



JYOTI CNC AUTOMATION LIMITED
CIN: L29221GJ1991PLC014914
Regd. Off.: G – 506, Lodhika GIDC, Kalawad Road,
Metoda, Rajkot – 360 021.

Date: November 23, 2024

To,
The Department of Corporate Services,
BSE Limited, Mumbai

To,
The Listing Compliance Dept.
National Stock Exchange of India Ltd, Mumbai

BSE Script Code: 544081

NSE Script Symbol: JYOTICNC

Dear Sir/ Madam,

SUB : TRANSCRIPT OF CONFERENCE CALL POST DECLARATION OF THE FINANCIAL RESULTS OF THE FOR THE QUARTER ENDED ON SEPTEMBER 30, 2024.

In continuation to our letter dated November 12, 2024 and November 14, 2024, a Conference Call was hosted with the Management of Jyoti CNC Automation Limited on November 18, 2024 for discussion on the financial results for the quarter ended on September 30, 2024.

A Transcript of the above Conference Call is enclosed herewith.

Please take the same on your records.

Thanking You,
For Jyoti CNC Automation Limited

Maulik B Gandhi
Compliance Officer and Company Secretary
Membership No.: F8819

Encl.: As Stated Above.



**“Jyoti CNC Automation Limited Q2 FY25 Earnings
Conference Call”**

November 18, 2024



**MANAGEMENT: MR. PARAKRAMSINH JADEJA - MANAGING DIRECTOR,
JYOTI CNC AUTOMATION LIMITED**

MODERATORS: MR. MOHIT KUMAR - ICICI SECURITIES LIMITED



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Moderator: Ladies and gentlemen, good day and welcome to the Jyoti CNC Automation Limited Q2 FY25 Earnings Conference Call hosted by ICICI Securities Limited.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar. Thank you, and over to you, sir.

Mohit Kumar: Thank you, Neha. Good evening, everyone. On behalf of ICICI Securities, I welcome you all to Jyoti CNC Q2 FY25 Earnings Call.

Today, we have with us Mr. Parakramsinh Jadeja – Managing Director of Jyoti CNC.

Without much further delay, I will now hand over the call to Jadeja, sir, for his "Opening Remarks", which will be followed by Q&A. Over to you, sir.

Parakramsinh Jadeja: Thank you, Mohit. Good evening, friends. I'm delighted to extend a warm welcome to each one of you to the earning call of Jyoti CNC for a Q2 FY24-25.

Thank you for the level of trust and confidence you have placed in us in our journey so far. We truly understand the responsibility that comes with your investment, and we promise to deliver the best of us. We shall start with company presentation and have the question-and-answer session then later.

In terms of a consolidated financial performance of Q2, in terms of revenue from the operations, from Q2 FY24, it was Rs. 302 crores as went up to a Rs. 430.7 crores almost a 43% of the growth in revenue we are able to clock over here.

In terms of EBITDA and the margin, let's say on FY24 it was 18% and is now today went up to a 25%. In terms of EBITDA numbers, it was Rs. 54 crores is now reached to Rs. 106.6 crores in Quarter 2. In terms of operational PAT, the Quarter 2 FY24, it was Rs. 16.8 crores and it is grown up to a close to 352% and is up to a Rs. 75.9 crores, close to Rs. 76 crores.

And this revenue from the operations in a business mix, if you look at that out of this Rs. 431 crore, aerospace has contributed close to 38%. Auto and auto component, our vertical has contributed to be 29%. General engineering has contributed 16%. Dyes and mold has contributed to be a 2%. EMS business has contributed 11%. And others are almost a 4% there. And average price realization, our machines were able to clock to a Rs. 41.37 lakhs and the number of machines what we have sold in this quarter is close to 1,041 machines to be here.



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If I summarize for the H1 numbers, so H1 numbers from FY24 to FY25 has grown up by 55% and the total FYH1 numbers has reached to Rs. 793 crores almost over here. In terms of EBITDA, H1 EBITDA last year was 14.6% and this year has reached to 25%. It's close to 170% growth has been blocked. And Rs. 200 crores of H1 EBITDA has been touched over here. In terms of a PAT, last year H1 is close to Rs. 3.4 crores. It has reached to Rs. 127 crores almost to be like that.

Each one performance in terms of our verticals, the aerospace vertical has contributed to be close to 43%. Auto and auto component has contributed to be 28%. General engineering is 17%. Dyes and mold is a 1% and EMS is a 6% there. And in terms of revenue, it's divided into two areas. Like India, we have it close to 55%. And we have exports, it is close to 45% in there.

In terms of the order intake in a Quarter 2 FY25, the orders we have seen are very nice. The order book we have received in this quarter. And in terms of numbers, it is Rs. 1,283 crores is the order intake in this quarter. Out of that, even aerospace, we have received close to 22%. Auto and auto component is close to 15%. General engineering, we have received close to 17%. Dye and mold is close to 1%. And significant movement we have seen in terms of EMS, and it has reached almost 41% over here. And others are 4%.

