

April 20, 2026

Jamna Auto Industries Limited: Long-term rating upgraded to [ICRA]AA and outlook revised to Stable; short-term rating reaffirmed

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|--------------------------------------|-------------------------------------|--|
| Long-term fund-based – Term loan | 90.00 | 90.00 | [ICRA]AA (Stable); upgraded from [ICRA]AA- (Positive) and outlook revised to Stable from Positive |
| Long-term/ short-term – fund-based/ non-fund based working capital | 460.00 | 460.00 | [ICRA]AA (Stable)/ [ICRA]A1+; Long term rating upgraded from [ICRA]AA- (Positive) and outlook revised to Stable from Positive and Short-term rating reaffirmed |
| Total BLR | 550.00 | 550.00 | |
| Commercial Paper# | 100.00 | 100.00 | [ICRA]A1+; Reaffirmed |

*Instrument details are provided in Annexure-II

#Carved out of existing working-capital limit

Rationale

ICRA has taken a consolidated view of Jamna Auto Industries Limited (JAI) and its three subsidiaries (Jai Suspension Systems Private Limited, Jai Suspensions Limited and JAI Automotive Components Limited, collectively referred to as the JAI Group/company), while assigning the credit ratings, given their common management and significant operational as well as financial linkages among them.

The long-term rating upgrade for the Jamna Group factors in an expectation of a steady rise in the Group's scale of operations, supported by steady demand from the commercial vehicle (CV) industry and the Group's healthy share of business (SoB) with industry players for supplying leaf springs. The Group's revenues are estimated to have been Rs. 2,600 crore in FY2026 (Rs. 1,772 crore in 9M FY2026) over Rs. 2,273 crore in FY2025, while the operating profit margin (OPM) improved to 14.6% in 9M FY2026 from 13.5% in FY2025, aided by operating leverage. ICRA continues to take comfort from the sustained material cost efficiencies implemented by the Group, which have helped lower the cash breakeven capacity utilisation to around 30% from 45-50% in FY2019, indicating the Group's ability to maintain margins and generate healthy cash accruals even during industry downturns. In addition, the Group's capital structure remains comfortable, supported by a healthy net worth and minimal debt levels. The total debt to OPBITDA is estimated to moderate to 0.3–0.4 times on a sustained basis in the near term (1.2 times as on March 31, 2025); an expectation of strong cash flow generation, free liquidity of around Rs. 100-110 crore as on September 30, 2025, and low debt levels are likely to support robust debt metrics for the company, going forward.

The rating upgrade also factors in the Group's continued efforts at gradually increasing the revenue share of its higher margin aftermarket and export segments, which together accounted for around 23% of revenues in 9M FY2026 (16% in FY2019). The management plans to scale up the same to 45–50% over the medium term, thus helping mitigate the cyclicity inherent in the CV sector. Additionally, the revenue share from higher value-accretive new products (including parabolic springs) has increased to 46% in 9M FY2026 from 34% in FY2019, improving the content per vehicle and supporting an improvement in profitability.

The ratings continue to favourably factor in the Group's leadership position in the domestic leaf spring market, with a market share of around 65%, backed by its scale, competitive pricing and strategic location of manufacturing facilities in proximity to its customers. The company incurred a capex of around Rs. 235 crore in FY2026 towards the completion of its Adityapur

(Jharkhand) plant whose commercialised operations began in October 2025 (Rs. 40 crore), along with expansion of conventional leaf spring capacities at its Indore plant (around Rs. 100 crore) and installation of U bolt lines at its Indore and other facilities. Going forward, the company will set up a parabolic spring plant at Indore with an estimated capex of Rs. 170 crore, to be commissioned by March 2028, along with an integrated suspension systems plant at Indore for manufacturing axles, rubber components and suspension systems. Phase I of the plant is scheduled to be commissioned by H1 FY2027, at an estimated capex of Rs. 110–120 crore. The overall capex outlay is expected to remain Rs. 180-200 crore in FY2027. Despite the material capex plans, ICRA factors in the judicious approach of the management to fund its capex through internal accruals, which has helped the entity to remain free of any term debt. The management's stated guidance for funding its gross block with net worth is likely to help the entity continue to maintain a low leverage profile.

