



**JYOTI CNC AUTOMATION LIMITED**

CIN: L29221GJ1991PLC014914

Regd. Off.: G – 506, Lodhika GIDC, Vill.: Metoda,

Dist.: Rajkot – 360 021. Gujarat India.

**Date:** August 11, 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 Thursday August 07, 2025, is submitted and enclosed herewith. Further the same is also 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**

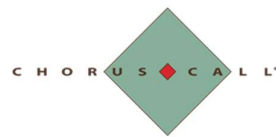
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**Maulik B. Gandhi**  
**Company Secretary and Compliance Officer**

**Encl.:** Stated As Above.



**“Jyoti CNC Automation Limited  
Q1 FY '26 Earnings Conference Call”  
August 07, 2025**



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

**MODERATOR: MR. HARSHIT PATEL – EQUIRUS SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to Jyoti CNC Automation Q1 FY '26 Earnings Conference Call hosted by Equirus Securities Private Limited. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on the 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.

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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is recorded.

I now hand the conference over to Mr. Harshit Patel from Equirus Securities. Thank you, and over to you.

**Harshit Patel:** Thank you. Good evening, everyone. On behalf of Equirus Securities, I welcome you all to the first quarter FY '26 Earnings Call of Jyoti CNC Automation. We are pleased to have with us Mr. Parakramsinh Jadeja, Chairman and Managing Director of the company. We will have opening remarks from Jadeja sir, followed by a Q&A session. Thank you, and over to you, sir.

**Parakramsinh Jadeja:** Thank you, Harshit. Good evening, everyone, and a very welcome to our first quarter FY '26 earnings conference call. Along with me, I have a senior management team and SGA, our Investor Relations Advisor. 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 remarks with a brief update on economy, followed by a key operational and financial highlights for first quarter FY '26. The global economy is going through a tough time. Many developed countries are still dealing with high inflation and slow growth. There is also uncertainty due to a new tariff and trade-related issues. But India continues to stand out.

Our economy is expected to grow at 6.4 percentage in both FY 2025 and 2026, which makes us one of the fastest-growing economies in the world. One positive sign is the manufacturing PMI, which measures how fast the manufacturing sector is growing. In July 2025, it stood at 59.1.

Anything above 50 means the sector is expanding and India has been consistently above that mark. This shows that India is becoming a strong base and a manufacturing hub for global economies. While India's overall outlook is strong, we need to keep a close eye on geopolitical situation and ongoing tariff-related situation. Since we have a manufacturing presence outside of India, we will be a better position to navigate the situation. However, it is still evolving and needs a close monitoring.

Now let me talk about Jyoti CNC. We are one of the top 10 CNC machine manufacturer in the world with manufacturing facilities in Rajkot, in France. With an annual capacity for manufacturing of over 6,000 machines, with over decades and experience and R&D, we have been able to develop world-class machine manufacturing capabilities, which is at par with the

global standards. We at Jyoti are proud to play a key role in supporting India's vision of becoming a global manufacturing hub. With our strong manufacturing capabilities and world-class infrastructure, we are well equipped to meet the growing needs of the industry.

Our machines are used across a wide range of sectors, including aerospace, defence, automotive, electronics, general engineering and many more, showcasing our ability to cater to diversified applications.

Our partnership with Huron, a global leader in high-precision machining, has further strengthened our technological edge and helped us expand our footprint across international markets. We continue to see a steady demand for our product, both in India and globally, driven by a focus on quality, innovation and timely delivery.

Over the period, we have been able to penetrate into wide industries, including high-growth industries such as aerospace, defence and EMS. We have been able to acquire customers with high reputation and have been able to add a wallet share among the marquee domestic and global clients. We remain positive on our end user industry growth and with our expertise in machine manufacturing and strong relationship across customers, we are optimistic of growing our revenues and profits going forward.

As we look forward, we remain committed to investing in new technologies building, a strong customer relationship and supporting the growth of India's manufacturing sector. Speaking of a few specific highlights, which I want to share.

In July 2025, our Board approved the purchase of 20 acres of land in Tumakuru Machine Tools Park in Karnataka. This part of our long-term growth plan, the idea is to set up support centers, technological center and a warehouse closer to our customers, especially those in electronic manufacturing services called as the EMS sector, which is mainly based in Southern India. The strategy is to move closer to the customer cluster and diversify our manufacturing presence.

Further opportunity in the EMS segment are promising. We are in active talks with the multiple customers and the initial assessment looks very promising. We are still in early evolution stage and we'll be able to share more insights once we firm up some decisions. As part of EMS-related PLI, the government has acknowledged that the companies in the entire supply chain of manufacturing will be eligible for PLI. We are in active discussion.

Nothing has been finalized yet, but we will definitely submit our proposal and await a positive responses there. We are also seeing increased inquiries from our European customers, especially from the defence and the allied sector. We are hopeful that this can in turn convert into large orders going forward.

