

JAMNA AUTO INDUSTRIES LTD.

RECOMMENDATION : BUY

MARKET PRICE : Rs.103.55 (As on 10th Mar 2023)

TARGET PRICE : Rs.130.00

FACE VALUE : Re.1

BSE CODE : 520051

NSE CODE : JAMNAAUTO



Jamna Auto Industries Ltd.



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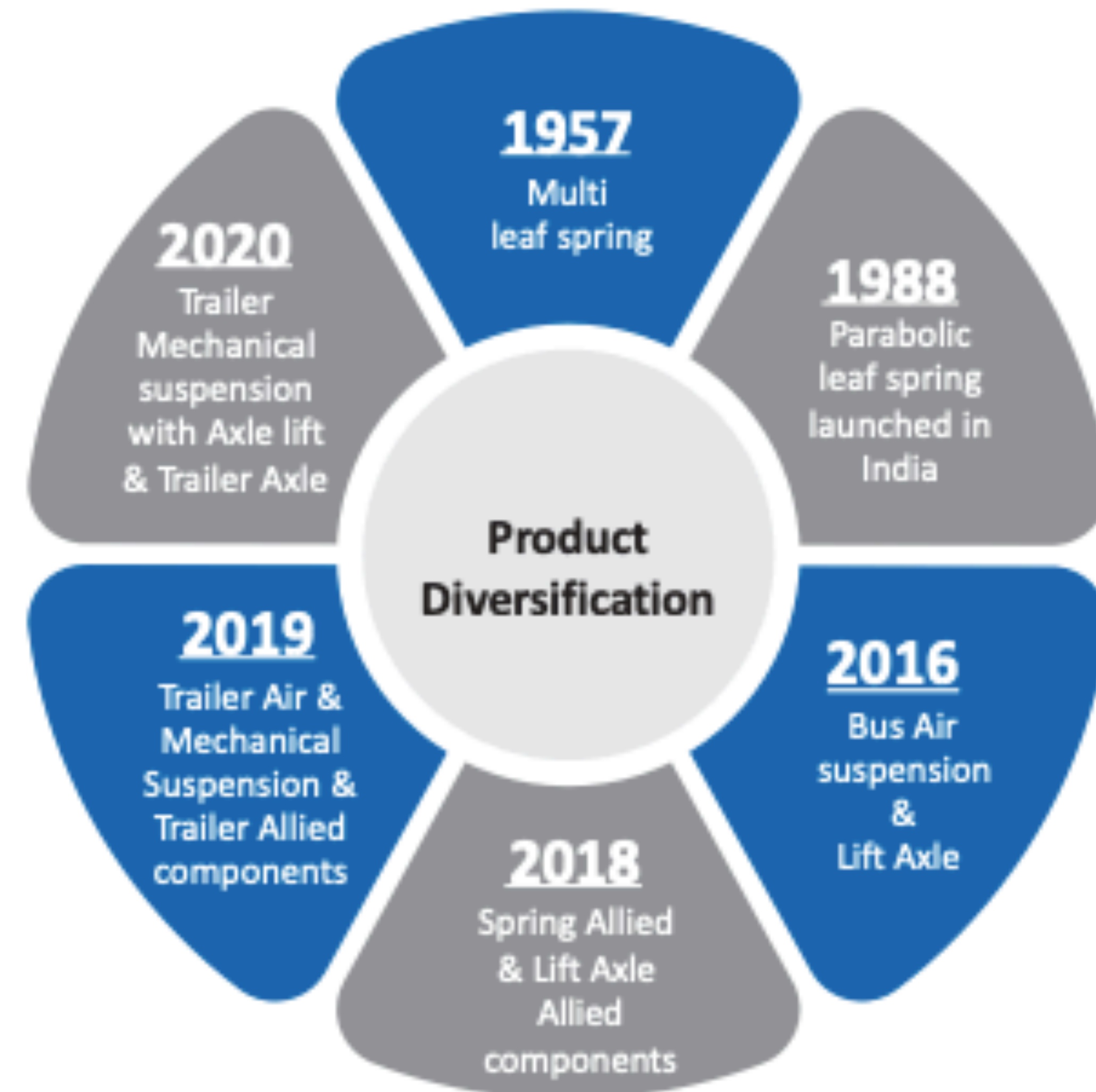
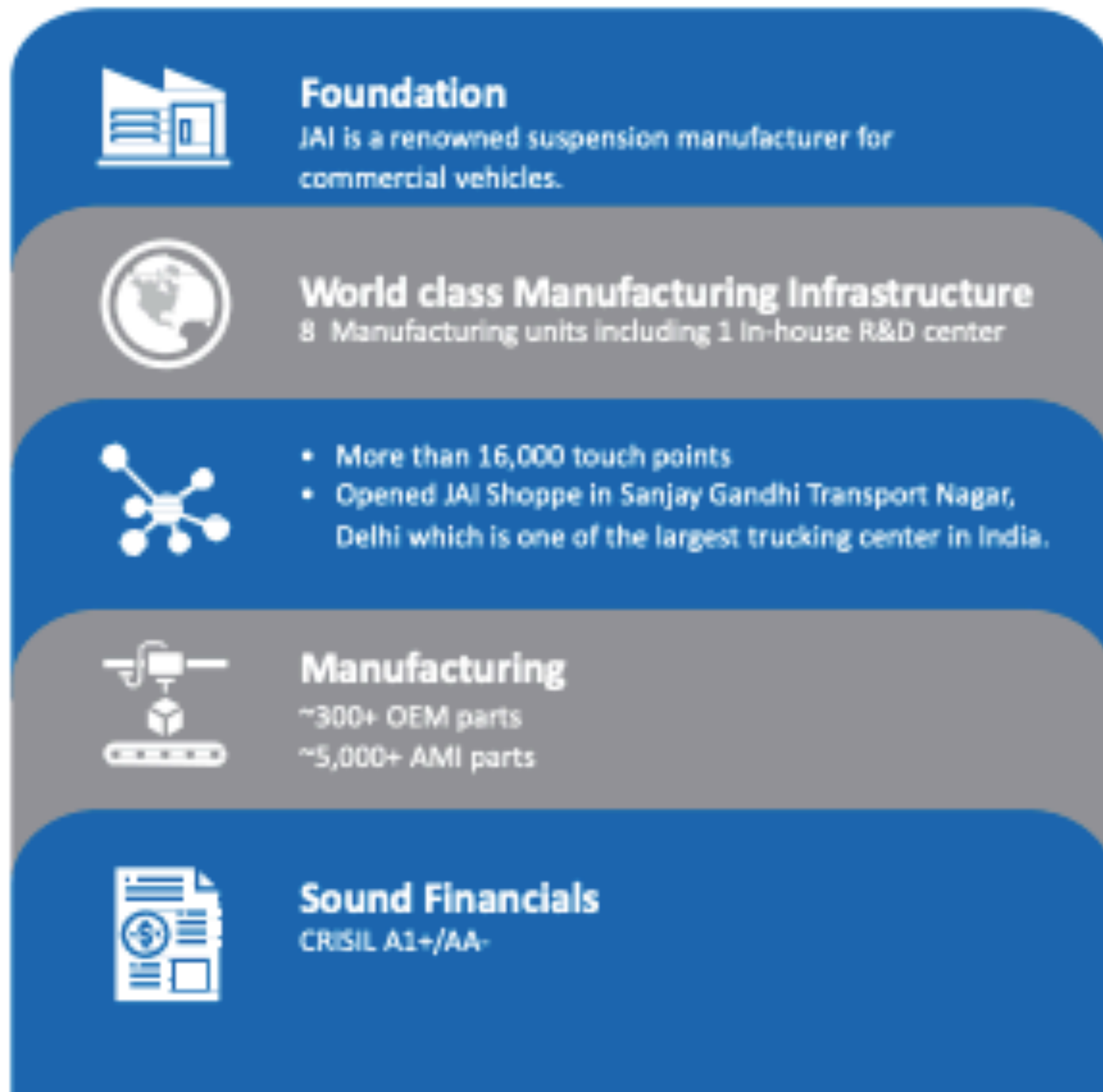
Jamna Auto Industries Ltd. is the largest manufacturer of Tapered Leaf and Parabolic Springs for Commercial Vehicles (CVs) in India. It has been a trusted and preferred supplier of Leaf and Parabolic Springs to all major CV manufacturers for over 50 years. The Company is fast expanding its presence in new-generation products, like air suspension and lift axle.

