



“Jyoti CNC Automation Limited
Q4 & FY26 Earnings Conference Call”

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Moderator: Ladies and gentlemen, we welcome to the Q4 and FY26 Earnings Conference Call of Jyoti CNC Automation Limited hosted by Axis Capital. As a reminder, all participant lines will be in a 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 this conference is being recorded.

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 do not guarantee the future performance of the company and may involve risks and uncertainties that are difficult to predict.

Now I hand the conference over to Mr. Nikhil Kandoi from Axis Capital. Thank you, and over to you, sir.

Nikhil Kandoi: Thank you, Steeve. Good evening, everyone. On behalf of Axis Capital, I Nikhil Kandoi, welcome you all to Q4 and FY26 Earnings Conference Call of Jyoti CNC Automation Limited. We are pleased to have with us management represented by Shri Parakramsinh Jadeja, Chairman and Managing Director of the company.

We'll have the opening remarks from Jadeja, sir, followed by Q&A session. Thank you, and over to you, sir.

Parakramsinh Jadeja: Thank you, Nikhil. Good evening, everyone, and a very welcome to our Q4 and FY26 Earnings Conference Call. Along with me, I have a senior management team and SGA, our Investor Relations Advisors. Financial results and presentation have been uploaded on the stock exchange, I hope everyone has had a chance to go through the same.

I will begin my opening remarks with an overview of the economic environment, followed by updates on the company's operational and financial performance.

The global economy continues to remain uncertain due to tariff-related issues and the ongoing conflict in West Asia. These developments have resulted in higher energy prices globally, supply chain disruption and challenges in the availability of the raw material for manufacturers across industries. In today's interconnected world, no country can remain completely insulated from such disruption. And India may also witness some impact if the West Asia, conflict continues for a prolonged period. However, India's long-term growth outlook remains strong, supported by the government focus on Atmanirbhar Bharat, improving India's standing as a manufacturing hub and continued investment in infrastructure, which is supporting expansion of domestic manufacturing capacities.

On the global front as well, a better clarity around tariffs, along with free trade agreements with key economies such as the EU and the U.S. is expected to support export-oriented industries. Improved visibility on global trade should strengthen a demand across the international markets and create additional growth opportunities for companies like ours.

Speaking about Jyoti CNC, first, let me highlight the performance and progress on a standalone basis. FY26 was another year of a sustained momentum for the company. We currently have an installed annual capacity of 6,000 machines in India and Huron together during the year.

One of the key challenges we encountered was capacity constraint with our facilities operating at utilization level exceeding 100% during peak demand months. This impacted our ability to fully execute orders despite a strong and expanding order book, supported by the robust demand across all major sectors we serve, including aerospace and defense, auto and auto component, general engineering and EMS.

The outlook across both domestic and global markets remain positive across all manufacturing sectors and especially we have seen a good pickup in auto and general engineering sectors. All sectors are expected to play a key role in our next phase of growth, and we are witnessing our customers' inquiries that converting into the orders at the fastest pace.

To support this growth, our plan to expand our annual capacity to 16,000 machines remain on track for a commencement of commercial operation in quarter 2 of this financial year. This capacity addition will be a major driver for the company's next phase of growth.

And given strong demand and environment, we remain confident of ramping up utilization at a healthy pace. While we are witnessing strong customer inquiries in view of our order backlog, we have been considerate in the order booking to match our delivery obligations.

If we look at the standalone India business, which reflects the underlying growth momentum, the performance remained very strong during the year. Standalone quarter 4 revenue witnessed growth of 13% to INR599 crores, while FY26 standalone revenue grew by 20% to INR1,949 crores. On the profitability front as well, quarter 4 EBITDA stood at INR191 crores with margin of 31.9%, while FY26 EBITDA stood at INR564 crores with margin of 28.9%.

Quarter 4 PAT stood at INR135 crores with margin of 22.6%, while FY26 PAT stood at INR391 crores with a margin of 20.1%. This strong standalone performance reflects the healthy focus across sectors, improved operating leverage and strong execution capabilities across the businesses.

Coming to our consolidated operations. The global demand environment for our product portfolio continued to remain strong, and we are witnessing increasing customer engagement. However, as previously disclosed to the stock exchange, an ongoing investigation is being conducted by the export control authorities concerning certain export order at Huron. The investigation has had no material adverse impact on the company's operations, including order execution, exports, customer servicing or ongoing manufacturing activities.

We would like to reiterate that Jyoti Huron continued to enjoy a strong reputation across both domestic and international markets, and we remain confident in our ability to navigate the current situation effectively and emerge stronger going forward. Importantly, these investigations are not limited to Huron alone, but extended across multiple companies operating within the industry across Europe.

Speaking about the financial implication during the current period, based on the assessment of our local auditors for Huron and as a matter of prudence, for Huron, our company has reversed a revenue amounting to INR67 crores during the quarter, which had previously been recognized under the percentage of completion method called POCM.

I would like to clarify that this does not represent a loss of revenue or cancellation of the orders, but merely a deferment of the revenue recognition to future periods. Consequently, this impacts our consolidated revenue from operations. On a consolidated basis, revenue for Q4 FY26 stood at INR599 crores, excluding the impact of the revenue reversal.