Our current capacity utilization is close to 75 percentage. With current order pipeline and order inquiries, we will need additional capacity to cater to this high demand scenario. Our plan to increase capacities to 10,000 machines per year is in progress well and will be completed by September 2026.

Lastly, I would like to highlight that continue to follow a careful and disciplined approach when it comes to investing our future growth. Currently, we are planning to fund all the related organic capex by a mix of internal accruals and debt, and we do not envisage any need of external capital. We remain committed to maintaining a healthy financial position while making the right investment to support our long-term strategy.

Coming to the financial and operational performance for a first quarter of '26. We reported a very strong consolidated revenue growth of a 13.4 percentage. Our consolidated revenues stood at INR410 crores in the first quarter FY '26 compared to INR361 crores in first quarter FY '25. Historically, the first quarter tends to be a seasonally a soft period for our industry as order activity is usually lower during this time. Our business typically sees a strong second half of the year, and we expect this trend to continue this year as well.

Revenue split across the industries is 30% contribution from aerospace and defence, 36 percentage come from auto and auto components, 26 percentage contribution from general engineering and 8 percentage from other sectors. Our first quarter FY '26 order intake stood at INR451 crores, which consists of 33 percentage of aerospace and defence, 31 percentage of auto and auto components, 29 percentage of general engineering and 7 percentage from the others.

Our current order book remains healthy and well diversified, standing at INR4,412 crores, reflecting a steady growth in customer trust. Industry-wise order book breakup stands at 39 percentage from the aerospace and defence, 19 percentage from general engineering, 17 percentage from auto and auto components, 16 percentage from EMS, 4 percentage from dyes, molds and rest coming from the other segment there.

Our gross margin for first quarter FY '26 stood at 55.9 percentage as compared to 53.2 percentage on FY '25, a growth of 270 basis points over there. EBITDA for first quarter FY '26 stood at INR100.2 crores, a growth of 6.5 percentage. Our EBITDA margin stood at 24.4 percentage this quarter as against 26 percentage in the first quarter FY '25. EBITDA was primarily impacted on account of increase in our employee cost and the same has been balanced out over the year with increase in revenue and operating leverage playing out over here.

Profit after tax for first quarter FY '26 stood at INR71.2 crores as compared to INR50.9 crores in first quarter FY '25, a growth of 40.2 percentage. Our PAT margins for the quarter stood at 17.4 percentage as compared to 14 percentage in the first quarter FY '25, a growth of 340 basis points on a year-on-year basis.

To conclude, we have made a strong start of FY '26, backed by solid revenue growth, a healthy order book and continued demand across the key sectors. Our strong manufacturing basis, focus on technology through our partnership with Huron and commitment to supporting India's manufacturing vision position as well as for the future. We remain financially disciplined with a balanced approach to investment and are confident of delivering a sustained growth in the upcoming quarters.

We may now open the floor for question and answers.

**Moderator:**

The first question comes from the line of Manish Ostwal from Nirmal Bang Securities.

- Manish Ostwal:** I have a question on the current quarterly performance compared to the earlier quarter trend. So if I look at the seasonal softness of the quarterly revenue in last year, this quarter, the decline compared to March quarter is slightly higher compared to quarter 1 of last year. So can you explain anything which is impacted the more moderation of growth in the revenue compared to the seasonal pattern?
- Parakramsinh Jadeja:** So basically, Manishji, see, the first quarter is a little bit always softer after the stretch of last quarter. And even our reflections also, let's say, once every year all our customers are closing their financials and audit numbers and always they are reaching to again to budget approvals and getting the funds and everything. So first quarter, always in industries are like that, okay? And this is seasonally what we are seeing and things are here. There is no other than any significant change we have been addressed over here.
- Manish Ostwal:** Secondly, sir, like any industry where you indicated the order book in terms of end user industry. So those industry is growing faster than -- much faster than the current quarter growth rate. So in terms of yearly performance, where the revenue growth we can anticipate on a yearly basis compared to F '25, given the very strong order book position we have?
- Parakramsinh Jadeja:** So particularly, I will tell you this aerospace and defence area, okay, there, we are looking at a very strong wind still there, okay? And this area, we have a very, let's say, very large machines and everything that the value addition also is much better there. And we are looking further more in the coming next 2 to 3 years, this scenario is going to be happened there.
- Manish Ostwal:** Lastly, sir, recently filed a -- filing where you mentioned that the Board has approved purchase of 20 acres land in Karnataka. So what kind of capex -- what size of capex we have over there?
- Parakramsinh Jadeja:** So we have not make any final printout over there because just it beginning. So the idea being that we would like to develop a very supportive things to our customers there basically. So we will do our tech centers. We will do our demo centers and we'll do all the supporting the qualifications and all to our customers there, okay? So we are going near to the customers for servicing support, spare parts and all like that.
- So we are not looking at large anything a capex kind of a thing like that. It's just kind of a sales and service offices and the support systems to be developed over there in initial stage. And all our customers was demanding, especially on all this electronic manufacturing customers base our southern area.
- So there were always the push was that you should come over near to us over here. So we are going there basically. In terms of capex, I'm not able to tell you anything today because it's not in plan. It has not been made out of that. We will see in a couple of quarters, and we'll update you on that...
- Moderator:** The next question comes from the line of Nidhi Shah from ICICI Securities.
- Nidhi Shah:** Sir, my first question is on the other expenses, they have grown reasonably this quarter. So I was just wondering if this is a new level, other expenses that we can expect even Q4 other expenses were a little bit on the higher side. So -- and what are the drivers for this level of other expenses?

