



JYOTI CNC AUTOMATION LIMITED

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Dist.: Rajkot – 360 021. Gujarat India.

Date: May 30, 2025

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

SUB : Submission of Transcript of Earning Call.

Respected Sir/ Madam,

Pursuant to provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a transcript of an earning call held on Monday May 26, 2025 is enclosed herewith and the same is available on website of the company at <https://jyoti.co.in/investors/announcements/investor-presentation/>.

Kindly take the same on your records.

Thanking You,
For Jyoti CNC Automation Limited

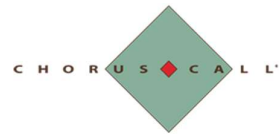
Maulik B. Gandhi
Company Secretary and Compliance Officer
Membership No.: A23849 / F8819

Encl.: Stated As Above.



**“Jyoti CNC Automation Limited
Q4 FY‘25 Earnings Conference Call”**

May 26, 2025



**MANAGEMENT: MR. PARAKRAMSINH JADEJA – CHAIRMAN AND
MANAGING DIRECTOR – JYOTI CNC AUTOMATION
LIMITED**

MODERATOR: MR. HARSHIT PATEL – EQUIRUS SECURITIES

Moderator:

Ladies and gentlemen, good day, and welcome to the Jyoti CNC Automation Limited Q4 FY '25 Earnings Conference Call hosted by Equirus Securities Private Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harshit Patel. Thank you, and over to you, sir.

Harshit Patel:

Hi. Good evening, everyone, and welcome to Jyoti CNC's Fourth Quarter FY '25 Earnings Conference Call. We have with us Mr. Parakramsinh Jadeja, Chairman and Managing Director of the company. Sir, if you can start by giving your overview on the fourth quarter performance as well as outlook for FY '26 and beyond, and then we will open up for Q&A. Over to you, Jadeja, sir.

Parakramsinh Jadeja:

Thank you, Harshit. Dear investors, good afternoon to all. This would be our second yearly results since the launch of our IPO. As I had expressed earlier also, we can fragment Jyoti's journey into 3 phases: Number one, establishment; second, sustain; and third is grow. Since the inception of the company way back in 1989, the initial phase was learning phase from where company has grown from a tiny start-up striving to find its pace in the machine tools industry, from that, a small foundation-driven company.

Jyoti has slowly emerged as established SME and gradually emerged as one of the leading machine tool builder of the nation. Slowly, it has become the professional-driven entity from the founder-driven management. Finally, we are carving the way ahead to make Jyoti a people-driven institute, which will run for generations to come on the strong fundamentals of our core values.

Friends, this would be my fifth investor call since launch of our IPO. At this juncture, you would have many questions with respect to financials and business of the company. Surely, I will be addressing the same in the next part of our call itself.

Since we have gathered in mass today, I would be glad to share the long-term strategic insight for the road ahead. Jyoti is on the way to build a strong foundation as a concerned business house that belongs to Indian manufacturing opportunity. Machine tool industry being the mother industry for the manufacturing, we are well prepared to contribute to the nation's initiatives of Make in India and subsequently would contribute to the GDP of the nation.

It is the fact that manufacturing in any nation can only grow where the machine tool industry is in the mature state. For example, countries like Japan and Germany have marked their dominance in manufacturing because they have a well-matured and advanced machine tool industry, driven by innovation and technology. It's now a time for India to mark this strong manufacturing footprint through innovation and technology-driven machine tools.

We had envisaged the strong industry pillars like aerospace and defense, automobile, general engineering and industrial automation would flourish in India and will enable us to become a manufacturing hub globally. Our aspiration to cater the aerospace and defense industry can only be fulfilled with the technology and innovation. This was the reason behind our acquisition of Huron in France, which gave us access to the most advanced 5 Axis Precision machining.

In the same way, we had anticipated way back in 2015 that India would become a next manufacturing destination after China for electronic manufacturing. And hence, relevant product developments were initiated by our R&D team, which has paid us through our breakthrough entry in emerging EMS ecosystem in India. Till today, the foundation of Jyoti was built on its strong mechanical expertise base. The company is producing the high precision mechanical components and machine for decades.

As our long-term business strategy, we would like to build our strong footage in mechatronics and not only in mechanical aspect of manufacturing. Now we are building our championship in electronics also. And hence, we have already initiated the manufacturing activities and design and development of servo motors, servo drives, various electronic sensors, PLCs, controllers, which will enable us to manufacture the industrial automation and robotics in coming days.

