

**IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS**


(Please scan this QR Code to view the RHP)

This is an abridged prospectus containing salient features of the red herring prospectus of Jyoti CNC Automation Limited (the “Company”) dated January 2, 2024 filed with the Registrar of Companies, Gujarat at Ahmedabad (the “RHP” or “Red Herring Prospectus”). You are encouraged to read greater details available in the RHP, which is available at <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=15&smid=11>. Unless otherwise specified all capitalized terms used herein and not specifically defined shall bear the same meaning as ascribed to them in the RHP.

**THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

Please ensure that you have read the RHP, this abridged prospectus (“Abridged Prospectus”) and the General Information Document for investing in public Issues (“GID”) undertaken through the Book Building Process before applying in the Issue (as defined below). The investors are advised to retain a copy of the RHP/Abridged Prospectus for their future reference. You may obtain a physical copy of the Bid cum Application Form and the RHP from the Stock Exchanges (defined below), Syndicate Member (defined below), Registrar to the Issue, Registrar and Share Transfer Agents (“RTAs”), Collecting Depository Participants (“CDPs”), Registered Brokers, Bankers to the Issue, Investors’ Associations or Self Certified Syndicate Banks (“SCSBs”). You may also download the RHP from the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in), at the websites of National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”), and together with NSE, the “Stock Exchanges”) at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), respectively, and the websites of our Company at [www.jyoti.co.in](http://www.jyoti.co.in) and Book Running Lead Managers at [www.equirus.com](http://www.equirus.com), [www.icicisecurities.com](http://www.icicisecurities.com), [www.sbics.com](http://www.sbics.com) respectively.



## JYOTI CNC AUTOMATION LIMITED

**Corporate Identity Number:** U29221GJ1991PLC014914; **Date of Incorporation:** January 17, 1991

REGISTERED OFFICE AND CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
G - 506, Lodhika GIDC, Village Metoda, Rajkot – 360 021, Gujarat, India	Maulik B Gandhi <i>Company Secretary and Compliance Officer</i>	Telephone: + 91-2827 – 235182 E-mail: <a href="mailto:investors@jyoti.co.in">investors@jyoti.co.in</a>	<a href="http://www.jyoti.co.in">www.jyoti.co.in</a>

### OUR PROMOTERS: PARAKRAMSINH GHANSHYAMSINH JADEJA, SAHDEVSIH LALUBHA JADEJA, VIKRAMSINH RAGHUVIRSINH RANA, AND JYOTI INTERNATIONAL LLP

#### DETAILS OF THE ISSUE TO PUBLIC

Type of Issue	Fresh Issue size	Offer for Sale size	Total Issue size	Eligibility and Reservation	Share Reservation among QIBs, NIBs, RIBs and Employees			
					QIBs	NIBs	RIBs	Employees
Fresh Issue	Up to [●] Equity Shares of face value of ₹ 2 each, aggregating up to ₹ 10,000.00 million.	Not Applicable	Up to [●] Equity Shares of face value of ₹ 2 each, aggregating up to ₹ 10,000.00 million	The Issue is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations. For further details, please refer to the section titled “Other Regulatory and Statutory Disclosures - Eligibility for the Issue” on page 434 of the RHP. For further details in relation to share reservation among QIBs, NIBs, RIBs and Eligible Employees please refer to the section titled “Issue Structure” on page 454 of the RHP.	Not less than 75% of the Net Issue being available for allocation to QIBs. However, 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not more than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders	Not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders	The Employee Reservation Portion shall constitute up to [●]% of the post-Issue Equity Share capital of our Company

The Equity Shares are proposed to be listed on BSE Limited and National Stock Exchange of India Limited (“Designated Stock Exchange”).

#### DETAILS OF ISSUE FOR SALE BY THE SELLING SHAREHOLDERS

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH OFFERED/AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)
Not Applicable			

#### PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

Price Band <i>For details of the Price Band and the basis for the Issue Price, please refer to the price band advertisement and the section titled “Basis for Issue Price” on page 158 of the RHP*</i>	₹ 315 per Equity Share to ₹ 331 per Equity Share of face value of ₹ 2 each
Minimum Bid Lot Size, respectively	45 Equity Shares and in multiples of 45 Equity Shares thereafter
Bid/Issue Opens On*	Tuesday, January 9, 2024
Bid/Issue Closes On^	Thursday, January 11, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Friday, January 12, 2024
Initiation of Refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account**	On or about Monday, January 15, 2024
Credit of Equity Shares to Demat accounts of Allottees	On or about Monday, January 15, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Tuesday, January 16, 2024

\* Our Company in consultation with the BRLMs, may consider participation by the Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 Working Day prior to the Bid/Issue Opening Date.

