



(Please scan this QR code to view the Red Herring Prospectus)

JYOTI CNC AUTOMATION LIMITED

Our Company was originally incorporated as 'AMB Engineering Company Private Limited', at Gujarat as a private limited company under the Companies Act, 1956 and received a certificate of incorporation issued by the RoC, on January 17, 1991. Thereafter, pursuant to a special resolution passed by the Shareholders of our Company on April 19, 2002, our Company's name was changed to 'Jyoti CNC Automations Private Limited', and a fresh certificate of incorporation dated May 08, 2002, was issued to our Company by the RoC. Subsequently, pursuant to a special resolution passed by the Shareholders of our Company on April 04, 2008, our Company's name was changed to 'Jyoti CNC Automation Private Limited', and a fresh certificate for incorporation dated April 28, 2008 was issued to our Company by the RoC. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed by the Shareholders of our Company on September 17, 2012 and the name of our Company was changed to its present name, 'Jyoti CNC Automation Limited', pursuant to a fresh certificate of incorporation issued by the RoC on November 30, 2012. For details of changes in the name and registered office of our Company, see 'History and Certain Corporate Matters' on page 247 of the Red Herring Prospectus dated January 2, 2024 ("RHP" or "Red Herring Prospectus") filed with the RoC.

Registered and Corporate Office: G - 506, Lodhika GIDC, Village Metoda, Rajkot - 360 021, Gujarat, India; Contact Person: Maulik B Gandhi, Company Secretary and Compliance Officer; Tel: + 91-2827235182; E-mail: investors@jyoti.co.in; Website: www.jyoti.co.in; Corporate Identification Number: U29221GJ1991PLC014914

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

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH (EQUITY SHARES) OF JYOTI CNC AUTOMATION LIMITED (OUR COMPANY) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (ISSUE PRICE) AGGREGATING UP TO ₹ 10,000.00 MILLION (ISSUE). THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 50.00 MILLION (CONSTITUTING [●]% OF OUR POST-ISSUE EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (EMPLOYEE RESERVATION PORTION). OUR COMPANY MAY, IN CONSULTATION WITH THE BRLMS, OFFER A DISCOUNT OF UP TO ₹ [●] OF THE ISSUE PRICE TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (EMPLOYEE DISCOUNT), SUBJECT TO NECESSARY APPROVALS AS MAY BE REQUIRED. THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE 'NET ISSUE'. THE ISSUE AND THE NET ISSUE SHALL CONSTITUTE [●]% AND [●]% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

We are the manufacturers of metal cutting computer numerical control (CNC) machines. We manufacture simultaneous 5-Axis CNC machines in India 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).

The Issue is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations

QIB Portion: Not less than 75% of the Net Issue | Non-Institutional Portion: Not more than 15% of the Net Issue | Retail Portion: Not more than 10% of the Net Issue
Employee Reservation Portion: Up to [●] Equity Shares aggregating up to ₹ 50.00 Million

PRICE BAND: ₹ 315 TO ₹ 331 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH.
THE FLOOR PRICE IS 157.50 TIMES THE FACE VALUE OF THE EQUITY SHARES AND
THE CAP PRICE IS 165.50 TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR OUR COMPANY AT THE UPPER END OF THE PRICE BAND IS 324.51 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 308.82 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP PRICE TO EARNINGS RATIO OF 49.55 TIMES.

BIDS CAN BE MADE FOR A MINIMUM OF 45 EQUITY SHARES AND IN MULTIPLES OF 45 EQUITY SHARES THEREAFTER.
A DISCOUNT OF ₹ 15 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated January 2, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for the Issue Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for the Issue Price' beginning on page 158 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Issue, including the risks involved and not rely on any other external sources of information about the Issue available in any manner.

RISKS TO INVESTORS

1. **Highly Leveraged:** We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business. As of September 30, 2023, our total sanctioned and outstanding indebtedness was ₹ 12,805.40 million and ₹ 9,768.88 million, respectively.

Consequently, 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. Set out below are our Debt to Equity Ratio, and Debt Service Coverage Ratio:

Particulars	6 months period ended September 30, 2023	Fiscal		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Consolidated
Debt to Equity Ratio	3.25	10.17	19.25	6.44
Debt Service Coverage Ratio	0.70	0.88	0.56	0.41
2. **Losses incurred by Company:** We have incurred losses and consequently, had a negative return on equity in the past, as set out below. Losses in future could have an adverse impact on our growth prospectus.

(in ₹ million, except %)

Particulars	6 months period ended Sept. 30, 2023	Fiscal		
		2023	2022	2021
Profit / (loss) for the year / period	33.52	150.60	(483.00)	(700.29)
Return on Equity (%)	1.33%^	18.35%	(117.36%)	(62.20%)

^Not annualised.
3. **Substantial working capital requirements:** Our Company has a high working capital requirement. Our Company's working capital requirements (i.e., sum of trade receivables and inventory, as reduced by trade payables) as on September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 was ₹ 6,422.84 million, ₹ 5,528.06 million, ₹ 5,338.70 million and ₹ 5,494.25 million, respectively. As on September 30, 2023, our Company had sanctioned working capital facilities aggregating to ₹ 3,692.80 million. If our Company is unable to raise sufficient working capital, the operations of our Company will be adversely affected.