Subsequently, this developed expertise in electronics field would also help us to cater emerging semiconductor industry in India. Being a responsible corporate house, we are equally concerned about the sustainability. The company is determined to have a net zero carbon footprint within the next couple of years through various Go Green initiatives. As a part of diversification, Jyoti is also exploring opportunities in various solar energy-related manufacturing activities, which is currently being catered through imports from China.

We foresee a huge surge of demand from this industrial sector, which cannot be ignored by an engineering company like ours. Finally, in line with our Vision 2025, we are producing the highest quality, the lowest cost, easy-to-use product for our customer that integrates innovation and technology. The lower manufacturing cost is already reflected to higher margins in our March '25 results.

Now let me go through the financials of Q4 and FY 2025. First, let me take you through the financials of Q4. Revenue, we have clocked the consolidated revenue of INR576 crores in Q4 FY '25 as compared to the INR450 crores in Q4 FY '24, delivering the growth of 28%. At EBITDA level, we have clocked the consolidated EBITDA of INR178 crores in Q4 as compared to INR134 crores in Q4 FY '24, delivering growth of 33%.

The EBITDA margin has increased to 30.9% in Q4 FY '25 as compared to 29.7% in Q4 FY '24. At PAT level, we have clocked the consolidated PAT of INR109 crores in Q4 FY '25 as compared to the INR100 crores in Q4 FY '24, delivering a growth of 9%.

Our Q4 FY '25 consolidated revenue from operations of INR576 crores consists of 44% from the aerospace and defense, 23% from auto and auto components, 23% from general engineering, 4% from die and mold, and 6% rest others. Our Q4 FY '25 order intake comes to INR530 crores,

which consists of 29% from aerospace and defense, 33% from auto and auto components, 26% from general engineering, 5% from die and mold, and 7% others.

Our total consolidated order book as on 31st March 2025 stands at INR4,346 crores. The industry segment split for the same is 39% from aerospace and defense, 17% from auto and auto components, 19% from general engineering, 16% from EMS, 4% is from die and mold, and 5%, rest others.

Now let me take you through the consolidated FY '24-'25 performance of the company. In revenue, we have clocked the consolidated revenue of INR1,818 crores in FY '25 as compared to the INR1,330 crores in FY '24, delivering growth of 36%. At EBITDA level, we have clocked the consolidated EBITDA of INR491 crores in FY '25 as compared to the INR301 crores in FY '24, delivering a growth of 63%.

The EBITDA margin is 27% in FY '25 as compared to the 22.5% in FY '24. At PAT level, we have clocked the consolidated PAT of INR316 crores in FY '25 as compared to INR151 crores in FY '24, delivering growth of 109%. Our total consolidated revenue for FY '25 stands at INR1,818 crores. The industry segment split for the same is 45% from aerospace and defense, 23% from auto and auto components, 20% from general engineering, 5% from EMS, 2% from the die and mold, and 5% rest others.

Let me quickly brief you because many people may have joined, new people. So many times I made this presentation, but let me have some quick view on that. Incepted in 1989, Jyoti has grown multifold. Jyoti has its subsidiary offices in France, Germany, Canada and Turkey. We have 2 manufacturing plants at Rajkot admeasuring 253,000 square meter and one at Strasbourg, France, admeasuring 46,000 square meters.

In this journey, so far, we have designed and developed 200-plus product variants and have sold approximately 135,000-plus machines across the globe. Our order book today stands at INR4,346 crores, and we have installed capacity of 6,000 machines at Jyoti and 120 machines at Huron.

Let me go a little bit back, let's say, in 2007, Jyoti acquired a French machine tools company, Huron, which is catering precision CNC machines of aerospace and defense industry. In 2008, we established the R&D center called Leonardo Da Vinci Center at Rajkot. In 2016, Jyoti designed and developed the 5 Axis Multi-Tasking Machine in partnership with IIT Chennai under the Indian government's scheme from Department of Heavy Industries.

In 2017, we launched 7th SENSE as an Industry 4.0 tool and a platform as well as the KX300 machine for aerospace industry. In 2019, we launched an artificial intelligence AI system named PreciProtect for machine collision prevention deaths. It is real-time collision prevention. In 2022, we launched a VST 160 machine to cater to EV vehicles. In 2024, Jyoti got listed on NSE, BSE Exchange on January 16, 2024. In 2025, we have launched 7 new products in January 2025 in IMTEX exhibition there.