- Parakramsinh Jadeja:** So basically in other expenses generally, see the way we have increased our manufacturing capacity, okay? And let's say, this quarter, whatever the parts and everything we are manufacturing, we are a long manufacturing cycles are there. So in the coming quarter, these are all the components and everything is going to be consumed over there. So this is all our manufacturing activities has been increased. That's why this kind of expenses have been increased there.
- Nidhi Shah:** And so can we expect a similar level...
- Parakramsinh Jadeja:** Then it will be balanced. It will be sustained into balance there and it will be equally divided there basically.
- Nidhi Shah:** And also the other income this quarter is also quite high. So what is the reason for that?
- Parakramsinh Jadeja:** So basically, this is a forex gain came over here in terms of debtors and receivables there basically.
- Nidhi Shah:** How much would you be able to quantify the forex gain?
- Parakramsinh Jadeja:** So it's INR16 crores there. We are in a Eurozone, Okay. And euro has been appreciated very largely in the last couple of months. So that has been converted over here basically.
- Nidhi Shah:** Could you please call out what was your revenues and PAT for Q1? And also that we've spoken multiple times about how we want to shift most of our high-end manufacturing to Huron so that to gain a better market share in Europe. So what is the progress on that front?
- Parakramsinh Jadeja:** So basically, today, whatever this order intake and everything what we are seeing in aerospace and defence, this is a total area we have a client base are from the Huron side only, okay? So in terms of -- in Huron, we have done around INR70 crores as in revenue this year compared to the last year was INR67 crores there, okay? And at PAT level is close to around INR2 crores there basically.
- There we have -- let's say, our new facilities are coming in operation from this month end, okay? They have handed over and final -- everything is going on. So here, already there also, we have increased the manpower there a lot because the new facilities are going to start now. So almost in terms of expenses is INR8 crores has been add on because the people we need to be trained and to be ready with that, okay? So these are the things. Otherwise, there also, we have sustainable margins and all are very well there now.
- Nidhi Shah:** So given that the new factory is going to come up over the new setup, we are hiring people there. What is the kind of revenue and PAT that we can expect from in, say, by the end of FY '26?
- Parakramsinh Jadeja:** So in Huron, let's say, until today, we are -- our capacity has been fully utilized, okay? So this year and still it is, let's say, 4 months, it's going to be -- it's almost gone from the fifth month is coming. It means half year is available with us. And whatever the machines we are making there, it's a long lead manufacturing machine. So we see the revenue growth on a last quarter, even for next year first quarter only to be a large growth we are able to see that.

- Moderator:** The next question comes from the line of Adil from ICICI Prudential Life.
- Adil:** I have two questions. One is what percentage of our total sale is exports to US? And the second one is that do you see any impact of this global uncertainty on EMS orders that we can get in India? Those are my two questions.
- Parakramsinh Jadeja:** So first of all, we -- in this today's revenue, we are not having any export sales to US there. We are mainly on Eurozone there. So US today, we are not directly as an affected any tariff time because we are just going and establishing our more sales networks in coming quarters there, basically, okay? And your second question is about EMS.
- See all the situation is Today, all our customers are basically going on a very healthy growth levels and all and manufacturing is going to be in the coming times is all electronic manufacturing is going to grow furthermore. We are not seeing any adverse effect on the investment cycle.
- So we are not feeling anything over that to be stopped in India today over there. In fact, there are many more customers are coming in India that I covered in my initial remarks. So we are seeing much more opportunities on this sector because this is just a beginning over here.
- Moderator:** The next question comes from the line of Ishita Lodha from SVAN Investments.
- Ishita Lodha:** For the land acquisition in Karnataka, how much have we spent only for the land?
- Parakramsinh Jadeja:** It's close to INR20 crores. It's a government land. The government has allotted this land, and it's a specific Machine Tool Park, okay? The Indian government has made this special park and it's been developed very specific machine tool activities over there basically. So it's a part, and it's a INR20 crores there.
- Moderator:** The next question comes from the line of Aniket Jain from Yes Securities.
- Aniket Jain:** Sir, I wanted to check that you have quite a good margin increment this year, one of the best over the last few quarters. So do you expect to maintain -- I'm talking about the gross margin. So do you think we'll be able to maintain those gross margins? And this time, it did not flow through EBITDA because of higher employee and other costs, other expenses. So once that normalizes, can we see margins increasing to probably 27%, 28%? That is my question number one.
- Parakramsinh Jadeja:** Okay. Basically, in terms of margin, so we are not seeing any pressures because the way we know what is our order book today, we are executing from them. So we know what is the price of the machine has been sell and we know that today's material cost and all, okay? So today, we are not seeing anything on any cost pressures there. I think we will be maintained margin growth very well in this year also.
- Aniket Jain:** Sure, sir. And the second one is, would you be able to provide any guidance -- revenue guidance for this year, any growth guidance or any absolute number that you are targeting for this year?



