

## Jamna Auto Industries Limited

January 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	90.00	CARE AA; Stable	Upgraded from CARE AA-; Stable

Details of instruments/facilities in Annexure-1.

### **Rationale and key rating drivers**

CARE Ratings Limited (CareEdge Ratings) has upgraded the long-term rating of Jamna Auto Industries Limited (JAIL), which factors in the company's ability to increase penetration in after-market segment and resultant reducing dependency on the cyclical Medium & Heavy commercial vehicle (M&H CV) industry. Contribution of aftermarket segment increased from 19% in FY23 to 23-24% in H1FY26 however, it still remains concentrated toward M&H CV. Going forward, contribution of after-market segment is expected to increase with reducing dependence on OEM's and M&HCV which will remain a key monitorable. Further, Demand of the entire commercial vehicle industry improved in FY26 due to resumption of infrastructure spending by government and GST rate cuts in Sept'25. Thus, overall total operating income is also expected to improve by ~15% year on year (y-o-y) in FY26 and further in FY27 along with improvement in the profitability margins due to improving efficiencies and saving in logistic cost.

The ratings continues to derive strength from its leading market position in domestic leaf springs segment for commercial vehicles (CV) and strong share of business with major original equipment manufacturers (OEM) benefitted from the strategic location of JAIL's manufacturing facilities across India in close proximity of key customers.

Rating also draws strength from the healthy scale of operations and robust financial risk profile characterised with nil long-term debt. CARE expects the financial metrics of the company to remain comfortable in near to medium term in absence of any debt laden capex plans.

However, these rating strengths are tempered by concentration risk across the key customers, leaf springs and Medium and Heavy commercial vehicles (M&HCV) segment. Though, these customers are market leaders in M&H CV segment and have strong relationship with JAIL, which mitigate the risk to some extent. JAIL has been persistently focussing towards expanding its share in export and after market through strengthening of distribution network and also diversifying its product mix with growing contribution from value added products such as parabolic springs, air suspension, lift axles, and other allied parts. CareEdge Ratings believes that the anticipated diversification in the product offerings and new markets would be achieved gradually. Ability of the management to gradually diversify its revenue stream through increasing contribution of value-added products across domestic and export aftermarket would remain imperative from credit perspective.

The rating is further constrained due to profitability susceptible to raw material price volatility and intense competition from organised and unorganised players prevailing in the cyclical automobile industry.

### **Rating sensitivities: Factors likely to lead to rating actions**

#### **Positive factors**

- Improvement in Scale of operation above ₹5,000 crore and sustaining its profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins above 13%.
- Increase in the scale of new products and in aftermarket segment reducing dependence on leaf springs and OEMs.

#### **Negative factors**

- Decline in scale of operation below ₹2,000 crore or PBILDT margin below 10% on a sustained basis
- Any debt funded capex leading to moderation of TD/PBILDT above 1.5x

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Analytical approach:** Consolidated

CARE Ratings has taken a consolidated approach of JAIL and its subsidiaries engaged in the same line of business, common management and strong financial and operational linkages. The list of entities consolidated are presented in Annexure-6.

**Outlook:** Stable

'Stable' outlook assigned to bank facilities of JAIL based on CARE Rating's expectation that the company will continue to benefit from its leadership in leaf springs and strong business share from major OEMs resulting into sustained growth in revenue. Further it is expected that the capital structure is expected to remain healthy going forward as well.

**Detailed description of key rating drivers:**
**Key strengths**
**Market leadership in Leaf Springs and strong share of business with OEMs**

The company is a leader in the M&HCV leaf springs market, holding a market share of ~62-65%. It has established robust business relationships and have strong share of business with all major OEMs including Tata Motors, Ashok Leyland, Diamler India, Leyland Kissan, Volvo etc. Additionally, the company has recently signed an MOU with Eicher Motors, securing ~60% of the business for its Indore Spring plant. With strong relationships across all OEMs, JAIL is expected to maintain its market position going forward as well.