4. **Outstanding unsecured loans, and unsecured loans converted into Equity Shares:** We have availed unsecured loans which may be recalled by our lenders, at any time. We may also convert unsecured loan into Equity Shares subject to approval of shareholders, which may dilute your shareholding. As of September 30, 2023, our Company has availed unsecured loan(s) aggregating ₹ 820.35 million from certain Promoters and third parties which may be recalled at any time. Further, during Fiscal 2023 and Fiscal 2024, our Company converted unsecured loans advanced by 2 of our Promoters i.e., Parakramsinh Ghanshyamsinh Jadeja and Jyoti International LLP, into Equity Shares (i.e. 3,450,000 Equity Shares on March 31, 2023 at an issue price of ₹ 145 per Equity Share, and 5,840,000 Equity Shares on August 19, 2023 at an issue price of ₹ 154 per Equity Share).

5. **Delay in re-payment of loan and interest:** Company, in the past, has rescheduled payments of its credit facilities from its lenders. Our Company has, in the past, also delayed in re-payment of principal amount and interest on loan availed by our Company, ranging up to 56 days.

6. **Delay in payment of Statutory Dues:** Company has in the past delayed in the payment of undisputed statutory dues such as provident fund, income tax, goods and services tax, cess to relevant authorities. These delays were all due to cash flow mismatch and lack of sufficient liquidity during these

- periods. In addition, our Company has also at disparate times in the past delayed in filing goods and services tax returns in compliance with applicable law.
7. **Customer concentration risk:** Our success is dependent on our relationship with our customers, and we do not, generally enter into long term purchase contracts. During the 6 months period ended September 30, 2023, and Fiscal 2023, Fiscal 2022 and Fiscal 2021, our top 10 customers contributed 39.92%, 20.08%, 22.58% and 29.54% of our revenue from operations, respectively.
8. **Dependence on Application Industries:** Our business is dependent on the performance of the Application Industries with a large portion of revenue being derived from a select few of Application Industries such as (1) Aerospace and Defence; (2) Auto and Auto Components contributing 37.22% and 34.68% of revenue from sale of machinery respectively. Any downturn in the Application Industries can adversely impact our business, results of operations, cash flow and financial condition of our Company.
9. **No long-term agreement with suppliers:** 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.
10. **Logistics risk:** We are completely reliant on third-party logistics service providers for transport of input materials and finished products. If such third-party logistics service providers discontinue their services, our business operations could be adversely impacted.
11. **Failure to manage inventory:** We are a manufacturing entity, and, at all points of time, a certain portion of assets comprise inventory of input materials and finished products. The total inventory of our various products during 6 months period ended September 30, 2023 and during Fiscals 2023, 2022, and 2021 was ₹ 8,683.49 million, ₹ 8,199.19 million, ₹ 6,340.41 million and ₹ 6,447.06 million respectively. Any failure on our part to effectively manage our inventory may have an adverse effect on our business.
12. **Dependence on machinery for our operations:** We operate two manufacturing units on land leased from the Gujarat Industrial Development Corporation (GIDC), at Rajkot, in Gujarat. Any break-down of our machinery will have a significant impact on our business.
13. **Matters of Emphasis by Statutory Auditors:** Our auditors have made certain comments in respect of our Company's standalone audited financial statements for 6 months period ended September 30, 2023 and the Fiscals 2023, 2022 and 2021. The comments indicate that our Material Subsidiaries had accumulated losses and their net worth were eroded.
14. **Delay in submission of financials:** Company has delayed in submission of our audited consolidated financial statements for Fiscal 2021 and Fiscal 2022 with the RoC, by around 5 months and 8 months, respectively due to delay on our foreign subsidiary (i.e. Jyoti SAS) to provide their financial statements to our Company during Fiscal 2022 and Fiscal 2021. We cannot assure you that no action will be taken against our Company.
15. **Downgrade in Credit Rating:** The credit rating of Company's borrowings for Fiscal 2024 as provided by Infomerics Valuation and Rating Private Limited is IVR BBB+ Stable for long term fund based facilities, and IVR A2 for short term fund based bank facilities and short term non-fund based bank facilities. Any downgrade in our credit ratings, may affect our Company's ability to avail of debt and could also impact the trading price of the Equity Shares.