The aforementioned strengths are partially offset by the Group's significant dependence on the domestic medium and heavy commercial vehicle (M&HCV) segment, which exposes it to industry cyclicality. The company's ability to gradually diversify revenues through aftermarket supplies and new product launches, along with its ability to sustain healthy operating margins even during industry downturns, provides comfort. ICRA notes the Group's high client concentration with its top two customers—Tata Motors Limited (TML) and Ashok Leyland Limited (ALL)—accounting for around 60% share of its sales in 9M FY2026; as well as its dependence on the commoditised leaf spring segment. However, these risks are partially mitigated by the strong market share of the Group's original equipment manufacturers (OEMs) customers and economies of scale that have supported its cost competitiveness.

The Stable outlook reflects ICRA's opinion that the company's financial risk profile is likely to remain strong despite its capex plans, aided by steady share of business and expectation of healthy cash accruals.

Key rating drivers and their description

Credit strengths

Strong business position with CV OEMs – JAI is the distant market leader in the M&HCV segment for leaf springs, with healthy business derived from its leading OEM clients, including TML, ALL, Daimler India Commercial Vehicles, and VE Commercial Vehicles Limited (VECV). The Group continues to maintain healthy relationships with its customers, as evident from a strong SoB maintained over the years (JAI's market share has remained at 62-65% with some variations). With focus on quality as well as superior technology, JAI is likely to maintain its dominant position in the CV OEM market.

Favourable shift in sales mix towards higher value-accretive products supports growth prospects – JAI has witnessed a steady increase in revenue contribution from higher value-accretive products, particularly parabolic springs, which offer better margins. The revenue share from parabolic springs has improved gradually to nearly 37% in 9M FY2026 from 9% in FY2011. While sales from other new products, such as lift axles and trailer suspensions, remain modest at present (9% of revenues in 9M FY2026), the same are likely to scale up over the medium term, supporting revenue diversity. Additionally, the company is growing its presence in the aftermarket and export markets, which generated around 21% and 2% of its revenues, respectively, in 9M FY2026, aided by a wide distribution network. Accordingly, the company's focus on maintaining a diversified product mix and increasing non-OEM revenues are likely to support JAI's market position and partially cushion the impact of cyclicality in the CV industry.

Strategic proximity to OEMs provides competitive advantage – JAI has 10 manufacturing facilities in India, which are all located near its customer units. In comparison, its competitors have a limited presence in terms of geographical footprint as well as capacity, which is reflected in JAI's dominant market position. This has enabled it to maintain healthy operating margins owing to a competitive cost structure through economies of scale, despite the commoditised nature of leaf springs.

Comfortable credit profile with healthy profitability and coverage metrics – JAI, at a consolidated level, maintains a comfortable credit profile, as evident from its healthy coverage indicators and capital structure, with an interest coverage of 59.2 times in FY2025 (33.2 times in 9M FY2026) and TOL/TNW of 0.5 times as on March 31, 2025. The company does not have any long-term debt on its books as of March 2026 and primarily utilises supplier and customer bill discounting limits. Though

it has been incurring significant capex in expanding production capacities, it intends to fund the same through internal accruals and cash surplus, keeping dependence on external debt low.

Credit challenges

High dependence on CV segment exposes JAI to cyclicity associated with the industry – JAI is significantly dependent on the domestic M&HCV segment, which exposes it to the inherent cyclical nature of the underlying industry. Despite the management’s initiatives to develop a wide network for the replacement and export markets (around 21% sales from the aftermarket segment and 2% from exports in 9M FY2026), its ability to scale up its after-market supplies to a level that can offset any sharp decline in the CV OEM volumes in case of any downturn, is yet to be demonstrated. However, JAI’s ability to maintain its profitability even during fiscals of sharp revenue moderation mitigates concerns to an extent.