Revenues would have grown up by 16% Q4 FY26 and by 19% in FY26 on a year-on-year basis. On the profitability front, the revenue reversal has also impacted profitability as the manufacturing costs related to these machines had already been incurred, while the corresponding revenues could not be recognized during the current period.

Lower revenues, coupled with the associated cost and de-operating leverages adversely impacted our profitability. As a result, consolidated EBITDA for Q4 FY26 stood at INR147 crores with a margin of 24.6%. FY26 EBITDA stood at INR527 crores with a margin of 25.2%.

PAT for the quarter stood at INR91 crores and for FY26, PAT stood at INR336 crores, an increase of 6% year-on-year basis. Had there been no impact of reversal, PAT growth would have been faster.

Speaking of our order intake, our order intake for Q4 FY26 stood at INR700 crores plus, driven by all sectors and particularly by auto and general engineering segment.

For FY26, the order intake stood at INR2364 crores. This includes 27% of aerospace, 28% of auto and auto component and 31% from general engineering. As on 31st March 2026, our outstanding order book stand at INR4,732 crores, which is very healthy and growing.

On the operational KPIs, the segmental revenue for FY26 consists of 39% from aerospace and defense, 26% from auto and auto component, 23% from general engineering and the remaining from other sectors, including EMS and dies and moulds.

Speaking of our current order book, it remains healthy and well diversified at INR4,732 crores, reflecting a steady demand and continued customer confidence. The industry-wise breakup is as follows: 38% from aerospace and defense, 19% from general engineering, 20% from auto and auto components and 4% from EMS and balance from the other sectors.

As we enter FY27 we remain optimistic about the opportunities ahead for the company. The demand environment across our key sectors continue to remain stronger, supported by increasing manufacturing investments both in India and globally. With our ongoing expansion of 10,000 machines progressing on schedule and expected to commence operation by September.

We are entering the next phase of growth with significantly enhanced capacity and stronger execution capabilities. We continue to see a healthy customer engagement, stronger order inflow and improving long-term opportunities across domestic as well as export markets.

We may now open the floor for question and answer.

Moderator: Thank you very much sir. We will now begin the question and answer session. The first question comes from the line of Nishant with Kotak.

Nishant: Sir, just wanted to understand what are the timelines for the investigation to get over? And by any chance, like did we have an alternative opinion with respect to the auditors to not kind of take a revenue write-off, but to kind of take a provisioning, which probably could have just kind of impacted your bottom line, but your top line wouldn't have got impacted so much.

And that probably looks to be a better accounting rather than just taking a complete revenue write-off and with respect to the timelines, if you can just help us out when the investigation timeline will be completed? And when can we get back that revenue of INR67 crores, which has been written off? That's my first question, sir.

Parakramsinh Jadeja: See, first of all, Nishant, this is not a write-off. This is a deferment and this deferment of revenue of a POCM. POCM also is, let's say, is in future sale basically. It's a revenue recognition based on a percentage of order completed. So the auditor's view was that it is just a deferment. It's not in a write-off that.

Once we get this, let's say, the situation that in investigation, there are a few machines was under POCM and that was not available the export license clearance. So they stated that once this export license you will receive, you can immediately can convert it into your revenue in the coming quarters over there.

So first of all, remove in this mind, this is no more a write-off there. It's just deferment there. So this is the clarity there. And let's say, the POCM cannot be a provisioning -- can be a provisioning on like that on a financial kind of a thing.

And the fact is a fact it is just a deferment. So there was nothing to be kept as like that. Regarding the investigation, we have retained the legal counsel. I am not in a position to indicate a specific time frame for resolution of the matter. However, this investigation has no material adverse impact on the company's operations, including order execution, exports, customer servicing or ongoing manufacturing activities.

Everything else it is working nicely there. And there are more than 50 companies are under investigation in last 3 years. And we have not seen any conclusion from any companies today - - in Europe today.

Nishant: Okay. And sir, second question, I just wanted to understand the order book, if you can see -- congratulations for the order intake. It looks to be a little more well diversified and not skewed towards aerospace. But in general, sir, while we execute the order book and the new capacity coming in, the order book still looks to be more towards high-end machines where the working capital cycle could be a little more extended.

So how are we thinking of managing the cash flow in the coming year, FY27? What is the typical CFO to EBITDA ratio which one can probably look at in your business for the next 1 year as well as for FY28?

Parakramsinh Jadeja:

Thank you on your remarks on order book. It's a very healthy order book we are seeing. Even in the last quarter, we have received -- even end of this month, we have received a very good orders from European areas like in Ukraine and all. Including French government, we received a good order there. Even India also, we have received good orders on aerospace and defense in our Indian context also there.

Apart from there, there is a very significant movement we have seen in the last quarter in the auto, auto components and general engineering area. You know that we have more than 15,000-plus customer base now in India across manufacturing sector there. So we see very robust outcomes in the next coming days over here.

