



JYOTI CNC AUTOMATION LIMITED

CIN: U29221GJ1991PLC014914

Regd. Off.: G – 506, Lodhika GIDC, Kalawad Road,

Metoda, Rajkot – 360 021.

Date: May 15, 2024

To,
The Department of Corporate Services,
BSE Limited, Mumbai

To,
The Listing Compliance Dept.
National Stock Exchange of India Ltd, Mumbai

BSE Script Code: 544081

NSE Script Symbol: JYOTICNC

Dear Sir/ Madam,

SUB: Submission of Report of Monitoring Agency on Utilization of IPO Proceeds.

Pursuant to Regulation 32 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 41 (4) of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, a report received from CARE Ratings Limited, Monitoring Agency, on utilization of IPO Proceeds till the quarter ended on March 31, 2024, is enclosed herewith.

Kindly take the same on your records.

Thanking You,
For Jyoti CNC Automation Limited

Maulik B Gandhi
Compliance Officer and Company Secretary
Membership No.: F8819

Encl.: Report of CARE Ratings Limited

No. CARE/ARO/GEN/2024-25/1033

Mr. Parakramsinh Jadeja
Managing Director
Jyoti CNC Automation Limited
G-506, Lodhika Village,
GIDC, Village- Metoda,
Rajkot-360021,
Gujarat.

May 14, 2024

Dear Sir,

Monitoring Agency Report for the quarter ended March 31, 2024 - in relation to the IPO of Jyoti CNC Automation Limited ("the Company")

We write in our capacity of Monitoring Agency for the Initial Public Offering (IPO) for the amount aggregating to Rs.949.45 crore of the Company and refer to our duties cast under 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated December 19, 2023 towards utilization of proceeds of IPO.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,



Ujjwal Patel

Associate Director

Ujjwal.patel@careedge.in

Report of the Monitoring Agency

Name of the issuer: Jyoti CNC Automation Limited

For quarter ended: March 31, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an 'expert' as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature:



Name and designation of the Authorized Signatory: Ujjwal Patel

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer : Jyoti CNC Automation Limited
Name of the Managing Director : Mr Parakramsinh Jadeja
Industry/sector to which it belongs : Machinery

2) Issue Details

Issue Period : January 09,2024 to January 11,2024
Type of issue : Initial Public Offering
Type of specified securities : Equity Shares
IPO Grading, if any : Not applicable
Issue size (in Rs. crore) : Rs.999.99 crore of issue

Note 1:

| Particulars | Remarks |
|--|----------------|
| Total shares issued and subscribed as part of Fresh issue | 302,18,649 |
| Total proceeds received from fresh issue (in Rs.) | 9,99,99,99,414 |
| Details of expenses incurred related to fresh issue (in Rs.) | 50,54,64,686 |
| Net proceeds available for utilisation (in Rs.) | 9,49,45,34,720 |

Note: Out of the net proceeds of Rs. 949.45 crore, Rs. 948.00 crore is transferred to IPO monitoring account as on March 31, 2024 and remaining Rs. 1.45 crore is in public issue account which is subsequently transferred in IPO monitoring account on May 03, 2024.

1) Details of the arrangement made to ensure the monitoring of issue proceeds:

| Particulars | Reply | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency | Comments of the Board of Directors |
|---|----------------|---|--|---|
| Whether all utilization is as per the disclosures in the Offer Document? | Yes | Chartered Accountant certificate*; Bank statement | | |
| Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document? | Not Applicable | Not applicable | | |
| Whether the means of finance for the disclosed objects of the issue have changed? | No | Not applicable | | |
| Is there any major deviation observed over the earlier monitoring agency reports? | No | Not applicable | | |
| Whether all Government/statutory approvals related to the object(s) have been obtained? | Not Applicable | Not applicable | | |
| Whether all arrangements pertaining to technical assistance/collaboration are in operation? | Not Applicable | Not applicable | | |
| Are there any favorable/unfavorable events affecting the viability of these object(s)? | No | Not applicable | | |
| Is there any other relevant information that may materially affect the decision making of the investors? | No | Not applicable | | |

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

* Chartered Accountant certificate from G.K. Choksi & Co dated May 11, 2024

Note-(A): The comments of the Board of directors are awaited pending the Board meeting.