Exposure to customer concentration risks – ICRA notes that TML and ALL continue to be JAI’s major customers, generating around 60% of its revenues in 9M FY2026. VECV and Daimler India are its other key clients. This results in high client concentration risk; however, this is partly mitigated by the healthy SoB and the strong market position of these OEMs. Further, the management’s ability to increase content per vehicle with its key OEM customers also provides comfort. JAI’s revenues continue to be largely derived from leaf springs (90–95%), resulting in high product concentration risk. Nevertheless, a growing share of higher value-added parabolic springs that currently account for about 40% of total leaf spring revenues and offer better realisations and margins than conventional springs, is a positive. The product concentration risk is likely to moderate gradually, supported by the company’s focus on expanding its presence in allied suspension and related products.

Liquidity position: Strong

JAI’s liquidity is expected to remain strong, supported by healthy cash flows, low utilisation of fund-based working capital limits (adequate available buffer of around Rs. 100 crore as of December 2025) and unencumbered cash and liquid investments of Rs. 100-110 crore as on September 30, 2025. Additionally, the company is expected to generate healthy cash accruals of around Rs. 190-210 crore in the near term, which are likely to support its liquidity profile. It is expected to incur material capex of Rs. 180-200 crore in FY2027, to be funded entirely through internal accruals. It also continues to have a healthy dividend outflow (45-50% of PAT). Further, the absence of any long-term debt repayment obligations provides JAI with adequate financial flexibility.

ESG related comments

Environmental consideration: Even though JAI is not directly exposed to climate transition risks from the likelihood of tightening emission control requirements, since its products are used across different fuel powertrains, its automotive manufacturing customers remain highly exposed to the same. Accordingly, JAI’s prospects are linked to the ability of its customers to meet tightening emission requirements. The company’s exposure to litigation/ penalties from issues related to waste and water management remains relatively low.

Social consideration: JAI, like most automotive component suppliers, has a high dependence on human capital. Retaining human capital, maintaining healthy relationships with employees and suppliers are essential for disruption-free operations for the entity. The company has not reported any complaints relating to child labour, forced labour, or involuntary labour, in the last financial year as per its annual report. Another social risk that JAI faces pertains to product safety and quality, wherein instances of product recalls and high-warranty costs may not only lead to a financial implication but could also harm the reputation and create a more long-lasting adverse impact. In this regard, JAI’s strong track record in servicing leading automotive manufacturers underscores its ability to mitigate these risks to an extent. The company’s strong technological capabilities are likely to help it align its products with any change in customer preferences.

Rating sensitivities

Positive factors – ICRA could upgrade the long-term rating in case of a sustained improvement in the company’s earnings while maintaining healthy liquidity and credit metrics. Significant diversification of revenue through a sustained scale-up in after-market supplies and new product launches, helping offset any sharp moderation in CV OEM volumes, may also lead to a positive rating action.

Negative factors – ICRA could downgrade the ratings if there is a material slowdown in the CV industry, resulting in a deterioration in the Group’s cash accruals and credit profile. Specific credit metrics that may trigger a downgrade include Total Debt/OPBDITA over 1.0 times on a sustained basis.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | Corporate Credit Rating Methodology Auto Components |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | For arriving at the ratings, ICRA has considered the consolidated financials of JAI. As on March 31, 2026, the company had three subsidiaries, which are enlisted in Annexure-III. |

About the company

Incorporated in 1965, the Delhi NCR-based Jamna Auto Industries Limited manufactures conventional leaf springs, parabolic leaf springs, air suspensions and lift axles, predominantly for CVs. With a consolidated annual manufacturing capacity of 3,00,000 MT, the company is India’s largest CV spring manufacturer. JAI’s manufacturing facilities are spread across 10 locations, including Yamuna Nagar (Haryana), Chennai (Tamil Nadu), Malanpur (Madhya Pradesh), Jamshedpur (Jharkhand), Hosur (Tamil Nadu), Pune (Maharashtra), Sriperumbudur (Tamil Nadu), and others. In 9M FY2026, it generated almost 77% of its sales from the OEM segment, followed by the replacement (21%) and export (2%) markets. The company’s mainstay, the leaf spring segment, drives around 90% of its sales, followed by other products such as lift axles, air suspensions and stabiliser bars.