So, in our closing order book today, let's say opening orders was close to 3,400, some Rs. 3 crores was there. New orders has been came to 1,283, and dispatch, if remove the dispatch now. Today, the visibility of a very good future ahead and the growth forward for us is to be looked like to be Rs. 4,289 crores orders are here. In terms of an order book, total order book today, out of this close to Rs. 4,300 crores, the aerospace is contributing now is to be a 43%. Auto and auto component is 15%. General engineering is 16%. Dye and mold is 4%. EMS has reached to 17% and others are close to 5% like that.

Now we move forward to talk a little bit more about the Jyoti. So, Jyoti is basically a first-generation business, and we are into metal cutting industries. We make the CNC machine for manufacturing the metal cutting. We are fully a vertically integrated company, and we have our own foundry. We do the machine shop. We do all the component critical manufacturing in-house over here. We have a sheet metal shop. Paint shop integrated to be there. We have our own sub-assembly and fully controlled temperature sub-assemblies are there to produce the most precision world class manufacturing facilities.

In terms of our key strength, is in R&D capabilities are there. All this, our design and development, we are able to do it. This is in our Leonardo da Vinci R&D centers. There we have a more than 140 engineers are working to designing and developing every day a new product over here. In the last two decades, we have designed and developed more than 200 plus product variants out of 44 product verticals. We have developed very specific product baskets of today's need of the hours in industry as part of the Industries 4.0. Our product is



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serving them is called as 7 Sense, is a fully integrated design and developed over here. We have many AI-based tools we have developed. We call it as a Preci Protect. And this takes care of the complete machine through the real time accident-proof machines to be there. And we have many, many solution-provided, completely application-oriented team as a part of that. So, it is always supporting to our customer.

In terms of our manufacturing capacity, let's say the last year we were having 4,400 machines. And now with this our new bottleneck and everything has been removed. We have reached to the September end is close to 6,000 machines. And this is fully integrated into one plant over here. And we have one facility there in France there. Similarly, we can do in a same plant, this kind of a multiple by three more-fold we can do, that much of a space are available into existing plant at Rajkot over here. Huron is basically our technology backbone. Huron, since the company is established since 1857 is located into a central Europe part place called as the Strasbourg, is in border of France and Germany and very near to the most world machine tool builder, as well as the most automobile and general engineering and the highest precision manufacturing area in a central part of Europe there. Because of that, we have a technology access. We learn a lot of things from that, to make the sophisticated 5-axis machine. And with that, our product baskets and everything on 5-axis machines and all are very large there. Mainly because of that, we are able to cater to many aerospace companies to be there basically. And because of the Huron, it's a very esteemed brand and that brand value adding as a more and more customers base are there to us for the worldwide.

We have in terms of a sales and distribution network; we have a close to 29 sales and service center across the India. We have a two distributor and dealers are there in India. And the rest of the areas are Jyothi directly is reaching to the customers there. We have a global customer base are there. We are in more than 60 countries. Until today the installation has crossed more than 130,000 plus machines, mainly in Europe and Asia. And even we have a good installation into China, Canada, USA, and Mexico.

In terms of our end user industry segments, I would like to highlight you something more like that, because the metal cutting is required to every segment of the part in manufacturing that. So, we are covering aerospace, dye & mold, automobile, electronics, railway, agriculture, infrastructure, oil & gas, healthcare, pumps & valves, power, bearing, and etc. like that. We have divided, let's say, total of our presence into entire value chain. We call it an entry-level product. There we have a complete product basket. Total we have a 200 plus product variants are there. We have a mid-range machine, and we have a high-level machine. We have divided these categories based on the value of the machine. Let's say up to 50 lakhs machines, we call it an entry-level product. In a mid-level machine, we call it up to 50 lakhs. And more than 50 lakhs to 2 crores is up to mid-range machines, and above 2 crores and all, it's called high-end machines like that. And Jyoti is in this entire product basket. In terms of our client in aerospace, we have HAL, the Tata Advanced Systems, Airbus, The Thai, the GE, the Avic, the Sikorsky, the Boeing, Safran, Rolls Royce, Bharat Forge and in terms of automobile, you have



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all the names we have. It is a Tata, Mahindra, BMW, Volvo, Mercedes, Audi, Volkswagen, Ashok Leyland, Fiat, and they are Tier-2, Tier-3, all the suppliers are there. In terms of the other clients, let's say ArcelorMittal, Azad, Harsha, Bosch, many we have more than 12,000 plus customer base are here.

Recently in the last quarter, we recognized by three different awards in terms of, one is iconic brand of India by our Times Group, ET Economic Times has given this award and another two was into a "Best Product" and the "Display Award" in two different exhibitions in our country.

The road ahead over here, see India is in terms of manufacturing, is growing on a great speed over here. And our assumptions are like that in the next 5 to 7 years in Indian manufacturing is going to grow. Today is around 14% to 15% and India is our total, our government and everybody is looking to more than 22%, in between 25%. And there the machine tools a total growth are anticipated more than 20% of CAGR in the next 5 to 7 years. India is consuming close to \$3 billion worth of CNC machine tools in India today. Out of that close to still 60% is to be imported and there going forward is our opportunities are there.

