

ANNUAL REPORT
2017-18



Jamna Auto Industries Limited



FUTURE
READY

FORWARD LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral – that we make may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

Jamna Auto Industries Limited (JAI)

is India's market leader in automotive suspension solutions. We are the second largest player in the World in Multi-Leaf Springs and have in place a full range of suspension solutions for Commercial Vehicles (CVs) that we supply to major OEMs.

For more information:

www.jaispring.com

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The background of the slide is a photograph of the front of a red truck, likely a heavy-duty model, driving on a road. The truck's grille and headlights are visible. The sky is blue with some clouds. A semi-transparent blue box is overlaid on the right side of the image, containing the main text and bullet points.

AT JAI, WE ARE FUTURE READY

...**Growing** our presence in existing
and new markets

...**Continuously** adding new high-tech
products in our portfolio

...**Expanding** capability and capacity

...**Investing** heavily in Technology

To achieve our **vision** of becoming
a **global leader** in automobile
suspension solutions!

CORPORATE INFORMATION

Board of Directors

Mr. Bhupinder Singh Jauhar
Chairman

Mr. Randeep Singh Jauhar
Vice Chairman & Executive Director

Mr. Pradeep Singh Jauhar
Managing Director & CEO

Mr. S. P. S. Kohli
Executive Director

Mr. Jainender Kumar Jain
Director

Mr. Uma Kant Singhal
Director

Mr. Shashi Bhushan Bansal
Director

Mr. Rakesh Kalra
Director

Ms. Payal Chawla
Director

CORPORATE OFFICE

2, Park Lane, Kishangarh, Vasant Kunj,
New Delhi-110 070, India
Ph. no. 011-26893331, 26896960
Fax no. 011-26893180

Hotel Novotel & Pullman,
Commercial Tower
5th Floor, Asset Area No. 2,
Hospitality District, Aerocity,
New Delhi-110 037, India
Ph. no. 011-45504550
Fax no. 011-45504551

REGISTERED OFFICE

Jai Springs Road, Industrial Area, Yamuna
Nagar-135001, Haryana
Ph. & Fax no. 01732-251810/11/14
CIN - L35911HR1965PLC004485

PLANTS

1. Gwalior (MP)
2. Yamuna Nagar (Haryana)
3. Jamshedpur (Jharkhand)
4. Chennai (Tamil Nadu)
5. Hosur (Tamil Nadu)
6. Pillaipakkam (Tamil Nadu)
7. Pune (Maharashtra)

**UNDER SUBSIDIARY ENTITY
(JAI SUSPENSION SYSTEMS LLP)**

8. Pant Nagar (Uttarakhand)
9. Lucknow (UP)

UPCOMING PLANTS

10. Adityapur, Jharkhand
11. Indore, Madhya Pradesh

ADVISORS

AZB & Partners
Lakshmikumaran & Sridharan

TECHNICAL ASSISTANCE

Ridewell Corporation, USA

BANKERS

State Bank of India
Kotak Mahindra Bank Ltd.
Standard Chartered Bank
HDFC Bank Ltd.
ICICI Bank Ltd.
YES Bank Ltd.

AUDITORS**S R Batliboi & Co, LLP**

Chartered Accountants

INTERNAL AUDITORS

Protiviti, Risk and Business Consulting

**SHARE REGISTRAR & TRANSFER AGENT
(RTA)**

Skyline Financial Services (P) Ltd
D-153 A, First Floor, Okhla Industrial Area, Phase – I,
New Delhi-110020
Ph. no. 011-26812682-88, 011-40450193-97
Fax no. 011-26812682
Email: grievances@skylinerta.com

INVESTOR CELL

Mr. Praveen Lakhera
Company Secretary & Head-Legal
praveen@jaispring.com

Chairman's Letter

Bhupinder Singh Jauhar
Chairman



Dear Fellow Shareholders,

Financial year 2017-18 has been a good year for Jamna Auto Industries Limited (JAI). During the year the business showed momentum as the overall CV industry grew at double digit.

Few years ago, when your Company firmed up the medium-term 'Project Lakshya', we laid down the roadmap to achieve our vision of 'Leadership in Global Suspension Solutions'. We are happy to report that in FY18, your Company exceeded the 'Lakshya' of '33% revenue from new products'. In FY 18, revenue from new products was almost 37%. As the OEM industry adopts new-age technologies, your Company is witnessing increased penetration of parabolic springs. Further, JAI's lift axles are witnessing increased offtake. I will also like to inform you that your Company is now in the process of coming out with new products i.e. Stabilizer Bars, U-Bolts and Trailer Suspension.

Your Company is also making focused efforts to achieve another 'Lakshya' of 33% revenue from new markets. In FY 18 revenue from new markets was around 15%. After-market is a huge potential market and is viewed as an exciting growth opportunity. By broadening distribution networks and with new marketing strategies, JAI is fast expanding its after-markets – domestic as well as exports. Your Company is truly poised to achieve the goal of '33% revenue from new markets'.

Brand-building and promotion were in full swing during the year. Your Company participated in the best of events held by auto-component industry. There has been an increased focus on branding and marketing with the "JAI Vistar" initiative with loyalty programs for mechanics - "Jai Ho" scheme, retailers - "Jai Sarathi" scheme and distributors - "Jai Rising Star" scheme. Currently more than 10,000 mechanics and their families are being benefitted by the "Jai Ho" scheme. Your Company aims to connect with more retailers, distributors and mechanics on a personal level. Your Company has a very strong PAN India after-market network comprising of 11 depots, 300+ distributors and 6,000+ retailers, supplying 5,000+ parts and catering to 10,000+ mechanics. In order to promote the ease of doing business, supply chain system has been integrated with a state-of-the-art ERP system. Your Company also expects higher demand and a greater market share in domestic after-market post GST implementation.

