

February 17, 2026

**Cyclical tailwinds; CV recovery to support growth...**

About stock: **stock** Jamna Auto Industries Ltd (JAI), is a manufacturer of suspension products i.e. leaf & parabolic springs for Commercial Vehicles (largely M&HCV). It has 10 Manufacturing plants spread across India, in close proximity to CV OEMs.

- FY25 sales product mix: Existing Products: 54%; New Products: 46%
- FY25 sales market mix: Existing Markets: 77%; New Market: 23%

**Q3FY26 Result:** Consolidated sales for the quarter came in at ₹ 668 crore, up 19% YoY amid ~20% YoY growth in M&HCV production volumes. EBITDA in Q3FY26 stood at ₹ 114 crore with margins at 17.1%, up 410 bps QoQ amidst ~250 bps improvement in gross margins. PAT for the quarter stood at ₹ 58 crore, up 34% YoY.

**Investment Rationale**

- Government thrust on capex, ageing fleet: Structural drivers for domestic M&HCV space:** Volume recovery in the domestic M&HCV space has been healthy in the post covid era with industry in close proximity to its previous peak attained in FY19 (~3.9 lakh units), with 9MFY26 volumes pegged at ~2.8 lakh units. With tailwinds from recent GST reforms, industry expectation is for continued growth over next few months with unchanged structural drivers like government thrust on capex with budget outlay for FY27E retained at ₹ 12.2 lakh crore (at 3.1% of GDP), ageing fleet driving replacement demand (average fleet size pegged at ~10-11 years vs. normal age of ~7-8 years), & improved fleet operators' profitability. Government thrust on electric buses is also an added positive amidst focus on clean mobility. With structural drivers in place, we expect the industry to report healthy growth over FY25-28E with Jamna Auto as a beneficiary given its leadership position in the M&HCV suspension space.
- Topline diversification efforts bode well for growth longevity:** With the aim to diversify its business model, Jamna Auto has outlined its Lakshya Rise 5000 vision wherein its intent is to achieve ₹ 5,000 crores sales (~2x FY26E run-rate), New Markets (Indian After Market +Export) to be 40% of revenue (currently 23%), deliver 40% ROCE (currently ~30%) and 50% Dividend payout. This we believe is structurally positive and provides growth longevity at JAI, as it eyes a greater export play as well as diversifies its revenue stream. Interestingly, in recent past it has commercialized Adityapur spring plant and announced manufacturing at Indore plant will start production in Q4FY26 and construction of Integrated suspension & Rubber projects are on track to commence in H1FY27.

**Rating and Target Price**

- With double digit growth in sight with CV upcycle in play along with Lakshya Rise 5000 under implementation we are positive on the company with medium to long term perspective. We assign **BUY rating on Jamna Auto** and value the company at **₹ 180 i.e. 25x P/E on FY28E EPS.**

**Key Financial Summary**

Key Financials (₹ crore)	FY22	FY23	FY24	FY25	5 year CAGR (FY20-25)	FY26E	FY27E	FY28E	3 year CAGR (FY25-28E)
Net Sales	1,718	2,325	2,427	2,270	15.0%	2,515	2,849	3,202	12.2%
EBITDA	226	261	327	301	21.4%	372	427	487	17.4%
EBITDA Margins (%)	13.2	11.2	13.5	13.3		14.8	15.0	15.2	
Net Profit	141	168	205	180	30.3%	209	247	286	16.7%
EPS (₹)	3.5	4.2	5.1	4.5		5.2	6.2	7.2	
P/E	42.5	35.5	29.1	33.3		28.7	24.2	20.9	
RoNW (%)	20.6	21.5	22.7	18.1		19.7	20.1	20.8	
RoIC (%)	23.5	31.0	32.2	35.3		34.6	33.8	35.5	

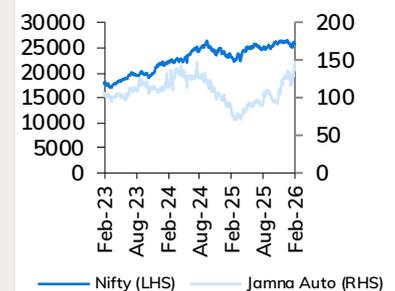
Source: Company, ICICI Direct Research

**Jamna Auto Industries Ltd.****Particulars**

Particulars	₹ crore
Market capitalisation	5,982
Total Debt (FY25)	127
Cash & Investment (FY25)	145
EV (₹ crore)	5,965
52 week H/L (₹)	153 / 68.5
Equity capital (₹ crore)	39.9
Face value (₹)	1.0