**Focus on Product & Market diversification to improve contribution margins**

JAIL has a diversified product portfolio that includes conventional leaf springs, parabolic leaf springs, air suspension, lift axles, and other allied parts, primarily for M&HCV. However, leaf springs contribute over 90% of the company's overall revenue which poses JAIL to product concentration risk. Company revenue is also concentrated towards OEM's with ~75-80% proportion of overall revenue. With the aim to diversify its business model, Jamna Auto has outlined its Lakshya Rise 5000 vision wherein it has intent and is focussed to increase share of sales from new products and new markets gradually and aim to achieve ~Rs. 5000 of revenue by 2030. Contribution of Parabolic Spring in overall revenue increased from ~20% in FY21 to 38.50% in H1FY26. OEM are replacing Conventional Leaf springs with Parabolic Leaf springs. Accordingly going forward, sales of conventional leaf springs are expected to decline with offsetting increase in revenue from Parabolic springs. Parabolic spring has higher contribution margins than conventional leaf spring due to lesser metal consumption. This would results in better contribution margins going forward for JAI. However, company's other product such as Lift Axles, U-bolt, Trailer Suspension, allied product still remain underpenetrated.

Company' revenue from after-market segment and exports gradually improved in last 4-5 years and stood at ~23% in H1FY26 as compared to ~16% in FY19. Further Ramping up the scale of new value added product in aftermarket and accordingly diversifying its revenue stream from leaf spring and OEM's would remain a key monitorable.

**Strategic location of Plants provides competitive advantage**

JAIL has the highest capacity of leaf spring in India. Its manufacturing plants are strategically located near the OEM plants which provide JAI a competitive advantage over its competitors who have limited geographical reach and capacities. This leads to lower transportation cost, better supply chain efficiency and faster delivery. This gives the cost competitive advantage to the company leading to healthy profitability margins.

**Improving CV Outlook to derive growth in its scale of operations from H2FY26 onwards**

The company's Total operating income (TOI) moderated from ₹2,428 crore in FY24 to ₹2,270 crore in FY25 owing to decrease in sales volume from 1.84 Lakh tonne in FY24 to 1.74 lakh tonne in FY25 due to subdued demand of M&HCV in FY25. M&HCV sales volume grew by only 1% in FY25. In current fiscal, the demand for M&H commercial vehicles is expected to pick up by 4-5% on the back of a recovery in demand from the infrastructure sector amidst a resumption in government spending. Moreover, the recent cut in GST rates on wide range of products is also expected to support sales. The reduced rates will result in an increase in movement of such goods, which will support the demand for goods carriers in heavy, medium and light commercial vehicle segments. Thus, due to the improvement in the demand of M&HCV, company's sales volume is also expected to improve by ~15% y-o-y in FY26 and further in FY27.

Profitability margins of the company stood at 13.49% in FY25 (PY: 13.60%). Company has a stable profitability margin of 11-13% in the past five years as company is able to pass on increase in raw material prices to its customers. Going forward, the company's

profitability margins are expected to strengthen with improvement to flow through operation efficiencies and saving in logistics cost as company has established its plant in Adityapur which will save the freight cost.

### **Comfortable Financial Risk Profile**

Company has comfortable financial risk profile marked by overall gearing which stood at 0.36x as on March 31, 2025 (PY:0.32x). Company does not have any term debt, neither have any plans to take any long-term debt going forward. Net debt/ PBILDT of the company stood stable at 0.71x as on March 31, 2025 compared to 0.66x on March 31, 2024. Strong leverage is expected to sustain going forward as well due to the absence of any debt funded capex plans. Company has capex plans of ~₹300-350 crore to be incurred in next 2 years toward completion of Indore plant apart from minor routine capex and the same is expected to be entirely funded through internal accruals. Accordingly, Company's financial risk profile is expected to remain comfortable going forward.

### **Key weaknesses**

#### **Product, segment and customer concentration risk**

Tata Motors limited, and Ashok Leyland Limited are the key customers of the company contributing ~60% of the total sales, which poses JAIL to customer concentration risk. However, the risk is largely mitigated as the company has long track record of supplying to these reputed OEMs having strong market presence. Over 90% of revenue of the company is from leaf springs and from M&HCV segment which poses the company to product and segment concentration risk. JAIL plans to diversify to counter customer concentration risk by penetrating more in aftermarket & export market. Ramping up the scale of new value added product in aftermarket and accordingly diversifying its revenue stream from leaf spring and OEM's would remain a key monitorable.

#### **Exposure to competitive and cyclical automobile industry**

JAIL revenue remains closely aligned to the performance of key customers and in turn exposed to cyclical demand patterns inherent to the automobile industry and ability of the OEMs to sustain their operating performance. The demand for CV is highly cyclical, closely tied to the overall economic activity. During periods of economic growth, demand for CV rises due to increased industrial production and transportation needs. Conversely, during economic downturns, demand declines as businesses cut back on spending and transportation needs decline. Factor such as interest rates, fuel prices, and regulatory changes also influence the cyclical nature of demand in this industry.