ABOUT THE COMPANY

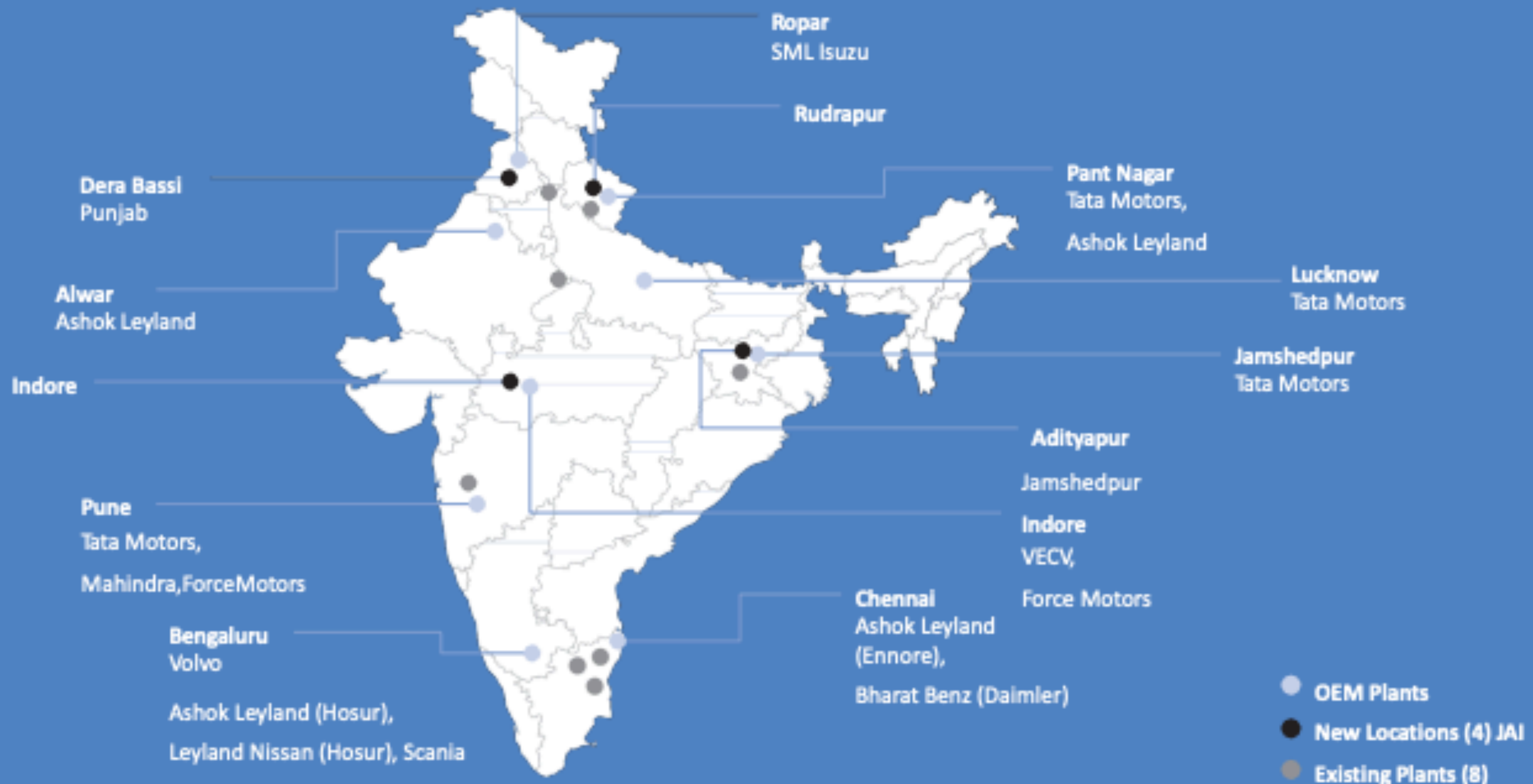
Jamna has been a pioneer in leaf and parabolic springs in India. The Company has tied up with Ridewell Corporation of USA to bring the latest technology in Air Suspension system to provide world class ride comfort for buses. Jamna has built up a strong dealer network, through its subsidiary - Jai Suspension Systems LLP (JSS LLP), all over the country to support growing domestic After Market demand. The Company sells springs under the "JAI" brand in the After Market and its products command premium.

