Press Release

Jyoti CNC Automation Limited
July 09, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term/ Short Term Bank Facilities	285.00	IVR A+/Stable; IVR A1 (IVR Single A plus with stable outlook; IVR A one)	IVR A-/Stable; IVR A1 (IVR Single A minus with stable outlook; IVR A one)	**Long term rating Upgraded**	Simple
Long Term Bank Facilities	250.00	IVR A+/Stable (IVR Single A plus with stable outlook)	-	**Assigned**	Simple
Proposed long term/Short term Bank Facilities	315.00	IVR A+/Stable; IVR A1 (IVR Single A plus with stable outlook; IVR A one)	**-**	**Assigned**	Simple
Total	**850.00 (Rupees Eight Hundred and Fifty Crores only)**				

Details of Facilities/ Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has upgraded its long-term rating to the Bank facilities of Jyoti CNC Automation Limited (JCAL) based on overall improvement in its operational and financial performance in the FY25 (refers to a period from 01.04.2024 to 31.03.2025). The rating continues to derive strength from improvement in operational and financial performance, healthy debt protection metrics and coverage indicators, extensive experience of promoters and management team and established relationships with renowned customers backed by strong order book position. However, the rating is constrained on account of working capital-intensive nature of operations and exposure to foreign currency exchange rate fluctuation risk.

The stable outlook reflects that the company will continue to benefit from the extensive experience of its promoters and stable performance backed by robust order book

Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of operation while sustaining profitability
- Effective working capital management with improvement in operating cycle.

Downward Factors

- Significant decline in operating income and/or profitability impacting the debt coverage indicators.
- Substantial debt funded capex impacting the debt protection metrics.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Improvement in operational and financial performance

The company's Total operating income has registered a consistent increase at a CAGR of ~34% for the past three fiscal years. The company's total operating income saw a robust growth of approximately ~35% in FY25, reaching Rs. 1615.03 crore as against Rs. 1189.72 crore in FY24. This growth was driven by strong order execution, rising demand and manufacturing of high end CNC machines. While sales volume slightly moderated from 3600 units in FY24 to 3517 units in FY25, the average realization per machine increased from Rs. 0.33 crore to Rs. 0.46 crore. This improvement is attributed to the company's focus on manufacturing a larger share of high-end CNC machines. The production of these premium machines has enhanced cost efficiency and also yielded better profit margins.

As a result, the company's EBITDA rose from Rs. 272.06 crore in FY24 to Rs. 458.28 crore in FY25, supported by higher revenue and improved per-unit realizations. Further finance costs has significantly reduced from Rs 56.88 crore for FY24 to Rs 12.18 crore during FY25 on account of repayment of debt amounting to Rs 475.00 crore in FY 2024 out of the proceeds of IPO (in line with the object of issue), thereby improving the PAT from Rs.139.99 crore in FY24 to Rs. 310.06 Cr. in FY25. With improved scale of operations and profitability, the

EBITDA and PAT margins have improved to 28.38% and 19% respectively in FY25 from that of 22.87% and 11.69% respectively in FY24.

Healthy debt protection metrics and coverage indicators

With y-o-y accretion of profits, the company has a healthy net worth base. The adjusted TNW has improved from Rs 1500.00 crore to Rs 1727.95 crore as on March 31,2025. As on March 31,2025, the capital structure of the company remained comfortable with Debt: ATNW, TOL/ATNW standing at 0.44x, overall gearing ratio at 0.11x. Debt coverage ratio of the company stood healthy, with Interest coverage ratio improving significantly from 4.14x in FY24 to 26.40x in FY25 and DSCR improving from 2.05x in FY24 to 15.30x in FY25 in view of prepaying the TL amounting to Rs 475 .00 crores in FY 2025.

Extensive experience of promoters and management team

JCAL was promoted in 1991 by Mr. Parakramsinh G Jadeja. He is a first-generation entrepreneur. He has experience of two decades at grass root engineering level and is responsible for development of new products. He was instrumental in introduction of trouble-free gearboxes for small types of lathes in 1989. Further, he was instrumental in designing several Special Purpose Machines that helped the entire industry to bring the substantial price reduction in the components manufactured on such special purpose machines. He designed and manufactured the first CNC Turning Centre in Gujarat in 1997 and introduced for the first time in India some of the CNC Vertical Machining Center (Power VMC-40 linear) and SECT (Eccentric Turning Machine). The company is managed by board of directors who are in turn supported by team of professionals.

Established relationships and strong order book position with renowned customers expected to drive revenue growth

The company has a robust order book of Rs. 4346.00 crore (out of which orders amounting to Rs 2611.60 crore was secured in FY25), majorly catering to Aerospace/Defence, Auto and Auto components, General engineering, which accounts to ~75% of the total orderbook. Majority of the revenue for FY25 was derived from sale of CNC machines to various sectors including aerospace and defence(45%), auto & auto components(23%) and general engineering(20%). The company has long standing established relationships with renowned customers in the defence and aerospace division and has strong order book position coupled with long term supply agreements. The company receives continuous repeat orders from marquee and globally reputed players. The diversity in the revenues from different SBUs and clientele coupled with strong order book position is expected to fuel the revenue growth in the projected years.

Key Rating Weaknesses

Working capital intensive nature of operations

As a player in the capital goods industry, the company's operations are inherently working capital intensive. CNC machines are capital goods, involving high-value and time-consuming manufacturing processes. Long lead times for importing critical components for ex. controllers which are imported from Japan and Germany having a lead time of 12 months, also compel the company to stock up, thus increasing raw material holding days. Hence the operating cycle of the company has stood high at 211 days for FY25 (PY: 218 days). Higher operating cycle is on account of higher average raw material holding days and average WIP days which stood at 228 days and 112 days respectively. The company maintains captive foundry to ensure availability of good quality casting on time. Further the product completion and testing takes timeframe of approximately six months based on nature of orders.

