



Jamna Auto Industries Limited

ANNUAL REPORT

2018-19



## 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.



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**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](http://www.jaispring.com)**



**Star SME  
Business Standard Annual Award 2018**





# 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**

Tinsley Bridge Limited, UK

## **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 India Member Pvt. Ltd.

## **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



**BHUPINDER SINGH JAUHAR**  
Chairman

## CHAIRMAN'S LETTER

*Dear Shareholders,*

We are happy to share that FY2019 has been another successful year for the Company. Though commercial vehicle segment witnessed slowdown in the second half of the year, the Company posted growth in consolidated revenue and EBITDA by 23% and 18% respectively year on year. The Company has continued to maintain a double digit growth and achieved CAGR of 20.70% from FY2015 to FY2019.

In FY2019, the Company achieved 34% revenue from new products in line with Company's medium term 'Lakshya'. The Company's motive is to transform itself from historically acknowledged as spring manufacturer to become a complete suspension solution provider. This year, we started inching towards our goal as new products were launched, which includes 10 ton lift axle, trailer suspension and trailer lift axle.

Stabilizer bars are at an advance stage of development and commercial production thereof shall start shortly. The U-bolts project would also commence by the end of October 2020.

Similar to 'Lakshya' of product diversification, the Company is investing equal efforts in its 'Lakshya' of market diversification. In FY2019, revenue from new markets (after-market and export) was around 16%. In absolute terms, sales in after-market segment grew by 38% year on year. Your Company views after markets-in India and exports as an exciting growth opportunity and has been making focused efforts to increase its presence in these markets.

In the after-market, the Company predominantly provides more than 5,000 part numbers of leaf springs, multi-leaf and parabolic spring. In view of the massive growth and demand in the OEM market, a new range of suspension solution products such as Trailer Mechanical Suspension, Lift Axle and its allied parts were launched in the Indian aftermarket. We marked our presence in Truck Trailer and Tyre Expo 2018, Gujarat, ACMA Northeast Expo 2018, Guwahati and Jharkhand Vendor Development Program 2018 and generated fruitful business from there. The Company will continue to expand its network in after -markets by adding more distributors, retailers and mechanics, and also will start dealing with fleet owners and trailer manufacturers.

Quality has always been paramount for JAI. Last year, Company's Malanpur and Yamuna Nagar plants were awarded the prestigious TPM Excellence Category 'A' award by Japan Institute of Plant Maintenance. During FY2019, the

Jamshedpur plant was awarded the TPM Excellence Category 'A' award. We take pride in sharing that your Company has been awarded as 'Star SME' in the Business Standard annual awards 2018. Business Standard annual awards focus on scale, sustainability and leadership. Your Company is also awarded as the Best Overall Excellence in Operations by Auto Components India (Magazine) 2019.

R&D is a constant endeavour at JAI. During the year, the Company entered into Technology Transfer and Technical Assistance Agreement with Tinsley Bridge Limited, UK for transfer of extralite spring technology and special steel technology. Your Company's R&D team is currently developing extralite springs using Tinsley Bridge technology. These parts are expected to be ready by next financial year. The Company's R&D centre is located in Pune and is approved by the Department of Scientific and Industrial Research. Your Company plans to expand its R&D capabilities by shifting it to a recently bought new location at Pune.

As per 'Lakshya', the Company has maintained payout ratio of 33% of PAT as dividend (inclusive of dividend distribution tax) and achieved RoCE of 55%.

I am happy to inform that during FY2019, ICRA has improved the Company's credit rating for long term debt to AA from AA- with stable outlook. The rating for short term debt has

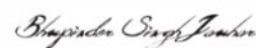
been reaffirmed by ICRA as A1+. Improvement in credit rating is due to by strong financial progress, the consolidated revenue grew at double digit around 23% and consolidated profit before tax grew around 16%.

Your Company acknowledges that harmonious industrial and employee relations enhance productivity and morale. The Company recognizes the dedication and efforts put by the every employees at all levels.

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, enabling us to serve our customers and keep our promises to them.

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

Yours sincerely



**Bhupinder Singh Jauhar**  
(Chairman)



# OUR PRODUCTS

**JAI** has been manufacturing and supplying various types of Conventional Leaf springs and Parabolic Leaf Springs to the major OEMs and in aftermarket.

**JAI** has diversified its product range by adding Lift Axle and Air Suspension under technical collaboration with Ridewell Corporation, USA. Lift Axle and bogie suspensions are used for cargo and Air Suspensions are used in low floor buses for a smooth ride and comfort.

**JAI** has entered into a technology transfer agreement and technical assistance agreement with Tinsley Bridge Limited, UK for extra-lite spring technology and special steel technology.

In future, **JAI** look forward to becoming a complete Suspension System Supplier by increasing the Content Per Vehicle for improved market share and brand visibility.

- Increase Content Per Vehicle
- Become Suspension System Supplier

## ₹500 Crore

- Conventional leaf springs
- Parabolic leaf spring

**PAST**  
**2008-09**

## ₹2100 Crore

- Conventional leaf spring
- Parabolic leaf spring
- Lift Axle
- Air Suspension

**PRESENT**  
**2018-19**

- Conventional leaf spring
- Parabolic leaf spring
- Lift Axle
- Air Suspension
- U Bolt
- Stabilizer bar
- Trailer Suspension
- Allied Suspension Parts

**FUTURE**

## 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 Products

### Stabilizer Bar



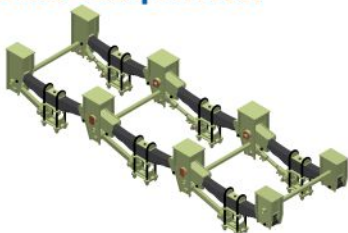
Reduces body roll of vehicle during fast cornering or over road irregularities. Connects opposite wheels together by a torsion spring.

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

### U bolts



### Trailer Suspension



Trailer suspension system is made to link the brakes and wheels to a trailer's body and absorb physical impact caused by road surface.

# OUR MARKETS

India's no.1 spring manufacturing Company with 70% share in OEM leaf and parabolic springs.

Company is making focused efforts for market diversification in after markets-in India and abroad as these markets present exciting growth opportunities

- > Increasing footprints
- > Leveraging Strength