The Key Clientele of the Company includes Ashok Leyland, FORCE, FUSO, GM, Bharat Benz, ISUZU, Mahindra, Renault Nissan, SML Isuzu, TATA, UD Trucks and many more.

JAI at a Glance



Jai's Plants : Strategically Located Across OEM Plants



JAI's OEM Customers



JAI's Product Portfolio



Conventional Leaf Spring



Z-Spring

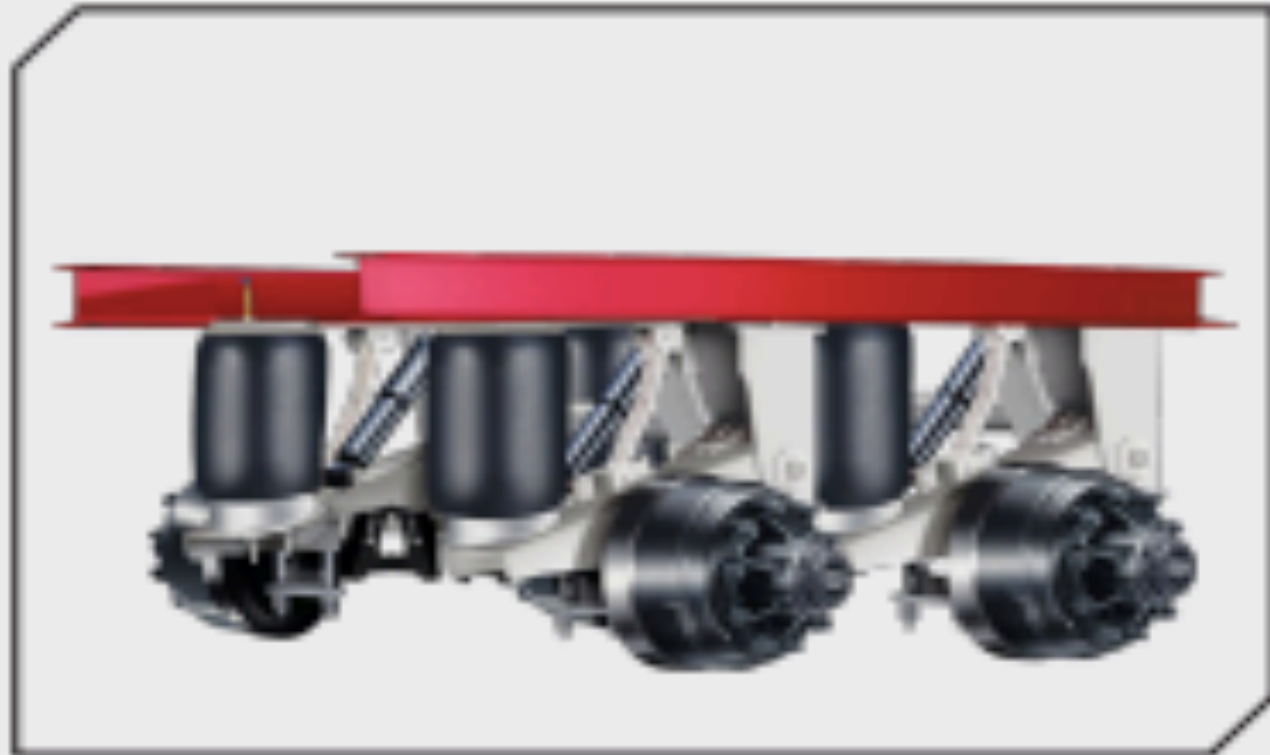


Parabolic Spring