In terms of our capacity is coming is also is a mix of all. It's not just only entry level, but with the mix of all. And the way the new capacity is coming up we are expecting to our manufacturing cycle also to be improved. And we see that based on that, our cycle will reduce.

We are able to see the more working capital requirement is going to be reduced there. And we see the conversion of a cash flow over there basically. Even this year also from the last year to this year, the last year, we were into negative cash flow to we entered into positive, and we are looking to be a very robust cash flows in quarter-on-quarter in coming days over here and there.

Nishant:

And sir, if I can squeeze in one last question. With the commodity inflation, which is kind of prevailing at this point of time, what percentage of contracts are fixed in nature? And what percentage of contracts are passed through in nature? And what is the time lag by which we can kind of pass on the cost to our customers?

Parakramsinh Jadeja:

Yes. So the cost, Nishant, we have always a fixed cost base there, okay? We are not able to pass on the increase any cost to the customer there, okay? But we are naturally hedged over here because we have a very long manufacturing cycle and any new orders we are taking, we are able to increase the price.

Let's say, today, in the last 2 months, we have seen the cost has been increased, close to 2 to 3 percentage over there on raw material prices. On our -- from 1st of this May, we have increased our prices for the new -- to our new customers and new orders over there basically. So we are able to compensate over here with the new cycle there.

Moderator:

The next question comes from the line of Adil Khan with ICICI Prudential.

Adil Khan:

Sir, my first question is on the standalone segment. So we did roughly about INR600 crores revenue in the standalone book. So I just wanted to -- which is a 13% Y-o-Y growth. So I just wanted to understand this growth was lagging in the standalone segment. Is this because of capacity constraints or are there any other reasons?

- Parakramsinh Jadeja:** So first of all, I'll correct you here. The year ended -- the standalone business is not a INR1,600 crores top line. It's INR1,950 crores.
- Adil Khan:** Sir, I was talking about Q4 alone?
- Parakramsinh Jadeja:** Okay. Q4 alone is INR600 crores. The total is INR1,900 crores. And in Q4, let's say, we have executed 1,750 machines. So almost we crossed this quarter is more than 100% capacity. You can understand that how the situation we have faced there.
- Adil Khan:** Right. So just to make sure -- so this growth was lagging because of capacity constraint. Is that understanding correct?
- Parakramsinh Jadeja:** Correct.
- Adil Khan:** And sir, on the Huron side, so if this investigation continues, then would you be able to recognize revenue in Q1 of FY27?
- Parakramsinh Jadeja:** Yes, absolutely. Even every -- this is only related to this -- the machine was under manufactured -- under manufacturing and not available the license. Only those things, they have been not recognized and pull forward there basically. Once that license will also will come, once the export permission will come, definitely, we can able to recognize those also.
- Adil Khan:** Okay. Okay. Apart from that, there will be a usual business -- business as usual for Q1 and once the license comes, this INR67 crores will get recognized, right?
- Parakramsinh Jadeja:** They would get recognized.
- Adil Khan:** Right. And sir, so incremental...
- Parakramsinh Jadeja:** And this INR67 crores, see, there, we have -- the margin was very healthy. So basically, even we got the hit of INR40 crores on the margin side. That also will recognize in future once the machines will be cleared out of that.
- Adil Khan:** Okay. Okay. And sir, capacity -- the incremental capacity that will be coming in from September. So when can we see ensuing order inflows coming for the same?
- Parakramsinh Jadeja:** So already, we are -- let's say, today also, we have reached to INR4,700-plus crores order book there. And it's -- you can understand what is the customers' expectation from us there. Already this quarter, we started to taking the orders, and we reached more than INR700 crores. But apart from that, we are -- definitely, we are going to increase our pace from September onwards there.
- Adil Khan:** Understood. And sir, what kind of inflows are we expecting from the EMS segment, namely from Tata Electronics and what kind of expansion are they looking at?
- Parakramsinh Jadeja:** So basically, right now, they all are optimizing their manufacturing capabilities and capacity there. So we are just -- the delay side we are seeing from all the EMS player there. Nothing has been invested much on the last component manufacturing in the last 1.5 years there.

So we are also waiting to -- and you know that now ISM 2 and component manufacturing PLI has also been increased. Many more player people are getting these permissions are going to coming out there. Right now, our all the teams are very much busy to multiple customers over there. And we are expecting to see the results very soon now.

Moderator: The next question comes from the line of Manish Ostwal with Nirmal Bang Securities Private Limited.

Manish Ostwal: Sir, I have only one question. Most of the questions have already answered. On the current order book position, what is the execution period -- execution timeline and how much we can execute in F27?

Parakramsinh Jadeja: So basically, right now, with this total order book, we have INR4,700 crores. And based on the commitment, we have to execute in 18 to 20 months over this.

Manish Ostwal: And how much we can see execution in F27?

Parakramsinh Jadeja: So let's say, we will see once the capacity on place. Definitely, we are looking to be a good growth from here.

Manish Ostwal: Will you be in a position to quantify?

Parakramsinh Jadeja: Let's say, I'm not able to quantify right now. Otherwise, it will be fixed the numbers. And now we need to see that also. Once the capacity will come, we need to optimize and everything to increase there.

