

Stock Idea Note - Jyoti CNC Automation Limited

**Company Overview**

Jyoti CNC Automation Ltd. is one of India's leading manufacturers of Computer Numerical Control (CNC) machine tools. The company manufactures turning centres, vertical machining centres (VMCs), horizontal machining centres (HMCs), simultaneous 5-axis machines, multi-tasking machines and special-purpose machines for precision manufacturing applications. It has an installed base of more than 1,40,000 machines and serves over 15,000 customers across domestic and international markets. The company operates two manufacturing facilities in Rajkot, Gujarat, and one manufacturing facility in Strasbourg, France, through its wholly-owned subsidiary, Huron Graffenstaden SAS. Huron primarily caters to the high-end CNC machine segment and provides access to European and global markets. Jyoti CNC also has subsidiaries in Germany, Canada and Turkey for sales and service operations. During FY26, aerospace & defense accounted for 39% of consolidated revenue, followed by auto & auto components (26%), general engineering (23%), die & molds (7%), EMS (1%) and other industries (4%). As of March 31, 2026, the company had an order book of Rs. 4,732 crores, comprising aerospace & defense (38%), auto & auto components (20%), general engineering (19%), EMS (4%), die & molds (14%) and other industries (6%). The company is expanding its annual manufacturing capacity from 6,000 machines to 16,000 machines through a new manufacturing facility in Rajkot. Commercial production is expected to commence during Q2FY27.

**Investment Rationale**

**Manufacturing expansion to accelerate order book monetization**

Jyoti CNC is entering an execution-led growth phase as its largest capacity expansion to date is expected to remove the primary constraint that has limited revenue growth over the last few years. Despite a healthy demand environment across aerospace, auto, EMS and general engineering, the company has been operating at full utilization, resulting in slower order execution, and limiting its ability to capitalize on incremental demand. The expansion of annual manufacturing capacity from 6,000 machines to 16,000 machines should significantly improve execution capabilities. Additionally, the new manufacturing facility is expected to shorten production cycles, improve inventory turns and enhance working capital efficiency, supporting stronger cash flows and operating leverage. As fixed costs get absorbed over a larger production base, the company is well positioned to deliver a sustained improvement in earnings growth and return ratios over the medium term.

**Structural improvement in order book quality with broad-based demand reduces earnings cyclicality**

The quality of Jyoti CNC's order pipeline has improved meaningfully, with growth increasingly being driven by multiple end-user industries rather than a single vertical. While aerospace and defense continue to be key contributors, order inflows from auto, auto components and general engineering have strengthened considerably, resulting in a more balanced order mix during FY26. This diversification reduces dependence on any one industry cycle and provides better earnings visibility over the medium term. The company's healthy Rs. 4,732 crores order book, coupled with favorable structural drivers such as manufacturing localization, increasing defense spending, semiconductor investments and the expanding electronics manufacturing ecosystem, positions it to participate across multiple capex cycles. A diversified demand profile, supported by an expanded manufacturing base, should enable more consistent growth, and reduce earnings volatility going forward.

**Stock Rating**

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

**Sector Outlook**

Positive

**Stock**

CMP (INR)	766
Target Price (INR)	888
NSE Symbol	JYOTICNC
BSE Code	544081
Bloomberg	JYOTICNC IN
Reuters	JYCA.BO

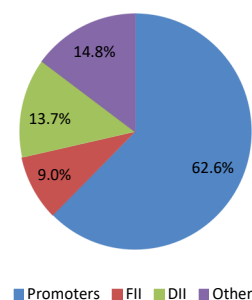
**Key Data**

Nifty	24,056
52WeekH/L(Rs.)	1,144 / 580
O/s Shares (Cr.)	23
Market Cap (Rs, Cr.)	17,388
Face Value (Rs.)	2