16. **Foreign exchange fluctuation risk:** The cost of imported raw material as percentage of total cost of material increased from 7.66% in Fiscal 2023 to 34.42% during the six months period ended September 30, 2023. Any adverse foreign exchange fluctuation could increase our cost of operations and affect our profitability.
17. **Market Risk:** Our total income and profit for Fiscal 2023 was ₹ 9,526.00 million and ₹ 150.60 million, respectively. The Issue Price, market capitalization to total income multiple, price to earnings ratio and enterprise value to EBITDA ratio, may not be indicative of the market price of the Equity Shares on listing. Some of our select financial ratios are set out below:

Particulars	At Floor Price (₹)	At Cap Price (₹)
Market capitalization / Total Income (Fiscal 2023)	7.57	7.90
Price to earnings ratio (based on profit after tax for the year Fiscal 2023)	308.82	324.51
Enterprise value to EBITDA ratio (based on EBITDA for Fiscal 2023)	82.19	85.43

18. **Weighted average return on net worth for Fiscals 2023, 2022 and 2021 is (40.35)% and as on September 30, 2023 is 1.33% (not annualised).**
19. **Weighted average cost of acquisition of (i) all shares issued by our Company; and (ii) all shares acquired by our Promoters and Promoter Group, in the 3 years, 18 months and 1 year preceding the date of the Red Herring Prospectus is set out below:**

Period	Weighted Average Cost of Acquisition (in ₹)*	Cap Price (i.e., ₹ 331) is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest price - highest price* (in ₹)
Last 3 years	38.52	8.59	₹ 29 - ₹ 266
Last 18 months	38.52	8.59	₹ 29 - ₹ 266
Last 1 year	38.52	8.59	₹ 29 - ₹ 266

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

20. **Set out below are the details of the weighted average cost of acquisition of the transactions undertaken during the 18 months preceding the date of the Red Herring Prospectus, as compared to the Floor Price and the Cap Price:**

Particulars	Weighted Average cost of Acquisition (in ₹)	Floor Price (i.e., ₹ 315)	Cap Price (i.e., ₹ 331)
WACA of Primary Transactions	32.92	9.57 times	10.05 times
WACA of Secondary Transactions	31.20	10.10 times	10.61 times

21. **The 3 BRLMs associated with the Issue have handled 75 public issues in the past 3 Fiscals, out of which 23 issues have closed below the offer price on the listing date.**

Name of the BRLM	Total Issues	Issues closed below IPO price on listing date
Equirus Capital Private Limited	10	1
ICICI Securities Limited	40	10
SBI Capital Markets Limited	10	5
Common Issues of above BRLMs*	15	7
Total	75	23

*Issues handled where there were no common BRLMs.

...continued from previous page.

BID/ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE : MONDAY, JANUARY 8, 2024*

BID/ISSUE OPENS ON : TUESDAY, JANUARY 9, 2024*

BID/ISSUE CLOS ON : THURSDAY, JANUARY 11, 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.

BASIS FOR THE ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of the market demand for the Equity Shares issued in the Issue through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 2 each and the Floor Price is 157.5 times the face value and the Cap Price is 165.5 times the face value. The Cap Price shall be minimum 105% of the Floor Price and shall not exceed 120% of the Floor Price. Investors should also see ‘Risk Factors’, ‘Our Business’, ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’, ‘Restated Consolidated Financial Statements’ and ‘Summary of Financial Information’ on pages 49, 211, 379, 289 and 94 of the RHP, respectively to have an informed view before making an investment decision.

Qualitative Factors : We believe the following business strengths allow us to successfully compete in the industry: 1. One of the leading CNC machine manufacturing companies globally as well as in India with presence across the CNC metal cutting machinery value chain. 2. Well diversified global customer base spread across end-user industries. 3. Focus on technology and ability to deliver innovative solutions bolstered by dedicated R&D facilities. 4. Vertically integrated operations which enables customisation and production efficiencies. 5. Experienced Promoters supported by a strong management and execution team. For further details, see ‘Our Business - Strengths’ on pages 214 of the RHP.

Quantitative Factors : Some of the information presented below relating to our Company is based on the Restated Consolidated Financial Statements prepared in accordance with the SEBI ICDR Regulations. For details, see ‘Restated Consolidated Financial Statements’ on page 289 of the RHP.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings Per Share (‘EPS’)

As per our Restated Consolidated Financial Statements:

Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial year ended 31 March, 2021	(4.75)	(4.75)	1
Financial year ended 31 March, 2022	(3.28)	(3.28)	2
Financial year ended 31 March, 2023	1.02	1.02	3
Weighted Average*	(1.38)	(1.38)	-
6 month period 30 September, 2023*	0.19	0.19	-

*Not Annualised

EPS has been calculated in accordance with the Indian Accounting Standard 33 – ‘Earning per share’ notified under the Companies (Indian Accounting Standards) Rules, 2015. The above statement should be read with significant accounting policies and notes on Restated Consolidated Financial Statements.

The face value of equity shares of the Company is ₹ 2. Equity Shares of face value of ₹ 10 each were sub-divided into Equity Shares 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.

Basic Earnings per share is 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 including sub-division.

Diluted Earnings per share is 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 including sub-division.

*Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.

2. Price Earning Ratio (P/E) in relation to Issue Price of ₹ [●] per Equity Share:

Particulars	P/E at lower end of the Price Band	P/E at higher end of the Price Band	P/E at Issue Price (no. of times)
Basic EPS as per the Restated Consolidated Financial Statements for the year ended 31 March 2023	308.82	324.51	[●]
Diluted EPS as per the Restated Consolidated Financial Statements for the year ended 31 March 2023	308.82	324.51	[●]

3. Industry P/E ratio

Particulars	P/E Ratio
Highest	67.76
Lowest	37.69
Average	49.55

Note: Peer Group comprises entities set out at paragraph 6 below.