**Parakramsinh Jadeja:** So I'll generally have maintained the momentum. I never made a guidance, but I'll tell you one thing. We will maintain the growth trajectory nicely and momentum will be maintained there. The way our execution will improve. See, the challenges part what we are saying is not in business because we are on the huge order book and still the pipes are coming bigger and bigger, okay?

Challenges still is in part of execution because the people, the way we are increasing the team size, people and all. And this is not just commercial manufacturing activities over here. It's a very high precision. So skill base has to be impact first. And that's the -- always in my call, I am maintaining since last 4 calls that.

We are working more and more on to that. And based on that, our execution will improve and we will include more and more growth to be there. In fact, all our order book, we have committed to our customers very on a short time and all, okay? So we also are looking to be a very growth trajectory in coming quarters to be there.

**Aniket Jain:** Just last one, if I can squeeze in. So due to this execution risk or the execution issues that you're currently going through, are you saying no to any orders? Or are you deferring the orders to probably after 2 years or after 2.5 years? So that would be my last question.

**Parakramsinh Jadeja:** See basically, we are not doing this kind of a thing. But yes, the customers have not been pleased, if I commit the delivery more than 2 years. No ones are ready to wait for up to 2 years basically. So we are also into -- so right now, whatever the things we are expanding, we are running behind all our, let's say, the capex, what we are doing every day, we are chasing them and increasing the people and the scale up of the people, our center of excellence are working fully, and we are focusing on more and more to increase the team size and to better execution over there basically.

**Moderator:** The next question comes from the line of Mayank Chaturvedi from HSBC Mutual Fund.

**Mayank Chaturvedi:** Sir, just one. Firstly, on the Board meeting approval that has come in to acquire entities in USA and China. Can you please elaborate more on this? Have you identified new entities? I mean, to which part of your production will get cater to, etcetera?

**Parakramsinh Jadeja:** Thank you, Mayank. You have read the Board notes. Yes, Mayank, we took a decision to go to China, because China is the world's largest market today, okay? And we are so cost competitive when compared to the global market over there. And in China, Huron has a very long customer base.

Basically, all our government customers are there, okay? And we are now aggressively looking to expanding the geography China there. So we took a decision in this board. And in the first phase, we would like to go and sales and services network, our own people and all.

And the second there, our existing client as well as this new area where we are entering in electronic manufacturing. The largest consumers are sitting over there basically, okay? So it's a great opportunity and all the customers also wanted to us to go there. So we are going there.

**Mayank Chaturvedi:** Is there a customer overlap between your EMS customers in India and China?

- Parakramsinh Jadeja:** Yes. So similar customer base also there. So we are going in.
- Mayank Chaturvedi:** Okay. Great to hear that. Sir, second, on your existing order book for EMS, when do you expect that to get liquidated? And when do you expect...
- Parakramsinh Jadeja:** Yes, we are -- just now all my -- the customer client, okay, their supply chains have been developing in many more plants under construction there, okay? So we have not been received the schedule when it is to be happened. But any moment, we are looking and seeing their construction activities and all. We hopefully, in the third and fourth quarter is going to be -- a good liftings are going to be happened for there.
- Mayank Chaturvedi:** Okay. Okay, sir. And just last, bookkeeping, like you give every quarter, can you give a breakup of the machinery sold and entry level, mid-level and higher-level machines?
- Parakramsinh Jadeja:** Yes. So this quarter, we have sold 1,117 machines. And entry-level product is 994 machines, an average of INR20.52 lakhs, okay? And mid-level is around 104 machines at 71 lakhs. And high-end machines is 19 machines at an average value of INR5.6 crores. So last year, first quarter, we sold 788 machines. And in terms of numbers, this quarter, we sold 1,117 machines. So this is how a total scenarios are here.
- Mayank Chaturvedi:** I see the average price realization for high-end machine has also gone up significantly, I think...
- Parakramsinh Jadeja:** Yes. Basically, these are the long lead manufacturing machines. So some of the machines the last year, first quarter has gone up more. This quarter, 2, 3 machines, let's say, is also making the impact of INR50 crores, INR60 crores of revenue. So that will come in the coming quarter.
- Moderator:** The next question comes from the line of Pratik Dharmshi from Union Mutual Fund.
- Pratik Dharmshi:** Congratulations Jadeja ji for a good set of numbers.
- Parakramsinh Jadeja:** Thank you, Pratik bhai.
- Pratik Dharmshi:** A couple of questions from my side. One on margins. Structurally, how should one see your margins evolving over, say, next 2 to 3 years, considering you mentioned aerospace and defence will take more share of business going ahead, which mainly will be driven by Huron. So how should one structurally look at the margins? Will it hold around this level or there is scope for improvement over the next 2 to 3 years' time frame?
- Parakramsinh Jadeja:** Yes. So again, in my answer I've given you in the past, differently asked this question in the first time, let's say, the people -- let's say, we have an order book is close to -- if today's run rate, if we see that, 2 years, okay? So the margin is clearly visible there. We are not going to down below this, basically.
- Pratik Dharmshi:** Understood. And the second question I missed out. You mentioned something you would be applying for some PLI What was that?