Jyoti has an experienced Board and highly skilled management team to drive the strategy of the company for the next leap of growth. We have a fully vertically integrated manufacturing facility

such as foundry, machine shop, sheet metal shop, paint shop, subassembly and assembly shop, which allows us to manufacture all the manufacturing component and subassembly -- critical components and subassembly at Jyoti, reducing dependency on external supply, particularly from the imports, and bringing operational efficiency over here.

At our R&D, we have designed and developed 200-plus product variants across 44 product verticals, which, with our continuous focus on R&D, we are able to provide a customized machine and technical solution to our customers. In terms of manufacturing capacity, we have 6,000 machines installed capacity at Jyoti and 121 machines at Huron, France. Total land of Jyoti is close to 237,000 square meters; and France, we have close to 46,000 square meters. And still more lands are available to further grow from here.

Our subsidiary, Huron, is a technology backbone for us. It is located in Central Europe, which is a hub of machine tool industry in the central part of Europe. We got access to simultaneously 5 Axis technology through Huron. We are able to cater to the European market through our subsidiary, Huron. We have marquee customers based in aerospace and defense industry through Huron products.

We have a strong sales and distribution network pan-India, having 29 sales and service offices across 12 states. Since inception, Jyoti Huron has installed 135,000-plus CNC machines in more than 60 countries across the globe. We cater CNC machines to 12 industry segments, which includes aerospace and defense, automobile, electronic manufacturing, railways, die and mold, infrastructure, oil and gas, health care, valves and pumps, power, and agriculture sector.

We classify our product range in 3 categories: entry-level, mid-range, and high-end machines. Our entry-level machine range, we consider from 0 to INR50 lakhs, our mid-range machines from INR50 lakhs to INR2 crores, and our high-end machine range from INR2 crores to INR20 crores.

Some of our key clients in aerospace industries are Airbus and their ecosystems, Turkish Aerospace, HAL, GE; in China, all AVIC group of Industries; in India, TASL, Bharat Forge, et cetera. Our clients in automobile are Tata, Mahindra, BMW, Mercedes, Audi, Volvo, Volkswagen, et cetera. There are many such marquee clients in general engineering and other segments.

We have received, for the seventh consecutive year, the award for Best Brand in the Metal Cutting Industry by Economic Times; received an award from IMTMA in 2024 for the exports performance. So these are our recognitions in India over here.

Let me explain you about the global machine tool industry. The global machine tool consumption of the machine tools is close to \$80 billion. Currently, India as a consumer ranks sixth with \$3.9 billion in consumption. By 2030, India is expected to enter in the list of 3 global consumers of machine tools. Going ahead, we continue to stay focused and grow our revenues from aerospace and defense, EMS, automobile and general engineering. And in future, we are looking towards to entering into a semiconductor sector there.

Going forward, our strategy enablers will be people development, product development, market expansion, manufacturing capacity expansion. In people development, leadership development being our prime focus, our center of excellence is fully operational now. Many of the calls, I have given this input that the biggest challenge we are going to see on our growth path is skilled manpower. And for that, we have made this our center of excellence. In the last quarter, close to 325 people have been trained on our center of excellence over here.

In product development, in 2025, we have designed and developed and launched following new product variants. We call it as GU 8, it is a 5 Axis gantry-type machining center; AWT 22 is alloy wheel turning machines; BTM 100 is twin spindle gantry automation; ATM 200, inverted turning center with automations; HP 4000 and HP 6000 high-performance series of a horizontal machining center; Tachyon Beta is a 5 Axis high dynamic machining center; and HUMA is a future of human machine interface. Recently, we have registered the patent for a HUMA and we got the patent rights over there. HUMA is our operating panel for our machines there.

In terms of manufacturing capacity expansion, we have just completed -- let's say, in the last quarter, 6,000 machines per annum have already completed. And in this quarter, we have close to 90% of this facility been clocked in terms of utilization level there. Further enhancement of additional 10,000 machines per annum will be completed in the next 2 years.

Thank you very much. And now we move forward to our next question-and-answer session.

Moderator:

Thank you very much. The first question is from the line of Manish Ostwal from Nirmal Bang Securities Private Limited. Please proceed.