#### **Profitability susceptible to raw material price volatility**

Company is affected by the price volatility of certain commodities majorly steel which is the main raw material. Demand for metals is cyclical with prices driven by demand and supply conditions in the domestic market, which has strong linkages with the global market. However, Company is able to pass through the raw material price volatility as OEM's directly settle the price with Steel Suppliers and hence price amendment with both OEM's and Steel Suppliers happens simultaneously. This is also evident from the Stable PBILDT margins of 12-13% of the company in the last 4-5 years. However, Company is exposed to price volatility risk on its inventory which may adversely impact the margins.

#### **Liquidity: Strong**

Company has strong liquidity marked by sufficient cash accruals against nil debt repayment obligations. Company has free cash and cash equivalent of ~₹59 crore as on September 30, 2025. Fund-based working capital limits utilisation are moderately utilised leaving a buffer of ~₹160 crore as on October 30, 2025, which provide sufficient cushion for future exigency. Company's dividend payout and the capex plans of ~₹300-350 crore in next two years toward completion of Indore plants apart from minor routine capex can be easily funded through internal accruals.

### **Environment, social, and governance (ESG) risks**

**Environment:** Company has installed Effluent and Sewage treatment plants at its plants for treatment of wastewater and domestic sewerage. The Company re-uses its treated water in gardening and other permitted usages. The plants also have processes in place to dispose wastes as per applicable laws and best practices. JAIL continues to increase its investments towards meeting regulatory standards and reduce environmental risk.

**Social:** Company's plants are ISO 45001 OHSMS certified for occupational health and safety. Trainings on health and safety are provided at periodic intervals to workers and staff. The company has not reported any complaints relating to child labour, forced

labour, involuntary labour, sexual harassment or discrimination at workplace in FY25. Thus, social risk of the company remains low and does not materially affect its credit profile.

**Governance:** Company is managed by professional board of directors, who have extensive experience in industry. The Board comprises six Directors including one woman director. Independent Directors are 50% of the total number of Directors. There is audit committee, nomination and remuneration committee, stakeholders' relationship committee; risk management committee, which reduces governance risk

### Applicable criteria

- [Consolidation](#)
- [Definition of Default](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Commercial Vehicles](#)
- [Manufacturing Companies](#)
- [Financial Ratios – Non financial Sector](#)
- [Auto Components & Equipments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Automobile and Auto Components	Auto Components	Auto Components & Equipments

JAIL is the flagship entity of Jamna group started by the first-generation promoter, Bhupinder Singh Jauhar in 1954 from a small shop in Yamuna Nagar which has now acquired global recognition as one of the major producers of Leaf and Parabolic Springs. The business is now managed by second-generation promoters, Pradeep Singh Jauhar, Managing Director & CEO, and his brother Randeep Singh Jauhar, Chairman & Executive Director, alongside a team of well-equipped professionals. JAIL manufactures high-quality suspension solutions for a wide range of CVs. Company's product range includes Conventional Leaf Springs, Parabolic Springs, Lift Axles, Air Suspensions, and other allied products. JAIL is a well-known brand in automotive Industry catering to OEMs, Replacement Market, and Export Market for M&HCV and has a leadership position in leaf springs with 62-65% market share. Company has 11 manufacturing plants (one under construction) across India, each in proximity to CV OEMs which provide the company a competitive advantage. Company has highest annual capacity of springs of over 300,000 MT per annum as on March 31, 2025. Company is listed on BSE & NSE and the promoter holds 49.94% of shareholding as on December 31, 2025.

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	2427.55	2270.37	1104.20
PBILDT*	330.16	306.29	145.19
Profit after tax (PAT)	205.41	180.32	85.48
Overall gearing (x)	0.32	0.36	0.15
Interest coverage (x)	63.47	58.70	45.37

A: Audited UA: Unaudited; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	NA	90.00	CARE AA; Stable

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	90.00	CARE AA; Stable	-	1) CARE AA-; Stable (26-Feb-25)	-	-

LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Jai Suspension Systems Private Limited	Full	Subsidiary
2	Jai Suspension Limited	Full	Subsidiary
3	Jai Automotive Components Limited	Full	Subsidiary

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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