Retail Research

3rd Oct 2025

Equity Fundamental

Pick of the Day (Short Term Delivery Call)

Company Name: Jyoti CNC Automation Ltd.

NSE Code	JYOTICNC
BSE Code	544081
Market Cap (Rs cr)	20,520
Avg. Trading Vol. in Mn. (5 days/30 days)	1.8/1.9
Avg. Delivery Vol. in Mn. (5 days/30 days)	1.0/0.9
Promoter Holding (%)	62.6
Pledge (%)	4.1

CMP (Rs)	914.0
Accumulation Range (Rs)	905-922
Target (Rs)	1,005.0
Upside Potential (%)	10%
Duration	6-12 Months

Source: ACE Equity, SSL Research

Jyoti CNC Automation Ltd (Jyoti CNC) is among the world's leading vertically integrated manufacturers of Computer Numerical Control (CNC) machines. The company designs and produces a comprehensive portfolio of over 200 product variants, ranging from CNC Turning and Turn Mill Centres to 5-Axis Machining Centres and Multi-Tasking Machines.

Investment Rationale:

A leading player with over 3 decades of experience: A CNC machine is a type of automated manufacturing equipment that uses computer software and numerical codes to control its movements and operation. The company produces over 200 product variants in 44 verticals with an installed capacity of over 6,000 units spread across 3 manufacturing units (2 in Rajkot, Gujarat) and 1 in Strasbourg, France. The price ranges between Rs 50 lakh to 2 cr. The company has delivered over 1.35 lakh machines worldwide till date. The company has over 3 decades of experience with a market share of 10% in the domestic CNC machine market.

Shaping the future with capacity expansion: The company's growth strategy is closely aligned with the strong tailwinds across key industries. It is undertaking significant capacity expansion as FY24 capacity has already expanded from 4,400 units to 6,000 units at present. Further, Jyoti CNC has initiated a major expansion at its existing Rajkot facility that will add another 10,000 machines per annum over the next two years, primarily for entry level products, including EMS machines. The project, estimated at Rs 400 cr to Rs 450 cr, will be largely funded through internal accruals.

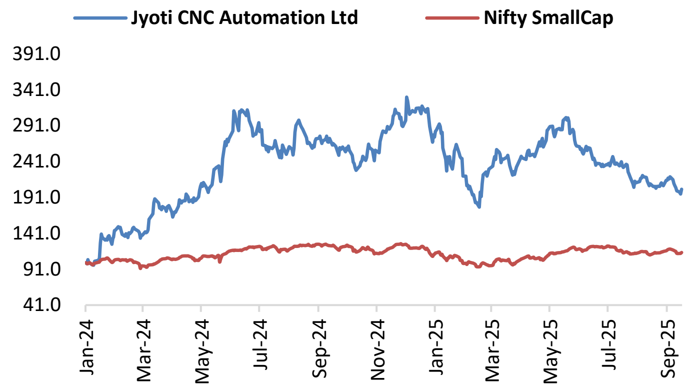
Strong industrial tailwinds: The management expects EV, Semiconductors, EMS (Electronic Manufacturing Services), Aerospace and Defence to be big growth drivers. India's semiconductor market will nearly double from USD 52 billion in FY 2024-25 to USD 103.4 billion by 2030, driven largely by mobile handsets, IT, and industrial applications, which contribute 70% of sector revenues. In India, demand for electronic components will reach USD 240 Billion by 2030, with the EMS sector alone requiring over 1,00,000 CNC machines in the next five years. Global aerospace and defence market will reach ~USD 1,388 billion by 2030, expanding at 8.2% CAGR, supported by geopolitical shifts, modernisation, and higher spending budgets.

Growth outlook: The company has delivered nearly 40% CAGR during FY23-FY25. The management has reiterated the continued momentum going ahead with a margin similar to 26-27%.

Valuation is premium but well supported by earning growth: At CMP, the stock trades at FY26E/FY27E P/E multiple of 43.2x/33.7x respectively based on Bloomberg consensus estimates.

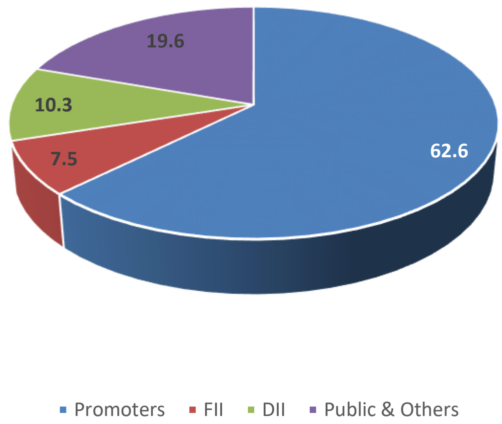
Key risks: Industrial slowdown; High dependence on few industries; Raw material price volatility

Stock Performance (Since Listing)



Source: ACE Equity, SSL Research

Shareholding Pattern (Jun'25)



Why Now?

Sr. No.	Parameters	Score
1	Recent financial performance (management guidance, return and margin profile, growth and cash flow)	✓
2	Overall corporate governance (Promoter pledge, credit rating, audit qualified opinion etc)	⟺
3	Recent stock price movement-worst is over for stock, all negatives in the price (valuation, 52W H/L, below average PE etc)	✓
4	Beneficiary of recent macro and industrial developments (Regulatory, Fiscal/Monetary policy, favourable industrial outlooks etc)	✓

⟺ - Neutral ✓ - Positive ✗ - Negative

Duration of recommendation: Short to Medium term

** Please refer to our call guide mentioned below.*

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
-	-	-	-	-

Call Guide:

The above recommendation is meant for short term investment purpose with holding period between 180-365 days and target upside upto 10% (+/- 0.5%). The recommended price is previous day's closing NSE price (except the stock only listed on BSE). In case of gap-up opening the call is termed "Not Entered" only if stock price does not come within +1% of previous close price on the day of call; partial profit is generally not advised; Call can be rationalized (changed) by Fundamental team at their discretion; generally to average or exit at loss (cut-loss strategy).

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