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# JINKUSHAL INDUSTRIES LIMITED

September 23, 2025

Jinkushal Industries
Machinery . Mining . Logistics

SMC Ranking

★★☆☆☆ (2/5)

## Issue Highlights

| | |
|---|---|
| **Industry** | **Capital Goods - Non Electrical Equitpment** |
| Offer for sale (Shares) | 959,548 |
| Fresh Issue (Shares) | 8,635,935 |
| **Net Offer to the Public** | **9,595,483** |
| Issue Size (Rs. Cr.) | 110.35-116.11 |
| Price Band (Rs.) | 115-121 |
| Offer Date | 25-Sep-25 |
| Close Date | 29-Sep-25 |
| Face Value | 10 |
| Lot Size | 120 Shares |

## Issue Composition

| | In shares |
|---|---|
| Total Issue for Sale | 9,595,483 |
| QIB | 4,797,742 |
| NIB | 1,439,322 |
| Retail | 3,358,419 |

## Shareholding Pattern (%)

| Particulars | Pre-issue | Post -issue |
|---|---|---|
| Promoters & promoters group | 100.00% | 75.00% |
| QIB | 0.00% | 12.50% |
| NIB | 0.00% | 3.75% |
| Retail | 0.00% | 8.75% |
| **Total** | **100.00%** | **100.00%** |

*calculated on the upper price band

## Objects of the Issue

The Company Jinkushal Industries IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding the working capital requirements of the Company
2. General corporate purposes

**Book Running Lead Manager**

- GYR Capital Advisors Private Limited

**Name of the registrar**

- Bigshare Services Private Limited

## About the company

Jinkushal Industries Limited (JKIPL), incorporated in Raipur, Chhattisgarh, is primarily engaged in the export trading, refurbishment, and customization of construction machines. The company also operates through its UAE-based subsidiary, making it a strongly export-driven enterprise with 99% of revenues from overseas sales. Its business spans new, customized, and refurbished machines, and it has recently launched its proprietary brand “HexL” to expand into global equipment manufacturing. JKIPL leverages its logistics-warehousing facilities and customer-centric approach to strengthen its presence in markets like Mexico and UAE, which are its key revenue drivers.

## Strength

**Largest Exporter of Non-OEM Construction Equipment with International Presence:** Jinkushal Industries Limited is engaged in the export trading of refurbished and new construction machines to global markets. According to the CareEdge Report, the company is the largest Non-OEM construction equipment exporter, with a 6.9% market share. Recognized as a Three-Star Export House by the Directorate General of Foreign Trade (DGFT), Government of India, Jinkushal exports to over 30 countries, including the UAE, Mexico, Netherlands, Belgium, South Africa, Australia, and the UK. Its international footprint is reinforced through its subsidiary, Hexco Global FZCO, based in the UAE, and a step-down subsidiary in the USA, which collectively expand its network and enhance operational efficiency. Leveraging the UAE’s favorable trade ecosystem, Jinkushal optimizes logistics, manages exports seamlessly, and broadens its customer reach. In addition to exports, the company imports construction machines from China and the UAE to ensure variety, quality, and competitive pricing. With its leadership position, global presence, and adherence to international standards, Jinkushal Industries Limited continues to strengthen its role as a reliable global exporter of construction equipment.

**Refurbishment, Reuse, and Commitment to Circular Economy:** Jinkushal Industries Limited extends the life cycle of used machines through systematic refurbishment processes. Each machine undergoes detailed inspection, repair, servicing, and restoration to ensure reliable performance. This approach reduces the demand for new machine production, thereby conserving raw materials, reducing energy consumption, and lowering carbon emissions. Refurbished machines are rigorously evaluated for safety, reliability, and efficiency, offering cost-effective alternatives without compromising quality. By restoring value to otherwise underutilized assets, Jinkushal provides customers with affordable solutions that extend project budgets and reduce the total cost of ownership. This model not only supports operational goals but also contributes to a sustainable industrial ecosystem by aligning resource efficiency with environmental responsibility.

**Diversified Market Presence and Optimized Machine Solutions:** Jinkushal Industries Limited maintains a diversified product portfolio across geographies and customer segments, minimizing reliance on any single market. The company supplies hydraulic excavators, backhoe loaders, soil compactors, motor graders, wheel loaders, bulldozers, cranes, and asphalt pavers, in addition to customized and accessorized machines, refurbished units, and new equipment under its own brand. This diversified range supports global construction and infrastructure projects while enabling cross-selling opportunities and customer retention. By integrating refurbishment expertise with value-added solutions, Jinkushal enhances machine usability, reduces wastage, and optimizes resource utilization. The company’s balanced approach ensures cost-effective and sustainable solutions, strengthening resilience against market fluctuations and reinforcing growth potential.

**Supply Chain Efficiency:** Jinkushal Industries Limited has established an efficient supply chain to support its export-driven business model. Over the past three fiscal years, its procurement network included 228 suppliers, comprising contractors, traders, and manufacturers. The company collaborates with six third-party refurbishment centers across India and one in the UAE, ensuring machines are refurbished or customized to its specifications and quality standards. Logistics partners further enable seamless distribution across domestic and international markets, supported by strong storage, transport, and port facilities. Recently, Jinkushal entered contract manufacturing arrangements in China for backhoe loaders, manufactured in accordance with its specifications and standards. This outsourcing strategy enhances cost efficiency, ensures quality, and guarantees a steady supply of machines, reinforcing the company's commitment to delivering reliable and competitively priced solutions globally.

