

## Pick of the Day (Short Term Delivery Call)

### Company Name: Jamna Auto Industries Ltd.

NSE Code	JAMNAAUTO
BSE Code	520051
Market Cap (Rs cr)	4,915
Avg. Trading Vol. in lakh (5 days/30 days)	54.7/32.9
Avg. Delivery Vol. in lakh (5 days/30 days)	17.5/12.8
Promoter Holding (%)	49.9
Pledge (%)	1.5

CMP (Rs)	123
Accumulation Range (Rs)	120-126
Target (Rs)	135
Upside Potential (%)	10.0%
Duration	6-12 Months

Source: ACE Equity, SSL Research

**Jamna Auto Industries Ltd (JAI)** is a manufacturer of critical suspension components such as conventional leaf springs, parabolic leaf springs, air suspensions and lift axles. It predominantly supplies these components for commercial vehicles such as trucks and buses. The company has a 62-65% market share in the domestic CV market. It has 10 manufacturing plants across all the major automotive hubs along with 1 in-house R&D centre.

#### Investment rationale:

**Presence across all leading domestic CV OEMs as well as aftermarket:** JAI supplies its components to all the leading domestic CV OEMs such as Tata Motors, Ashok Leyland, VECV, Bharat Benz, SML Isuzu, M&M and Force Motors. JAI's manufacturing facilities are located close to OEM plant locations across India thereby reducing logistic costs. It also has a strong aftermarket presence with more than 16,000 touchpoints across India providing components and services to truck and bus fleets.

**Wide product portfolio:** JAI's product portfolio spans across 300+ OEM parts and 5,000+ aftermarket parts. It manufactures and supplies critical components of CV suspension systems such as conventional and parabolic leaf springs, stabilizer bar, mechanical and air suspension for buses and trailers and lift axle and its allied components. In addition, the Aftermarket portfolio consists of brake linings, trailer axles, water pump, clutches, bearings and Jack rods. As part of its Corporate Strategy: Lakshya 50XT, the company is targeting to source 50% revenue from new products as well as from new markets.

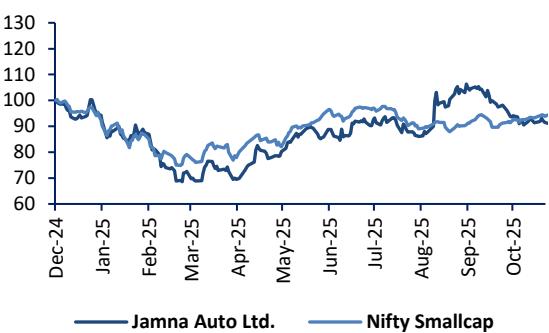
**CV industry on cusp of recovery:** The domestic CV industry is showing initial signs of recovery especially in the Medium & Heavy truck segment. The key drivers of this recovery will be replacement demand with high ageing of fleet prompting fleet operators to invest into more efficient and modern trucks and buses. The pickup in execution of infrastructure projects as well as robust construction activity in the real estate sector are likely to boost demand for tippers. The industry is shifting to higher capacity tractor trailers (55 ton) which leads to higher content per vehicle for Jamna Auto.

**Strong financials, Attractive valuation:** Jamna Auto's Revenue/EBITDA/PAT have grown at a CAGR of 15%/21%/30% over FY20-25 led by new product additions and higher content per vehicle. Balance sheet continues to remain strong with zero net debt and healthy return ratios (18% RoE, 24% RoCE in FY25). The company has a track record of healthy dividend payout of ~45% over the last 5 years and aims to increase this to 50% by FY27. At CMP of Rs 123, the stock trades at 26.2x FY26E/22.0x FY27E consensus Bloomberg earnings.

**Key Risks:** Slower than expected recovery in the domestic CV industry.

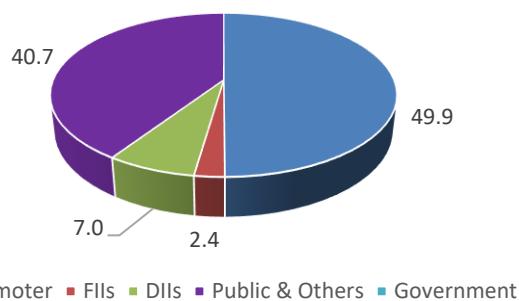
## Short Term Call

### Stock Performance (Indexed to 100)



Source: ACE Equity, SSL Research

### Shareholding Pattern % (Sep'25)



Source: BSE, SSL Research

### Why Now?

Sr. No.	Parameters	Score
1	Recent financial performance (management guidance, return and margin profile, growth and cash flow)	✓
2	Overall corporate governance (Promoter pledge, credit rating, audit qualified opinion etc)	✓
3	Recent stock price movement-worst is over for stock, all negatives in the price (valuation, 52W H/L, below average PE etc)	↔
4	Beneficiary of recent macro and industrial developments (Regulatory, Fiscal/Monetary policy, favourable industrial outlooks etc)	✓

↔ - Neutral

✓ - Positive

✗ - Negative

**Duration of recommendation:** Short to Medium term

\* Please refer to our call guide mentioned below.

### Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
27th June 2025	94	108.1	Buy	Closed at Rs 107

### **Call Guide:**

The above recommendation is meant for short term investment purpose with holding period between 180-360 days and target upside upto 10% (+/- 0.5%). The recommended price is previous day's closing NSE price (except the stock only listed on BSE). In case of gap-up opening the call is termed "Not Entered" only if stock price does not come within +1% of previous close price on the day of call; partial profit is generally not advised; Call can be rationalized (changed) by Fundamental team at their discretion; generally to average or exit at loss (cut-loss strategy).

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