**Parakramsinh Jadeja:** Yes. So great, Pratik. Thank you for that. See, now the government has come out with the new -- the scheme that all the supply chain on a PLI has been eligible, okay? And Jyoti has also been identified and, let's say, approved eligible.

Let's say, we are also eligible to get this PLI scheme. And whatever the capex we are doing, okay? And then some part of it is capex, we'll see that how they have been approving and all. So there, we have one of the support systems are in a capex, they are giving us a 25% of a subsidy from the central government. And similarly, if central government is giving the x, similar amount is given by the Gujarat government there, okay?

So it's close to 25% other there. And additionally, whatever the machines and this kind of a thing, so that we are just discussing with the government there and we've not been clarified that how we can able to get the productive, let's say, the linkage incentive there.

Right now, the scheme is for the 6 percentage on the sales, but how we are going to eligibles and all that is unclear things are there. That's why not I have given the numbers to you there. But yes, we are eligible, and we have approached to the government. We will -- very soon, we'll come to know how much we are able to get the support systems over here.

**Moderator:** The next question comes from the line of Venkat from Mirabilis Investment Trust.

**Vipin Goel:** Yes. Hi, sir, thank you for the opportunity. Vipin Goel this side from Mirabilis. Sir, just one question. Given that we have these capacity constraints and we are -- we plan to like increase the capacity, how do you usually go about planning of this capacity? Like in terms of if you were to prioritize this capacity between the sectors, EMS, auto, general engineering, how does that decision basically works out?

Is it based on the margin profile of that order or the growth visibility of that sector or the customer -- the bargaining power or the -- let's say, the customer concentration within that sector? So how do you go about prioritizing these 3 sectors?

**Parakramsinh Jadeja:** Yes. First of all, let's say, your first question about the planning. So generally, we see there is a model mix of a business there, okay? See the size of the machines are been different in every different segments. In an entry-level product, the machines also goes to a -- size of the machines also goes to aerospace. So there is no much direct connectivity on a capacity planning on a sector-wise there. It's basically a frame size of the machines basically.

What kind of machines we are able to build? What is the frame size are available? What is the biggest part we are able to do it? And that's the -- all our planning directions and lead are based on that basically. All the capacity is based on a smaller machine, medium-sized machine or a large machines basically. And all these 3 categories are being distributed over all the manufacturing sectors to be there. So that's your first question and answer to be there, okay? What was the second? Can you repeat that so I can give you the more better...

**Vipin Goel:** Yes. I mean that's pretty much clear that it's largely differentiated between small, mid and large categories of the size of machines.

- Parakramsinh Jadeja:** Yes, it's an envelope of machine basically there.
- Vipin Goel:** Okay. And given the current situation, which sectors then within the 3, let's say, you see would be growing faster than the others, given the capacity constraint again. So the reason, again, I have to ask is that how much flexible are you to -- in terms of the delivery time lines of these products within sectors? So which sector would be the most, let's say, flexible if you were to, let's say, delay or postpone that delivery time line?
- Parakramsinh Jadeja:** Today, I have only this large machines and particularly large machines today, what the order book we have receiving -- received and going to receive there and getting more and more inquiries from the Europe now today is on a large machine. And the large machines, let's say, in terms of today is our plant capacity, it's not fungible.
- All large parts cannot be produced in a small machine there on that area, okay? So small machines, I can produce in a large assembly area, but large machines, I cannot produce on a smaller machine area. So you can consider there is a large area that we are feeling to be a constraint to be there. Rest are fungible there, yes.
- Vipin Goel:** Okay. Then in that case, how to think about the growth of -- for the, let's say, next 2 years of small versus medium versus large?
- Parakramsinh Jadeja:** So we are -- based on this model mix and seeing the scenario, our capacity, we are expanding accordingly there basically, okay? already is plan out and we are increasing similar level to be there.
- Vipin Goel:** Right, sir. But which sector of these 3 -- which category of these 3 would be like, let's say, the fastest growth and...
- Parakramsinh Jadeja:** Let's say today, what is our 10,000 machine capacity we are expanding, okay? Even the highest growing area we are seeing in coming next 2 to 3 years is going to be electronic manufacturing. There -- and even that is more comfortable for us because this all EMS and other sectors are very fungible. So we can do with the auto, auto component, general engineering, everywhere, the same capacity will be utilized there. So full these expansions are going to come on an entry and mid-level machine there, basically.
- Vipin Goel:** Okay. So this 10,000 capacity would largely be split between medium and small?
- Parakramsinh Jadeja:** Yes, yes, yes. And that is the fastest-growing area also there.
- Vipin Goel:** Great, sir. Again, let's say, 50-50 broadly -- or let's say, 60-40, 60 small and 40 medium?
- Parakramsinh Jadeja:** So this additional 10,000 machine is going to be dedicated to the entry and mid-level. So before that, let's say, while we have made this 6,000 machine capacity, we have almost a large machine capacity we already increased there. And in Huron also, whatever the capacity we are expanding, it is basically for a large machine only there.

