

# Ashok Leyland Q3 net up 31% on margin growth, deferred tax credits

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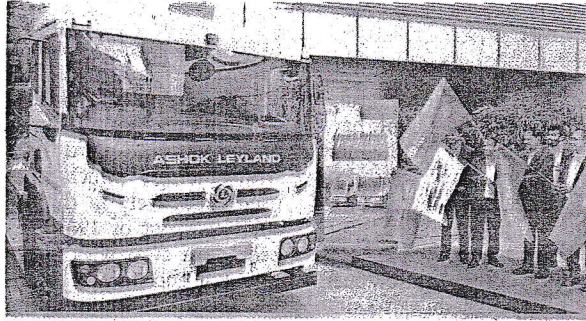
Ashok Leyland Ltd, one of India's leading truck and bus manufacturers, recorded a 31 per cent year-on-year increase in net profit at ₹762 crore in the December 2024 quarter, compared to ₹580 crore in the same period last year. The profit boost was largely attributed to deferred tax credits, alongside improved operating margins, despite a modest rise in revenue. The company continues to operate under the old tax regime with a 35 per cent tax rate, leveraging its Minimum Alternate Tax (MAT) credit benefits.

Ashok Leyland plans to fully utilise its accumulated MAT credit before transitioning to the new 25 per cent tax regime in the upcoming fiscal year.

Profit before tax stood at ₹994 crore against ₹904 crore. Revenue for Q3 FY25 saw a marginal increase of 2.2 per cent to ₹9,479 crore, compared to ₹9,273 crore in the previous fiscal's Q3.

The company's EBITDA (earnings before interest, tax, depreciation and amortisation) rose to ₹1,211 crore, up from ₹1,114 crore a year ago. EBITDA margin improved to 12.8 per cent, a significant increase from 12 per cent in Q3FY24 and 11.6 per cent in Q2 FY25, reflecting cost optimisation and efficiency gains.

Material costs as a percentage of revenue declined to 71.5 per cent from 72.2 per cent in Q3FY25, as a result of



**COSTS DOWN.** Material costs as a percentage of revenue declined to 71.5 per cent from 72.2 per cent in Q3FY25, due to cost management initiatives BIJOY GHOSH

cost management initiatives.

Ashok Leyland also reported a major turnaround in cash flow, moving from a net debt of ₹1,747 crore a year ago to a cash surplus of ₹958 crore by the end of Q3FY25.

"The Medium and Heavy Commercial Vehicle (M&HCV) industry, which faced a slowdown in Q2FY25, witnessed a revival in Q3, supported by the festive season demand and increased government capital expenditure," said Dheeraj Hinduja, Executive Chairman, Ashok Leyland Ltd.

## TRUMP'S TARIFFS

Exports continued to be a key growth driver, with Q3 export volumes surging 33 per cent, a 19 per cent increase over the nine months.

The company's strong foothold in the Gulf Cooperation Council, SAARC and African markets fuelled export momentum, and the order book for Q4 remains robust, Hinduja added.

Responding to concerns over the potential risks posed by US President Don-

ald Trump's tariff policies, Shenu Agarwal, Managing Director & CEO, Ashok Leyland, stated that there was no immediate impact on the commercial vehicle industry, as India's CV exports to the US are minimal. However, the company remains cautious about potential indirect global economic consequences that could arise.

## NON-CV BIZ

Ashok Leyland's non-CV businesses also performed well. Engine volumes grew by 3.5 per cent, while revenue from spare parts rose by 14 per cent, demonstrating broad-based growth across segments.

To support its financial and strategic expansion, Ashok Leyland's board approved additional investments of ₹200 crore in Hinduja Leyland Finance and ₹500 crore in Optair, the holding company of Switch Mobility. These investments are aimed at strengthening capital adequacy and accelerating expansion in the electric mobility sector.