(1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on December 19, 2023 divided by the Diluted EPS provided.

(2) All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual audited financial results of the company for the year ended March 31, 2023.

4. Average Return on Net Worth (RoNW):

As per our Restated Consolidated Financial Statements:

Period	RoNW* (%)	Weight
Financial year ended 31 March 2021	(62.20)	1
Financial year ended 31 March 2022	(117.36)	2
Financial year ended 31 March 2023	18.35	3
Weighted Average**	(40.35)	-
6 months period ended 30 September, 2023*	1.33	-

*Not Annualised

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.

*RoNW is calculated as Restated Profit for the year / period divided by Total Equity at the end of the year / period.

**The weighted average is a product of RoNW and the respective assigned weight dividing the resultant by total aggregate weight.

5. Net Asset Value (NAV) per Equity Share of face value of ₹ 2 each

a. As on March 31, 2023 as per the Restated Consolidated Financial Statements: ₹ 5.57 per Equity Share

b. After the completion of the Issue:

i. At the Floor Price: ₹ 54.72

ii. At the Cap Price: ₹ 55.09

iii. At the Issue Price: ₹ [●]

6. Comparison of accounting ratios with listed industry peers

Name of Company	Consolidated/ Standalone	Face Value (₹ per share)	Revenue from Operations (in ₹ million)	EPS (₹ per share)		NAV (₹ per share)	P/E	RONW (%)
				Basic	Diluted			
Jyoti CNC Automation Limited*	Consolidated	2	9,292.59	1.02	1.02	5.57	-	18.35%
Elgi Equipments Limited*	Consolidated	1	30,406.98	11.72	11.71	43.27	44.30	27.04%
Lakshmi Machine Works Limited*	Consolidated	10	47,191.49	359.47	359.47	2,189.04	37.69	16.42%
Triveni Turbine Limited*	Consolidated	1	12,475.50	5.97	5.97	23.92	67.76	25.32%
TD Power Systems Limited*	Consolidated	2	8,722.97	6.23	6.22	38.74	46.66	16.01%
Macpower CNC Machines Ltd	Standalone	10	2,018.90	12.89	12.89	96.61	51.31	13.34%

* Financial information for our Company is derived from the Restated Consolidated Financial Statements as at and for the financial year ended March 31, 2023.

All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual audited financial results of the company for the year ended March 31, 2023.

Notes for Listed Peers:

¹ Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the financial statements of the respective company.

² P/E Ratio has been computed based on the closing market price of equity shares on NSE on December 19, 2023 divided by the Diluted EPS provided.

³ Return on net worth (RoNW) is computed as profit for the year attributable to common shareholders of the parent divided by net worth (excluding non-controlling interest), as at March 31, 2023.

⁴ NAV per equity share has been computed as the net worth attributable to common shareholders (excluding non-controlling interest) divided by the total number of shares outstanding, as at March 31, 2023.

7. Key Performance Indicators

The table below sets forth the details of our Key Performance Indicators that our Company considers have a bearing for arriving at the basis for Issue Price. The Key Performance Indicators set forth below have been approved by our Audit Committee pursuant to the resolution at its meeting dated December 20, 2023. Further, our Company’s Audit Committee has on December 20, 2023 taken on record that other than the Key Performance Indicators set out below, our Company has not disclosed any other Key Performance Indicators during the 3 years preceding the date of the Draft Red Herring Prospectus to its investors.

Additionally, the Key Performance Indicators have been certified by the Statutory Auditors of our Company, G.K. Choksi & Co., Chartered Accountants, pursuant to a certificate dated December 20, 2023, who hold a valid certificate issued by the Peer Review Board of the ICAI. The Statutory Auditors’ certificate dated December 20, 2023 has been included in the section ‘Material Contracts and Documents for Inspection’ of the Red Herring Prospectus.

The KPIs disclosed below have been used historically by our Company to understand and analyze the operational and the financial performance, which in result, helps it in analyzing the growth of various verticals in comparison to its listed peers, and other relevant and material KPIs of the business of our Company that have a bearing on arriving at the Basis for Issue Price have been disclosed below.

The Bidders can refer to the below-mentioned Key Performance Indicators, being a combination of financial and operational Key Performance Indicators, to make an assessment of our Company’s performances and make an informed decision.

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:

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)	2,388.38	3,966.46	3,268.02	2,611.04
Gross Margin (%)	46.85%	42.68%	43.78%	45.01%
EBITDA (₹ million)	744.02	973.79	726.62	316.89
EBITDA Margin (%)	14.59%	10.48%	9.73%	5.46%
Profit for the Year / Period (₹ million)	33.52	150.60	(483.00)	(700.29)
PAT Margin (%)	0.66%	1.58%	(6.44%)	(11.87%)
Return on Equity (%)	1.33%^	18.35%	(117.36%)	(62.20%)
Return on Capital Employed (%)	5.54%^	9.50%	4.85%	0.47%
Debt to Equity Ratio (in times)	3.25	10.17	19.25	6.44
Debt Service Coverage Ratio (in times)	0.70	0.88	0.56	0.41
Gross Fixed Assets Turnover Ratio (in times)	0.67^	1.27	1.08	0.77

^ Not Annualised.