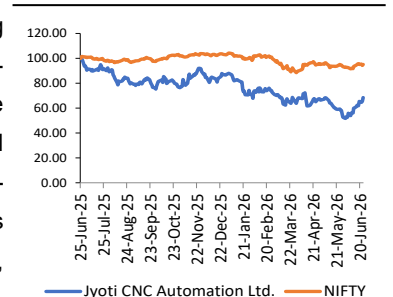
**Average volume**

3 months	17,69,869
6 months	11,87,534
1 year	9,49,863

**Share Holding Pattern (%)**



**Relative Price Chart**



## Stock Idea Note - Jyoti CNC Automation Limited

## Valuation and Outlook

Jyoti CNC has established itself as one of the leading domestic CNC machine tool manufacturers with a diversified presence across aerospace & defense, auto & auto components, general engineering, EMS, and die & mold industries. The company is entering an accelerated structural growth phase, supported by a massive manufacturing capacity expansion from 6,000 to 16,000 machines per annum. Scheduled to operationalize progressively starting Q2FY27, this capital scaling is strategically positioned to eliminate delivery bottlenecks, meet unaddressed market demand, and unlock significant operational leverage to drive robust cash flow generation. Furthermore, the macro environment remains highly favorable, propelled by strong tailwinds including the aggressive localization of manufacturing under "Atmanirbhar Bharat," rising investments across critical sectors (electronics, semiconductors, defense, and automotive), and a growing industry preference for domestically manufactured capital goods. While headline Q4FY26 consolidated earnings were temporarily obscured by a one-time product modification and subsequent Rs. 67 crore revenue deferment at its European subsidiary, Huron, the fundamental investment thesis remains entirely intact. The underlying demand architecture continues to be exceptionally robust, characterized by a healthy execution pipeline and an expansive consolidated order book of Rs. 4,732 crores as of March 31, 2026. Backed by its broad product portfolio, dual manufacturing presence across India and Europe, and highly backward-integrated operations, Jyoti CNC possesses excellent medium-term revenue visibility to sustain its high-growth earnings trajectory. **On the valuation front, we value the company at 48x FY27E earnings, arriving at a target price of Rs. 888, implying a 16% upside from the current market price over a 12-month investment horizon.**

## Key Financials

YE March (INR. Cr.)	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue	929	1,338	1,818	2,093	2,736	3,498
Revenue Growth (Y-o-Y)	24.6%	44.0%	35.8%	15.2%	30.7%	27.9%
EBITDA	77	301	491	527	690	889
EBIT Growth (Y-o-Y)	5.3%	291.7%	63.1%	7.3%	31.0%	28.9%
Net Profit	-5	151	316	336	420	577
Net Profit Growth (Y-o-Y)	-	-	109.5%	6.3%	25.0%	37.3%
Diluted EPS	(0.4)	7.9	13.9	14.8	18.5	25.4

## Key Ratios

EBITDA margin (%)	8.3%	22.5%	27.0%	25.2%	25.2%	25.4%
NPM (%)	-	11.3%	17.4%	16.1%	15.4%	16.5%
RoE (%)	-	11.1%	18.7%	16.8%	19.8%	24.4%
RoCE (%)	4.7%	16.1%	20.8%	16.7%	20.1%	25.2%

## Valuation Ratios

P/E (x)	-	97.1x	55.1x	51.8x	41.4x	30.2x
EV/EBITDA (x)	236.8x	57.5x	36.2x	34.4x	26.1x	20.1x
P/BV (x)	211.9x	12.7x	10.3x	8.7x	8.2x	7.4x
Market Cap. / Sales (x)	18.7x	13.0x	9.6x	8.3x	6.4x	5.0x

Source: Bloomberg, BP Equities Research



BP WEALTH

Tel: +91 22 61596138

Research Desk

Institutional Sales Desk

Tel: +91 22 61596403/04/05

**Disclaimer Appendix****Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

**General Disclaimer**

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

**Corporate Office:**

4th floor,  
Rustom Bldg,  
29, Veer Nariman Road, Fort,  
Mumbai-400001  
Phone- +91 22 6159 6464  
Fax-+91 22 6159 6160  
Website- [www.bpwealth.com](http://www.bpwealth.com)

**Registered Office:**

24/26, 1st Floor, Cama Building,  
Dalal street, Fort,  
Mumbai-400001  
  
BP Wealth Management Pvt. Ltd.  
CIN No: U67190MH2005PTC154591  
  
BP Equities Pvt. Ltd.  
CIN No: U67120MH1997PTC107392