JAI holds a majority stake (99.99%) in Jai Suspension Systems Private Limited (JSS), whose manufacturing plant is at Pant Nagar (Uttarakhand), apart from two other wholly-owned subsidiaries, Jai Suspensions Limited (JSL) and Jai Automotive Components Limited (JACO). JAI is listed on BSE and NSE, and the promoters, the Jauhar family, own 50% stake in the company.

Key financial indicators (audited)

| JAI Consolidated | FY2024 | FY2025 | 9M FY26* |
|--|---------|---------|----------|
| Operating income (OI) | 2,429.6 | 2,272.7 | 1,772.0 |
| PAT | 205.4 | 180.3 | 143.8 |
| OPBDIT/OI | 13.6% | 13.5% | 14.6% |
| PAT/OI | 8.5% | 7.9% | 8.1% |
| Total outside liabilities/Tangible net worth (times) | 0.5 | 0.5 | - |
| Total debt/OPBDIT (times) | 0.9 | 1.2 | - |
| Interest coverage (times) | 63.4 | 59.2 | 33.2 |

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation, *Limited results

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Instrument | Current rating (FY2027) | | | Chronology of rating history for the past 3 years | | | | | |
|--|-------------------------|-------------------------|------------------------------|---|---------------------------------|--------------|-------------------------------|--------------|-------------------------------|
| | FY2027 | | | FY2026 | | FY2025 | | FY2024 | |
| | Type | Amount rated (Rs crore) | April 20, 2026 | Date | Rating | Date | Rating | Date | Rating |
| Fund-based/Non-fund based- Others | Long Tem/Short Term | 460.00 | [ICRA]AA (Stable)/ [ICRA]A1+ | Apr 30, 2025 | [ICRA]AA- (Positive)/ [ICRA]A1+ | Apr 25, 2024 | [ICRA]AA- (Stable)/ [ICRA]A1+ | Apr 27, 2023 | [ICRA]AA- (Stable)/ [ICRA]A1+ |
| Proposed Term Loans | Long Term | 90.00 | [ICRA]AA (Stable) | Apr 30, 2025 | [ICRA]AA- (Positive) | Apr 25, 2024 | [ICRA]AA- (Stable) | Apr 27, 2023 | [ICRA]AA- (Stable) |
| Commercial Paper | Short Term | 100.00 | [ICRA]A1+ | Apr 30, 2025 | [ICRA]A1+ | Apr 25, 2024 | [ICRA]A1+ | Apr 27, 2023 | [ICRA]A1+ |

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSR) as under:

| Sr. No. | Instrument | FSR |
|---------|--|--|
| 1 | Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | SEBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) | RBI |
| 9 | External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11 | Fixed Deposits raised by NBFCs, Banks, HFCs, FIs | RBI |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Listed Security Receipts | SEBI |
| 15 | Unlisted Security Receipts | RBI |
| 16 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | Investor-side Regulator such as IRDAI, PFRDA (%) |

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSR as under:

| Sr. No. | Activity Name | FSR |
|---------|--|------|
| 1 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 2 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 3 | Independent Credit Evaluation (ICE) | RBI |
| 4 | Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs) | RBI |
| 5 | Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities)) | SEBI |
| 6 | Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities)) | MCA |
| 7 | Credit Rating of Borrowing programme | (@) |
| 8 | Issuer Ratings | (#) |
| 9 | Monitoring Agency | SEBI |
| 10 | Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs) | NA |