For further information please see ‘Basis for the Issue Price’ on page 158 of the RHP.

Explanation for KPI metrics

Sr. No.	KPI	Explanation
1.	Revenue from operations (₹ million)	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company.
2.	Gross Profit (₹ million)	Gross Profit provides information regarding the value addition by the Company (including its profits) over material cost.
3.	Gross Margin (%)	Gross Margin (%) is an indicator of the value addition by the Company (including its profits) over material cost.
4.	EBITDA (₹ million)	EBITDA provides information regarding the operational efficiency of the business.
5.	EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of the business.
6.	Profit/ (loss) for the Year / Period (₹ million)	Profit/ (loss) for the year / period provides information regarding the overall profitability of the business.
7.	Profit after tax Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business.
8.	Return on Equity (RoE) (%)	RoE provides how efficiently the Company generates profits from shareholders’ funds.
9.	Return on Capital Employed (RoCE) (%)	RoCE provides how efficiently the Company generates earnings from the capital employed in the business.
10.	Debt to Equity Ratio (in times)	Debt to Equity Ratio is a measure of the extent to which the Company can cover the debt and represents the debt position in comparison to the equity position. It helps evaluate the financial leverage.
11.	Debt Service Coverage Ratio (in times)	The Debt Service Coverage Ratio is a measure of the operating cash flows available to cover the debt repayment and finance cost obligations of the Company during the year / period.
12.	Gross fixed assets turnover ratio (in times)	Gross fixed assets turnover ratio measures the efficiency of our fixed assets in generating revenue.

For details of our other operating metrics disclosed elsewhere in the Red Herring Prospectus, see ‘Our Business’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ on pages 211 and 379, of the RHP, respectively.

Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Statements. We use these KPIs to evaluate our financial and operating performance. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

Comparison with listed industry peers

While our listed peers (mentioned below), like us, operate in the forging industry and may have similar offerings or end use applications, our business may be different in terms of differing business models, different product verticals serviced or focus areas or different geographical presence.

a. Comparison with listed industry peers (6 month period ended September 30, 2023)

Particulars	For the 6 month period ended 30 September 2023					
	Jyoti CNC Automation Limited*	Elgi Equipments Limited*	Lakshmi Machine Works Limited*	Triveni Turbine Limited*	TD Power Systems Limited*	Macpower CNC Machines Limited*
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Standalone
Revenue from Operations (₹ million)	5,098.22	15,299.94	25,112.40	7,641.90	4,940.23	1,035.60
Gross Profit (₹ million)	2,388.38	7,892.66	9,125.90	3,841.60	1,699.33	320.40
Gross Margin (%)	46.85%	51.59%	36.34%	50.27%	34.40%	30.94%
EBITDA (₹ million)	744.02	2,313.75	2,448.30	1,452.60	858.41	124.10
EBITDA Margin (%)	14.59%	15.12%	9.75%	19.01%	17.38%	11.98%
Profit for the Period (₹ million)	33.52	1,517.68	2,089.10	1,249.90	594.26	81.90
PAT Margin (%)	0.66%	9.73%	8.09%	15.78%	11.88%	7.87%
Return on Equity (%)	1.33%^	10.38%	8.24%	14.09%	9.07%	7.82%
Return on Capital Employed (%)	5.54%^	11.10%	10.65%	18.39%	12.49%	10.52%
Debt to Equity Ratio (in times)	3.25	0.38	0.00	0.00	0.00	0.00
Debt Service Coverage Ratio (in times)	0.70	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not Disclosed
Gross Fixed Assets Turnover Ratio (in times)	0.67^	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not Disclosed

^ Not Annualised

b. Comparison with listed industry peers (Fiscal 2023)

Particulars	For the Fiscal Year 2023					
	Jyoti CNC Automation Limited*	Elgi Equipments Limited*	Lakshmi Machine Works Limited*	Triveni Turbine Limited*	TD Power Systems Limited*	Macpower CNC Machines Limited#
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Standalone
Revenue from Operations (₹ million)	9,292.59	30,406.98	47,191.49	12,475.50	8,722.97	2,018.90
Gross Profit (₹ million)	3,966.46	15,073.12	17,123.30	6,004.12	2,819.30	611.80
Gross Margin (%)	42.68%	49.57%	36.28%	48.13%	32.32%	30.30%
EBITDA (₹ million)	973.79	4,327.79	4,491.30	2,337.73	1,302.16	206.70
EBITDA Margin (%)	10.48%	14.23%	9.52%	18.74%	14.93%	10.24%
Profit for the Year (₹ million)	150.60	3,708.09	3,840.19	1,928.80	968.12	128.90
PAT Margin (%)	1.58%	11.93%	7.89%	14.95%	10.85%	6.38%
Return on Equity (%)	18.35%	27.04%	16.42%	25.32%	16.01%	13.34%
Return on Capital Employed (%)	9.50%	22.46%	22.20%	33.73%	21.38%	18.17%
Debt to Equity Ratio (in times)	10.17	0.37	0.00	0.00	0.00	0.00
Debt Service Coverage Ratio (in times)	0.88	58.18	Not Applicable	126.99	168.47	0.00
Gross Fixed Assets Turnover Ratio (in times)	1.27	2.94	3.64	3.01	2.08	3.43

c. Comparison with listed industry peers (Fiscal 2022)