Manish Ostwal:

My question on our capex program of 10,000 machines. So first of all, how much amount we need to incur for this expansion? That's the question number one. And the subset of this question is, sir, we have a current order book of INR4,300 crores, and you outlined almost 12 industries where we are catering. So based on the end user demand outlook, how do you see the execution of this order book and the overall revenue growth for the company in '26, '27, that will be quite helpful.

Parakramsinh Jadeja:

Okay. So let's say about first your questions on the capex. Actually, on my last call, I have given the numbers. It's close to INR400 crores to INR450 crores capex are going to be on this additional 10,000 machines of capacity to be built over here.

And your second question about the order book. Let's say, today, what you said is INR4,300 crores. And today, our, let's say, the capacity is close to now 6,000 machines. It's going to be a bottleneck for us until this new capacity will come to utilize over there. So we will try our best in execution over here to utilize this year to be maximum capacity and executions over there. So we will overcome this all our order book and try to do our best over there.

Manish Ostwal:

Okay. The second question on the cash flow side, sir. The operating cash flow is negative. And if I look at our balance sheet, there is a sharp increase in the trade receivables as well as the other financial assets. So when you see, our growth is translating into cash flow generation also. So can you comment on that why it is not reflecting in financials so far, and how...

- Parakramsinh Jadeja:** Yes. So basically, let's say, we are growing on a very long-term manufacturing cycle on large machines on aerospace and defense. And in the last quarter, subsequently, it has been improved and destocking has been happened and all in the last moment. So you are able to see the debt levels and all, it has sharply been increased, because it happened in the last quarter and last month. So you will see this as being cooled down in coming days. And we have targeted positive cash flow in the end of this financial year of '26.
- Moderator:** The next question is from the line of Akshay from AK Investments.
- Akshay Kaila:** Congratulations sir for the great set of quarter 4 numbers. I have 2 questions. So first question is how much machines did we sell in quarter 4 of FY '26 and full year of '26 -- sorry, FY '25?
- Parakramsinh Jadeja:** 1,349 machines we have sold in quarter 4, and full year is 4,072.
- Akshay Kaila:** Okay, sir. Okay. Fair enough. And sir, what is our revenue and EBITDA margin guidance for FY '26? Can we sustain the same growth momentum in FY '26 for the EBITDA margins that we have shown in last quarter, this quarter, 31%?
- Parakramsinh Jadeja:** So basically, if you look at that, Jyoti is not in a quarter-to-quarter look at the area. But let's say, in an entire year, we are able to maintain the momentum and we are able to maintain the margin. Always, I have told in my past call also, we will maintain the margin around 25%, and that will be sustainable over there.
- Akshay Kaila:** Sure, sir. And sir, my last question is how much order flow are we expecting in FY '26 across all our categories?
- Parakramsinh Jadeja:** So basically, we are anticipating over here the similar momentum. And right now, a lot of opportunities are opening up into aerospace and defense in this geopolitical situation. But today, in terms of today's run rate, we have close to more than 2 years order book is there. And no customers are accepting to a delivery period more than 2 years. So as and when delivery and execution will improve, order book flow also will increase accordingly like this.
- Akshay Kaila:** Okay, sir. Fair enough. And sir, last, one more question, if I can ask. There is one patent we have registered for HUMA. So can you...
- Parakramsinh Jadeja:** It is HUMA, Human Machine Interface. Yes.
- Akshay Kaila:** Yes, right, HUMA. So kindly let us know what improvement will be in our machines and revenues by using this product?
- Parakramsinh Jadeja:** Let me tell you, it's a very interesting question. See basically today, the entire world in the CNC machine tool manufacturers are being constrained to use only with 2 or 3 CNC controller manufacturers, one from Germany and one from Japan. And every manufacturers are using like that, okay?
- And we, going forward, are going to manufacture a base in our Make in India and our own controller there. So today, this is our first step towards that. And the HMI, the front end of the

machine, that we have designed at Jyoti's screen basically, and it is so user-friendly -- basically, our reason was there to be made user-friendly machine to be there.

So all our operators and the operators of the machines can be run very smoothly and very nicely. That's why we have designed and developed very unique HMI. There, I'm able to back-to-back use any kind of a controller, but front end is so nicely that operator easiness to be there basically. And that is the first step to enter into complete our CNC manufacturing cycles to be there.

