 / 95.2

Shareholding Pattern %

	Sep-24	Dec-24	Mar-25
Promotor	51.52	51.10	51.51
FII	24.02	24.13	24.41
DII	5.78	5.31	5.41
Mutual Funds	7.83	8.17	8.32
Retail	10.85	11.29	10.35

Key Financial Data

(Rs. Crore)	FY23	FY24	FY25	FY26F
Revenue	41,673	45,791	48,535	53,612
Operating Profit	5,613	8,432	9,859	9,979
Operating Margin%	13.47%	18.41%	20.31%	19%
Net Profit	1,359	2,696	3,382	3,474
Net Profit Margin%	3.26%	5.89%	6.97%	6.48%
EPS	2.11	4.23	5.29	5.91
Total Assets	54,746	67,660	81,714	72,460
ROE%	17.1%	30.7%	28.8%	27.5%



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