^ UPI mandate end time and date shall be at 5pm, on Bid/Issue Closing Date.

\*\*Employee discount of INR 15 per Equity Share

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**\*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 4 days from the Bid/ Issue Closing Date, the Bidder shall be compensated for causing such delay in unblocking in accordance with applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) in case of delays in resolving investor grievances in relation to blocking/unblocking of fund and the provisions shall also be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/00094 dated June 21, 2023 (to the extent applicable) and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.**

### WEIGHTED AVERAGE COST OF ACQUISITION FOR ALL EQUITY SHARES TRANSACTED IN THE LAST ONE YEAR, EIGHTEEN MONTHS AND THREE YEARS IMMEDIATELY PRECEDING THE DATE OF THE RED HERRING PROSPECTUS

Period	Weighted Average Cost of Acquisition (in ₹)*#	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest price - highest price*# (in ₹)
Last one year	38.52	8.59	₹ 29 - ₹ 266
Last 18 months	38.52	8.59	₹ 29 - ₹ 266
Last three years	38.52	8.59	₹ 29 - ₹ 266

\* As certified by our Statutory Auditors, G. K. Choksi & Co. pursuant to a certificate dated January 2, 2024.

#Equity Shares of face value of ₹ 10 each were sub-divided into Equity Shares of face value of ₹ 2 and CCPS of face value of ₹ 10 each were sub-divided into CCPS of face value of ₹ 2 each authorised by our Board pursuant to the resolution at its meeting held on July 12, 2023 and the Shareholders pursuant to the special resolution at their meeting held on August 19, 2023. The effect of sub-division of Equity Shares and CCPS and subsequent conversion of CCPS into Equity Shares has been considered.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U. S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

### RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Share is ₹ 2 each. The Floor Price, the Cap Price and the Issue Price as determined and justified by our Company, in consultation with the BRLMs, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations, and as stated under ‘Basis for the Issue Price’ on page 158 of the RHP should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to ‘Risk Factors’ on page 49 of the RHP and on page 9 of this Abridged Prospectus.

### PROCEDURE

You may obtain a physical copy of the Bid cum Application Form and the RHP from the Stock Exchanges, Syndicate Member, Registrar to the Issue, Registrar and Share Transfer Agents (“RTAs”), Collecting Depository Participants (“CDPs”), Registered Brokers, Bankers to the Issue, Investors’ Associations or Self Certified Syndicate Banks (“SCSBs”).

If you wish to know about processes and procedures applicable to the Issue, you may request for a copy of the RHP and/or the GID from the BRLMs or download it from the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), the websites of NSE and BSE at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), respectively, and the websites of the BRLMs at [www.equirus.com](http://www.equirus.com), [www.icicisecurities.com](http://www.icicisecurities.com), [www.sbicaps.com](http://www.sbicaps.com).

### PRICE INFORMATION OF BRLMs

Sr No	Issue Name	Name of BRLM	+/- % change in closing price, [+/- % change in closing benchmark]		
			30th calendar day from listing	90th calendar day from listing	180th calendar day from listing
1	Divgi TorqTransfer Systems Limited	Equirus	+12.04%, [+4.30%]	+39.64%, [+8.16%]	+67.75%, [+14.51%]
2	Netweb Technologies India Limited	Equirus	+73.20%, [-2.08%]	+67.87%, [-2.56%]	N.A.
3	TVS Supply Chain Solutions Limited	Equirus	+8.71%, [+1.53%]	+6.57%, [+1.29%]	N.A.
4	Zaggle Prepaid Ocean Services Limited	Equirus	+30.95%, [-0.67%]	+34.39%, [+7.50%]	N.A.
5	Protean eGov Technologies Limited	Equirus	+45.21%, [+7.11%]	N.A.	N.A.
6	Fedbank Financial Services Limited	Equirus	-2.75%, [+7.94%]	N.A.	N.A.
7	Happy Forgings Limited	Equirus	N.A.	N.A.	N.A.
8	India Shelter Finance Corporation Limited	ICICI	N.A.	N.A.	N.A.
9	DOMS Industries Limited	ICICI	N.A.	N.A.	N.A.
10	Inox India Limited	ICICI	N.A.	N.A.	N.A.
11	Muthoot Microfin Limited	ICICI, SBI	N.A.	N.A.	N.A.
12	Credo Brands Marketing Limited	ICICI	N.A.	N.A.	N.A.
13	Azad Engineering Limited	ICICI, SBI	N.A.	N.A.	N.A.
14	Innova Captab Limited	ICICI	N.A.	N.A.	N.A.
15	Indian Renewable Energy Development Agency Limited	SBI	N.A.	N.A.	N.A.
16	Updater Services Ltd	SBI	-13.72%, [-1.76%]	N.A.	N.A.
17	JSW Infrastructure Limited	SBI	+41.34%, [-2.93%]	N.A.	N.A.