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|--|----------------------|
| Long-term Fund-based – Proposed Term Loan | Simple |
| Long-term/ Short -term – Fund Based/Non-fund based Working Capital | Simple |
| Commercial Paper | Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure II: Instrument details

| ISIN | Instrument Name | Date of Issuance | Coupon Rate | Maturity | Amount Rated (Rs. crore) | Current Rating and Outlook |
|------|---|------------------|-------------|----------|--------------------------|------------------------------|
| NA | Long-term/Short-term: Fund based/Non-fund Based | NA | NA | NA | 460.00 | [ICRA]AA (Stable)/ [ICRA]A1+ |
| NA | Long-term: Proposed Term loan | NA | NA | NA | 90.00 | [ICRA]AA (Stable) |
| NA | Commercial Paper | Yet to be placed | | | 100.00 | [ICRA]A1+ |

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

| Company Name | JAI Ownership | Consolidation Approach |
|--|------------------------|------------------------|
| Jamna Auto Industries Limited | 100.00% (rated entity) | Full Consolidation |
| Jai Suspension Systems Private Limited | 99.99% | Full Consolidation |
| Jai Suspensions Limited | 100.00% | Full Consolidation |
| Jai Automotive Components Limited | 100.00% | Full Consolidation |

Source: Management discussions

Note: ICRA has factored in consolidated financials of JAI while assigning the ratings.

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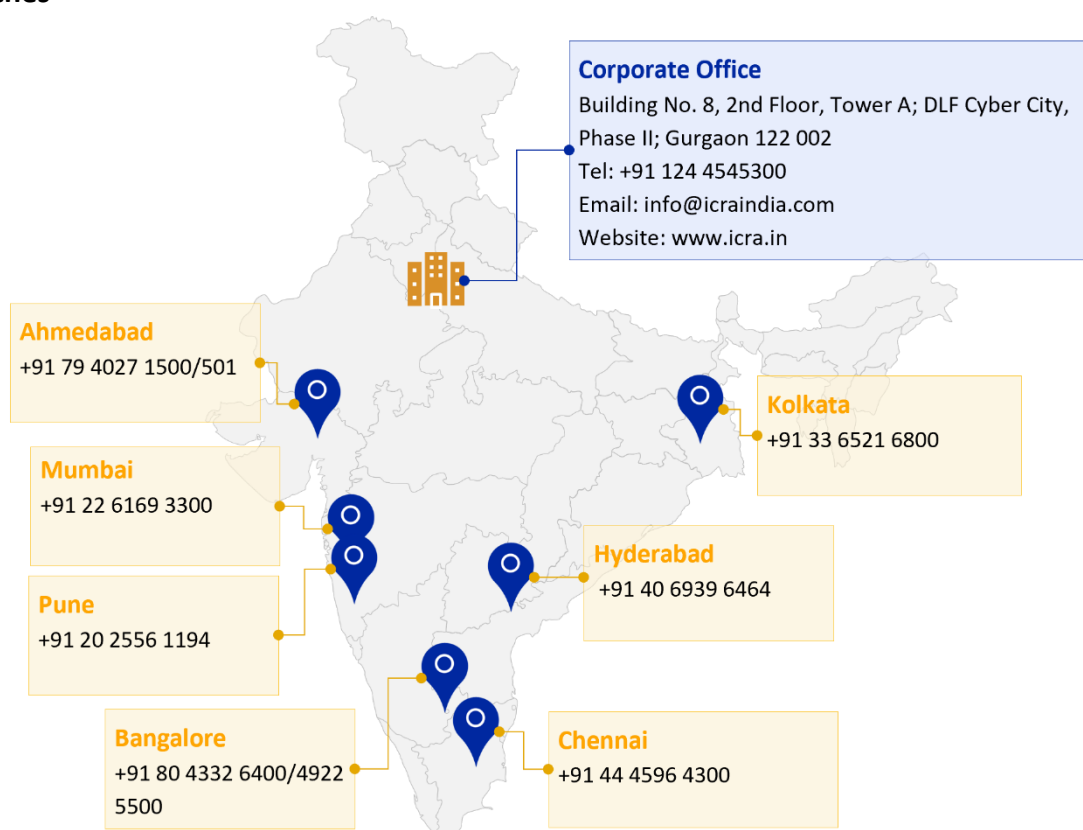
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