

## Jamna Auto Industries Limited

March 16, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	90.00	CARE AA; Stable	Reaffirmed
Long-term / Short-term bank facilities	460.00	CARE AA; Stable / CARE A1+	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the long-term rating of Jamna Auto Industries Limited (JAIL) at CARE AA; Stable, while assigning a short-term rating of CARE A1+ to the company's bank facilities. Ratings continue to factor in the company's increasing penetration in the aftermarket segment and a gradual shift in product mix towards value-accretive offerings, such as parabolic springs and lift axles. These initiatives have supported a moderation in dependence on the cyclical medium and heavy commercial vehicle (M&HCV) original equipment manufacturers (OEMs) segment, improving business risk resilience. The contribution from the aftermarket segment has increased from 19% in FY23 to ~21% in H1FY26, and its expanding scale is expected to impart greater stability to cash flows over the medium term, although it continues to remain largely linked to the M&HCV segment. The management plans to ramp up the same to 45 - 50% over the medium term. The contribution from new products (including parabolic springs) has increased from 31% in FY21 to 47% in H1FY26 and management is taking continuous efforts to further enhance the same.

The rating action is further supported by the improving operating environment for the commercial vehicle (CV) industry in FY26, aided by the resumption of government-led infrastructure spending and GST rate reductions in September 2025, which is expected to support a recovery in CV volumes. Consequently, total operating income (TOI) is expected to grow by ~10-15% year-on-year (y-o-y) in FY26. This growth, coupled with better operating leverage, improving operational efficiencies and logistics cost savings, including benefits expected from the commissioning of the Adityapur plant, is likely to support a gradual improvement in profitability margins, strengthening JAIL's overall credit profile.

Ratings continue to derive strength from the company's leading market position in the domestic commercial vehicle (CV) leaf spring segment and its strong share of business with major OEMs. This is further supported by the strategic location of JAIL's manufacturing facilities across India in proximity to key customers, which enhances supply chain efficiency and reinforces customer stickiness.

Ratings are also underpinned by the company's healthy scale of operations and robust financial risk profile, characterised by nil long-term debt. CareEdge Ratings expects the company's financial metrics to remain comfortable over the near-to-medium term, supported by strong internal accruals and the absence of debt-funded capital expenditure plans.

However, these rating strengths are tempered by concentration risk across the key customers, leaf springs and M&HCV segment. Though these customers are market leaders in M&HCV segment and have strong relationship with JAIL, which mitigate the risk to some extent. Ratings are further constrained due to profitability susceptible to raw material price volatility and competition from organised and unorganised players prevailing in the cyclical automobile industry.

The management's ability to gradually diversify its revenue stream through increasing contribution of value-added products across domestic and export aftermarket would remain imperative from credit perspective.

### 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.

<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.

**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 total debt (TD)/PBILDT above 1.5x.

**Analytical approach:** Consolidated

CareEdge 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. Entities consolidated are presented in Annexure-6.

**Outlook:** Stable

'Stable' outlook assigned to bank facilities of JAIL based on CareEdge Ratings' expectation that the company will continue to benefit from its leadership in suspension system and strong business share from major OEMs resulting into sustained growth in revenue. CareEdge Ratings expects the capital structure 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 has a strong share of business with all major OEMs, including Tata Motors, Eicher Motors, Ashok Leyland, Daimler India, and Volvo among others. The company has recently signed an Memorandum of Understanding (MOU) with Eicher Motors, securing significant 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 and 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, springs (including conventional and parabolic leaf springs) contribute over 90% of the company's overall revenue which poses JAIL to product concentration risk. Company revenue is also concentrated towards OEMs with ~75-80% proportion of overall revenue. With the aim to diversify its business model, Jamna Auto has outlined its Lakshya Rise 5000 vision, where it has intent and is focussed to increase share of sales from new products and new markets gradually and aim to achieve ~₹5,000 crore of revenue by 2030. Contribution of parabolic spring in overall revenue increased from ~20% in FY21 to 38.50% in H1FY26 and new products (including parabolic springs) contribution has increased from 31% in FY21 to 47% in H1FY26. OEMs 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, thereby resulting in better contribution margins going forward for JAI. However, the company's other products such as Lift Axles, U-bolt, Trailer Suspension, allied products still remain underpenetrated. The company's revenue from after-market segment and exports gradually improved in the last 4-5 years and stood at ~23% in H1FY26.

Diversification initiatives, and improving operational efficiencies, noticeably logistics cost savings from the strategically located Adityapur plant near Tata Motors, are expected to support a gradual improvement in profitability margins. Going forward, ramping up the scale of new value-added product in aftermarket and accordingly diversifying its revenue stream from leaf spring and OEMs would remain a key monitorable.

**Strategic location of plants provides competitive advantage**

JAIL has the highest capacity of springs 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 provides 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 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&HCV 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 are likely to 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 ~10-15% y-o-y in FY26.

Profitability margins of the company stood at 13.49% in FY25 (PY: 13.60%). The company has a stable profitability margin of 11-13% in the past five years, as the 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 the company has established its plant in Adityapur, which will save the freight cost.