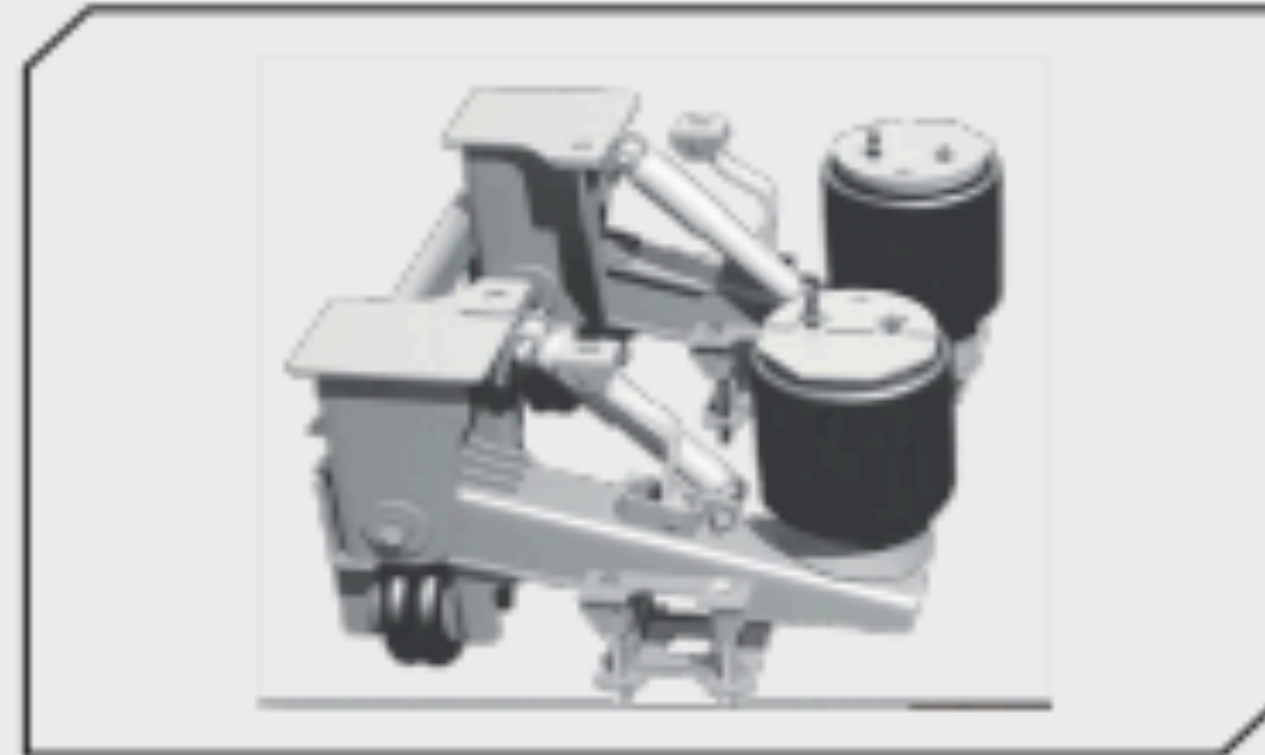


Stabilizer Bar

JAI's Product Portfolio



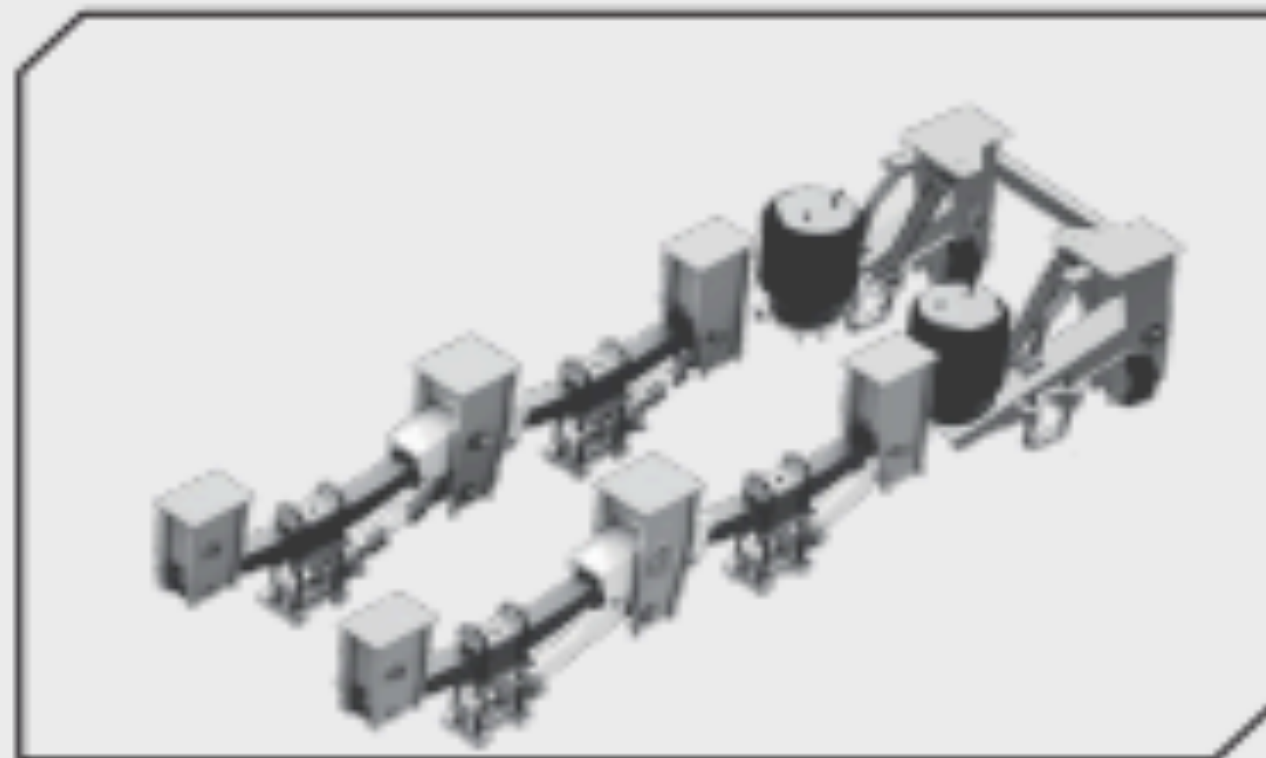
Bus Air Suspension



Trailer Air Suspension



Lift Axle



Trailer Mechanical and Air Suspension with Lift Axle



Trailer Mechanical Suspension

After Market India

JAI's Product Portfolio



Lift Axle Allied Components



Trailer Allied Components



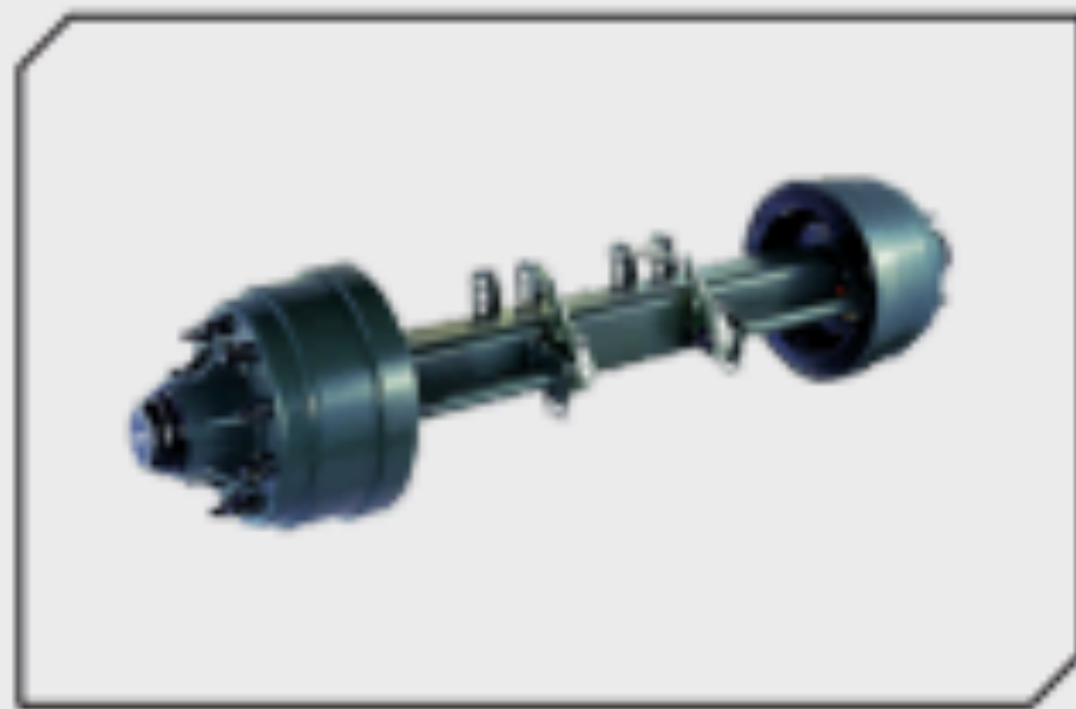