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Sr No	Issue Name	Name of BRLM	+/- % change in closing price, [+/- % change in closing benchmark]		
			30th calendar day from listing	90th calendar day from listing	180th calendar day from listing
18	Yatra Online Limited	SBI	-11.06%, [-2.63%]	-0.21%, [+8.90%]	N.A.
19	Senco Gold Limited	SBI	+25.28%, [-0.70%]	105.32% , [+1.26%]	N.A.

Source: www.bseindia.com and www.nseindia.com

Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each Merchant Banker with common issues disclosed once.

Notes: 1. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange. 2. For change in closing price over the closing price as on the listing date, the S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable. 3. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered. 4. the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered. 5. N.A. – Period not completed. For further details, please refer to “Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs” on page 441 of the RHP.

For further details, please refer to “Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs” on page 441 of the RHP.

**BOOK RUNNING LEAD MANAGERS**

<b>Equirus Capital Private Limited</b> Tel: +91 22 4332 0734 E-mail: jyoti.ipo@equirus.com Investor grievance e-mail: investorsgrievance@equirus.com	<b>ICICI Securities Limited</b> Tel.: + 91 22 6807 7100 E-mail: jyotincipo@icicisecurities.com Investor Grievance email: customercare@icicisecurities.com	<b>SBI Capital Markets Limited</b> Tel: +91 22 4006 9807 E-mail: jyotincipo@sbicaps.com Investor grievance email: investor.relations@sbicaps.com
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<b>Name of Syndicate Members</b>	Equirus Securities Private Limited, SBICAP Securities Limited, Investec Capital Services (India) Private Limited
<b>Name of Registrar to the Issue</b>	<b>Link Intime India Private Limited</b> Tel: +91 810 811 4949; E-mail: jyotincipo@linkintime.co.in; <b>Investor grievance e-mail:</b> jyotincipo@linkintime.co.in
<b>Name of Statutory Auditor</b>	G. K. Choksi & Co., Chartered Accountants
<b>Name of Credit Rating Agency and the rating or grading obtained, if any</b>	Not Applicable
<b>Name of Debenture Trustee</b>	Not Applicable
<b>Self Certified Syndicate Bank(s) or “SCSB(s)”</b>	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.
<b>Eligible SCSBs and mobile applications enabled for UPI Mechanism</b>	In accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time.
<b>Syndicate SCSB Branches</b>	In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> ) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> as updated from time to time.
<b>Non-Syndicate Registered Brokers</b>	The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <a href="http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?">www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?</a> and <a href="http://www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm">www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm</a> , respectively, as updated from time to time Bidders can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <a href="https://www.bseindia.com">https://www.bseindia.com</a> and <a href="https://www.nseindia.com">https://www.nseindia.com</a> , as updated from time to time.
<b>Details regarding website address(es)/ link(s) from which the investor can obtain a list of RTAs, CDPs and stock brokers who can accept applications from investors, as applicable</b>	The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the BSE and NSE at <a href="http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?">www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?</a> and <a href="http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm">www.nseindia.com/products/content/equities/ipo/asba_procedures.htm</a> , respectively, as updated from time to time. The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at <a href="http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?">www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?</a> and <a href="http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm">www.nseindia.com/products/content/equities/ipo/asba_procedures.htm</a> , respectively, as updated from time to time. For further details, see “Issue Procedure” on page 459 of the RHP.