Manish Ostwal: Okay. And secondly...

Parakramsinh Jadeja: But definitely, we will be able to tell you in the next 3 to 4 months time once the capacity will be complete there.

Manish Ostwal: So once the capacity commence operation in September, sir, how fast we can see ramp-up? Can you just give...

Parakramsinh Jadeja: Yes. See, basically, we already we have add on the people and everything since last 1.5 years. So we are training the people. This is completely once the plant has been commenced and start. We hope that we will increase at least 20% to 30% further more on speed over here.

Moderator: Next question comes from the line of Harshit Patel from Equirus Securities.

Harshit Patel: Sir, firstly, on the execution on the EMS side, as you explained, the client facilities are still not pretty much ready. So the execution in FY27, will it be more of back-ended? We will see more execution in the second half and first half will be relatively muted. Is that the right understanding?

Parakramsinh Jadeja: Harshit, already, we are running almost 100% utilization in last quarter. You can understand that without EMS also we are in the situation today. We are expecting in the second half. If it is coming in the first half, let's say, almost 2 months has gone, we are not seeing anything on much

speed but the pace is going to be increased in September. But onwards September, yes, we are also being ready, and we will definitely will capture these opportunities.

Harshit Patel: Understood. Sir, secondly, we also have a very large aerospace and defense order book, and we also execute quite a lot from the India as well. So could there be any risk on the India aerospace and defense execution because at the end of the day, the technology comes from Huron, I mean, at least that's what my understanding is. So that India execution piece, whatever we supply from here, is that on track or maybe some sort of delay because of this investigation?

Parakramsinh Jadeja: First of all, clear to you that this technology is completely -- is from Jyoti now, okay? We have -- it's not from the Huron there. All the machines what we are manufacturing is more than the Huron. If you look at that, the total numbers, this year, we have executed more than INR800 crores of aerospace and defense, okay?

And almost out of that, around 75% is execution from India only there. And this is all Jyoti's own capabilities on -- in the last 25 years, we learned everything from the best practices from the European side. But now the technology front is -- completely is our own there. And we are not dependent there. So we are not seeing anything any slowdown over here for the execution side from this perspective there.

Moderator: The next question comes from the line of Vaibhav Jain with Axis Asset Management Company.

Vaibhav Jain: Sir, just one clarification that I needed. The order book that we have today is what is the proportion of order book, which -- where similar constraint on export license not being there is applicable and then you would want to kind of delay that execution?

Parakramsinh Jadeja: So right now, in this order book, we have some orders is from the Huron side. And out of that, around 6 machine and close to around INR70 crores is from the Ukraine. So -- and Ukraine because it's just received only on the last month. So that's the only new orders in this quarter that is -- and that is going to be executed from the Huron, and we need to apply and to take licenses there on the next year there.

Vaibhav Jain: And sir, as far as -- this reversal of revenue is concerned, now whatever we have in terms of unbilled revenue, etc., we don't expect anything in the coming quarter, right?

Parakramsinh Jadeja: Absolutely. Absolutely. It's all are done. It will now come from a different way. It will come to a reversal different way, okay? It will add on.

Vaibhav Jain: Right. And sir, as you mentioned, as far as Huron's operations are concerned, you don't see any impact whatsoever because of this development. And can we see ramp-up in terms of revenues in Huron, given the fact that the capacity expansion got completed last year in FY26?

Parakramsinh Jadeja: Absolutely. There is nothing is in terms of the impact of a company's operation, including the order execution, exports, customer servicing, manufacturing activities, anything. And we see that now it's become -- already we have incurred more cost on the people.

We have added around 25 people in manufacturing there, okay? And we entered all the additional new facilities from November onwards. So definitely, you will see the quarter-on-quarter, there will be improvement from this last year's number there.

Vaibhav Jain: Okay. Sir, would you like to share a number or a range as in what kind of growth we can see just from Huron? And then obviously, India growth is dependent on the new capacity, which gets commissioned in September?

Parakramsinh Jadeja: So in Huron also, basically, let's say, the capacity has been increased. And being in a long-term manufacturing cycle, it started from December onwards. So you see that somewhere this our -- the execution, let's say, the first dispatch and everything will start from the new assembly is around August and September there.

Moderator: The next question comes from the line of Mohit Motwani with Tara Capital.

Mohit Motwani: Sir, on the first question regarding -- I think in the past, you had mentioned in your previous earnings calls that since you are capacity constrained, you were not taking on much orders in your order book, given that the delivery timelines were higher than 18 months and customers wouldn't accept a very longer delivery timeline than that.

So can you just give a sense of how much of -- if you can give any color, how much of that was you did not accept? And now with the capacity coming up, how much boost it can give to your order inflow growth in FY27? And which sectors would it be driven by?

Parakramsinh Jadeja: See, Mohit, basically, right now, look at that as an only if I talked about the India perspective over here. There is a great opportunities emerge over here. The Indian market in the last 3 years is consecutively is consuming more than 20% CAGR level of consumption. And we people on all the Indian machine tool builders, somehow we are not able to capture those due to our constraint and all.