Spring Allied Components

After Market India

JAI's Product Portfolio



Brake lining



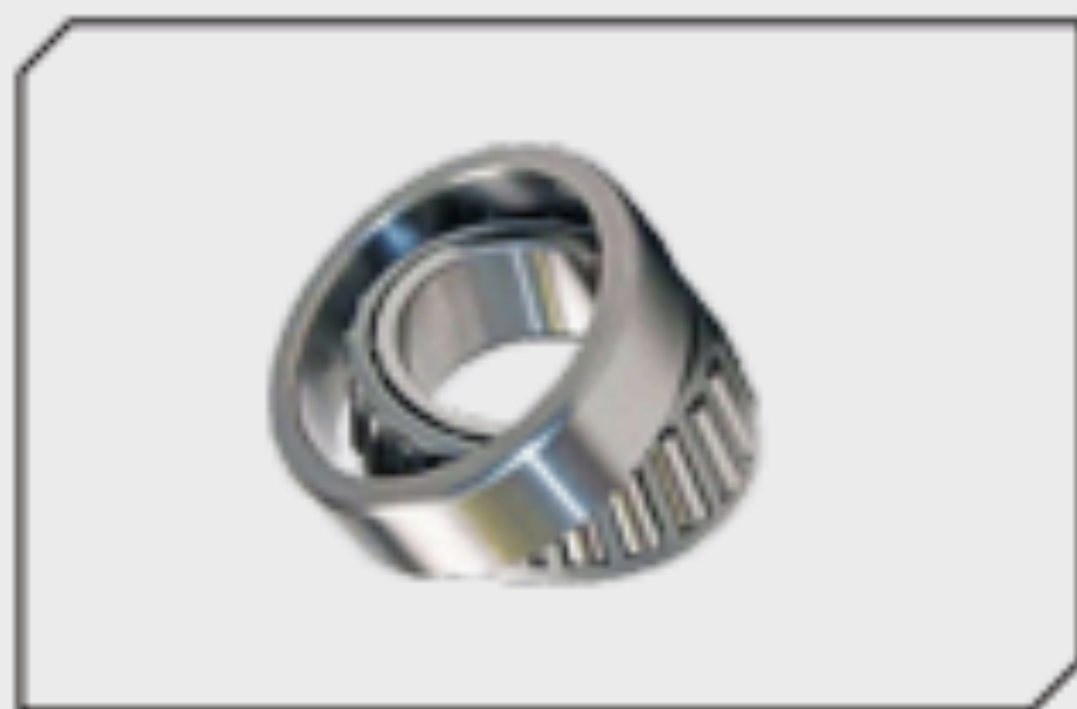
Trailer Axle



Water Pump



Clutch



Bearing



Jack Rod

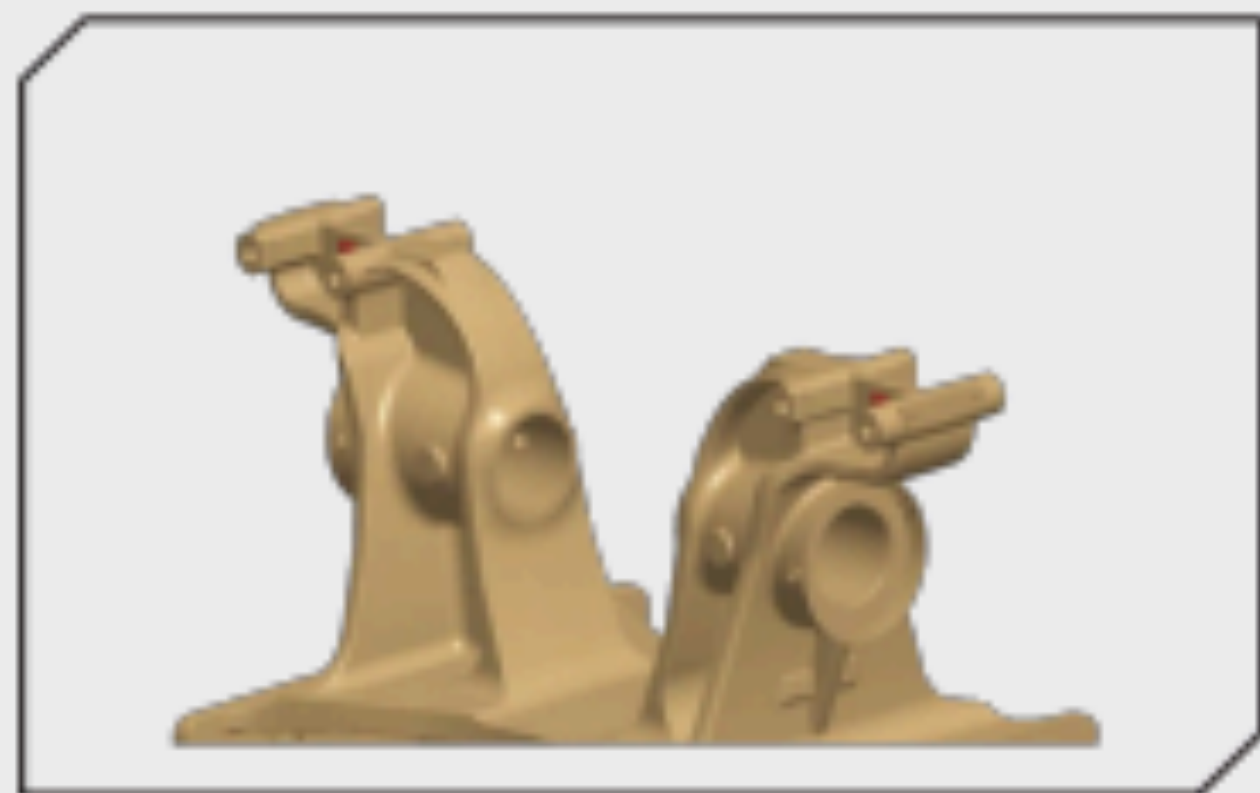


Universal Joint Cross

OEM-Increasing Content Per Vehicle



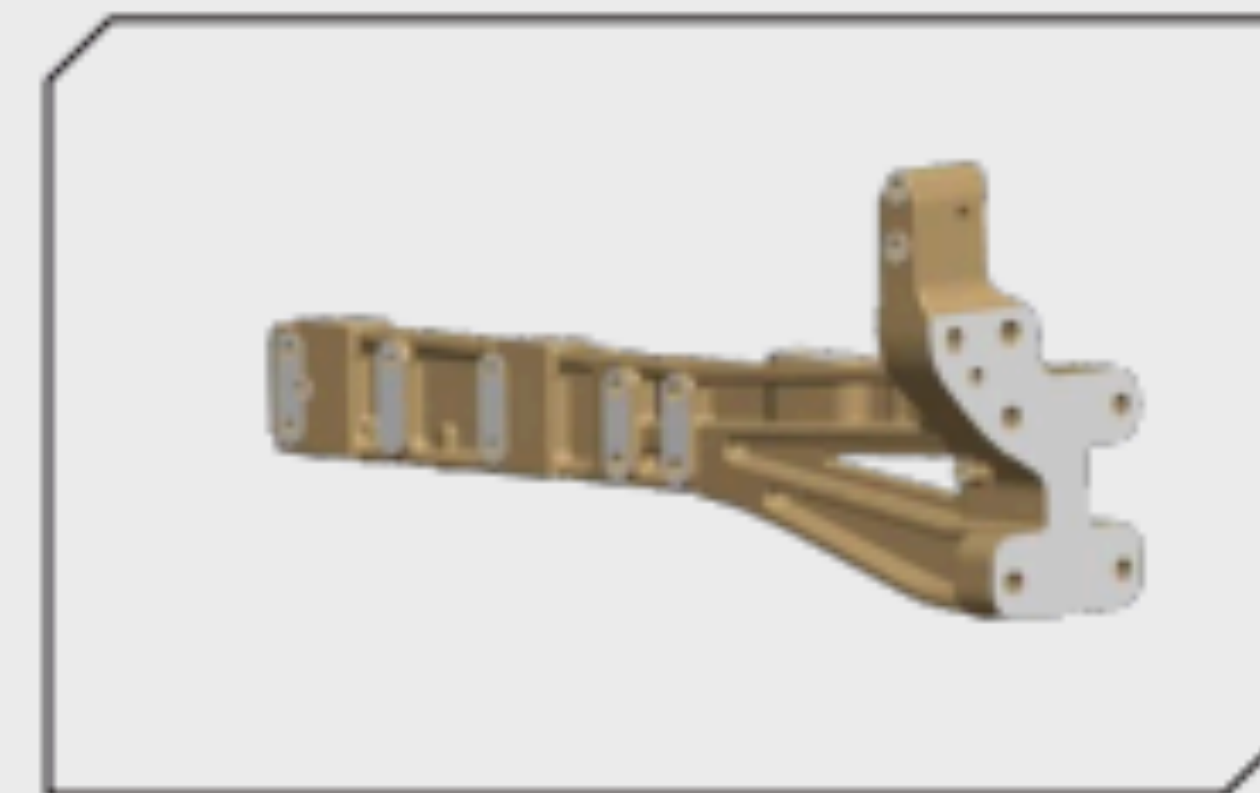
Upcoming products



Bogie Bracket



NODO Bracket



ATS Bracket



Hanger Shackles



Spring Pin



U BOLT

Key Developments for the Q-3



- 1) Launched special application products in AMI such as springs with factory fitted bushes and heavy duty springs for hilly areas.
- 2) As a part of digitalization, we have successfully implemented RAMCO ERP in Uttarakhand plant which counts to implementation in total 5 of our plants and after market operations.