**PROMOTER OF OUR COMPANY**

Sr. No.	Name	Individual/Corporate	Experience and Educational Qualification /Corporate information
1.	Parakramsinh Ghanshyamsinh Jadeja	Individual	He is an undergraduate and was appointed as director on March 26, 2003. He has been associated with Jyoti Enterprise as a partner since 1989. He is also a director on the board of Indian Machine Tool Manufacturers Association and Neo Rajkot Foundation since December 10, 2015 and June 07, 2016, respectively.
2.	Sahdevsinh Lalubha Jadeja	Individual	He is an undergraduate and was appointed as director on March 26, 2003. He has been continuing as a director of our Company since then. He has been associated with Jyoti Enterprise as a partner since 1989.
3.	Vikramsinh Raghuvirsinh Rana	Individual	He is an undergraduate and was appointed as director of our Company on March 26, 2003.
4.	Jyoti International LLP	Corporate	Jyoti International LLP was originally incorporated as 'Jyoti International Private Limited', as a private limited company under the Companies Act, 1956 and received a certificate of incorporation issued by the RoC on April 3, 2008. Subsequently, Jyoti International Private Limited was converted into Jyoti International LLP, a limited liability partnership, and was issued a certificate of registration on conversion by the RoC on March 16, 2016.

**BUSINESS OVERVIEW AND STRATEGY**

**Company overview:** We are one of the world's leading manufacturers of metal cutting computer numerical control (CNC) machines with the third largest market share in India accounting approximately 10% of the market share in India in Fiscal 2023 and twelfth largest market share globally accounting for 0.4% of the market share globally in calendar year 2022. (Source: F&S Report) We are a prominent manufacturer of simultaneous 5-Axis CNC machines in India (Source: F&S Report) and supply a diverse portfolios of CNC machines including CNC Turning Centers, CNC Turn Mill Centers, CNC Vertical Machining Centers (VMCs) and CNC Horizontal Machining Centers (HMCs). We rely on our expertise built over 2 decades of presence and strong R&D capabilities to deliver customised solutions to our customers across diverse set of industries including aerospace and defence, auto and auto components, general engineering, EMS, dies and moulds, and others. We offer solutions suited for transitioning towards 'Industry 4.0', including our flagship multifunctional solutions package viz. '7th Sense' – which is geared towards automating sophisticated diagnostic and analytical functions enabling seamless management of productivity, health and tool life of the CNC machine. The CNC machines market is expected to grow globally at a CAGR of 10.3% during CY 2023-2027. This growth is expected to be propelled by a growth in the manufacturing industries due to factors such as industrial automation, and integration of computer aided manufacturing. The surge in demand for high precision machinery from various industries including aerospace, defense and medical sector is expected to result in the increased demand for the machining centers market. (Source: F&S Report).

**Product / service offering:** We are a prominent manufacturer of simultaneous 5-Axis CNC machines in India (Source: F&S Report) and supply a diverse portfolios of CNC machines including CNC Turning Centers, CNC Turn Mill Centers, CNC Vertical Machining Centers (VMCs) and CNC Horizontal Machining Centers (HMCs).

**Revenue segmentation by geographies:**

Set out in the table below is a break-down of our revenues from operations across different geographies.

(₹ in million)

End-user industries	6 months period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue from sale of machinery (in ₹million)	As a % of revenue from sale of machinery	Revenue from sale of machinery (in ₹ million)	As a % of revenue from sale of machinery	Revenue from sale of machinery (in ₹ million)	As a % of revenue from sale of machinery	Revenue from sale of machinery (in ₹ million)	As a % of revenue from sale of machinery
India	4,037.70	83.90	7,428.19	87.22	5,628.99	82.59	3,652.05	71.02
Asia (excluding India)	68.72	1.43	600.16	7.05	772.68	11.34	618.61	12.03
Europe	702.41	14.60	418.57	4.91	339.07	4.97	835.27	16.24
North America	3.54	0.07	63.70	0.75	46.55	0.68	36.14	0.70
Rest of World	-	-	6.48	0.08	28.36	0.42	-	-
<b>Total</b>	<b>4,812.37</b>	<b>100.00</b>	<b>8,517.10</b>	<b>100.00</b>	<b>6,815.65</b>	<b>100.00</b>	<b>5,142.07</b>	<b>100.00</b>

As certified by our Statutory Auditors, G. K. Choksi & Co. pursuant to a certificate dated December 20, 2023.