Imports are surging. Imports are increasing. It's painful for us also. We are also waiting to increase our capacity as much as fast can come over there. So once that will come, definitely, I'm not able to quantify how much directly we are losing today revenue, let's say, today, the order book there. But it's a huge pipelines are in front of us there, and we are not able to capture them.

Mohit Motwani: Okay. And let's say, in your order book moving forward towards next year, you expect this aerospace to come down and auto component and general engineering where you are seeing a lot of traction, that mix to go up. And as a result of that, you have mentioned in the past that you will have a 25% EBITDA margin as a stable, as a steady state. Even with the mix changing, do you expect that to continue as well?

Parakramsinh Jadeja: Absolutely. First of all, we are not looking in the next 5 to 10 years is now with this global scenario, the way this -- even the Western Asia, the issue has been erupted, okay? It has become a more uncertainty and fear factor has started. And we see that in this area, people are going to invest further more.

We are already in discussion with many of our clients, okay, in Europe and everywhere, they all are expanding. China is expanding. Turkey is expanding, Italy, every area, people have started to investing on the aerospace and defense area there. We don't see there is any decline on the next -- that is a very steady-state business we are seeing over here there. So we are not thinking like that, it will be dropped there.

Mohit Motwani: Okay, fair. And sir, just a last question from my end. In terms of your debt has gone up from last year to this year to about INR850-plus crores. And I understand that would have been for working capital requirements as well. Should we expect any increase in debt going forward? If you can give any color on that? That's it from my end.

Parakramsinh Jadeja: So I'll tell you the debt, what we have increased in this year is close to -- close to INR300 crores is the debt has been incurred on our capacity expansion basically, okay, on our new capacity there. Only working capital has increased only INR45 crores to be there.

And we don't foresee this increment will end of this year, we are seeing that is a lot of cash flow will come in the situation with the improvement on our efficiency after the new facility will come, okay? We don't foresee the from here to debt, has been increased there in terms of a percentage and all.

Moderator: The next question comes from the line of Kamlesh Bagmar with Lotus Asset Managers.

Kamlesh Bagmar: One question on the part of, like, say, how much machines we sold, sir, 1,750?

Parakramsinh Jadeja: Kamlesh Bhai, exactly the number of machines is 1,760.

Kamlesh Bagmar: Okay.

Parakramsinh Jadeja: For the quarter 4.

Kamlesh Bagmar: For the quarter 4. Okay...

Parakramsinh Jadeja: And the entire year is 5,550.

Kamlesh Bagmar: Okay. Got it, sir. Sir, if I see like we have grown at roughly around 30%-odd year-over-year. While I'm just comparing the standalone numbers because in consol, there is an impact of Huron. So if I see our EBITDA that has grown at 9%-odd for the quarter in standalone operations. While our machine count, that has increased by 30%-odd.

So that reflects that our margins from INR13 lakh per machine, that has dipped down to INR10.85-odd lakh. So going forward, like the higher number of machines are getting compensated by or getting negated by sharper fall in the margins.

So going forward, like can we assume the margins to be in the range of -- and that also in a peak quarter. So can we assume that the margins would remain at INR9 lakh to INR10 lakh, which used to be at roughly around INR13-odd lakh or INR12 lakh to INR13 lakh?

- Parakramsinh Jadeja:** Kamlesh Bhai, every call since last 4, 5 call, I'm not able to give you the correct picture for machines and everything because we have a very much variety of models and all like that. And a number of machines. Ultimately, what I said always in the past to you and my answers are remaining same that we will be at EBITDA level margin at total level of a standalone or a global.
- We will not go down by 25%. We are at -- if you imagine this, even this event happened, and we have taken this all deferment on revenue and margin. Still, we are at 25% -- near to 25% in this quarter also.
- Kamlesh Bagmar:** No. But like, sir, the realizations like INR34 lakh, which is the lowest since our listing from machine, INR34 lakh realization, it is the lower...
- Parakramsinh Jadeja:** This year, the total realization is INR35.62 lakh.
- Kamlesh Bagmar:** Yes, yes, yes. So like no doubt, we are increasing the capacity, but that entire benefit is getting negated by lower realizations because as we have to sell more and more machines. So can it be right in saying that going forward, our realizations would remain at INR35-odd lakh and with a margin of 25%-odd?
- Parakramsinh Jadeja:** See, I'll tell you one thing that even though we have been -- Kamlesh bhai, we have discussed in the past call also, and I have told you that the way number of machines are going to increase. The machine average price going to reduce, okay?
- But our margin profile, let's say, it's going to be at 25% -- 25% plus, it will be remained there. Even let's say we see that in a forward situation, okay, in our -- this additional INR6,000 to INR16,000, if we reach to a full -- let's say, full utilization, even the margin -- let's say, the machine average price will reach to INR30 lakhs. Still we'll be at around at close to 25%. It will not go down there.
- Kamlesh Bagmar:** And secondly, like, our EMS order book that has been INR700 crores for last -- static at INR700 crores for last 2 years or 1.5 years. Sir, don't you think that now with the price -- like say, the order book at those levels and from there, the cost would have increased significantly. So we won't be making margins on those -- on that EMS order book because that's 1.5...
- Parakramsinh Jadeja:** In fact, we'll do a more better margin right now because whatever the prices was fixed up, okay, all was connected with the -- indirectly with the dollar terms permission, okay? So basically, while we will execute, we will gain more there.
- Kamlesh Bagmar:** Okay. Okay. Great. And sir, lastly, any target for machines in FY27, sir? What is our target? How much we would be doing? Like say, this year, we did 5,500. So what is the target for next year?
- Parakramsinh Jadeja:** So let's say, we are seeing that in September once everything will be completed. So we see the steep growth should come. Exactly, I'm not able to tell you the number of machines and all because only I'm going to get last 6 months available with me there. And that also, we will set right the people and everything, but we'll have a good numbers there.