Moderator: The next question is from the line of Kamlesh Bagmar from Lotus Asset Management.

Kamlesh Bagmar: Sir, my one question was on like a follow-up on HUMA. So say, if we compare it with like say ABB or FANUC industrial-grade monitors, so how much cost efficient it would be, say, as compared to these 2 giants?

Parakramsinh Jadeja: So basically, Kamlesh bhai, see, basically, ABB is not a CNC controller manufacturer. It's basically Siemens, okay? Let me correct, first, you there. Siemens and FANUC is the main controller manufacturer today. And the entire machine tool industry of the world are using, there are the 2, 3 companies over there. And in the entire, our, this machine, let's say, in our entry-level product, this controller cost is contributing close to 20% to 25%.

In a middle-level machine, it's close to 15%, and high-end, it's close to 10% or less than 10%, like that. It's a huge big cost, okay? And there is a great opportunity to value addition over here. So we are looking in future to be backward integrated. And based on that, we are looking to be a good value addition, so that we can enhance our margin further more from here basically.

Kamlesh Bagmar: And sir, secondly, like, say, in this year, we had say, realization per machine of INR4,463,000 kind of margin. EBITDA per machine of around INR1,205,000. So like say, the current order book which we have, so would we be able to maintain those margins going forward? And do we expect further add up because of this HUMA coming over?

Parakramsinh Jadeja: No, HUMA is just a first step basically, okay? It's just the beginning of -- we need to develop the controllers and all. It will take another 2 to 3 years' time, okay? It's fully integrated into manufacturing cycles and all, it's going to be another 2 years. It's just the beginning. HUMA is the first step basically. All our customers, will feel it is user-friendly slowly and steadily, they should accept, adapt and like that, okay?

This is the front end of the machine basically. It's operating system. What you say in a computer is an operating system, this is an operating system basically, okay? So that we will see into coming years like that. In terms of your first question, regarding the average realization. So based on the order book, we are in line with that to maintain the similar average realization in FY '26 over there.

Moderator: It seems like the participant's line has got disconnected. Can I proceed with the next?

Parakramsinh Jadeja: Yes.

Moderator: Our next question is from the line of Saloni Jain from Nirmal Bang PMS.

- Saloni Jain:** Firstly, congratulations on a great set of numbers for Q4. Sir, so my first question is, we talked about growth catalyst coming in form of EMS and semiconductor for us, right? So could you please address the question of TAM here for both EMS and semiconductor? And what kind of a right to win can we see here going forward?
- Parakramsinh Jadeja:** So basically, let's say, whatever the order book we have built on electronics manufacturing, that we are able to execute nicely on a second half of this year. And on a similar time, we are working with many projects. Many qualifications are going on, and we are expecting to be a robust order intake in this year on a similar sector over there.
- Saloni Jain:** Okay. So in terms of import substitution, what is the kind of opportunity that we are looking at?
- Parakramsinh Jadeja:** So basically, let's say, in India, still today, close to 60% of India's consumption is imports there.
- Saloni Jain:** That is for EMS and semiconductor, both?
- Parakramsinh Jadeja:** Total. This is the total machine tool consumption today. And right now, the electronics and the semiconductor equipments are 100% being imports. There are no manufacturing in India there.
- Saloni Jain:** Okay. So we are the only manufacturers there?
- Parakramsinh Jadeja:** Right now, many people are entering over here. We are the first entering over there, basically.
- Saloni Jain:** Okay. And sir, my second question is, you talked about the capacity that we have right now, 6,000 machines, and we are currently running at 90% utilization, while the additional capacity of 10,000 machines is supposed to come in 2 years, right? So given this capacity constraint that we have, how would you like to guide for the growth going forward? Is it the correct understanding that we might see a lower growth for the next 2 years before the new capacity comes in?
- Parakramsinh Jadeja:** So let's say, this capacity comes in a picture only on the last quarter. So last quarter of FY '25. And this quarter only we are able to clock this as 90%. So overall capacity being utilized is 65%. Still, I have a room to grow up to 35% over here in this year.
- Moderator:** The next question is from the line of Mayank Chaturvedi from HSBC Mutual Fund.
- Mayank Chaturvedi:** So first on the EMS revenues. This quarter, again, there has been 0 revenue booking. For the last 2 quarters also, subdued revenue execution has come in. So could you just throw some light on the slow execution on this order book, please?
- Parakramsinh Jadeja:** See, basically, our delivery been asked of this order book is starting from this financial year on second half over here there. So it has not been asked because all the plant is under construction at customer site there, okay? Once the plants have been ready, then we are coming to picture and we need to supply from our side there.
- Mayank Chaturvedi:** Okay. Is the customer still facing those machine issues from China? Or are things easing there?