**Key Performance Indicators**

A list of our Key Performance Indicators for the 6 months ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 is set out below:

(in ₹ millions, except percentages and ratios)

Particulars	As at and for			
	6 month period ended September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
	Consolidated			
Revenue from Operations (₹ million)	5,098.22	9,292.59	7,464.87	5,800.59
Gross Profit (₹ million) <sup>(1)</sup>	2,388.38	3,966.46	3,268.02	2,611.04
Gross Margin (%) <sup>(2)</sup>	46.85%	42.68%	43.78%	45.01%
EBITDA (₹ million) <sup>(3)</sup>	744.02	973.79	726.62	316.89
EBITDA Margin (%) <sup>(4)</sup>	14.59%	10.48%	9.73%	5.46%
Profit for the Year / Period (₹ million)	33.52	150.60	(483.00)	(700.29)
PAT Margin (%) <sup>(5)</sup>	0.66%	1.58%	(6.44%)	(11.87%)
Return on Equity (%) <sup>(6)</sup>	1.33%^	18.35%	(117.36%)	(62.20%)



**IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS**

Particulars	As at and for			
	6 month period ended September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
	Consolidated			
Return on Capital Employed (%) <sup>(7)</sup>	5.54% <sup>^</sup>	9.50%	4.85%	0.47%
Debt to Equity Ratio (in times) <sup>(8)</sup>	3.25	10.17	19.25	6.44
Debt Service Coverage Ratio (in times) <sup>(9)</sup>	0.70	0.88	0.56	0.41
Gross Fixed Assets Turnover Ratio (in times) <sup>(10)</sup>	0.67 <sup>^</sup>	1.27	1.08	0.77

<sup>^</sup> Not Annualised.

**Notes:**

- Gross profit is calculated as revenue from operations minus cost of raw materials consumed minus (increase)/decrease in inventories of finished goods and work-in-progress.
- Gross Margin is calculated as gross profit divided by revenue from operations.
- EBITDA is calculated as profit/ (loss) for the year / period less exceptional items and other income plus finance costs, depreciation and amortisation, and total income tax expenses.
- EBITDA Margin is calculated as EBITDA divided by revenue from operations.
- PAT Margin is calculated as profit/ (loss) for the year / period divided by total income.
- Return on Equity is calculated as profit/ (loss) for the year / period divided by total equity.
- Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus total borrowings while EBIT is calculated as EBITDA plus other income less depreciation and amortization.
- Debt to Equity Ratio is calculated as non-current borrowings plus current borrowings divided by total equity.
- Debt Service Coverage Ratio is calculated as Net operating income divided by Annual debt obligation. Net operating income is calculated as profit/ (loss) for the year / period plus finance costs plus depreciation and amortisation while annual debt obligation is calculated as finance costs plus repayment of current and non-current borrowings during the year / period.
- Gross Fixed Assets Turnover Ratio is calculated as revenue from operations divided by cost of property, plant and equipment; capital work in progress; right of use assets; intangible assets and intangible assets under development.

For reconciliation in relation to the Gross Profit, Gross Margin, EBITDA, EBITDA Margin, Return on Equity, Return on Capital Employed, PAT Margin, and Gross Fixed Asset Turnover Ratio, see 'Other Financial Information' on page 362 of the RHP.

**Industries served:** Aerospace & Defense, Auto & Auto Components, General Engineering, Dies & Moulds, EMS and Others. For further details, please see "Industry Overview" beginning on page 176 of the RHP.

**Intellectual property, if any:** Our Company has registered trademarks under class 10 and class 7, and have applied for two trademarks under class 9 and class 42, with the Registrar of Trademarks. For further details, see "Our Business – Intellectual Property" on page 238 of the RHP.

**Market share:** We are one of the world's leading manufacturers of metal cutting computer numerical control (CNC) machines with the third largest market share in India accounting approximately 10% of the market share in India in Fiscal 2023 and twelfth largest market share globally accounting for 0.4% of the market share globally in calendar year 2022. (Source: F&S Report)

**Manufacturing plant, if any:**

Sr. No.	Address of Manufacturing Unit	Date of Commencement of Production	Products Manufactured
India			
1.	G - 506, Lodhika GIDC, Kalawad Road, Metoda, Rajkot – 360 021	October, 2003	Products such as CNC Turning Centers, CNC Turn Mill Centers, CNC Vertical Machining Centers, CNC Horizontal Machining Centers, CNC Vertical Line Machines, High-tech CNC 3 axis and 5-axis Machines and Multi-Tasking Machines
2.	2839, Lodhika GIDC, Kalawad Road, Metoda, Rajkot – 360 021	October 4, 2008	
France			
1.	1 Rue de l'Artisanat, 67114 Eschau, France.	November 2007	

**Employee strength:** As of September 30, 2023, we had 2,624 employees (including employees on contract basis). For details, see "Our Business- Human Resources" on page 237 of the RHP.