- Moderator:** The next question comes from the line of Rachit Agarwal with Unifi Mutual Funds.
- Ruchit Agrawal:** I'm fairly new to the company, so just excuse me. One broad question on the Huron. So I believe we bought the company about 20 years back in 2007. Just wanted to understand 20 years in now, our revenues are broadly similar to what they were at the time of acquisition, slightly lower in fact. So just want to understand what has taken -- what has been the due course when we look at Huron, even in terms of Huron in itself and the tech integration for Jyoti as well?
- Parakramsinh Jadeja:** Thank you. Very interesting question you asked. So I'm able to express nicely there. See the 20 years back when we bought Huron, so Huron is same as today, okay? But when we took over this company, Jyoti's topline was INR50 crores. Today, we are at close to INR2,000 crores, okay? And that's the technology and everything.
- Let's say, basically the operational excellence, how to do the precision manufacturing, everything, we learned and we implemented over here and we have grown up over here, okay? That's the one part.
- Second, in this journey, the first time when we bought Huron, then after the first time we could able to invest only in the last year, as it is, let's say, when we took this company, we have never invested any single euro over there for expansion of a capacity and everything to be there because we were not in a position to invest further more over there.
- Only in the last year, we have invested and increased the capacity. So we will see in future to the execution also increasing from there. But whatever the things are, we are doing the business is putting into account of our here. We are exporting from here to all global over there basically. So you see this is in a consolidated base advantage over there basically.
- Ruchit Agrawal:** Got it. So that helps a lot, in fact. And sir, second question on the ongoing investigation. As you mentioned that it's very tough to figure out how that pans out. But if you can help us give some color if something -- some sort of similar investigation has happened in the geography and how that has panned out? And if maybe that can help us understand maybe how the Huron investigation pans out as well?
- Parakramsinh Jadeja:** Very -- let's say, I cannot able to give exactly the name of the company and all, but you can just -- in this world, very simple, if you ask to any the AI or, let's say, any of the Google or anything, you can able to find out how many investigations are going on since last 3 years there. In Europe -- it's -- right now it's a new normal there.
- Moderator:** The next question comes from the line of Aniket Jain with YES Securities.
- Aniket Jain:** Sir, so your capacity expansion will be complete soon. And I think you previously mentioned that about 60% to 70% of that will be used for EMS. But as of now, our EMS order book is quite low. So I wanted to check if the capacity is fungible and if we can produce maybe aerospace, defense or auto machines from that and then we can maybe export it or can be utilized in India. So is the capacity fungible and how much additional capex we'll need to incur on that?

- Parakramsinh Jadeja:** No. It's fully fungible from a general engineering, auto, dies and moulds and all the areas there. So we are able to utilize fully on that basically. And Aniket, I'll tell you, let's say, today, I'd like to tell you, again, every call, I'm telling to the people. We have -- last year, we were having a 14,000 customers.
- This year, we have crossed to be 15,000 customer there. The small MSMEs and all these manufacturing area in the country is increasing drastically there. Just to tell you that the last to last year, in my town, in Rajkot alone, we have sold more than 1,000 machine over here.
- Aniket Jain:** That's quite a big number, sir.
- Parakramsinh Jadeja:** So it's all fungible, and we are able to execute nicely there.
- Aniket Jain:** Understood, sir. And sir, my second question would be, there is increased momentum in auto as well as general engineering. So what kind of machines are these? So would these be higher-end mid-level or entry-level machines? And maybe if you're able to give the order book split as per the high-end mid-level or entry-level machine?
- Parakramsinh Jadeja:** Yes, I can give you that. But I'll tell you, we are now more and more -- seeing the more and more machines people are looking with automation. okay? Because the manpower shortages everywhere people are seeing.
- And Jyoti is a very forefront in this area. So we are getting more and more in automization over here. And that's the new normal we are seeing even in auto and general engineering and everywhere there basically. So in terms of this yearly pending order book...
- Aniket Jain:** Order book...
- Parakramsinh Jadeja:** Yes, I'll give you that one-- Order book. Yes. So basically, right now, -- let's say, the aerospace is close to 38%. Auto and auto components are 19%. General engineering is close to 20%.
- Aniket Jain:** Sir, actually, I wanted to check -- so out of this aerospace can have mid and high end probably auto can have entry level...
- Parakramsinh Jadeja:** I'll give you the -- in terms of-- I will tell you -- basically in aerospace and defense, is largely on a high end. You can consider --yes, largely all are in high end basically. Almost our 40% is in high-end and 60% in entry-level and mid-level there.
- Aniket Jain:** 60% is in entry level and mid level. So basically, autos and general engineering would be mostly entry mid-level only.
- Parakramsinh Jadeja:** Correct. Correct.
- Aniket Jain:** Okay. And so, if I can...
- Parakramsinh Jadeja:** And our definition -- I'll again tell you what is the definitions we have identified there okay? So up to INR50 lakh, machines we consider to be entry-level product. And from INR50 lakh to