**Shareholding pattern**

	Mar-25	Jun-25	Sep-25	Dec-25
Promoter	49.9	49.9	49.9	49.9
FII	2.8	2.0	2.4	5.2
DII	5.6	6.3	7.0	8.1
Other	41.7	41.8	40.7	36.8

**Price Chart****Recent Event & Key risks**

- Shared a target to clock ~₹ 5,000 crore sales (~2x FY26 run-rate)
- Key Risk:** (i) Slower than expected diversification efforts driving sales growth (ii) adverse metal prices limiting margin recovery over FY25-28E

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## Quarterly Result Analysis and Key Charts from PPT

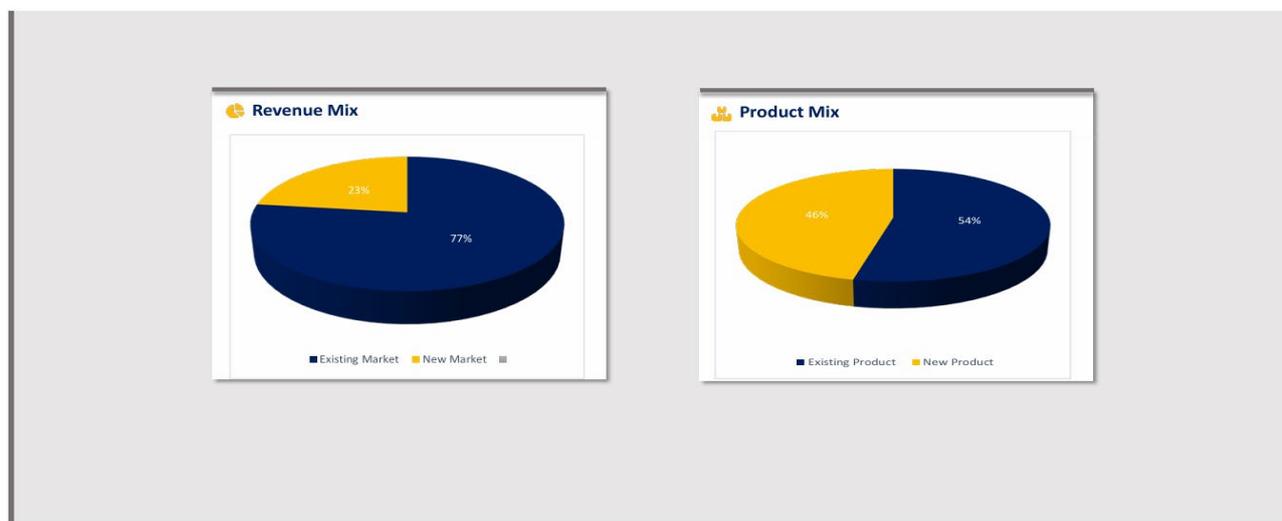
### Exhibit 1: Quarterly Variance Analysis

	Q3FY26	Q3FY25	YoY%	Q2FY26	QoQ%
Total Operating Income	667.8	562.0	18.8	530.9	25.8
Raw Material Expenses	401.2	342.0	17.3	332.2	20.8
Employee Expenses	48.4	45.0	7.6	46.4	4.4
Other Expenses	104.3	98.3	6.1	83.4	25.1
EBITDA	113.9	76.7	48.5	68.9	65.2
EBITDA Margin (%)	17.1	13.6	340 bps	13.0	407 bps
Depreciation	17.4	14.1	23.3	13.2	32.4
Interest	4.6	0.8	468.6	2.5	80.7
Other Income	3.1	1.0	212.3	3.0	2.8
PBT (before exceptional)	95.0	62.8	51.3	56.3	68.8
Exceptional items	11.9	0.0		0.0	
Total Tax	24.9	19.4	28.4	16.5	50.5
Reported PAT	58.2	43.4	34.2	39.7	46.5

Source: Company, ICICI Direct Research, (Standalone figures)