**BOARD OF DIRECTORS**

Sr. No	Name	Designation	Experience and Educational Qualification	Other Directorships
1.	<b>Parakramsinh Ghanshyamsinh Jadeja</b>	Chairman and Managing Director	He is an undergraduate and was appointed as director on March 26, 2003. He has been associated with Jyoti Enterprise as a partner since 1989. He is also a director on the board of Indian Machine Tool Manufacturers Association and Neo Rajkot Foundation since December 10, 2015 and June 07, 2016, respectively	<b>Indian Companies</b> Indian Machine Tool Manufacturers Association Neo Rajkot Foundation <b>Foreign Companies</b> Jyoti SAS
2.	<b>Sahdevsinh Lalubha Jadeja</b>	Whole Time Director	He is an undergraduate and was appointed as director on March 26, 2003. He has been continuing as a director of our Company since then. He has been associated with Jyoti Enterprise as a partner since 1989.	<b>Foreign Companies</b> Nil <b>Foreign Companies</b> Nil
3.	<b>Vikramsinh Raghuvirsinh Rana</b>	Whole Time Director	He is an undergraduate and was appointed as director of our Company on March 26, 2003.	<b>Foreign Companies</b> Nil <b>Foreign Companies</b> Nil

# IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

Sr. No	Name	Designation	Experience and Educational Qualification	Other Directorships
4.	Rikesh Chand*	Nominee Director	He holds a bachelor's of engineering degree (mechanical) from South Gujarat University. He joined EXIM Bank in April 2004.	<b>Foreign Companies</b> Nil <b>Foreign Companies</b> Nil
5.	Yogesh Damodardas Kathrecha	Independent Director	He holds has completed his bachelor's of technology in mechanical engineering from Indian Institute of Technology, Bombay in 1985. He is also a director on the board of GM APE Automation (India) Private Limited since June 08, 2021	<b>Indian Companies</b> GM APE Automation (India) Private Limited <b>Foreign Companies</b> Huron Graffenstaden SAS
6.	Vijay Vaman Paranjape	Independent Director	He holds bachelor's of engineering degree (electrical branch) from Sardar Patel College of Engineering, University of Mumbai. He was previously a director of Siemens Limited. He is also a director on the board of Dol Motors Private Limited since November 11, 2011.	<b>Indian Companies</b> Dol Motors Private Limited <b>Foreign Companies</b> Nil
7.	Jignasa Pravinchandra Mehta	Independent Director	She holds a degree of Bachelor of Engineering in mechanical from Saurashtra University, a master's degree in engineering in mechanical from Sardar Patel University. She has also received a degree of Doctor of Philosophy from Sardar Patel University, Gujarat. She is currently an independent director on the board of Rolex Rings Limited. She is currently working as Professor of Mechanical Engineering and Dean of Engineering and Technology at Darshan University, Rajkot	<b>Indian Companies</b> Rolex Rings Limited <b>Foreign Companies</b> Nil
8.	Pravinchandra Ratilal Dholakia	Independent Director	He is a Chartered Accountant and holds a membership from the Institute of Chartered Accountants of India. He is currently a senior partner at P.R Dholakia & Co., Chartered Accountants.	<b>Indian Companies</b> Rolex Rings Limited <b>Foreign Companies</b> Nil

\* In terms of the Sanction Letter dated July 5, 2021 issued by Export-Import Bank of India and accepted by our Company, Export- Import Bank of India has nominated Rikesh Chand on our Board as a nominee of Export-Import Bank of India.

For further details in relation to our Board of Directors, see section titled "Our Management" on page 258 of the RHP.

## OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue by our Company.

### The Objects of the Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards the following objects:

1. Repayment and/ or pre-payment, in full or part, of certain borrowings availed by our Company;
2. Funding long-term working capital requirements of our Company; and
3. General corporate purposes.

(collectively, referred to herein as 'Objects')

In addition, our Company expects to receive the benefits of listing of Equity Shares on the Stock Exchanges including enhancing our Company's visibility and brand image among our existing and potential customers and creating a public market for our Company's Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects, as set out in our Company's Memorandum of Association, enable our Company to undertake our existing business activities and the activities proposed to be funded from the Net Proceeds.

### Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(in ₹ million)

Sr. No.	Particulars	Estimated utilisation from Net Proceeds
1.	Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	4,750.00
2.	Funding long-term working capital requirements of our Company	3,600.00
3.	General corporate purposes <sup>(1)</sup>	•
	<b>Net Proceeds</b>	<b>•</b>

<sup>(1)</sup> The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

**Means of Finance:** Our Company proposes to fund the requirements of the entire Objects of the Issue from the Net Proceeds. Accordingly, there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals, as required under Regulation 7(1)(e) of the SEBI ICDR Regulations.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public offers / rights issues, if any, of our Company in the preceding 10 years:** Not Applicable.