INR2 crores, we considered a medium, let's say, midrange machines. Above INR2 crores only we consider the high-end machines.

Aniket Jain: Understood, sir. Sure. And maybe if I can squeeze in one more. So I just wanted to check on the ongoing investigation. So is the total revenue reversal complete? Or is there any possibility of further revenue reversal as well?

Parakramsinh Jadeja: Already -- just ask no problem.

Aniket Jain: And I also read somewhere that maybe that was a document from Ukraine government so that we have delivered some machines to maybe Russia or so. So the machines that are in question, are those related -- so are those machines that have been already delivered to Russia as per the claims by Ukrainian government? So are those into the question or these machines are yet to be delivered? And...

Parakramsinh Jadeja: So first of all, you are telling something I'm listening the first time because there is no Ukrainian government in here. In this part. Basically, the French government is investigating okay? And this is a normal investigation they are checking what are our exports ordered today, what we have delivered in the past and what is going to be happening in future. That's the only investigations are going on basically.

Aniket Jain: Got it, sir. So there is no...

Parakramsinh Jadeja: There is no Ukrainian Government. In fact, we have received a good order from Ukraine right now.

Moderator: The next question comes from the line of Shrenik with Indo Alps Wealth.

Shrenik: My question is also related to Huron and probably similar to what the previous participant had asked. So the question is, was the Jyoti management aware of this alleged Russia via India re-export channel during the years 2022 to 2024? And what due diligence on Huron export compliance was performed during that period?

Parakramsinh Jadeja: First of all, we have never exported anything. The machines come from France to there to here -- to Russia there. By the way, for the input for you that whatever the machines Huron built there, almost 70% goods are coming here from India there. They does just the assembly there.

Shrenik: Yes. But this is getting rerouted into Russia, and that's the reason for this investigation?

Parakramsinh Jadeja: Yes. But we have not made any rerouted there. And that we are going to prove out there basically because all the machines, the Jyoti has been full capabilities and Jyoti only has dispatched at '22, '23 there. Then after we have not exported to Russia at all there.

Shrenik: Yes. So during that time, the export had happened and probably for that only, this investigation is happening right now. What you're suggesting is this is no longer the case. No longer any movement is happening to Russia?

Parakramsinh Jadeja: Correct.

- Shrenik:** Your general manager there has been put on suspension. So I'm guessing it is not an ordinary investigation, right?
- Parakramsinh Jadeja:** Correct. So basically, any investigation and particularly like this, there is a standard protocol that general manager cannot be reach out to any inside material and all, okay? So they wanted to be a fair investigation over there. So it put on to their hold at that home.
- Shrenik:** Okay. So when we are looking at similar kind of cases in other companies, we are seeing that the base case for such kind of investigation, the time frame is anything between 2 to 3 years. So even when you look at the INR67 crores revenue that could not be recognized.
- Parakramsinh Jadeja:** Correct.
- Shrenik:** The chances that it will get recognized in the next 24 months are also -- there could be chances that they will not get recognized in the next 2, 3 years as well, right?
- Parakramsinh Jadeja:** No, we are not looking that because that the machines are -- absolutely are in the queue to get the licenses there. So that -- Yes that is sure that -- basically that is sure that this -- the investigation, the conclusion will take very longer time. Until today, they have not concluded anything. It will take very long time, 2 years, 3 years, 5 years, we don't know. We can't comment on that also today.
- Shrenik:** Correct. Because we have similar experience in another company, and it took, as you're rightly saying, a much longer time in the whole process. And the entire money had to be -- and that is the reason why your auditor probably mentioned that it should be not recognized completely while you've taken the cost.
- Parakramsinh Jadeja:** Correct.
- Shrenik:** So this really puts the whole Huron into a significant drawdown for you rather than an upside. Of course, the India business is doing extremely well and will grow extremely well once the new capacity comes in. But this drag down from the Huron, is there a chance for you to sell out that business completely?
- Parakramsinh Jadeja:** Not at all. We are not looking at all because we have been very well recognized over there to all our customers, and we are very much near to our customers. And we don't see -- foresee anything kind of like that.
- Moderator:** Shrenik, does that answer your question? Okay. We'll move on to the next question. It's from the line of Yash Ginoria with Moneybee Securities.
- Yash Ginoria:** Sir, firstly, I wanted to understand the revenue of standalone Huron, what is the standalone revenue of Huron?
- Parakramsinh Jadeja:** EUR25 million is close to -- in quarter 4 is INR25 crores.
- Yash Ginoria:** And full year, I'm assuming INR100 crores?