- Parakramsinh Jadeja:** See, basically, in this area, we are also just entering. Until today, all the machines has come from Japan.
- Mayank Chaturvedi:** And sir, on the capex side of this new 10,000 machines, it was earlier understood that it would come in by the end of FY '26. But now it seems like it's being shifted to FY '27. Is it because of a delay in...
- Parakramsinh Jadeja:** No, I'm not shifting. This is basically, I said, 2 fiscal years, okay, 2 financial years. So this will be coming on FY '27 in the beginning. Maybe in June, we'll be ready in '26 there, okay? We are not going further there. So this is just -- I said 2 years because in my presentation it was written 2 fiscal years in the past also, so I continued spelling out like this, okay?
- Mayank Chaturvedi:** All right. All right. Got it. Sir, just 2 bookkeeping questions. Can you just give us a breakup of this 1,349 machine sales that you've done in entry level, mid-level, and high-end machines, please?
- Parakramsinh Jadeja:** Yes. So in entry-level machines, we have done, in terms of value, it's INR218 crores 1,107 machines. On a mid-level, we have done INR74 crores at 165 machines. And high level is INR252 crores and 77 machines. This is a combination of 1,349 in Q4, what you asked.
- Mayank Chaturvedi:** Got it. Okay. Sir, it looks like the high-end machines realization has really fallen. Any comments on that? 32 million high-end level machines, 77 machines have been delivered for INR252 crores, and...
- Parakramsinh Jadeja:** So basically, when we say that, it's high end means 2 crores and above and different model and mix-up basically, yes, okay?
- Mayank Chaturvedi:** Because your aerospace and defense revenue has grown quarter-on-quarter. So I was of the opinion that maybe...
- Parakramsinh Jadeja:** Per machine value is INR3.27 crores.
- Mayank Chaturvedi:** Right, right. All right. Okay. Got it. Last question of mine, we've seen that the financial assets have grown significantly, other financial assets. Can you tell us why, what's the component that's driving this increase?
- Parakramsinh Jadeja:** So basically, there is a percentage of completion. See, these are the long -- you know that all this aerospace and this large machines, the contractors, the machine value is more than INR20 crores and a very long manufacturing cycle, okay? So those are the machines are being built up. Let's say, we are starting the percentage completion methods, and that's why it's become -- it's going into financial assets to be there. So let's say, we started 18 months back, so now it's completely pipe has been full. So regularly, this kind of dispatch has happened there, okay?
- Moderator:** The next question is from the line of Aniket Jain from Yes Securities.
- Aniket Jain:** I wanted to check that there's a lot of traction going on in the defense industry. So are you seeing any increased inquiries for the...

- Moderator:** Sorry to interrupt, Mr. Aniket. Could you please come closer to the device while asking a question?
- Aniket Jain:** So I wanted to check that there's a lot of increased traction in the defense industry currently. So are you seeing any increase in inquiries or any pipeline that you're expecting for the next year or a couple of years?
- Parakramsinh Jadeja:** Huge pressures are there. All our existing customers are pushing us like anything today. It already started in Europe largely, in India, even now China. So every area now, everybody is expanding their budget. And there are a lot of pressures on us to expand our capacity to deliver faster there basically. We are working on that.
- Aniket Jain:** So would it be fine to assume that a lot of capacity utilization will happen in probably defense and followed by EMS once the EMS portfolio picks up?
- Parakramsinh Jadeja:** Correct.
- Aniket Jain:** Okay. And sir, second one would be regarding the U.S. expansion plan. I remember that you mentioned opening a sales office there. So I wanted to check whether there's any impact of tariffs that might happen to your portfolio there?
- Parakramsinh Jadeja:** No. Basically, the tariff still is an open area. And now we are going forward. We were just, let's say, in the last couple of months, we were waiting to clarity on that to go to U.S. to open our sales and network there. And if anything is, let's say, adverse, then we will go and start to have some manufacturing there also. But now I think the things will be very soon be clear. There is no tariff effect much on our product over there, basically.
- Aniket Jain:** Okay. Okay. So your U.S. expansion plans would...
- Parakramsinh Jadeja:** We are basically on a gain side. We are going to have a better -- right now, U.S. is importing from some other countries like Japan, Germany, Europe and China and all. Those are the main suppliers. Against them, India is in a good position. Though there is not any adverse situation, we'll be on a better advantage situation to be there.
- Moderator:** The next question is from the line of Manish Ostwal from Nirmal Bang Securities Private Limited.
- Manish Ostwal:** My question on these new product launches in FY '25 where we launched almost 8 products. So can you talk about the potential market opportunity? And secondly, whether these products seem to be margin accretive in nature, because these are value-added products from the current portfolio. So can you talk about the profitability as well as the market size opportunity in the FY '26-'27?
- Parakramsinh Jadeja:** Yes. So basically, if you look at that, we have 2 products that we have developed on a 5 Axis Precision Machining area, particularly a product called as GU 8. The GU 8 and then another product called as a Tachyon Beta, okay? On a similar product, the market size in worldwide in