**Terms of issuance of convertible security, if any:** Not Applicable.

**Name of Monitoring Agency:** CARE Ratings Limited.

**Shareholding Pattern as on the date of the RHP:**

Category of shareholder	Pre-Issue number of Equity Shares (Number of fully paid-up Equity Shares held)	% Holding of Pre Issue Shareholding
Promoter and Promoter Group	142,246,495	72.13%
Public	54,957,952	27.87%
Total	197,204,447	100.00%

**SUMMARY OF RESTATED CONSOLIDATED FINANCIAL INFORMATION**

The following is a summary financial information derived from the Restated Consolidated Financial Information: (in ₹ million, except per share data)

Particulars	6 months period September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Equity Share capital**	391.51	329.29	294.79	294.79
Compulsory convertible preference shares entirely in Equity Nature	3.93	-	-	-
Net worth	2,056.26	362.29	(296.75)	186.65
Revenue from operations	5,098.22	9,292.59	7,464.87	5,800.59
Profit/ (loss) for the year after tax for the year / period	33.52	150.60	(483.00)	(700.29)
Earnings / (Loss) per Equity Share				
- Basic (in ₹)	0.19*	1.02	(3.28)	(4.75)
- Diluted (in ₹)	0.19*	1.02	(3.28)	(4.75)
Net asset value per Equity Share	14.62	5.57	2.79	7.64
Total Borrowings	8,214.04	8,349.74	7,921.57	7,251.17

Notes:

- (1) Net Worth' means the aggregate value of the paid-up share capital and all reserves created out of profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets including revaluation reserve, capital redemption reserve, write back of depreciation and amalgamation.
- (2) Basic EPS (₹) = Basic earnings per share are calculated by dividing the profit/ (loss) for the year / period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year after taking into consideration the sub-division.
- (3) Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the profit/ (loss) for the year / period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year after taking into consideration the sub-division.
- (4) Net asset value (NAV) per equity share is calculated as total equity divided by weighted average number of equity shares on a diluted basis after taking into consideration the sub-division.
- (5) Total borrowings comprise of current borrowing and non-current borrowings.

\*Not annualised

\*\*After March 31, 2023, our Company has issued 62,22,052 Equity Shares of face value of ₹ 10 each and 392,855 CCPS of face value of ₹ 10 each. Subsequently, the Equity Shares of face value of ₹ 10 each and CCPS of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each and CCPS of face value ₹ 2 each, respectively. For further details, see 'Capital Structure' on page 121.

For further details, see "Restated Consolidated Financial Information" beginning on page 289 of the RHP and "Summary of Restated Consolidated Financial Information" beginning on page 94 of the RHP.

**INTERNAL RISK FACTORS**

Below mentioned risks are the top 5 risk factors as per the RHP:

1. We have incurred losses and consequently, had a negative return on equity in the past. Losses in future could have an adverse impact on our growth prospectus and would also preclude us from undertaking actions such as declaring dividends.
2. Our success is dependent on our relationship with our customers, and we do not, generally enter into long term purchase contracts. This exposes us to risk emanating from the inability to retain our established customers as our clients.
3. We have incurred significant indebtedness and carry substantial debt servicing obligations. Further we have high debt equity ratio and a low debt service coverage ratio. If we do not generate sufficient amount of cash flows from operations, our liquidity and our ability to service our indebtedness could be adversely affected.
4. Our Company does not have long-term agreements with suppliers for our input materials and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.
5. We are completely reliant on third-party logistics service providers for transport of input materials and finished products.

**SUMMARY OF OUTSTANDING LITIGATION, CLAIMS AND REGULATORY ACTION**

A. A summary of outstanding litigation proceedings involving our Company, Promoters, Subsidiaries and Directors, as disclosed in "Outstanding Litigation and Material Developments" on page 420 in terms of the SEBI ICDR Regulations as of the date of the Red Herring Prospectus is provided below.

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigation	Aggregate amount involved (₹ in million)*
<b>Company</b>						
By the Company	1	-	-	-	2	14.62
Against the Company	1**	23	Nil	Nil	Nil	416.37
<b>Promoters</b>						
By the Promoter	Nil	-	-	-	-	Nil
Against the Promoter	Nil	12	Nil	Nil	Nil	Nil
<b>Directors (other than Promoters)</b>						
By the Directors	Nil	-	-	-	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	2	44.00 <sup>#</sup>

\*To the extent quantifiable.