Particulars	For the Fiscal Year 2022					
	Jyoti CNC Automation Limited*	Elgi Equipments Limited*	Lakshmi Machine Works Limited*	Triveni Turbine Limited*	TD Power Systems Limited*	Macpower CNC Machines Limited*
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Standalone
Revenue from Operations (₹ million)	7,464.87	25,247.06	31,709.54	8,522.35	7,974.25	1,901.20
Gross Profit (₹ million)	3,268.02	11,676.77	11,636.74	3,819.82	2,275.42	571.80
Gross Margin (%)	43.78%	46.25%	36.70%	44.82%	28.53%	30.08%
EBITDA (₹ million)	726.62	2,923.43	2,469.63	1,626.60	918.80	205.00
EBITDA Margin (%)	9.73%	11.58%	7.79%	19.09%	11.52%	10.78%
Profit for the Year (₹ million)	(483.00)	1,784.28	1,810.50	2,701.96	704.96	128.40
PAT Margin (%)	(6.44%)	6.92%	5.59%	30.64%	8.66%	6.72%
Return on Equity (%)	(117.36%)	17.28%	9.10%	31.54%	13.37%	15.16%
Return on Capital Employed (%)	4.85%	19.43%	12.84%	20.06%	14.47%	21.89%
Debt to Equity Ratio (in times)	19.25	0.36	0.00	0.00	0.13	0.00
Debt Service Coverage Ratio (in times)	0.56	111.47	Not Applicable	129.16	51.84	0.00
Gross Fixed Assets Turnover Ratio (in times)	1.08	2.73	3.08	2.28	1.96	3.67

d. Comparison with listed industry peers (Fiscal 2021)

Particulars	For the Fiscal Year 2021					
	Jyoti CNC Automation Limited*	Elgi Equipments Limited*	Lakshmi Machine Works Limited*	Triveni Turbine Limited*	TD Power Systems Limited#	Macpower CNC Machines Limited*
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Standalone
Revenue from Operations (₹ million)	5,800.59	19,240.50	17,273.77	7,025.84	5,935.84	1,128.74
Gross Profit (₹ million)	2,611.04	8,964.80	6,761.78	3,463.61	1,976.93	349.33
Gross Margin (%)	45.01%	46.59%	39.14%	49.30%	33.30%	30.95%
EBITDA (₹ million)	316.89	2,156.57	704.32	1,476.05	659.49	91.81
EBITDA Margin (%)	5.46%	11.21%	4.08%	21.01%	11.11%	8.13%
Profit for the Year (₹ million)	(700.29)	1,024.85	445.98	1,024.64	452.04	60.31
PAT Margin (%)	(11.87%)	5.26%	2.47%	14.20%	7.50%	5.33%
Return on Equity (%)	(62.20%)	11.78%	2.51%	16.07%	9.60%	8.32%
Return on Capital Employed (%)	0.47%	13.00%	5.25%	22.94%	10.29%	9.56%
Debt to Equity Ratio (in times)	6.44	0.46	0.00	0.00	0.11	0.00
Debt Service Coverage Ratio (in times)	0.41	36.73	Not Applicable	66.00	13.98	Not Disclosed
Gross Fixed Assets Turnover Ratio (in times)	0.77	2.21	1.79	1.97	1.50	2.33

...continued from previous page.

BASIS FOR THE ISSUE PRICE

Date of Transfer	Name of the Transferor	Name of Transferee	No. of Securities	Face value (₹) ^A	Nature of Consideration	Issue price per equity share (₹)	Total consideration (in ₹ million)
August 28, 2023	Eknath Infraconn LLP	Anilkumar Bhikhabhai Virani	6,571,268	10	Cash	156	1,025.11
Total	32,856,340*	-	-	-	-	-	
Weighted average cost of acquisition (WACA) for Secondary Transactions (in ₹)							31.20*

^A Equity Shares of face value of ₹ 10 each were sub-divided into Equity Shares 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.

*Calculated after giving effect of the sub-division of Equity Shares of face value of ₹ 10 each into 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. Pursuant to the said sub-division, 6,571,268 Equity Shares held by Anilkumar Bhikhabhai Virani were sub-divided into 32,856,340 Equity Shares.

For further details in relation to the share capital history of our Company, see 'Capital Structure' on page 111 of the RHP.

Based on the above transactions, below are the details of the weighted average cost of acquisition, as compared to the Floor Price and the Cap Price:

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (i.e., ₹ 315)	Cap Price (i.e., ₹ 331)
WACA of Primary Transactions	32.92	9.57 Times	10.05 Times
WACA of Secondary Transactions	31.20	10.10 Times	10.61 Times

9. Justification for Basis for the Issue Price

Set out below is an explanation for Cap Price being ₹ 331 in comparison to our WACA of primary and secondary transactions set out in paragraphs 8(a) and 8(b) above along with our Company's key performance indicators and financial ratios for the six-months period ended September 30, 2023 and the Fiscals 2023, 2022 and 2021, and in view of the external factors which may have influenced the pricing of the Issue, if any. For details of our key performance indicators, see 'Key Performance Indicators' at paragraph 7 above.