- Moderator:** The next question comes from the line of Sandeep Jain from Baroda BNP Paribas Mutual Fund. As there is no response from this line, we will move towards the next question. The next question comes from the line of Ashish Kumar from Ampersand Capital Investment Advisors.
- Ashish Kumar:** Any kind of color you can give on -- like you have said that H2 will be significantly better than Q1. But Q2, can we see a higher revenue growth compared to what we have seen in Q1? And second question is on EMS. In past few calls, we have mentioned that the supplies will start from, let's say, later part of this year. What's the update on that? And when we start supplying EMS machines, like what kind of impact it will have on our margins? Yes, those are my questions.
- Parakramsinh Jadeja:** So basically, let's say, always first half and second half is 40-60 kind of a thing like that, okay? And Q1 to always Q2 always to be better. Q3 is much better and Q4 is greater than. That is the way we are going ahead. So there's -- I can say this is only color, more color, I'm not able to tell you there, okay?
- Regarding this, let's say, in EMS. So people have fear that, let's say, EMS as a margin is gross margin is less a competitive area. It is not like that. Overall, our entry-level product and this combination of this is, all entry-level product and EMS on a similar level only there. So it is not going to be impacted anything is while EMS execution is going to be increased there. It is on a similar set of margins to be there.
- Ashish Kumar:** And like our EMS supplies will start from second half that we are sticking to that? Or is there any delay in that?
- Parakramsinh Jadeja:** So we are also looking to be eagerly to supply them. So the facility will be ready there. Hopefully, we will start from the third quarter. We hope if someone will put up early so we can deliver them faster.
- Moderator:** The next question comes from the line of Sandeep Jain from Baroda PNB Paribas Mutual Fund.
- Sandeep Jain:** Sorry, I got disconnected last time. So just one question. I joined late, so if you can clarify that. In Huron, our capacity expansion plan was got delayed in Q4 and all. And it was supposed to get started probably by Q2, if I remember it correctly. So is it online or there is further delay? How we can look at it?
- Parakramsinh Jadeja:** Sandeepji, it's online. Just 3 days back, I come back from there. The facility has been finally handed over to us as a final -- now our equipment installations and everything is going on. And from September onwards, we are starting assemblies over there. We already move into there in the plant and all the activities have been started there. There is no delay.
- Sandeep Jain:** And revenue booking and all those things will start from Q2 or Q3 kind of?
- Parakramsinh Jadeja:** No, because you know that manufacturing cycle is longer there. If I start any machine assembly, it is also going to be a longer period there basically.
- Sandeep Jain:** So from September, if you will start assembly and all, -- okay, so probably...

- Parakramsinh Jadeja:** We will see it in the last quarter, some color, but better -- yes, yes, yes. You know that now...
- Sandeep Jain:** Yes, yes. And all the facility in Huron is a high ticket size machinery, right?
- Parakramsinh Jadeja:** Yes, all are high ticket size machinery.
- Moderator:** The next question comes from the line of Jay Shah from OHM Portfolio Equity Research.
- Jay Shah:** Sir, I had a question on your overall growth rate. Do I understand correctly that you have a capacity utilization constraint till the new capacities come in. So your growth is basically back-ended basically from, say, second half of FY '26 or actually FY '27? Because if I annualize your current first quarter growth rate even at the basis of 40-60 for first half and second half, your FY '26 revenues will be around close to INR2,000 crores, which only gives you 10%, 15% growth rate at the top line level for the current year.
- Parakramsinh Jadeja:** You are putting me in a difficult situation because I know any time to give any forward to you - - slightly. The first quarter, I'll tell you one thing. No, no, I'll tell you one thing. I'll tell you one thing. I'll tell you one thing. A little bit -- your calculation is a little bit to correct.
- See, already the first quarter growth has been close to 15 percentage, close to 15 percentage, okay? And always, I said there is a second, third and all we will be having a good -- and today, our capacity is close to 6,000 machines, okay? And right now, let's say, we have based on this quarter is 1,100 machines we've done. So close to -- this year, we are expecting to almost 90% utilization and 90% utilization, you can now make and match and all. So you will reach a nice number there, okay?
- Jay Shah:** Okay. Okay. And do you have different margins in your segments like EMS, aero and defence? Or the margins more or less similar?
- Parakramsinh Jadeja:** So basically, yes -- Yes. In terms of we measure on a gross margin. So in the past also, I have been mentioned many times, maybe you have not been aware. So I'll let you know that. We have an entry-level product, what we call an entry-level product, okay?
- There, we have a gross margin is close to 35% to 40% in between there. Then we have a midrange machines. There, we have around 40% to 45% to 47% of the gross margin there. And then we have the high-end machines, okay? There, we have close to 55 percentage, 57 percentage over there, okay?
- Jay Shah:** Right, right. And sir, how is the working capital cycle now?
- Parakramsinh Jadeja:** So now, let's say, last year, we have reached to close to 175 days. And this year, we are slightly going to improve from that now. So whatever the early call -- so we said that this year we will - - and we are on the way and nicely we are on the way, we are going to touch in between 150 to 160 days over there.
- Moderator:** The next question comes from the line of Kamlesh Bagmar from Lotus Asset Managers.