### Exhibit 2: Jamna Auto – Business segmentation

#### REVENUE MIX & PRODUCT MIX



Source: Company, ICICI Direct Research

### Exhibit 3: Jamna Auto – Strategic Roadmap

#### STRATEGIC ROADMAP



##### LAKSHYA RISE 5000

Our blueprint for the next phase of accelerated growth and value creation

- Our target is to achieve Rs. 5,000 crores Revenue, New Markets (Indian After Market +Export) to be 40% of Revenue, deliver 40% ROCE and 50% Dividend payout.
- As we go further, to ensure lasting value, we are deepening our focus on New Markets
- This strategic shift empowers us to maintain steady performance not only in periods of economic expansion, but also remain stable and reliable, no matter the macro environment.
- As we embark on this journey, every action is aligned to propel us into the league of growth champions. Together, we RISE to new horizons.



	REVENUE TARGET	NEW MARKETS	ROCE	DIVIDEND PAYOUT
<b>RISE 5000</b>	<b>₹ 5,000 Cr</b>	<b>40%</b> <small>Indian After Market +Export</small>	<b>40%</b>	<b>50%</b>

Source: Company, ICICI Direct Research

## Financial Summary (Consolidated)

Exhibit 4: Profit and loss statement				
	₹ crore			
(Year-end March)	FY25	FY26E	FY27E	FY28E
Net Sales	2269.7	2515.1	2849.0	3202.1
Other Operating Income	0.0	0.0	0.0	0.0
<b>Total Operating Income</b>	<b>2,269.7</b>	<b>2,515.1</b>	<b>2,849.0</b>	<b>3,202.1</b>
Growth (%)	-6.5	10.8	13.3	12.4
Raw Material Expenses	1,420.7	1,559.4	1,766.4	1,985.3
Employee Expenses	179.1	193.7	213.7	233.8
Other Operating Expense	368.8	389.8	441.6	496.3
<b>Total Operating Expenditure</b>	<b>1,968.6</b>	<b>2,142.9</b>	<b>2,421.7</b>	<b>2,715.4</b>
<b>EBITDA</b>	<b>301.1</b>	<b>372.2</b>	<b>427.4</b>	<b>486.7</b>
Growth (%)	-8.0	23.6	14.8	13.9
Depreciation	47.2	63.3	77.8	86.5
Interest	3.5	8.5	7.9	4.5
Other Income	4.9	9.4	11.8	12.5
<b>PBT</b>	<b>255.3</b>	<b>309.9</b>	<b>353.6</b>	<b>408.2</b>
Exceptional Item & MI	0.0	11.9	0.0	0.0
Total Tax	75.4	89.4	106.1	122.5
<b>PAT</b>	<b>179.9</b>	<b>208.6</b>	<b>247.5</b>	<b>285.7</b>
Growth (%)	-12.4	16.0	18.7	15.5
<b>EPS (₹)</b>	<b>4.5</b>	<b>5.2</b>	<b>6.2</b>	<b>7.2</b>

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement				
	₹ crore			
(Year-end March)	FY25	FY26E	FY27E	FY28E
Profit after Tax	179.9	208.6	247.5	285.7
Add: Depreciation	47.2	63.3	77.8	86.5
(Inc)/dec in Current Assets	43.8	-14.5	-111.5	-81.4
Inc/(dec) in CL and Provisions	116.0	49.7	57.8	-2.9
Others	3.5	8.5	7.9	4.5
<b>CF from operating activities</b>	<b>390.3</b>	<b>315.6</b>	<b>279.5</b>	<b>292.4</b>
(Inc)/dec in Investments	-0.3	0.0	0.0	0.0
(Inc)/dec in Fixed Assets	-237.0	-150.0	-120.0	-100.0
Others	35.5	5.0	5.0	5.0
<b>CF from investing activities</b>	<b>-201.8</b>	<b>-145.0</b>	<b>-115.0</b>	<b>-95.0</b>
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	-31.1	-50.0	-25.0	-30.0
Dividend & interest	-113.2	-108.2	-127.5	-144.1
Inc/(dec) in Share Cap	0.0	0.0	0.0	0.0
Others	19.8	0.0	0.0	0.0
<b>CF from financing activities</b>	<b>-124.4</b>	<b>-158.2</b>	<b>-152.5</b>	<b>-174.1</b>
<b>Net Cash flow</b>	<b>64.1</b>	<b>12.4</b>	<b>12.0</b>	<b>23.3</b>
Opening Cash	80.4	144.5	156.9	168.9
<b>Closing Cash</b>	<b>144.5</b>	<b>156.9</b>	<b>168.9</b>	<b>192.2</b>