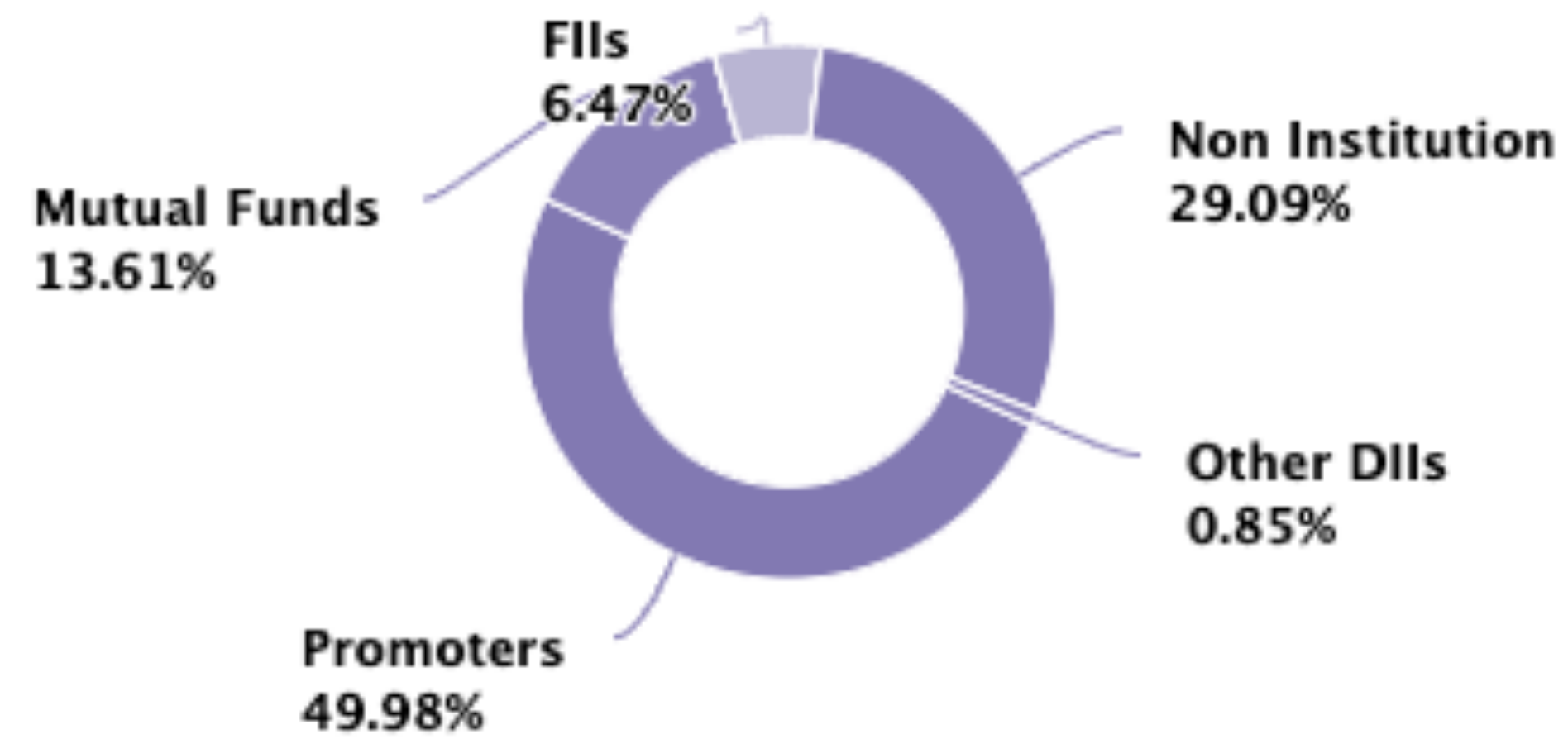
Yearly Results

YEARLY RESULTS OF JAMNA AUTO INDUSTRIES (in Rs. Cr.)	MAR '22	MAR '21	MAR '20	MAR '19	MAR '18
Net Sales/Income from operations	1,717.88	1,079.48	1,128.95	2,134.81	1,738.12
Total Income From Operations	1,717.88	1,079.48	1,128.95	2,134.81	1,738.12
EXPENDITURE					
Consumption of Raw Materials	1,157.78	693.52	642.63	1,430.00	1,089.13
Purchase of Traded Goods	9.21	6.33	--	--	--
Increase/Decrease in Stocks	-43.41	-41.81	69.62	-70.69	1.96
Power & Fuel	--	--	--	--	89.29
Employees Cost	124.57	111.76	112.94	158.03	127.51
Depreciation	36.73	35.58	41.37	46.45	41.37
Other Expenses	243.44	177.21	189.63	340.77	192.41
P/L Before Other Inc., Int., Excpt. Items & Tax	189.55	96.88	72.76	230.24	196.45
Other Income	4.52	9.93	16.14	10.73	7.87
P/L Before Int., Excpt. Items & Tax	194.07	106.81	88.90	240.97	204.31
Interest	2.79	5.93	17.26	25.47	18.22
P/L Before Exceptional Items & Tax	191.27	100.88	71.64	215.50	186.09
P/L Before Tax	191.27	100.88	71.64	215.50	186.09
Tax	50.47	27.92	23.76	78.05	60.79
P/L After Tax from Ordinary Activities	140.80	72.96	47.88	137.45	125.31
Net Profit/(Loss) For the Period	140.80	72.96	47.88	137.45	125.31
Minority Interest	0.00	0.00	--	0.00	0.00
Net P/L After M.I & Associates	140.80	72.96	47.88	137.45	125.31
Equity Share Capital	39.85	39.83	39.83	39.83	39.83
Reserves Excluding Revaluation Reserves	644.83	540.17	476.87	469.72	384.06
EPS BEFORE EXTRA ORDINARY					
Basic EPS	3.53	1.83	1.20	3.45	3.15
Diluted EPS	3.52	1.83	1.20	3.45	3.14
EPS AFTER EXTRA ORDINARY					
Basic EPS.	3.53	1.83	1.20	3.45	3.15
Diluted EPS.	3.52	1.83	1.20	3.45	3.14