Let's say our vision and our mission is like that, propelling technology and prospering life. And with a strong management team, world-class infrastructure, wide product basket, strong R&D capabilities, large installation base, global footprint, and the legacy and technology from Huron, we are looking to be a very robust growth in coming days. And we are divided into this, let's say four different categories. Today, category number one, we call it as automobile and general engineering. Second is called as aerospace. These two areas, we are largely been established now. And the third area we are developing, in terms of our order book, it has been receiving significantly over here. In coming days, this is going to be third vertical, it's called as EMS. In a fourth vertical, it is going to be our future. And it is a nice area that all our R&D team is working. In the next two to three years, we will see the good revenues. It is in a semiconductor equipment to be there. So, these are our four, going forward four vertical for our business segment over here. Right now, our growth engine is we are looking to the aerospace, EMS, and now electric vehicles are there. And in future, we are looking to be the semiconductor industries to be here.

In terms of strategies for the next leap, what we are looking, number one is to be a people development, number two is to be a product development, three is a market expansion, and fourth is manufacturing capacity expansion over here. In a people development, the key, the biggest challenge what we are going to see it over here because the businesses, the way our order books are there and still the big pipelines are there, the key is that we need to ramp up in our execution capabilities and all the capabilities are directly related to the people. So, we are working towards to develop our own center of excellence. There we are able to develop this kind of people very quickly over here. So that's our one of the first strategy to be there.



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Product baskets is always the new product because every day the customers are coming with the new challenges and all. So, our R&D teams are making many a product on like that. And this year we have developed three more products. We call it as a GU5, it's called as a Tachyon 4FT and TS120. These are the three categories of the product. GU5 is basically aerospace machines. New Tachyon is basically the product for the EMS and healthcare industries. And PS200, this is the third product what we have developed for the automation. And for the more and more to a large production capabilities are there, it's a twin spindle machines are there basically.

Market expansion, we are looking to be entering. Now today we are very good in terms of our presence in India, in Europe. We are now looking to the US there. Very soon we will have some tech centers, and our sales offices are going to be within one year. This is our target to be there in a market expansion into the USA there. In other areas like Thailand, Vietnam, and Indonesia, there also we are working with some of our representatives over there, and we are looking to be a more business from that area also to be there.

In terms of a manufacturing capacity, it's going to be a big requirement that the way we have today's order book as well as we have a pipeline is available with us. And just now we have completed our bottleneck and all. So, our phase one, we have reached close to a 6,000 machine as per annum capacity. And this we are extending based on this our pipeline as well as our order books like that. Additional 10,000 machine capabilities we are doing over here. And on the same plant and on the same geography over here and that additional facilities, we are expecting to finish in this two financial year, this year and to next year.

Yes, that's it from my side. I think we will go forward on a question-and-answer session now from here.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ankur from HDFC Life Insurance. Please go ahead.

Ankur:

I had a couple of questions, one on the overall industry itself. While you said it's about a \$3 billion machine consumption, you said about 40% is domestic. Within this, obviously auto is a fairly large proportion and given the slowdown that is seen in the auto industry, how would you see growth rates overall or do you believe there are new segments like for us EMS of course is a fairly large and upcoming segment. So, if you could just help us, how do you see the overall industry maybe grow in the next 1-2-3 years? Within that, which segments are the largest growth drivers? And therefore, which ones help us in that case?

Parakramsinh Jadeja:

Thank you, Ankur. Basically, in terms of automobile industries, yes, is the biggest growth driver for any metal cutting industries and for us also. In our segment over here also, but right now in auto and auto area, there is a lot of transformations are happening there and people are moving from, let's say, the more and more on the EV side. And there are a lot of new



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components have been designed and developed over here. It's a completely new arena has been opened. More and more hybrid side people are moving there. And the more components are like that. So, they are require basically for our assumption like that, we are looking to be more consumption required in the next 3 to 5 years in auto area to be there. And based on this, all the government and all, people are looking to be more and more on export side. All the component manufacturing, this people are exporting more and more. And then right now in China Plus One, let's say many of companies are moving to buying the parts in auto and auto industries also to be here. So in terms of auto numbers is stagnant in terms of a conception. But in our inquiry level and our order book and our component manufacturers are still investing, and their confidence is so high. So, we are looking close to a good numbers are going to come and growth rate, we are looking to be a 20% to 25% on an auto and auto component machines also to be there in the next 3 to 5 years. Other segment, what is in India we are looking is to be a general engineering. So general engineering, because of these exports and all are increasing, and a lot of manufacturing other areas like that here. So there we are seeing a good numbers are coming there. Of course, the third area is electronic is completely a new area for all of us here, and that is to be our growth driver to be there. So, in terms of Jyoti, our strategies are like that. Where we are here, let's say we are looking to be a 15% to 20% in our auto and general engineering growth to be there. And the rest other growth we are anticipating to the two areas, one is aerospace and second is the EMS.

Ankur: I understand. And since you spoke about EMS, it seems we got a very large order in Q2, right? Almost, if I heard you right, about Rs. 500 odd crores order in Q2. If you could just talk about this order, is it the same customer, delivery timeline, what is the current order book, how much of sales this year, next year? Is there some more details, please?