- Kamlesh Bagmar:** Sir, if I see like last year, like we had an EBITDA per machine of roughly around INR12 lakh. And if I see this quarter, like we have done on the gross margin, INR20.5-odd lakh, which is down 16% year-over-year. So can it be the case that in order to push our volumes, we may take a hit on the margins and the margins could be much lower, which we were expecting around INR12-odd lakh? So just a query on that.
- Parakramsinh Jadeja:** Less you are the only person is able to reach out to a per machine like that. So basically, margin, I say that as a combined EBITDA level margin, we are going to have to close to, let's say, this year in first quarter itself is 24.4%. And it's come down 1.5 percentage and that's only due to the people increase in the last 1 year, okay? So we are comparing to last year first quarter to this quarter, okay? And almost INR15 crores of additional the manpower cost we have incurred from last year first quarter to this year first quarter.
- This is the only difference has been come over here. And that's how we are able to maintain. Number of machines, model mix may change, okay? Sometimes we make larger machines with less volume. Sometimes we make more machines with less value, but number of machines to be more. We are on a track to maintain on an EBITDA level, and we will be on that basically.
- Kamlesh Bagmar:** Sir, I was just referring to the gross margin. So it's down 16% year-over-year in rupee terms. So last year, it was INR24.5 lakh and it is now INR20.5 lakhs.
- Parakramsinh Jadeja:** You are calculating per machine, basically.
- Kamlesh Bagmar:** Yes, yes, per machine.
- Parakramsinh Jadeja:** Yes. So basically, the per machine is not in parameters because this quarter, the number of machines we made more, that's why the per machine average is INR36.72 lakh. So end of the year, we will be having, let's say, if I reach to a INR50 lakh average. So automatically, it will be set right over there, okay?
- Kamlesh Bagmar:** But sir, do we expect like, say, last year, it was INR44.6 lakhs. So do we expect...
- Parakramsinh Jadeja:** No, some quarter, let's say, in this quarter, this -- what I told you around 2, 3 machines has been coming on in next quarter more. The value of the machine is very high. So you will see the next quarter maybe or third quarter maybe more jump, okay?
- Kamlesh Bagmar:** And sir, lastly, you had -- like you are not -- you are not giving us a guidance and you have maintained that for the last -- many of the con calls. But as you are saying that you will maintain the momentum. And over the last 3 years, we have grown 35-odd percent CAGR. So what do we see? Like, would we be able to maintain that particular momentum? So I'm just sting to that particular part.
- Parakramsinh Jadeja:** So basically, I said we will maintain the momentum. It means we maintain the momentum. It's very clear.
- Kamlesh Bagmar:** No, but like on...
- Parakramsinh Jadeja:** There is a great opportunity in front of us, definitely, we will maintain the momentum.

**Kamlesh Bagmar:** Okay. Okay. And lastly, sir...

**Moderator:** Sorry to interrupt, Mr...

**Kamlesh Bagmar:** Just a follow-up to that. Sir, you have clearly articulated that you are not going to have any external capital. So does it mean that there will not be any fundraising to fund the...

**Parakramsinh Jadeja:** No, we are not going to come to take any capital on the market in my, let's say, organic growth. What I say is an organic growth, okay? So let's say, today, we are growing organically in the next 2 years. So there is no need of extra fund because our all internal accruals and our cash flows and everything you will see improving in the coming quarters very nicely. So we are able to fund it very well our own growth over here and there.

**Moderator:** The next question comes from the line of Depesh Kashyap from Invesco.

**Depesh Kashyap:** Sir, I just wanted to understand how to think about the capacity and capacity utilization. So as I understand, we have 6,000 machines capacity right now. So that means 1,500-odd machines per quarter, right? But this quarter, we did around 1,100-odd machines. And you talked about...

**Parakramsinh Jadeja:** 75 percentage.

**Depesh Kashyap:** Yes. So my question is like you talked about that you have capacity for small, mid and large machines, which are not fungible. So based on your order book, what kind of capacity utilization can we reach? Because we were already at 90-odd percent in the last quarter. Has the order book kind of changed? Because I think you have done more auto and general engineering this quarter. So how should we think about going forward in the remaining 9 months?