2) Details of objects to be monitored:

(i) Cost of objects –

| Sr. No | Item Head | Source of information / certifications considered by Monitoring Agency for preparation of report | Original cost (as per the Offer Document in Rs. Crore) | Revised Cost in Rs. Crore | Comments of the Monitoring Agency | Comments of the Board of Directors | | |
|--------------|---|--|--|---------------------------|---|------------------------------------|---------------------------|---------------------------------------|
| | | | | | | Reason for cost revision | Proposed financing option | Particulars of firm arrangements made |
| 1 | Repayment and/or pre-payment, in full or part, of certain borrowings availed by the company | Chartered Accountant certificate*, Bank statements | 475.00 | Not applicable | No change in cost; Fully utilized till March 31, 2024 | | | |
| 2. | Funding long-term working capital requirements of the company | Chartered Accountant certificate*, Bank statements | 360.00 | Not Applicable | No change in cost; Partly utilized till March 31, 2024^ | | | |
| 3 | General corporate purposes | Chartered Accountant certificate*, Bank statements | 114.45 | Not Applicable | No change in cost; Partly utilized till March 31, 2024^ | | | |
| Total | | | 949.50 | | | | | |

* Chartered Accountant certificate from G.K. Choksi & Co dated May 11, 2024

Note (A): ^The company has underutilised the amount to the tune of Rs. 2.69 crore for the fiscal year FY24, which in pursuant to the disclosure made in the offer document, can be utilised by the company in the subsequent period.

Note-(B): The comments of the Board of directors are awaited pending the Board meeting.

(ii) Progress in the objects –

| Sr. No | Item Head | Source of information / certifications considered by Monitoring Agency for preparation of report | Amount as proposed in the Offer Document in Rs. Crore (A) | Amount utilised in Rs. Crore | | | Total Unutilized Amount in Rs. Crore as on March 31, 2024 (C=A-B) | Comments of the Monitoring Agency | Comments of the Board of Directors | |
|--------------|---|--|---|---|---------------------------------|--|---|---|------------------------------------|---------------------------|
| | | | | As at beginning of the quarter in Rs. Crore | During the quarter in Rs. Crore | At the end of the quarter in Rs. Crore (B) | | | Reasons for idle funds | Proposed course of action |
| 1 | Repayment and/or pre-payment, in full or part, of certain borrowings availed by the company | Chartered Accountant certificate*, Bank Statements, Loan Statements | 475.00 | - | 475.00 | 475.00 | - | Fully Utilised as on March 31, 2024 | | |
| 2 | Funding long-term working capital requirements of the company | Chartered Accountant certificate*, Bank statements | 360.00 | - | 99.56 | 99.56 | 260.44 | Unutilised amount of Rs.260.44 crore as on March 31, 2024, ^^ | | |
| 3 | General corporate purposes | Chartered Accountant certificate*, Bank statements | 114.45 | - | 82.21 | 82.21 | 32.24 | Unutilised amount of Rs.32.24 crore as on March 31, 2024, ^^ | | |
| Total | | | 949.45@ | - | 656.77 | 656.77^ | 292.68 | | | |

* Chartered Accountant certificate from G.K. Choksi & Co dated May 11, 2024

Note: (A): @The company is yet to receive the invoices in relation to brokerage, commission, etc, (i.e. pertaining to the issue expenses) and once the same is received, the actual amount will be accounted as IPO expense. Further, as per management contention, the total IPO expense can be lower than the estimated expense i.e. Rs. 50.54 crore but cannot be higher than the same.