### **Comfortable financial risk profile**

The company has comfortable financial risk profile, marked by overall gearing, which stood at 0.36x as on March 31, 2025 (PY: 0.32x). The company does not have term debt and does not envisage availing long-term debt going forward. Debt coverage indicators of the company remains robust characterised by low net leverage (net debt/ PBILDT) of 0.71x as on March 31, 2025 (0.66x on March 31, 2024). Strong leverage position is expected to sustain going forward as well due to the absence of debt-funded capex plans.

The company has capex plans of ~₹300-350 crore over the next two years toward completion of Indore plant and routine capex, which is expected to be entirely funded through internal accruals. CareEdge Ratings takes comfort from the management's stated stance of maintaining minimal reliance on external debt, and accordingly expects the company's financial risk profile to remain comfortable with strong leverage and coverage indicators over the medium term.

### **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 the company's revenue is from 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 and export market. Further ramping up the scale of new value-added product in aftermarket and accordingly diversifying its revenue stream from leaf spring and OEMs would remain 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 economic growth, demand for CV rises due to increased industrial production and transportation needs. Conversely, in economic downturns, demand declines as businesses cut back on spending and transportation needs decline. Factors such as interest rates, fuel prices, and regulatory changes also influence the cyclicity of demand in this industry.

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

The 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, the company is able to pass through the raw material price volatility as OEMs directly settle the price with steel suppliers and hence price amendment with both OEMs 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, the company is exposed to price volatility risk on its inventory which may adversely impact the margins.

#### **Liquidity: Strong**

The company has strong liquidity marked by sufficient cash accruals against nil debt repayment obligations. The company has free cash and cash equivalent of ~₹59 crore as on September 30, 2025. Working capital limits utilisation are moderately utilised leaving a buffer of ~₹116 crore as on December 31, 2025, which provide sufficient cushion for future exigency. The 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:** The company has installed effluent and sewerage 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 has process

in place to dispose wastes per applicable laws and best practices. JAIL continues to increase its investments towards meeting regulatory standards and reduce environmental risk.

**Social:** The company's plants are ISO 45001 OHSMS certified for occupational health and safety. Trainings on health and safety is provided at periodic intervals to workers and staff. The company has not reported complaints relating to child labour, forced labour, involuntary labour, sexual harassment or discrimination at workplace in FY25. Thus, company's social risk remains low and does not materially affect its credit profile.

**Governance:** The company is managed by professional board of directors having extensive industry experience. 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. JAIL has established a Board-level CSR and ESG Committee to oversee the integration of ESG principles into its operations. The company has partnered with the ACMA Mobility Foundation for expert guidance on ESG practices and has instituted a structured ESG governance framework. Oversight begins with the Board of Directors, followed by the CSR and ESG Committee and the ESG Council. Execution cascades through the Plant Cluster CEOs and Plant Heads to the Plant-level ESG Cross-Functional Teams responsible for operational implementation.

## Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Auto Components & Equipments](#)

[Short Term Instruments](#)

[Commercial Vehicle Industry](#)

[Consolidation & Combined Approach](#)

## 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, Late 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 and CEO, and his brother Randeep Singh Jauhar, Chairman and Executive Director, alongside a team of professionals. JAIL manufactures high-quality suspension solutions for a wide range of CVs. The 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. The company has 12 manufacturing plants (two under construction) across India, each in proximity to CV OEMs, which provide a competitive advantage to the company. The company is listed on BSE and NSE and the promoter holds 49.94% of shareholding as on December 31, 2025.

Brief Financials- Consolidated (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	2,427.55	2,270.37	1,771.99
PBILDT*	330.16	306.29	259.04
Profit after tax (PAT)	205.41	180.32	143.71
Overall gearing (x)	0.32	0.36	NA
Interest coverage (x)	63.47	58.70	33.17

A: Audited UA: Unaudited; NA: Not Available; 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
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	460.00	CARE AA; Stable / CARE A1+

\*the rated instrument is proposed in nature, therefore maturity is not applicable

#### 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 (09-Jan-26)	1)CARE AA-; Stable (26-Feb-25)	-	-
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	460.00	CARE AA; Stable / CARE A1+				

LT: Long term; LT/ST: Long term/Short 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
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	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.

## Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: 912267543404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Sabyasachi Majumdar Senior Director <b>CARE Ratings Limited</b> Phone: +91-120-445 2006 E-mail: <a href="mailto:Sabyasachi.majumdar@careedge.in">Sabyasachi.majumdar@careedge.in</a></p> <p>Ravleen Sethi Director <b>CARE Ratings Limited</b> Phone: 91-120-4452016 E-mail: <a href="mailto:ravleen.sethi@careedge.in">ravleen.sethi@careedge.in</a></p> <p>Sahil Goyal Assistant Director <b>CARE Ratings Limited</b> Phone: +91-120-445 2000 E-mail: <a href="mailto:Sahil.goyal@careedge.in">Sahil.goyal@careedge.in</a></p>
--	---

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**