**Parakramsinh Jadeja:** Yes, nicely -- let's say, I'll hear you one thing that -- what I say that many of the machines, large machines, my manufacturing time is longer, okay? So sometimes it's not falling into a quarter-on-quarter then, okay? Sometimes, let's say, in this month as June has been not finished some machines and falling into July there, okay? So definitely, that kind of things will -- and let's say, some of the large machines manufacturing time is 12 to 15 months.

So coming on to direct in production, so it's not directly measurable quarter-on-quarter, basically, okay? So that's the challenge. I'm not able to satisfy you there. But -- end of the year, let's say, we see that we will reach 90% utilizations over here. And that's why I am on track there completely.

**Depesh Kashyap:** Okay. Understood. Understood. And then your capacity are going to come in September '26, that is on track right now. There is no further delay.

**Parakramsinh Jadeja:** Absolutely. There is no delay. We may hope we can do something better, but...

**Depesh Kashyap:** And there is no delay at the customer end also, they are also on track with their...

**Parakramsinh Jadeja:** Absolutely. Already, we have taken orders, and we want to execute it there very fast...



- Depesh Kashyap:** Understood, sir. Secondly, I think in the Board decision, you have taken a decision to set up acquire entities in US and China. So it is just a sales network or you are going to set up a manufacturing also there? Like any thoughts around that?
- Parakramsinh Jadeja:** So right now, in the first phase, we are looking to be set up the sales and services there. And then if we required to have some more, let's say, the opportunity there and to do some assembly plant over there, the way we have -- all the components have been manufactured, subassembly done over in India and very near to customers in Europe, the way China and the US also. And if the US increase the tariff and the opportunities are people are moving there for manufacturing, we'll do some small assembly and then maintain a good momentum there.
- Depesh Kashyap:** Okay. But the sales network, you may not acquire, right? That is like 1 or 2 people you can put...
- Parakramsinh Jadeja:** No, no, no. We are going to increase only sales network right now. There are not acquisitions or not a company, not any large capex on kind of any like that.
- Depesh Kashyap:** Understood. And lastly, sir, the total capex that we are supposed to do this year and the next year was how much, if you can just remind us?
- Parakramsinh Jadeja:** So basically, our capex, what we have decided is close to INR400 crores to INR450 crores -- INR450 crores. That's the only right now, it's the things are going on there.
- Depesh Kashyap:** And this will be done by September 2026, that is what...
- Parakramsinh Jadeja:** September 2026. We will do before that basically. But the last date 2026.
- Moderator:** The next question comes from the line of Priyesh Babaria from Mahindra Manulife Mutual Fund.
- Priyesh Babaria:** Sir, just wanted to ask on -- just like you mentioned the gross margin with respect to, let's say, based on the level of machines entry mid or high. Would you be able to throw some color on as per the end user industries?
- Parakramsinh Jadeja:** See, I will tell you in terms of an entry-level product and let's say, the value, what I say is an entry-level product is up to INR50 lakhs, okay? So it's not like that as an end users are fit on always in these three categories, some industries like that. Every industries are having all 3 kind of products are required there, okay? Largely, I can say only one thing today, and that is today there, aerospace and defence are all are in a high-end machine there. Rest -- but in aerospace and defence, we have an entry-level product also there as an industry-wise there, okay?
- There are some noncomplex parts are the machines and they use the entry-level product there, okay? I'm not able to -- because all the area has not been specific based on the industry spectrum there.
- Priyesh Babaria:** Understood. Understood.
- Parakramsinh Jadeja:** And I'll tell you one thing that we are so diversified, okay, we have close to now 14,000-plus customer base now, okay? To explain you to all my investors like you and all people, I have put into this main category and combine them, okay? But there are many manufacturing areas, okay,

like today, the railway is one of the biggest growing area for us, okay? Like a medical implant is going to be one of the biggest area for us there, okay? So that's all our feel are under other categories. So there are many of these kind of things are there in subcategories to be there.

**Priyesh Babaria:**

And we have also a second question is on we also hired 2 people, which is basically a senior management personnel. This is with respect to US and China only or something how...

**Parakramsinh Jadeja:**

So I'll tell you that the way we are growing, so we are making our management bandwidth is we are increasing, okay? So two years back, we were at less than INR1,000 crore company, and we are growing now every year, 30 percentage, 35 percentage. So let's say, strategy and operations are two different areas. So today, everything was in one basket over here. So we have made one vertical on a strategy.

So one of the gentlemen we have hired, he looks to take care about the entire strategy there. Another person we have hired into operation that is on operation head over here. That's on the manufacturing and looking to. And many more people we are still taking in the near term to expand our management bandwidth...

**Moderator:**

Ladies and gentlemen, due to interest of time, that was the last question. I now hand the conference over to management for closing comments. Thank you, and over to you, sir.

**Parakramsinh Jadeja:**

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

**Moderator:**

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