- 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 over 200 variants across 44 series and during the last 6 months period ended September 30, 2023, and during the last 3 Fiscals, our Company has supplied over 8,400 CNC machines to more than 3,500 customers in India and across Asia (excluding India), Europe, North America and rest of the world. Since April 1, 2004, we have supplied over 30,000 CNC machines globally.
- As of September 30, 2023, we had an order book of ₹ 33,153.26 million including an order of ₹ 3,049.17 million from an entity in the electronics manufacturing services (EMS) industry (as per the end-user industries as specified to us at the time of supply of machines).
- Our product portfolio comprises entry level products to sophisticated machines including high speed simultaneous 5-Axis, multi-purpose, multi-tasking machines.
- As on September 30, 2023, we had the capacity to manufacture 4,400 machines p.a. in India and 121 machines p.a. in France. Our Indian manufacturing operations are fully integrated and comprise, in addition, to our production lines, a foundry, sheet metal shop, paint shop, sub-assembly and assembly lines, and we also have a repair facility in Rajkot, Gujarat.

10. The Issue Price will be [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above information along with 'Risk Factors', 'Our Business', 'Restated Consolidated Financial Statements' and 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' on pages 49, 211, 289, and 379 of the RHP. The trading price of the Equity Shares could decline due to the factors mentioned in 'Risk Factors' or any other factors that may arise in the future and you may lose all or part of your investments.

11. Disclosure of KPIs

Our Company shall continue to disclose the KPIs disclosed above on a periodic basis, at least once in a year (or a lesser duration, as our Company may determine) for a duration that is at least the later of (i) 1 year after the listing date or the period specified by SEBI; (ii) till the utilisation of the Net Proceeds. Any changes in these KPIs in the aforementioned period, will be explained by our Company. The ongoing KPI will continue to be certified by a member of an expert body as specified under the SEBI ICDR Regulations.

FOR FURTHER DETAILS, SEE "BASIS FOR THE ISSUE PRICE" ON PAGE 158 OF THE RHP.

ASBA[#]

Simple, Safe,
Smart way of Application!!!

[#] Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA.

Mandatory in public issues. No cheque will be accepted.



UPI-Now available in ASBA for Retail Individual Investors and Non - Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, DPs and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, issued by the Central Board of Direct Taxes and the subsequent press releases, including press releases dated June 25, 2021 and September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by UPI Bidders. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure" on page 459 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of the Stock Exchanges and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. RIBs Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. HDFC Bank Limited and Axis Bank Limited have been appointed as Sponsor Banks for the Issue, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For Issue related queries, please contact the BRLMs on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail ID: ipo.upi@npci.org.in.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least 3 additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of *force majeure*, banking strike or similar circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of 3 Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in accordance with the Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Issue shall be available for allocation on a proportionate basis to qualified institutional buyers (QIBs) (such portion referred as **QIB Portion**), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (**Anchor Investor Portion**), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allotment is made to the Anchor Investors (**Anchor Investor Allocation Price**). Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (**Net QIB Portion**). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds (**Mutual Fund Portion**), and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Issue through the Application Supported by Blocked Amount (ASBA) process by providing details of their respective ASBA accounts, and UPI ID in case of UPI Bidders using UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks (SCSBs) or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, see 'Issue Procedure' on page 459 of the RHP.

Bidders/ Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI Mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar

and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

Contents of the Memorandum of Association of our Company as regards its objects: For information on the main objects of our Company, please see the section "History and Certain Corporate Matters" on page 247 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, please see the section titled "Material Contracts and Documents for Inspection" on page 501 of the RHP.

Liability of the members of our Company: Limited by shares

Amount of share capital of our Company and Capital structure: As on the date of the RHP, the authorised share capital of the Company is ₹ 570,000,000 divided into 275,000,000 Equity Shares of face value ₹ 2 each and 10,000,000 Preference Shares of face value of ₹ 2 each. The issued, subscribed and paid-up share capital of the Company is ₹ 394,408,894 divided into 197,204,447 Equity Shares of face value ₹ 2 each. For details, please see the section titled "Capital Structure" on page 111 of the RHP.

Names of signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them: The initial signatories to the Memorandum of Association of our Company are (i) Harsukhbhai R. Jogia, (ii) Jayeshkumar G. Bhogayta, (iii) Jayesukhlal M. Bakotia, and (iv) Satishbhai B. Santhara who subscribed to 100 Equity Shares each. For details of the share capital history and capital structure of our Company, please see the section titled "Capital Structure" on page 111 of the RHP.

Listing: The Equity Shares to be issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals, both dated November 10, 2023 from BSE and NSE for listing of the Equity Shares. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A copy of the Red Herring Prospectus has been filed and a copy of the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Issue Closing Date, see 'Material Contracts and Documents for Inspection' on page 501 of the RHP.