Parakramsinh Jadeja: So basically, a similar customer base here. We have now many, I told you in the past also, now we have 3 to 4 projects are there and every project has given us this contribution. And even we are looking to be large number in terms of in an EMS, it still is to come and that is going to come on a next year still. This is just the beginning over there. And how much would be the current order book for this customer, sir? Is it possible to share? And what kind of sales are you doing?

Ankur: I have given the numbers over here. In terms of a, it's close to Rs. 700 crores now. And this will be over how much time? About two years, three years? How much would be the execution time?

Parakramsinh Jadeja: This we have to deliver in one year.

Ankur: And just one more thing sir, on our overall market share, just if you could help us, on the CNC machine side, both on turning and milling, where would be the market share overall?



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Parakramsinh Jadeja: So overall market side in terms of a, let's say there are two areas are like that. One is called as the number of machines and value wise there. So, we are close to in terms of a domestic player, if I look at that so market share is close to 10% to 12%. And in terms of the total, let's say import and everything together, let's say our percentage is only 4% in there.

Ankur: And also on competition, sir, if you could just generally talk, I mean, is that fairly stable? Are we seeing any new entrants here? Is it still that same consolidated shared where the top 5-6 players are controlling most of the industry. If you just talk about competition for the top 2-3 players?

Parakramsinh Jadeja: All are the same. All are the same people. All are the same manufacturers. Actually, in this industry, I'm the last one that's came over here to a new company kind of thing.

Ankur: The reason I ask is because when we last spoke, you spoke about this whole import substitution happening especially on the larger machine. So, anything there which you would want to highlight? I understand on the EMS side, of course, that substitution is something.

Parakramsinh Jadeja: Definitely. This EMS numbers and these aerospace numbers, what you are seeing, it's completely is an import substitute, auto and auto component, in an entry level product, the Indian machine tools market share is close to 80% to 90% and rest are importing. So, in Jyoti, whatever the growth we are seeing is basically is in, EMS also is completely imported areas to be there.

Moderator: Thank you. The next question is from the line of Harshit Patel from Equirus Securities Private Limited. Please go ahead.

Harshit Patel: Sir, my first question is on aerospace and defense, we have received orders to the tune of close to Rs. 380 crores in the first half of FY25. I remember you had guided for an order intake of close to Rs. 1000 crores to Rs. 1500 crores for the full FY25. So do you believe we are on track to receive that?

Parakramsinh Jadeja: Absolutely.

Harshit Patel: So, this Rs. 1000 crore orders, these are mainly Huron driven, mainly export driven or does this include the domestic orders also that you might get from especially from private players who are doing CAPEX in the both?

Parakramsinh Jadeja: Both are there. But 80% is going to be is from the Huron driven and mainly on exports there in Europe area. And rest are we are looking to be in Indian defense over here. And many customers in India have started procurement over here.



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- Harshit Patel:** Just a follow up to that. I believe we were doing some deep bottlenecking, some capacity expansion at the Huron level as well. So, are those activities over? And now we are fully geared up to deliver those machines?
- Parakramsinh Jadeja:** That is Huron, this new facility is going to be ready in the end of this year basically still. It still is going on there. By the end of the year, our Huron facility is fully going to be ready.
- Harshit Patel:** Then what kind of revenues at the peak fixed assets turn over that facility can do when we would have completed this expansion project over there? So, what are the peak revenues basically we can expect from Huron?
- Parakramsinh Jadeja:** After this expansion, in Huron we can see up to €80 million to be there.
- Harshit Patel:** Just my second question on the Rs. 400 crore CAPEX that you have announced, which you will do at Rajkot, close to 10,000 machines. So which industry these machines will be aimed at? What kind of realizations we can do? What would be our peak revenues that we can achieve from here? These capacities will also come with the inherent backward integration that we already have at Rajkot. So if you can give some more color on the capacity expansion, that will be helpful sir?
- Parakramsinh Jadeja:** Yes, so basically we are expanding this 10,000 facility on our entry level product over here. And let's say this EMS product is also is an entry level product. Of course, this is a fungible kind of a thing I can do a turning milling combination over there. But largely what we are seeing, and we have a pipeline over here in EMS and with our customers and with the guideline what we have it. So, we have dedicated of this almost 70% to 80% over this facility is for the, the range of the machine is close to 30 lakhs to 35 lakhs. And this is completely at base at Rajkot. So it's an expanding facility in terms of a foundry capacity, then machining and assembly and sub-assembly in our sheet metal facility to be there.
- Harshit Patel:** So. you will commission this gradually, I mean phase-wise, or this will entirely come in one shot, let's say 1.5 to 2 years down the line. How it will be?
- Parakramsinh Jadeja:** Basically, it will be ready in terms of a, let's say in a first phase, it will be finished with the first day will be finished and we can have a capacity to add in close to 5,000 and the next will be like that. So, within two years it will be finished completely on 10,000 machine. It is not going to be in half year like that, but utilization will start in between over there. The way we have order book and all, so we need to ramp up our execution on next year to be there.
- Moderator:** Thank you. The next question is from the line of Nidhi Shah from ICICI Securities Limited. Please go ahead.
- Nidhi Shah:** Hello sir, thank you for taking my questions. I have a couple of questions on the guidance that we have mentioned in the previous call. So firstly, on the orders inflow, we mentioned that we



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would be getting orders of around Rs. 2500 crores to Rs. 3000 crores. Now given both the quarters, we are already close to Rs. 1600 crores which is sort of higher than the upper side of the guidance. Would you like to revise that guidance for the order inflow for the year?