Note (B): ^^The unutilised amount of Rs. 292.68 crore is partly parked in fixed deposits to the tune of Rs. 290.79 crore (net of interest of Rs. 0.67 crore), Rs. 0.26 crore in IPO monitoring account and balance of Rs. 1.63 crore in public issue account (Rs. 1.45 crore to be received as a part of net proceeds and balance of Rs. 0.18 crore towards reimbursement of the offer expense which was paid through monitoring agency account out of the net proceeds). The above-mentioned amount of Rs. 1.63 crore is transferred to IPO monitoring agency account as on May 03, 2024 (Rs.1 45 crore) and May 09, 2024 (Rs. 0.18 crore).

Note (C): ^The company has underutilised the amount to the tune of Rs. 2.69 crore for the fiscal year FY24, which in pursuant to the disclosure made in the offer document, can be utilised by the company in the subsequent period.

Note-(D): The comments of the Board of directors are awaited pending the Board meeting.

(iii) Deployment of unutilized public issue proceeds: Not Applicable

| Sr. No. | Type of instrument and name of the entity invested in | Amount invested | Maturity date | Earning | Return on Investment (%) | Market Value as at the end of quarter* |
|--------------|---|-----------------|---------------|---------|--------------------------|--|
| 1 | In Fixed Deposit | 291.46 ^ | - | - | - | NA |
| 2 | Monitoring Agency account | 0.26 | - | - | - | NA |
| 3 | In Public Issue Account | 1.63* | - | - | - | NA |
| Total | | 293.35^ | | | | |

^Includes interest amount of Rs.0.68 crore.

Note-(A): *The unutilised amount of Rs. 292.68 crore is partly parked in fixed deposits to the tune of Rs. 290.79 crore (net of interest of Rs. 0.67 crore), Rs. 0.26 crore in IPO monitoring account and balance of Rs. 1.63 crore in public issue account (Rs. 1.45 crore to be received as a part of net proceeds and balance of Rs. 0.18 crore towards reimbursement of the offer expense which was paid through monitoring agency account out of the net proceeds). The above-mentioned amount of Rs. 1.63 crore is transferred to IPO monitoring agency account as on May 03, 2024 (Rs.1 45 crore) and May 09, 2024 (Rs. 0.18 crore).

(iv) Delay in implementation of the object(s) –

| Objects | Total Amount as per the offer document | Completion Date | | | Delay (no. of days/ months) | Comments of the Board of Directors | |
|---|--|---------------------------|---------------|----------------|-----------------------------|------------------------------------|---------------------------|
| | | As per the offer Document | | Actual in FY24 | | Reason of delay | Proposed course of action |
| | | FY24 | FY25 | | | | |
| Repayment and/or pre-payment, in full or part, of certain borrowings availed by the company | 475.00 | 475.00 | - | 475.00 | Not Applicable | | |
| Funding long-term working capital requirements of the company | 360.00 | 100.00 | 260.00 | 99.56 | Not Applicable (Note Below) | | |
| General corporate purposes | 114.45 | 84.45 | 30.00 | 82.21 | Not Applicable (Note Below) | | |
| Total | 949.45@ | 659.45 | 290.00 | 656.77^ | | | |

* Chartered Accountant certificate from G.K. Choksi & Co dated May 11, 2024



Note: (A): @The company is yet to receive the invoices in relation to brokerage, commission, etc, (i.e. pertaining to the issue expenses) and once the same is received, the actual amount will be accounted as IPO expense. Further, as per management contention, the total IPO expense can be lower than the estimated expense i.e. Rs. 50.54 crore but cannot be higher than the same.

Note (B): ^The company has underutilised the amount to the tune of Rs. 2.69 crore for the fiscal year FY24, which in pursuant to the disclosure made in the offer document, can be utilised by the company in the subsequent period.

Note-(B): The comments of the Board of directors are awaited pending the Board meeting.

3) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

| Sr. No | Item Head | Amount in Rs. Crore | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of Monitoring Agency | Comments of the Board of Directors |
|---------------|----------------------------------|----------------------------|---|--------------------------------------|---|
| 1. | For the modernisation capex | 21.50 | Chartered Accountant certificate*, Bank statements | Nil | |
| 2. | Investment in subsidiary company | 60.71 | Chartered Accountant certificate*, Bank statements | Nil | |
| | Total | 82.21 | | | |

Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