\*\*In addition to the 1 criminal proceeding against our Company, an FIR has been filed by Ram Lal in the Hari Nagar Police Station. For details, see 'Outstanding Litigation and Material Development' at page 420.

<sup>#</sup>Amount involved is ₹ 481,000 (i.e., ₹ 44.00 million; 1 € = ₹ 91.48 as of November 30, 2023 (Source: www.fbil.org.in)).

**B. Brief details of top 5 material outstanding litigations against our Company and our Subsidiaries and amount involved.**

Sr. No.	Particulars	Litigation filed by	Current Status	Amount involved
1.	A criminal <i>suo moto</i> public interest litigation (bearing Criminal Suo-moto Public Interest Litigation No. 2 of 2021) ( <b>PIL</b> ) was filed against our Company and others entities ( <b>Respondents</b> ) before the Hon'ble High Court of Judicature of Bombay, Aurangabad Bench ( <b>High Court</b> ) <i>inter alia</i> alleging supply of inferior quality / dysfunction of ventilators by our Company to government medical colleges and hospitals. By an order dated June 7, 2021, the High Court observed that certain defective ventilators have been rendered functional after the repairs carried out by our Company, and in relation to remaining malfunctioning ventilators directed our Company to carry out repairs or replace the ventilators, on a case-to-case basis, as may be required. The matter is currently pending before the High Court.	Registrar (Judicial), High Court of Bombay, Bench at Aurangabad.	The matter is currently pending before the High Court.	NIL
2.	A first information report bearing FIR No. 0403 dated July 20, 2021 was filed by Ram Lal ( <b>Complainant</b> ) in Hari Nagar Police Station (Police Station) in relation to an injury suffered while unloading one of our machines from a truck which was transporting this machine. Upon occurrence of this incident, our machine which was being transported in the truck was impounded by the Police Station. A criminal case bearing no. 14085/2022 was filed before the Chief Metropolitan Magistrate in relation to this matter. The Chief Metropolitan Magistrate, West, Tis Hazari Courts, Delhi has released the machine, which was impounded, through an order dated September 13, 2021 after our Company deposited a security bond / indemnity of ₹ 2.77 million. The next date of hearing in the matter is April 10, 2024.	Complainant - Ram Lal.	The matter is currently pending. The next date of hearing in the matter is April 10, 2024.	NIL
3.	Huron Graffenstaden SAS, one of our Subsidiary, delivered two machines (KX-50 & MAM HPPS-35-6) to a customer in 2017. These machines were not operational at the plant of the customer, despite numerous interventions by Huron Graffenstaden SAS at the plant of the customer. The customer, i.e., Halgand, has filed a suit against Huron Graffenstaden SAS in the Commercial court of Saint-Nazaire. The amount involved in the proceeding is not determinable at this stage. Currently, the customer has requested for the appointment of an expert to determine the cause of the problem.	Halgand.	The matter is currently pending.	Not determinable.
4.	Huron Graffenstaden SAS, one of our Subsidiary, delivered a machine NX 50 machine which was manufactured by our Company and directly delivered to the customer, i.e., Lambert. There was a delay in the delivery of the machine which led to cancellation of the orders received by the customers. Further, major malfunctions were discovered in the operation of the machine. Despite 13 interventions carried out at customers' plant during 2014 to 2016, a major technical problem remained unresolved. It was concluded by the expert that the machine does not work and could never be accepted. The expert also concluded that the cause lies in the conception and manufacture of the machine by our Company. In 2014, the customer filed a suit against Huron Graffenstaden SAS in Commercial Court of Nancy. The claim amount involved in the matter is € 481,000 (i.e., ₹ 44.00 million; 1 € = ₹ 91.48 as of November 30, 2023 (Source: www.fbil.org.in)). The next date of the hearing / proceeding in the matter has not yet been assigned.	Lambert	The matter is currently pending.	€ 481,000 (i.e., ₹ 44.00 million; 1 € = ₹ 91.48 as of November 30, 2023 (Source: www.fbil.org.in)).

**C. Regulatory Action, if any - Disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any: None.**

**D. Brief details of outstanding criminal proceedings against the Promoters: None.**

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Other Material Developments*” on page 420 of the RHP.

**ANY OTHER IMPORTANT INFORMATION AS PER BRLMs / COMPANY - NIL**

**DECLARATION BY OUR COMPANY**

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements, disclosures and undertaking in the Red Herring Prospectus are true and correct.