Jyoti CNC Automation Ltd — 21 Apr 2026 Credit Rating Summary

Section	Details
Agency	Infomerics Valuation and Rating Ltd.
Rating Change	**Reaffirmed** at **IVR A+** (Long Term) and **IVR A1** (Short Term).
Outlook	**Stable** (Current) vs **Stable** (Previous).
Key Drivers of Change	1. **Robust Top-line Growth:** Revenue grew 35.7% (□1,189 Cr to □1,615 Cr), signaling strong demand for CNC machines. 2. **Exceptional Margin Expansion:** EBITDA margins rose from 22.87% to 28.38% (FY25), boosting cash flow generation. 3. **Ultra-Low Leverage:** Overall Gearing remains superior at 0.10x despite expansion, providing high solvency. 4. **Massive Capacity Roadmap:** Production capacity increased to 6,000 units; further expansion to 16,000 units by Oct 2026 funded via internal accruals.
Rated Instruments	• **Cash Credit:** □510.00 Cr (IVR A+/Stable) • **Term Loan:** □300.00 Cr (IVR A+/Stable) • **LC / SBLC:** □449.11 Cr (IVR A+/Stable; IVR A1)
Key Observations	**Strengths:** High Interest Coverage (26.40x); strong Tangible Net Worth (□1,727.95 Cr); diversified application in Aerospace/Defense. **Risks: French Judicial Investigation** into step-down subsidiary (Huron) regarding dual-use machinery export controls; interim seizure of €4.0M bank accounts and real estate in France; restriction of Huron's Director General.
Investor Impact	**Growth:** 166% capacity jump planned by Oct 2026 suggests high future revenue runway. **Risk:** Legal/Regulatory overhang in France could impact European operations/reputation. **Dilution:** Minimal risk as land and expansion are reportedly funded through internal accruals.
Agency / Cross Analysis	**Same Agency:** Reaffirmed current rating despite a "Material Event" notification, suggesting Infomerics views the French legal issues as non-contagious to Indian operations for now. **New Agency: Brickwork Ratings** maintains "Issuer Not Cooperating" (May 2025) due to lack of info. **Conclusion: Inconsistency** – Infomerics is satisfied with transparency/audited data, while Brickwork remains cautious due to information gaps.
Final Inference	**Real improvement masked by legal noise.** Financials are Tier-1 (low debt, high growth), but the French judicial probe is a "Black Swan" risk. Equity investors should monitor if export restrictions on "dual-use" machinery spread beyond the French subsidiary.