Parakramsinh Jadeja: No, I don't want to revise that I want to stay there what I anticipated, and we are going to be delivering that basically.

Nidhi Shah: So, would that indicate then that we would probably not be able to do more than about 12 to 14 more in order inflow, 1200 to 1400 more in the remaining year? Or is it that we are just being conservative about the order inflow?

Parakramsinh Jadeja: What guideline we have given we will maintain those things. We will be there.

Nidhi Shah: Alright and also on the revenues, the previous quarter you had mentioned that you would like to deliver similar level of growth. Now this quarter has seen a 45% increase in the topline but it is nowhere close to the 75% that we saw the previous quarter. So again, for the full year, what numbers are we projecting in terms of revenues and PAT?

Parakramsinh Jadeja: I cannot give you that, let's say today, the forecast number to you there, okay? But you can see that assumption like that, quarter-to-quarter, you have to look at that, Jyoti, to be quarter-to-quarter of the last year there, okay? And you will see the growth on every quarter to be there.

Nidhi Shah: So can we then, again, I know you mentioned that you cannot really say anything, but can we assume something like a Rs. 2,000 crore or Rs. 2,400 crore type of numbers for the full year?

Parakramsinh Jadeja: If I say yes, then you can say you're guided like that.

Nidhi Shah: Lastly, I just had questions on the EMS. So, these EMS machines, as you mentioned, they're on the smaller side. So, does that mean that these, what is the margin profile like for these machines? Obviously now the order book is increasing for this segment. How will we see the margins play out when these EMS orders are executed? Will the margins increase or decrease?

Parakramsinh Jadeja: We have a balance on that, on a product mix there. So, we have a counter to that, let's say, even in a past call, I have given you that. I have three categories of the product line. One is entry-level product, mid-range, and high machines. So, in an entry-level product, let's say the gross margin is coming to be close to 40% there, and mid is 45, large machines as close to 55% there. So with this mix, whatever the margin we are maintaining today, I think we will maintain the same profile on coming days over here.

Moderator: Thank you. The next question is from the line of Sanidhya from Unicorn Asset Management. Please go ahead.



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- Sanidhya:** Sir, first question would be on this capacity extension that we are doing. So, we are saying Rs. 400 crore capacity extension in two years and we are also saying that we are going to raise internally and externally.
- Parakramsinh Jadeja:** Yes.
- Sanidhya:** I think our cash flow would be sufficient enough to fund at least more than 50% of what we are planning and while two years, right? Not able to understand. Can you explain it more?
- Parakramsinh Jadeja:** The two years is like that. Let's say it's two financial year physically, okay? So, the one financial year is this and next financial year is coming. So, okay, based on that, this capacity will be ready there. And internal and external both are being given because almost we are going to do with our internal accruals only. If any timing mismatch are there and if we require something to borrow that. So, we have put up over there into that. But most of these things are going to be internal accruals only. It is sufficient internal accruals to match this overgrowth to be there.
- Sanidhya:** That would debt, right? No equity.
- Parakramsinh Jadeja:** Definitely. We'll have a short timeline we may use. Most probably it has not been required. But while we are planning, we should definitely tell the truth, so we have less internal or external, but it is not raising the capital to be there.
- Sanidhya:** It's only because my numbers are stating you will have sufficient headroom for that. And can we assume that FY26, the entire CAPEX should be completed before the year end?
- Parakramsinh Jadeja:** Absolutely.
- Sanidhya:** And sir, why is the delay in terms of the debottlenecking that we were doing? So if I see currently you are stating for 85% of capacity utilization for this quarter. And if I do the number, I am sure we didn't use the additional 1600 machine capacity that we are doing for the debottlenecking. So, what took us so long to do that?
- Parakramsinh Jadeja:** No, it's the time. I say it's the construction, the installation, the equipment and the way that new capacity we are doing is fully automation style like that. So, the installation capacity time is required, basically. The execution time is required. I'm ready to do it if anyone's able to establish my plan for 15 days, I will be most happy person to do it.
- Sanidhya:** So, should I assume that now that we are done at 85% utilization of 6,000 machines, can we do for the next two quarters?
- Parakramsinh Jadeja:** You can assume like that. That's why we are adding the facility also there now.