Exposure to foreign currency exchange rate fluctuation risk

The company derived nearly 26% of its revenues from overseas which exposes it to foreign exchange fluctuation. Unhedged position, if any will expose it to volatility in foreign exchange currency movement. However, the company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Analytical Approach: Standalone approach

Applicable Criteria:

Rating Methodology for Manufacturing Companies.

Financial Ratios & Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

Liquidity – Strong

The liquidity position of the company is expected to remain strong marked by its healthy net cash accruals to the tune of Rs. 353.85 crore in FY25 vis-à-vis nil debt repayment obligations. The current ratio stood comfortable at 2.76x as on March 31, 2025. FBWC utilisation remained moderate at 43% upto the month ended May 2025. Also, presently there is no debt funded capex which provides comfort to the liquidity to an extent.

About the Company:

Jyoti CNC Automation Limited based out of Rajkot, Gujarat was incorporated in 1991 by Mr. Parakramsinh G Jadeja. He formed 'Jyoti Enterprise' a partnership firm in the year 1989 with his brother. JCAL is engaged in manufacturing a wide range of CNC Machines having diversified applications. JCAL manufactures a wide range of horizontal and vertical metal cutting machines at their manufacturing units including CNC Lathes, turning centers, Machining centers, Special purpose machines and gear cutting machines. The company has a wide product basket consisting of series of machines in, CNC Turning Centers, CNC Turn Mill Centers, CNC Vertical Machining Centers, CNC Horizontal Machining Centers, CNC Vertical Line Machines and High-tech CNC 3 axis and 5 axis machining centers. JCAL caters the machines to the industry like, Automobile, Aerospace, Allied Machinery, Agriculture, Die & Mould manufacturers, Diamond and Jewellery Industry, Defence, Medical Equipment, Plastic Processing Machines, Power and Textile Machinery.

In FY25 the production capacity of JCAL has increased from 5000 CNC machines/year to 6000 CNC machines/ year by the fag end of the year. Also the company is in the process of expanding the capacities by additional 10000 CNC machines/year with tentative COD as October 2026 which will be entirely funded by the internal accruals.

Further to this JCAL has acquired 20 acres of land in Tumakuru Machine Tools Park(TMTP) in Tumakuru District Karnataka as a part of the strategic move for future expansion which has been funded through internal accruals as articulated by the management.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	1189.72	1615.03
EBITDA	272.07	458.28
PAT	139.99	310.06
Total Debt	92.19	198.45
Adjusted Tangible Net Worth	1500.00	1727.95
EBITDA Margin (%)	22.87	28.38
PAT Margin (%)	11.69	19.00
Overall Gearing Ratio (x)	0.06	0.10
Interest Coverage (x)	4.14	26.40

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA:

Brickwork Ratings has continued the rating in Issuer Not Cooperating category based on best available information, published vide PR dated May 20,2025 as company has not provided the information required for review of ratings.

Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/ Facilities	Current Ratings (2025-2026)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-2025	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date (June 27, 2024)	**Date** (April 26, 2023)	**Date** (Month XX, 20XX)
1.	Letter of Credit	Long/ Short term	150.00	IVR A+/ Stable; IVR A1	IVR A-/ Stable; IVR A1	--	--
2.	Standby Letter of Credit - SBLC	Long/ Short term	135.00	IVR A+/ Stable; IVR A1	IVR A-/ Stable; IVR A1	--	--
3.	Cash credit	Long Term	250.00	IVR A+/ Stable	-		
4.	Proposed Cash credit/SBLC	Long/ Short term	315.00	IVR A+/ Stable; IVR A1	-		

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					Date (June 27, 2024)	**Date** (April 26, 2023)	**Date** (Month XX, 20XX)
5.	CC/WCDL	Long-term	0.00 (Reduced from Rs. 330.78 Cr.)	-	--	IVR BBB+/ Stable	--
6.	Term Loan	Long-term	0.00 (Reduced from Rs. 72.84 Cr.)	-	--	IVR BBB+/ Stable	--
7.	WCTL	Long-term	0.00 (Reduced from Rs. 100.94 Cr.)	-	--	IVR BBB+/ Stable	--
8.	FDBN/ FDBP/ FDBD/ PSCFC/ RACB / PCL / PCFC	Short-term	0.00 (Reduced from Rs. 26 Cr.)	-	--	IVR A2	--
9.	LC/BGs	Short-term	0.00 (Reduced from Rs. 173.79 Cr.)	-	--	IVR A2	--

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics)) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Press Release

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Letter of Credit	-	-	-	-	150.00*	IVR A+/ Stable; IVR A1
Standby Letter of Credit - SBLC	-	-	-	-	135.00	IVR A+/ Stable; IVR A1
Cash Credit	-	-	-	-	250.00#	IVR A+/ Stable;
Proposed cash Credit/SBLC	-	-	-	-	315.00	IVR A+/ Stable; IVR A1

**Sublimit of Letter of Credit: Bank Guarantee- Rs. 150 Cr., Cash Credit- Rs. 25 Cr. SBLC for buyers' credit- Rs. 150 Cr.*

 # Sublimit of CC- WCDL/PCFC/Post Shipment Credit – Rs 250.00 crore, Inland/ImportLC/SBLC/Bank Guarantee- Rs 150.00 crore, Bank Guarantee – Rs 50.00 crore, Forward Contract – Rs 5.00 crore

Annexure 2: Facility wise lender details:

https://www.infomerics.com/admin/prfiles/Len-JyotiCNC-Auto-9july25.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com