Disclaimer Clause of the Securities and Exchange Board of India ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 435 and 436 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of NSE (Designated Stock Exchange) : It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 438 of the RHP for the full text of the disclaimer clause of NSE.

Disclaimer Clause of BSE : It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to page 438 of the Red Herring Prospectus for the full text of the disclaimer clause of BSE Limited.

General Risk: 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.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE	Company Secretary and Compliance Officer
				Maulik B Gandhi G - 506, Lodhika GIDC, Village Metoda, Rajkot -360 021, Gujarat, India. Telephone: +91-2827-235182 E-mail: investors@jyoti.co.in
Equirus Capital Private Limited 12 th Floor, C Wing, Marathon, Futorex, N M Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India. Tel: +91 22 4332 0734 E-mail: jyoti ipo@equirus.com Website: www.equirus.com Investor grievance e-mail: investorsgrievance@equirus.com Contact Person: Ankesh Jain / Mrunal Jadhav SEBI Registration Number: INM000011286	ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025, Maharashtra, India Tel.: + 91 22 6807 7100 E-mail: jyotincipo@icicisecurities.com Website: www.icicisecurities.com Investor grievance email: customercare@icicisecurities.com Contact Person: Ashik Joisar / Harsh Thakkar SEBI Registration No.: INM000011179	SBI Capital Markets Limited 1501, 15 th Floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Maharashtra, India Tel: +91 22 4006 9807 E-mail: jyotincipo@sbicaps.com Website: www.sbicaps.com Investor grievance email: investor.relations@sbicaps.com Contact Person: Janardhan Wagle / Krithika Shetty SEBI Registration Number: INM000003531	Link Intime India Private Limited C 101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083, Maharashtra, India Tel: +91 810 811 4949 E-mail: jyotincipo@linkintime.co.in Website: www.linkintime.co.in Investor grievance e-mail: jyotincipo@linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration Number: INR000004058	Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, Investors may also write to the BRLMs.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the section titled "Risk Factors" on page 49 of the RHP, before applying in the Issue. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and the the website of the Company at www.jyoti.co.in and the websites of the BRLMs, i.e. Equirus Capital Private Limited, ICICI Securities Limited and SBI Capital Markets Limited at www.equirus.com, www.icicisecurities.com, and www.sbicaps.com, respectively, and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of **JYOTI CNC AUTOMATION LIMITED, Telephone:** + 91-2827235182; **BRLMs : Equirus Capital Private Limited, Telephone:** +91 22 4332 0734, **ICICI Securities Limited, Telephone:** + 91 22 6807 7100, and **SBI Capital Markets Limited, Telephone:** +91 22 4006 9807; **Syndicate Member: Equirus Securities Private Limited, Telephone:** 022 4332 0600; **SBICAP Securities Limited Tel:** +91 22 4006 9807 and **Investec Capital Services (India) Private Limited, Tel:** +91 22 6849 7400 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Issue. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Alankit Assignments Ltd, Almondz Global Securities Ltd, Anand Rathi Shares & Stock Brokers Ltd, Asit C. Mehta Investment Intermediates Ltd, Axis Capital Ltd, Bonanza Portfolio Ltd, Centrum Broking Ltd, Centrum Wealth Management Ltd, Choice Equity Broking Private Limited, DB(International) Stock Brokers Ltd, Eureka Stock & Share Broking Services Ltd, Finwizard Technology private Limited, HDFC Securities Limited, JM Financial Services Ltd, Jobanputra Fiscal Services Pvt. Ltd, Keynote Capitals Limited, Kotak Securities Limited, LKP Securities Limited, Inventure Growth & Securities Ltd, Motilal Oswal Financial Services Limited, Motilal Oswal Securities Ltd, Nuvama Wealth and Investment Limited (Edelweiss Broking Limited), Prabhudas Lilladher Pvt Ltd, Pravin Ratilal Share & Stock Brokers Ltd, RR Equity Brokers Pvt. Ltd, Sharekhan Limited, SMC Global Securities Ltd, Systematix Shares and Stocks (India) Limited, Trade Bulls Securities (P) Ltd, Way2wealth brokers Pvt Ltd and Yes Securities (India) Ltd.

Escrow Collection Bank and Refund Bank : Axis Bank Limited

Public Issue Account Bank : HDFC Bank Limited, **Sponsor Banks:** HDFC Bank Limited and Axis Bank Limited

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Rajkot, Gujarat
Date: January 3, 2024

JYOTI CNC AUTOMATION LIMITED is proposing, subject to the receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the RHP dated January 2, 2024 with RoC. The RHP is available on the website of SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, the website of the Company at www.jyoti.co.in and the websites of the BRLMs, i.e. Equirus Capital Private Limited, ICICI Securities Limited and SBI Capital Markets Limited at www.equirus.com, www.icicisecurities.com, and www.sbicaps.com, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, please see the section titled 'Risk Factors' on page 49 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision instead potential Investors should rely on the RHP filed with ROC.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("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.

For JYOTI CNC AUTOMATION LIMITED
On behalf of the Board of Directors
Sd/-
Maulik B Gandhi
Company Secretary and Compliance Officer