EMS, aerospace and particularly on health care industries, it's a very large opportunities are there.

And India is also coming up more and more health care component manufacturing, all implants and everything. And worldwide, this product market size, okay, on a similar area and all, worldwide, it's close to \$3.7 billion market size are there. So we are expecting a participation to get the orders from there. And yes, this is -- our coming machine is to be on a mid- to high-end market. So we'll have a better margin over here basically.

Apart from there, there is one more product we have built. It's called as Alloy Wheel Turning Machine. It's basically in automobile industries. And mainly the EV sectors are coming and the EV cars and everybody are more and more and all the cars are moving towards to alloy wheel. Until today, in India, all alloy wheels, people are importing, and now started manufacturing over here. So this is a product to our entry-level product basket.

And there, our margins are, mid-range margins are there. Then other product what we have built is called as a BTM and ATM and HMCs. This also is an automation product, because today, more and more people are looking to be in automation in India. So this is also on a middle range product, and we are expecting margin to be improved over here and there.

Manish Ostwal:

Okay. And the second question on the semiconductor foray. So what will be the capital allocation from Jyoti's balance sheet for this venture, initial capital commitment for this venture?

Parakramsinh Jadeja:

So right now, we've not reached to an infrastructure level. Today, we are designing the product. We are working with 2 or 3 manufacturers right now. Those are our potential clients, and we are developing equipment for them. And very high precision manufacturing components and assemblies are there. We will quantify this in the next couple of quarters.

Let's say, we are expecting, in the third quarter, we are able to see the complete road map ahead on a semiconductor, how much the plant needs to be expanded and how much revenue can be generated. And clear-cut visibilities will come end of this financial year to us.

Moderator:

The next question is from the line of Harshil Sheth, an individual investor.

Harshil Sheth:

So firstly, congratulations on a great set of numbers. So just wanted to understand that the company is closely making somewhere around INR16 crores of revenue, but it's still sitting on INR800 crores worth of inventory. So like could you just justify this, because I guess there are too many different model sizes and variations in your product categories, but still the inventory level is pretty high. So just to understand like...

Parakramsinh Jadeja:

So basically, I'll tell you one thing. So it's a very good question, Harshil. Basically, in the early days, let's say, we have improved a lot on inventory days. Earlier on, let's say, in FY '24, our inventory days was close to 236 days was there. And that has come down to be 180 days. With this volume increase and model mix improvements and all has happened.

And that's how we are able to sustainably improve from last year to this year. And in terms of the nature of that, we are fully vertically integrated manufacturing company, from castings to

machining to assembly, subassembly and for entire this value chain we are doing. And we have 200-plus product variants. So that's how these are the inventory you feel it is higher, but we are on a very good improvement stage from 234 days to come down to 181 days today.