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- Sanidhya:** Definitely. And last time on the TV interviews said that we would be doing more than Rs. 2,000 crores of revenue. But looking at the current timeline, it looks quite difficult. Secondly, on what could be the maximum push that we can do on the average realization per machine?
- Parakramsinh Jadeja:** So today, average realization, what we see is 41 lakhs. And in terms of our order book today, it's close to 50 lakhs. So, in the next couple of quarters, you will see the rise in the average.
- Sanidhya:** And even after the EMS book, because you were stating that EMS would be 35,000.
- Parakramsinh Jadeja:** We have a combination of that. Execution is going to be there, large order books are there, and the machines are in **(Inaudible) 0:39:02**. So aerospace machines are going to be, it's a combination of a model mix there basically.
- Sanidhya:** And what kind of capacity utilization can we expect for next year since the capacity would start coming in? So not the entire would come of course, in the initial first half of FY26, say. So how much do you think would come in and what utilization do you think?
- Parakramsinh Jadeja:** So, it's basically when the facilities are being ready, based on that we have to let's calculate the numbers there next year.
- Sanidhya:** No, I don't want a number, sir, definitely. Just lastly, if I see the order book currently standard 42.
- Parakramsinh Jadeja:** Yes, you are right on a track, what you are asking there. Only thing is that, let's say, if my capacity, that's a 5,000 machine capacity ready by December or like that, based on that numbers I need to be calculated and given. But we are looking to be as fast as possible to capacity to be enhanced over here.
- Sanidhya:** Definitely, we will have more calls, and we can understand what's going on. Just lastly on the order book size, so 4200 is the current order book and we are expecting that to complete in like 12 to 18 months. So may I say that 4200 is what we can execute in next financial year completely and some additional as well?
- Parakramsinh Jadeja:** Based on the capacity, let's say, the ones that my capacity will be installed will go faster there.
- Sanidhya:** Because my numbers are saying that we can do if we get the additional capacity. So, what is your understanding on that?
- Parakramsinh Jadeja:** Let's say, if anything, I will give you the numbers. It will be going to be a forecasted numbers I'm going to tell you. You are on a chart, you are right on that, okay? Thank you.
- Moderator:** Thank you. The next question is from the line of Kamlesh Jain from Lotus Asset Managers. Please go ahead.



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Kamlesh Jain: Sir, one question on the part of cash flow, if I see you had a Rs. 90 odd crore negative on the other financial assets, which I believe is more of an unbilled revenue, because last year, it was like, say, March 2024, it was 180 and it has almost increased by 100-odd crores. So I believe it's more of an unbilled revenue, which we have for the EMS.

Parakramsinh Jadeja: Correct. Absolutely right.

Kamlesh Jain: When are we going to realize that I know that machines will be in the testing phase and all that? And you have took the pain over the last many years, and you have established that you have got a big supplier there, big buyer there. So how the thing would be there on that part?

Parakramsinh Jadeja: So basically, you will see these numbers are going to be decreasing in the next couple of quarter now. Because the way the large machine, you know that every machines are very big machines and all and number of machines are in a pipe there. So, once it's been dispatched, and we are looking to be large dispatches are in a quarter three and quarter four. So you end up the quarter four, you will see this number will reduce drastically to be there.

Kamlesh Jain: And secondly, on the part of your expansion, if I understand correctly, you will get this capacity done by December 2025. Is it correct, the entire 10,000 incremental capacity?

Parakramsinh Jadeja: Plans are like that.

Kamlesh Jain: And sir, like if I see your EBITDA per machine, like say it has come down to Rs. 10 lakh now for this quarter. So, going forward, what trajectory can we see on the EBITDA per machine? Because EBITDA margin won't give that particular picture because you are like say the share of the EMS and all those machines, mid-level, or that would continue to vary. But on an EBITDA per machine, so where do we see that settling in?

Parakramsinh Jadeja: So, I told you that if 25% is the average margin, and that we are maintaining, and we are going to maintain forward also. And the average is 40 lakh plus. So, you are right there. And we will maintain on that track.

Kamlesh Jain: So around like Rs. 10 lakhs which is a current run rate?

Parakramsinh Jadeja: Yes.

Moderator: Thank you. The next follow up question is from the line of Sanidhya from Unicorn Asset Management. Please go ahead.

Sanidhya: Thank you for the opportunity again. I have two questions, first on the Huron cycle, so you were saying that for last two quarters, you have been saying that the extended capacity will be completed in September. And now you're guiding for the year end. So, what kind of delays are we facing and anything specific that we are stating there?



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- Parakramsinh Jadeja:** In Europe?
- Sanidhya:** Yes, Huron.
- Parakramsinh Jadeja:** So basically, the capacity, the assemblies and everything is, we were initially looking to be December and still we are crossing our fingers but there is some delays are going on there. And in some installation of some equipment and everything is being delayed. But most probably this facility will be ready somewhere in end of December or middle of January to be there.
- Sanidhya:** Nothing worth highlighting like did we face any particular issue?
- Parakramsinh Jadeja:** Not anything, as in special kind of a thing.
- Sanidhya:** And I was looking at the annual report, so we had some unbilled revenues with the other person also talking. Just before me? So, you are saying that that would slowly try to come in the statement, right?
- Parakramsinh Jadeja:** Correct.
- Sanidhya:** And just above that, there is an interest in commission receivables from subsidiaries. And if I look at that number, so we have some investments in subsidiaries like Jyoti SAS, we have some Rs. 60 crores investments. Other than that, also we are having some investments in other subsidiaries. What kind of investments are these?
- Parakramsinh Jadeja:** So basically, this is what we are expanding this facility, so this assembly building is under construction there, what we are discussing and going to be finished in January to be there.
- Sanidhya:** I didn't understand what is then interest and commission received from these?
- Parakramsinh Jadeja:** You said investment there, correct?
- Sanidhya:** So, if, if I go on the page 149 - 148 on the annual report, there's a section for other financial assets.
- Parakramsinh Jadeja:** See, basically until today, Jyoti has fully supported from here in the last 15 years. And whatever our investment has been made over there, as per our Indian guideline, we need to charge the interest to be there. And whatever the non-fund limits and everything, we guarantee, so guarantee commission also to be taken from them basically. And Huron was not making the profit over there. So, they are not able to pay us in the past many years back. So that is accumulated incomes are lying there basically.
- Sanidhya:** Sir, what is Jyoti SAS, France if you can highlight?