Your Company also plans to expand base in the after markets through sales of spring allied products, lift axle and air suspension parts apart from existing products range.

Quality has always been paramount for JAI. During the year your Company's plants at Malanpur and Yamuna Nagar were awarded the esteemed TPM Excellence Category 'A' award by Japan Institute of Plant Maintenance.

Apart from diversification of products and markets, your Company has also been expanding its manufacturing base. JAI's 9 plants are strategically located next to customers – whether it be OEM or after markets. In continuation to your Company's strategy of staying close to customer hubs, your Company is planning to set up two more plants - one at Pithampur near Indore, Madhya Pradesh and the other at Adityapur near Jamshedpur, Jharkhand. Land for both these locations has been allotted.

Your Company is increasing the capacity through setting up new plants and modernising/upgrading its existing plants. These expansions and modernisation is funded through internal accruals. Post completion of these activities the capacity would increase by around 20%.

Your Company endeavours to continuously reduce its break even point through modernisation, upgradation, shift in product mix and other cost reduction measures.

R&D is a constant endeavour at JAI. Your Company has a R&D centre in Pune. It is the only in-house spring & suspension R&D centre in India and the facility has been approved by the Department of Scientific and Industrial Research. Following years of study and new specialised equipment, your Company has developed capabilities to design and produce complete suspension systems from black box stage indigenously. The R&D centre has state of art test facilities with capability of testing the entire suspension systems.

Diversification at your Company is accompanied by strong financial progress. In FY 18 revenue grew at double digit around 34%.

Your Company's credit rating has been reaffirmed by ICRA as A1+ for Short-Term and AA- for Long-Term debt.

In accordance with the 'Lakshya' for FY18, your Company has maintained the dividend payout ratio of 33% (inclusive of dividend distribution tax) and achieved RoCE of more than 50%.

I would also like to touch upon a very important aspect of the organisation: our people. The outstanding team which works day after day, across levels, divisions, and geographies, are, quite literally, the pillars of JAI's foundation.

Finally, I would like to express my gratitude to all our stakeholders specially customers, for their continued trust in our ability to support them and bring value to their businesses, and to our collaborators, for helping us with their support to our customers and keep our promises to them.

I would also like to thank all local, state and national governments, the associated bodies, and banks and financial institutions for their strong support.

Yours sincerely



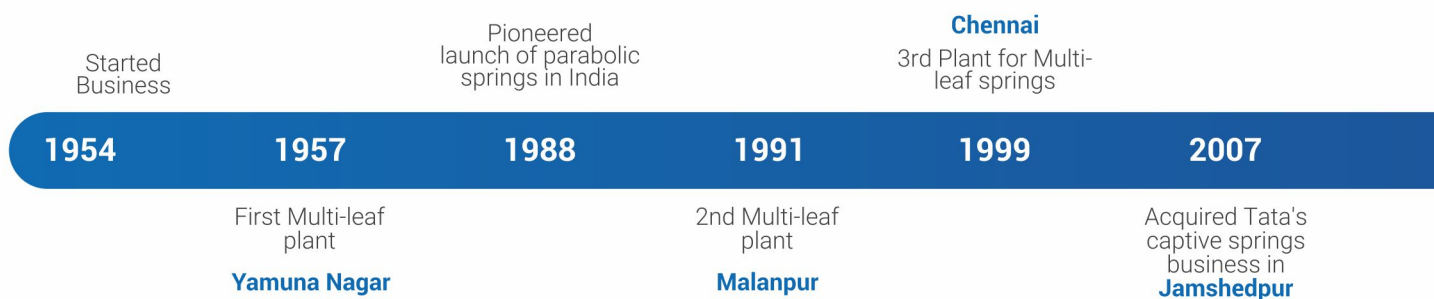
Bhupinder Singh Jauhar
(Chairman)

JAI TODAY

Future Ready for Growth...



OUR JOURNEY



Our Products

Multi-leaf Spring



A stack of spring steel leaves held together with a center bolt. The number of leaves in a stack will directly affect the springs capacity or load rate

A leaf/ set of leaves tapered in a parabolic curve. Allows improved ride quality and weight reduction, making it capable of handling increased stress levels and reduced interleaf friction for longer fatigue life

Parabolic Springs



Lift Axle



Uses air bags to carry weight. It can be mounted on trucks, trailers of both and is commonly found in tanker-style as well as vehicles used to haul oversized loads.

Used in place of conventional steel springs, mostly in heavy vehicles such as buses and trucks. It provides smooth and constant ride quality

Air Suspension



NEW ADDITIONS

Stabilizer Bar



Reduces body roll of vehicle during fast cornering or over road irregularities. Connects opposite wheels together by a torsion spring.

U bolts are used to clamp the leaf springs and related component together firmly.

U bolts



Collaboration with Ridewell Corporation USA

Assembly line in **Hosur**

6th and 7th Plant In **Pune & Pillaipakkam** For Air suspension and lift axle

Expansion at **Malanpur & Yamuna Nagar**

2008

2012

2015

2016

2017

2018

4th & 5th plant **Jamshedpur & Pant Nagar**

Set up in-house R&D in **Pune**

8th and 9th plant in **Hosur & Lucknow**

OUR MARKETS

OEM Market



Strategically Located Manufacturing