Key Financial Ratios

KEY FINANCIAL RATIOS OF JAMNA AUTO INDUSTRIES (in Rs. Cr.)	MAR 22	MAR 21	MAR 20	MAR 19	MAR 18
PER SHARE RATIOS					
Basic EPS (Rs.)	3.53	1.83	1.20	3.45	3.15
Diluted EPS (Rs.)	3.52	1.83	1.20	3.45	3.14
Cash EPS (Rs.)	4.46	2.73	2.24	4.62	4.18
Book Value [ExclRevalReserve]/Share (Rs.)	17.18	14.56	12.97	12.79	10.64
Book Value [InclRevalReserve]/Share (Rs.)	17.18	14.56	12.97	12.79	10.64
Revenue from Operations/Share (Rs.)	43.11	27.10	28.34	53.60	43.64
PBDIT/Share (Rs.)	5.79	3.58	3.28	7.22	6.17
PBIT/Share (Rs.)	4.87	2.69	2.24	6.06	5.13
PBT/Share (Rs.)	4.80	2.53	1.80	5.41	4.67
Net Profit/Share (Rs.)	3.53	1.83	1.20	3.45	3.15
NP After MI And SOA / Share (Rs.)	3.53	1.83	1.20	3.45	3.15
PROFITABILITY RATIOS					
PBDIT Margin (%)	13.43	13.20	11.56	13.47	14.13
PBIT Margin (%)	11.29	9.91	7.90	11.29	11.75
PBT Margin (%)	11.13	9.34	6.34	10.09	10.70
Net Profit Margin (%)	8.19	6.75	4.24	6.43	7.20
NP After MI And SOA Margin (%)	8.19	6.75	4.24	6.43	7.20
Return on Networth/Equity (%)	20.56	12.57	9.26	26.97	29.56
Return on Capital Employed (%)	26.64	17.16	14.69	44.47	43.02
Return on Assets (%)	11.80	8.26	6.05	12.87	15.87
Total Debt/Equity (X)	0.26	0.00	0.26	0.01	0.11
Asset Turnover Ratio (%)	1.62	122.27	142.88	199.95	220.18
LIQUIDITY RATIOS					
Current Ratio (X)	1.44	1.40	1.33	1.13	1.32
Quick Ratio (X)	0.76	0.59	0.62	0.69	0.82
Inventory Turnover Ratio (X)	4.42	5.15	8.69	9.33	10.97
Dividend Payout Ratio (NP) (%)	28.28	13.64	70.71	30.42	22.24
Dividend Payout Ratio (CP) (%)	22.43	9.17	37.93	22.74	16.72
Earnings Retention Ratio (%)	71.72	86.36	29.29	69.58	77.76
Cash Earnings Retention Ratio (%)	77.57	90.83	62.07	77.26	83.28
COVERAGE RATIOS					
Interest Coverage Ratios (%)	82.60	17.48	5.07	9.38	11.21
Interest Coverage Ratios (Post Tax) (%)	82.60	17.48	5.07	9.38	11.21
VALUATION RATIOS					
Enterprise Value (Cr.)	4,114.02	2,663.45	1,081.25	2,478.45	3,167.58
EV/Net Operating Revenue (X)	2.39	2.47	0.96	1.16	1.82
EV/EBITDA (X)	17.82	18.68	8.28	8.62	12.89
MarketCap/Net Operating Revenue (X)	2.31	2.51	0.84	1.17	1.80
Retention Ratios (%)	71.71	86.35	29.28	69.57	77.75
Price/BV (X)	5.79	4.66	1.83	4.91	7.39
Price/Net Operating Revenue	2.31	2.51	0.84	1.17	1.80
Earnings Yield	0.04	0.03	0.05	0.05	0.04

Shareholding Pattern an on Dec'22



Summary

- ❖ On quarterly basis, the Company delivered good performance in Q3 of FY'23, with Net Sales up by 32.88% i.e. Rs.590.99 crs in Dec'22 versus Rs.444.75 crs in Dec'21. However, the Net Profits increased by 9.94% i.e. Rs.41.12 crs in Dec'22 as compared to Rs.37.40 crs in Dec'21. In addition to this, the Statement of Changes in Equity witnessed a slight increase in the Equity Capital i.e. Rs.39.85 crs in Dec'22 juxtapose to Rs.39.83 crs in Dec'21.
- ❖ As per healthy performance and fine financials, the Company is available at a fair price of Rs.103.55 with its 52 week low at Rs.96.85 and 52 week high at Rs.135.50.
- ❖ Viewing that the Promoters are holding majority stake around 49.98% as well as its sound valuations, indicates that the Management is growth oriented.
- ❖ In Public Shareholding as on Dec'22, the FIIs and the Other DIIs collectively held 7.32% stake. Whilst, the Mutual Fund Houses own 13.61% holdings in the Company.
- ❖ As a reaffirming fact, Jamna Auto Industries Ltd. is held by HSBC MF, ICICI PRU MF, AXIS MF, UTI MF, INVESCO MF, EDELWEISS MF, IDFC MF, BANK OF INDIA MF and a few more.
- ❖ On consolidated basis, the Company registered Return on Equity (ROE) and Return on Capital Employed (ROCE) around 20.56% & 26.64% respectively as on Mar'22.
- ❖ For the year ending Mar'22, Jamna Auto Industries Ltd. has declared an equity dividend of 150.00% i.e. Rs.1.50 per equity share. The Company has a good dividend track report and has consistently declared dividends for the last 5 years.

Disclosure

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I, Amiteshwar Singh, am the proprietor of M/S Amiteshwar.in. I am a Research Analyst registered with SEBI having registration no. INH100010013. I provide services through my website www.Amiteshwar.in which is primarily focused on research of Multi-Cap stocks of India.

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1. My spouse, Mrs. Prabhjash Kaur
2. My daughter, Ms. Palvit Kaur

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