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- Parakramsinh Jadeja:** So, Jyoti SAS is a 100% subsidiary of our SPV to acquire this Huron Graffenstaden there. So, Jyoti SAS is a 100% subsidiary Jyoti and he's holding the 100% Huron Graffenstaden to be there.
- Sanidhya:** So, the investment in the Jyoti SAS book would be the Huron investment?
- Parakramsinh Jadeja:** It's a Huron investment.
- Moderator:** Thank you. The next question is from the line of Swanand Samant from Klay Securities. Please go ahead.
- Swanand Samant:** So, sir, my question was on the competitive landscape, right? So, most of the competitors are on the unlisted. So, you have been pretty aggressive on capacity addition. So just want to get a sense on how the competition is also on the capacity addition part? And second on, we have been, again pretty good on the orders inflow side, right. So, has the competitive intensity increased in general with the CNC machine if the industry has been growing at 20% plus, right? So how has the competitive intensity in general has been increased in terms of order tenders or client addition, any sense on that will be helpful. Thanks.
- Parakramsinh Jadeja:** So basically, we are main 3-4 competitors are here. There is no competitor has been add-on there. And based on the India is increasing the capacity, let's say the India is consuming more and more machines. And there is a great opportunity still because once suddenly the spikes are coming, always imports are increasing there. So other than me also might be all other my manufacturers also, competitor also might be in a near term they will also invest and expand the capacity to be there because there is a great opportunity ahead to all of us over here.
- Swanand Samant:** And in terms of intensity, has it increased in terms of if they have added capacity? Do you find it difficult to get orders from your clients? How is the competitive intensity as per...?
- Parakramsinh Jadeja:** No, it's not that much has been increased there. Still, we have great rooms to compete to import machines there. So, there is a great opportunity to us to compete to let say the people are enjoying the business today we have to compete to them.
- Moderator:** Thank you. The next question is from the line of Jignesh Vayda from Jiva Capital Limited. Please go ahead.
- Jignesh Vayda:** I wanted to understand on the CNC front, since you mentioned you have 140 people in R&D division, so I presume the machine control unit world over is only used for two to three main companies like FANUC and all. So, sir, are we in the process of developing that machine control unit from our R&D division and how soon can we reach there?
- Parakramsinh Jadeja:** Thank you. What a nice question. That is the dream for us for the future. So already our teams are working, and we are expanding this team rapidly over here and we are expecting to



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develop something in the next 2-3 year pipeline over here. In the next future, we are going to be having a more investment plan is towards to the CNC controllers, drives and motors.

Jignesh Vayda: That would be, I think, really help in increasing our margins greatly.

Parakramsinh Jadeja: So basically, we are looking to be our core business today is a mechanical part today. And Jyoti's vision is to be there, our core should be mechatronics to be there. So mechanical and electronics combinations and many more opportunities are opening for us over here. So definitely, these parts are in our radar there and we are looking to be good investments on coming days to be there.

Jignesh Vayda: Right. On the semiconductor front, which is our future area, how Jyoti is pent up for to have this opportunity scale up going forward?

Parakramsinh Jadeja: So right now, we already started to our many products on our drawing board. And we are putting up a more R&D team on coming days over here. So that is going to be a great opportunity in coming days over here. So right now, 2 to 3 products we are designing. Once of prototypes and everything will be done, we are working with the very close to our 2-3 manufacturers come over here, we're directly in touch with them and we wanted them to move faster. But this is also a new business for us. So the design and developing time is longer time over here. So, we are anticipating the business we can able to see somewhere in 2026 over here.

Jignesh Vayda: So, some revenues will start flowing in.

Parakramsinh Jadeja: Yes. Large opportunities are opening up over here.

Jignesh Vayda: Sir, with AI coming up, and our machines integrating with the entire software like SAP with your clients, so kind of scheduling or the kind of parts production, is it already done or it is being scaled up?

Parakramsinh Jadeja: No. Right now, what I told you in my presentation, that our product code is a 7 Sense. So there, you can do your factory automation and completely you can tracking, monitoring and scheduling all the plants, like similarly to SAP there. Even in a quite better in terms of user friendliness and all, because it's completely on a soft flow requirement to schedule and planning. So that is an integrated part of our product to be there.

Jignesh Vayda: I think this 7 Sense kind of products would be more of used in the EMS industries?

Parakramsinh Jadeja: No. Every manufacturer there.

Moderator: Thank you. The next follow-up question is from the line of Sanidhya from Unicorn Asset Management. Please go ahead.