- Parakramsinh Jadeja:** One second. Full year is INR248 crores.
- Yash Ginoria:** And sir, how much of this is intercompany, like how much is supplied to Jyoti?
- Parakramsinh Jadeja:** INR105 crores.
- Yash Ginoria:** Okay, sir. Sir, since we are expanding our capacity, I wanted to understand the utilization. Like how do you see the utilization of this capacity, if you can quantify in percentage terms?
- Parakramsinh Jadeja:** So we see that, let's say, in September, it will come. So it is only available for us the next 6 months. Yes. And in terms of -- year forward, FY27, '28. 2028. This is the FY26, '27, the capacity is coming only in September there, okay? It means only the last 6 months are available to us there.
- So we see that number of machines initially will started and everything. So close to, you can say, additional, let's say, right now, we are almost 100% but the 50% of that area, we will reach maybe around 8,000 something machines to be there, 8,000 or 9,000 plus.
- Yash Ginoria:** By FY28?
- Parakramsinh Jadeja:** FY27. And we are trying to do that.
- Yash Ginoria:** And FY28, any time?
- Parakramsinh Jadeja:** So we -- in the past also, I told you, this is all our based on today, how we are able to execute through the people and all. And we maintained our momentum close to 25% to 30% year-on-year that.
- Moderator:** The next question comes from the line of Rohan Advant with Prad Capital.
- Rohan Advant:** Sir, I just wanted a clarification on your standalone revenues and consolidated revenues that you've given in the PPT, both of which for Q4 FY26 are INR599 crores. They don't match with the reported numbers. So are there any adjustments? And why are both these same numbers because there is some revenue at Huron also. Can you just explain these numbers, sir?
- Parakramsinh Jadeja:** So let's say, because of this elimination in this quarter, that's why is, let's say, numbers coming near to same, but it's because of elimination -- intracompany elimination.
- Rohan Advant:** Okay. So whatever INR25 crores that Huron did, it was sell to the standalone entity. So it got eliminated while consolidation. Is that correct?
- Parakramsinh Jadeja:** Correct. Correct.
- Rohan Advant:** And sir, when I look at your reported number, say, your standalone revenue reported in the P&L is INR529 crores and consolidated report is INR575 crores. But in PPT, it is INR599 crores. So there, what am I missing?
- Parakramsinh Jadeja:** One second. First of all, -- that's the last year basically.

- Rohan Advant:** Yes, yes, yes. So I got the answer for the first question, which is elimination during consolidation.
- Parakramsinh Jadeja:** Yes, correct.
- Rohan Advant:** Okay. And sir, against INR248 crores that we did in Huron this year and Q4 is only INR25 crores that too only to standalone. So when does Huron recommence it's like the other operations, its business which is not to the standalone entity? And how much would that be in your estimation for FY27?
- Parakramsinh Jadeja:** So FY27, we are seeing to come to a normal level first, and that normal level is close to INR300 crores to INR350 crores.
- Rohan Advant:** In Huron?
- Parakramsinh Jadeja:** Yes, in Huron, standalone level there, okay? That is our expectation from this year.
- Rohan Advant:** Sir, but in FY26, you did INR250 crores, \$105 crores of which were to standalone. So you did only INR150 crores net. And against that, you can double the revenues in FY27 in Huron?
- Parakramsinh Jadeja:** No, no. Basically, it's eliminated because all the supplies are going from here. Whatever the Hurons are being manufactured, all the component subassembly being manufactured over here basically.
- Rohan Advant:** But there will be growth in Huron FY27 versus FY26?
- Parakramsinh Jadeja:** Absolutely. Absolutely. And we have a very robust order book and execution, new capacities also -- people also has been there. So we see there is a robust execution we'll see on second quarter onwards there.
- Rohan Advant:** Sir, and this growth in Huron, is it dependent on you getting the licenses you've been saying in the call because in Q4, it seems there was no other revenue that Huron did?
- Parakramsinh Jadeja:** So basically, it's a reversal has come. That's why it's no revenue there. In fact it has come only on quarter 4.
- Rohan Advant:** Sir, sorry, last question, sir. If there was no reversal, what would have been -- I mean, Huron's revenues would have been gross and minus INR67 crores. So INR25 crores plus INR67 crores would have been its normal revenue -- and INR67 crores, so it came to INR25 crores again?
- Parakramsinh Jadeja:** Correct. So absolutely...
- Rohan Advant:** Of INR67 crores. Yes.
- Parakramsinh Jadeja:** Yes. INR67 crores with the net revenues could be extra there.
- Moderator:** Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand the conference over to the management for closing comments.



Parakramsinh Jadeja:

So thank you all for joining us today. I hope we have addressed all your questions. We remain committed to keeping the investment community informed with the regular updates on any development in the company. For any further information or queries, please feel free to reach out to us or SGA, our Investor Relations Advisors. Thank you very much to all of you.

Moderator:

Thank you. On behalf of Axis Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.