- Harshil Sheth:** So going forward, do you see any improvement on the inventory days, and that effect...
- Parakramsinh Jadeja:** Yes, we are working on to that. And we are anticipating to touch -- this is going to be around 150 to 160 days in the next coming year there. And that should be now the finest bottom level situation there.
- Moderator:** The next question is from the line of Mayank Chaturvedi from HSBC Mutual Fund.
- Mayank Chaturvedi:** On the EMS space, again, some of our competitors are talking about introducing machines that are capable for customers in the space. Are you seeing any increased competitive intensity there or any serious competition emerging in that space?
- Parakramsinh Jadeja:** See, Mayank, I myself am entering on to that and competing to a Japanese there. So it is so large business if any competitors comes today also, I will not be worried about it. I have to make worry to other participants.
- Mayank Chaturvedi:** All right. All right, sir. And sir, recently, there was a press release by one of our customers' parents in Taiwan that one display module facility will be set up in the southern part of India. Any discussions going on there? Or is our product, Tachyon, can that be custom made to cater to this plant that has been announced recently?
- Parakramsinh Jadeja:** I'll tell you, I have -- Mayank, I'm not able to tell you the detail more, because it's a very confidential agreement I have there. But the many projects on Tachyon, I'm working with many different applications on a similar product line there. And even for the modified machines, the different hybrid structure like 3D printing and machines together and all kind of combinations are going on. I'm not able to tell you much more about that because it's a very confidential parameter for me.
- Moderator:** The next question is from the line of Vaibhav Shah from Equirus Securities Private Limited.
- Vaibhav Shah:** Sir, my first question is related to Huron. So during the last call, you have highlighted that there is new building construction or the debottlenecking activities is going on. And all the approvals were expected during May '25. So are we on track here? Or is it fully operationalized now? And if yes, so what would be the total revenue potential here?
- Parakramsinh Jadeja:** Yes. So basically, in Huron, the building construction is over. The final installation is going on, the train mounting and electrifications and everything is getting over in the next couple of days. And I told you in the last call that we will get everything into May and June. And almost we are on track on to that until today. And with this, our capacity will increase up to \$80 million worth of production manufacturing there.
- Vaibhav Shah:** Okay. And sir, just one question on Huron. So what was the full year revenue and EBITDA for Huron? And what is the outstanding OB for Huron at FY '25 end?

- Parakramsinh Jadeja:** So basically, at Huron, we have close to INR253 crores of revenue and close to EUR 865,000, which means close to INR8 crores as a PAT level there.
- Moderator:** The next question is from the line of Depesh from Invesco.
- Depesh:** Sir, I just wanted to check like last year, we spent around INR310 crores and increased the capacity from 4,400 to 6,000 machines, right? So I just wanted to check, will INR400 crores, INR450 crores that you have guided will be enough for 10,000 machines?
- Parakramsinh Jadeja:** Yes. Because there many things are being mixed, let's say, while I'm making the expansion. So let's say, in one building, there is a space like that on the last capex also there. So there are synergies to be there, and it might be like this. It's not an absolute number there, okay? You understand what I am trying to say? Let's say, we built up an assembly area, but I cannot build assembly area for just 100 or 200 machine. There will be large area. So that is available there basically.
- Depesh:** Okay. Okay. And you said...
- Parakramsinh Jadeja:** Let's say, you can see that from 6,000 to 16,000. So consolidated, we need INR450 crores like that.
- Depesh:** Okay. And you said that this capacity will come by June of next year, right? That is how to look at it?
- Parakramsinh Jadeja:** Correct. Correct.
- Depesh:** Okay. And will the entire capacity come in one go or we'll see 5,000 plus 5,000, something like that?
- Parakramsinh Jadeja:** No, it's in one go.
- Depesh:** It's in one go only?
- Parakramsinh Jadeja:** Yes, because there are very integrated -- the assembly and manufacturing line we are putting up there, particularly in machining and all there, we are doing a lot of automations over there. So once it will be started, it will be started fully there basically.
- Depesh:** Okay. And sir, lastly, I think our order book has been very consistent for the last 3 quarters. And EMS order, I think, came in Q2, and we have not executed any of the orders in like Q3 and Q4. And I think our capacity got increased in third quarter only, right, towards the end. So why we are not executing that order and why not...
- Parakramsinh Jadeja:** Basically, we are not -- this execution has not been constrained about our capacity over here, okay? So my receiving end of the customer, a lot of infrastructure development is going on there. Once they will be getting ready, they will allow us to -- let's say, they will ask to deliver to them then after.
- Depesh:** And when do you think that they will be ready, sir?

Parakramsinh Jadeja: I think this year, we are looking to be near to be in September -- August, September.

Moderator: Ladies and gentlemen, we take that as the last question. I would now like to hand the conference over to the management for closing comments.

Parakramsinh Jadeja: Thank you very much to all of you. Thank you.

Moderator: On behalf of Equirus Securities Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.