Source: Company, ICICI Direct Research

Exhibit 6: Balance Sheet				
	₹ crore			
(Year-end March)	FY25	FY26E	FY27E	FY28E
<b>Liabilities</b>				
Equity Capital	39.9	39.9	39.9	39.9
Reserve and Surplus	953.3	1,062.2	1,190.0	1,336.1
<b>Total Shareholders funds</b>	<b>993.2</b>	<b>1,102.0</b>	<b>1,229.9</b>	<b>1,376.0</b>
Total Debt	127.4	77.4	52.4	22.4
Deferred Tax Liability	0.0	0.0	0.0	0.0
Minority Interest / Others	18.3	19.3	20.3	21.3
<b>Total Liabilities</b>	<b>1,138.9</b>	<b>1,198.8</b>	<b>1,302.6</b>	<b>1,419.7</b>
<b>Assets</b>				
Gross Block	835.9	1,111.3	1,281.3	1,381.3
Less: Acc Depreciation	333.2	396.5	474.3	560.8
Net Block	502.6	714.8	807.0	820.5
Capital WIP	275.4	150.0	100.0	100.0
<b>Total Fixed Assets</b>	<b>778.0</b>	<b>864.8</b>	<b>907.0</b>	<b>920.5</b>
Investments	1.4	1.4	1.4	1.4
Inventory	318.3	344.5	390.3	438.6
Debtors	155.8	137.8	195.1	219.3
Loans and Advances	1.6	1.8	2.0	2.3
Other Current Assets	55.4	61.4	69.5	78.2
<b>Cash</b>	<b>144.5</b>	<b>156.9</b>	<b>168.9</b>	<b>192.2</b>
<b>Total Current Assets</b>	<b>675.6</b>	<b>702.5</b>	<b>825.9</b>	<b>930.6</b>
Current Liabilities	72.8	137.8	156.1	131.6
Provisions	33.5	63.4	71.9	60.6
<b>Current Liabilities &amp; Prov</b>	<b>385.9</b>	<b>435.6</b>	<b>493.4</b>	<b>490.5</b>
<b>Net Current Assets</b>	<b>289.7</b>	<b>266.9</b>	<b>332.5</b>	<b>440.2</b>
Others Assets	69.8	65.8	61.8	57.8
<b>Application of Funds</b>	<b>1,138.9</b>	<b>1,198.8</b>	<b>1,302.6</b>	<b>1,419.7</b>

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios				
(Year-end March)	FY25	FY26E	FY27E	FY28E
<b>Per share data (₹)</b>				
EPS	4.5	5.2	6.2	7.2
Cash EPS	5.7	6.8	8.2	9.3
BV	24.9	27.6	30.8	34.5
DPS	2.1	2.5	3.0	3.5
Cash Per Share	3.6	3.9	4.2	4.8
<b>Operating Ratios (%)</b>				
EBITDA Margin	13.3	14.8	15.0	15.2
PAT Margin	7.9	8.3	8.7	8.9
Inventory days	51.2	50.0	50.0	50.0
Debtor days	25.0	20.0	25.0	25.0
Creditor days	11.7	20.0	20.0	15.0
<b>Return Ratios (%)</b>				
RoE	18.1	19.7	20.1	20.8
RoCE	22.3	25.8	26.8	28.2
RoIC	35.3	34.6	33.8	35.5
<b>Valuation Ratios (x)</b>				
P/E	33.3	28.7	24.2	20.9
EV / EBITDA	19.8	15.9	13.7	11.9
EV / Net Sales	2.6	2.3	2.1	1.8
Market Cap / Sales	2.6	2.4	2.1	1.9
Price to Book Value	6.0	5.4	4.9	4.3
<b>Solvency Ratios</b>				
Debt/EBITDA	0.4	0.2	0.1	0.0
Debt / Equity	0.1	0.1	0.0	0.0
Current Ratio	5.0	2.7	2.9	3.8
<b>Quick Ratio</b>	<b>2.0</b>	<b>1.0</b>	<b>1.2</b>	<b>1.6</b>

Source: Company, ICICI Direct Research

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Sell: <-15%



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