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- Sanidhya:** So, if we look in the Huron facility, so this quarter, is it safe to assume we did a revenue of 55 crores INR terms or if you can give Euro term that will be fine.
- Parakramsinh Jadeja:** Second quarter it is close to Rs. 70 crores.
- Sanidhya:** And what is the utilization this quarter for Huron?
- Parakramsinh Jadeja:** So, the Huron is today, let's say our plant capacity is close to €40-45 million. And this is almost more than 80% of that.
- Sanidhya:** And with additional capacity by yearend, we would like almost 1.5x the size there, right?
- Parakramsinh Jadeja:** Correct. Almost capacity is going to be a double, but we are expecting to be 1.5 in the next year.
- Sanidhya:** And secondly, on the EMS, so we receive 41% orders from the EMS this quarter. So, is it only from the one player or is it divided between two players? There I want you to answer without naming any clients, just from the diversification perspective.
- Parakramsinh Jadeja:** So, when you said basically 2-3 projects are there. And then all projects are at different point there.
- Sanidhya:** And on the side of, we are hearing that display manufacturing is also starting in India, one of the players starting that. So are we supplying to them as well, or display manufacturing we have mentioned?
- Parakramsinh Jadeja:** Yes.
- Sanidhya:** And for the IT hardware, that is laptops, notebooks, all that?
- Parakramsinh Jadeja:** So right now, let's say we can say that today is in the mobile and the watch and even some computers. These are our end users are making.
- Sanidhya:** So not into notebooks as of now. Any plans to go there?
- Parakramsinh Jadeja:** So already we are working with them and trials are going on. We are looking to be in future to be in notebook also to be there.
- Sanidhya:** Hopefully, by next year we shall get the approval check.
- Parakramsinh Jadeja:** I told you that EMS is going to be our target area, and we are working with many of them and one by one it will be covered.



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- Sanidhya:** And lastly on the US side so are we planning any big clients on that side because the world looks like moving maybe moving to manufacture in US. So, if that story is to develop, are we in the right place?
- Parakramsinh Jadeja:** Basically, because of Huron, now we have a capacity increasing in Huron, and we have now a capacity in more models that have been producing in here, in India. And we are very competitive here, let's say, on the scale. And US, in terms of aerospace, is the largest consumer. So increasing our market portfolio and reach out to more customer to be there basically.
- Sanidhya:** Any plans for any facility in US or warehouse or anything?
- Parakramsinh Jadeja:** Yes, so we are going to create our technical center and warehouse there.
- Sanidhya:** In the US?
- Parakramsinh Jadeja:** 0:57:57 ____.
- Sanidhya:** Any timeline?
- Parakramsinh Jadeja:** So, within one year there right now.
- Sanidhya:** And we are getting any inquiries for the same, therefore we are investing into that?
- Parakramsinh Jadeja:** We are working with many of our large customers to be there, our existing clients, and they are asking us to come over there, so we are looking to support them nearby there.
- Sanidhya:** Do we see any impact on inventory and anything at all if we venture into that, because maybe they want in-time execution, so we might need to be.....
- Parakramsinh Jadeja:** It's not like that, it's not like that, but while we are making the machines to be there on the tech centers, as in demo centers there. And entry level product, what we are making it over here, those kind of products only we need to be stocks to sell faster to be there. Because in the US, people are looking to be delivery very fast over there.
- Sanidhya:** Yes, exactly. That's my point because for any player that we ask, they are always stating that for US players, we need to be some inventory so that we can.....
- Parakramsinh Jadeja:** Absolutely.
- Moderator:** Thank you. The next follow-up question is from the line of Kamlesh Jain from Lotus Asset Managers. Please go ahead.



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- Kamlesh Jain:** Yes, so like I believe 10,000 capacity expansion is going to be there in a year's time. But over the next 3-5 years, so what particular capacity levels we are targeting. Like suppose this expansion, it would be 16,000. So, going forward, what is our end target? Like in next five years, what particular capacity levels we are going to target on or embark on?
- Parakramsinh Jadeja:** See, the capacity we are installing is basically to utilize as much as possible faster to be there. And the ones execution will be increased better and better, we would like to utilize more there. But in terms of, this is our phase two. In the next five years, this is not going to be sufficient to be there. So definitely we need to expand further to be here.
- Kamlesh Jain:** Because all the quarters you have highlighted that the way that China has gone in the value chain with regards to the EMS side. So similar levels like can we say that it can be 30,000 capacity by the like say by FY28-29. So just wanted to get a sense on that?
- Parakramsinh Jadeja:** Basically, you are right. We are looking for similar numbers to add on there on next **__1:00:48** to be there.
- Kamlesh Jain:** And lastly, sir, can you provide a breakup between entry level, mid-level for this particular quarter in terms of machine sold and average realization which you provide for every quarter?
- Parakramsinh Jadeja:** Let's say, in terms of an entry-level product, we have 934 machines and the average of 21 lakhs. The mid-level machine was close to 88 machines and the high-end machine was close to 19 machines. So total close to 141.
- Kamlesh Jain:** And Rs. 21 lakh was entry-level and mid-level?
- Parakramsinh Jadeja:** Mid-level, the average was 1.1 crores. And the high-level machine average is Rs. 5.8 crores.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Parakramsinh Jadeja:** Thank you very much to all of you. The way you put trust on us, we'll do our best over there. Thank you very much.
- Moderator:** Thank you. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.