**Launch and Expansion of HexL Brand Machines:** Jinkushal Industries Limited recently launched its own brand, HexL, marking a transition from third-party product sales to a branded, customer-centric business model. HexL-branded machines are produced through contract manufacturing, with strict adherence to the company's specifications and quality standards. Regular quality inspections ensure consistency, safety, and performance. The introduction of HexL allows Jinkushal to leverage its established distribution channels, standardize specifications, and strengthen customer engagement worldwide. Flexible contract manufacturing also enables scalable production without the burden of in-house facilities, optimizing resources and supply chain management. By expanding into branded machines, Jinkushal differentiates its offerings, deepens relationships with stakeholders, and enhances its ability to supply machines tailored to global market needs. As of date, the company has supplied 40 backhoe loaders under the HexL brand.

**Established Customer Relationships and Wide Customer Base:** Jinkushal Industries Limited specializes in supplying construction machines with strong resale demand, offering ready-to-use refurbished and customized machines that help customers avoid long procurement lead times. Its structured approach—covering procurement, refurbishment, customization, and delivery—ensures efficiency and long-term client engagement. Over Fiscals 2023–2025, the company catered to 18, 32, and 36 customers, respectively, with approximately 15 customers maintaining relationships for over three years. Repeat business accounted for over 84% of revenue in the last three fiscal years, underscoring customer loyalty. In Fiscal 2025, the company's top five customers contributed 75.06% of total revenue, highlighting both its strong client base and trusted relationships in domestic and international markets.

**Consistent Financial Performance and Strong Balance Sheet:** Jinkushal Industries Limited has demonstrated consistent financial growth, with a five-year revenue CAGR of 73.37% and an average Return on Equity (ROE) of 53.78%. Revenue from operations increased from Rs. 233.45 crore in Fiscal 2023 to Rs. 238.59 crore in Fiscal 2024, and further to Rs. 380.56 crore in Fiscal 2025, reflecting a CAGR of 27.68% over the period. EBITDA rose from Rs. 14.68 crore in Fiscal 2023 to Rs. 27.57 crore in Fiscal 2024 and Rs. 28.60 crore in Fiscal 2025. Similarly, restated profit after tax grew from Rs. 10.12 crore in Fiscal 2023 to Rs. 18.64 crore in Fiscal 2024 and Rs. 19.14 crore in Fiscal 2025. With effective resource management, Jinkushal has financed its expansion through internal accruals and working capital debt, maintaining a strong balance sheet and financial flexibility to support its growth strategy.

## Strategy

**Further Integration and Diversification:** Jinkushal Industries Limited aims to strengthen and streamline its supply chain by expanding its network of vendors for procurement, refurbishment, customization, and contract manufacturing. By broadening its base of suppliers, contractors, and customization partners, the company seeks to scale operations efficiently while ensuring strict quality control. Diversifying the supplier network will mitigate risks of supply chain disruptions, enhance inventory management, and ensure a consistent supply of construction machines across markets. The company also intends to focus on its own branded product lines to improve production quality, cost efficiency, and supply chain oversight. Engagement with contract manufacturers will ensure machines are produced in line with specifications, technical standards, and industry regulations. This integrated approach will reinforce product consistency, compliance, and tailored customer solutions. By pursuing these initiatives, Jinkushal Industries Limited seeks to build long-term sustainability, strengthen customer relationships, and reinforce its position as a key global player in the construction machinery industry.

**Sales Volume Growth:** Jinkushal Industries Limited plans to drive sales growth by leveraging its global distribution network and expanding its customer base. The company aims to strengthen its market presence to boost sales volumes in both new construction machines, especially its own brand, as well as refurbished and customized equipment. By targeting wholesale buyers, dealers, distributors, and importers catering to contractors, infrastructure developers, and rental companies, Jinkushal Industries Limited intends to deepen market penetration and enhance revenue opportunities. Strategic partnerships, targeted expansion initiatives, and an optimized distribution model will support the company in consolidating its position within the global construction machinery industry and ensuring sustained growth.

**Efficiency Enhancement and Cost Optimization:** Jinkushal Industries Limited is committed to improving operational efficiency through refinements in procurement, refurbishment, and logistics. Streamlining these processes will reduce turnaround times, enhance workflow efficiency, and ensure smooth supply chain execution. To optimize costs while preserving product quality, the company plans to invest in technology and process automation. These investments will improve accuracy, strengthen inventory management, and enable effective resource utilization. By integrating advanced systems and automated solutions, Jinkushal Industries Limited aims to minimize inefficiencies, bolster operational control, and achieve long-term cost-effectiveness in its operations.

**Expansion of Product Portfolio:** Jinkushal Industries Limited intends to expand its product portfolio beyond its existing range of hydraulic excavators, backhoe loaders, wheel loaders, motor graders, and bulldozers. As part of its growth strategy, the company plans to introduce electric construction machines in response to industry trends and growing demand for sustainable solutions. By incorporating electric machines, the company will cater to diverse customer needs while aligning with environmental considerations and regulatory requirements. This initiative positions Jinkushal Industries Limited as a forward-looking provider of construction machines, enhancing its ability to serve wider industry segments and strengthen its global market presence.

**Creating and Strengthening Brand Recognition:** Jinkushal Industries Limited is focused on building strong brand awareness through a structured marketing strategy aimed at increasing visibility and expanding global reach. The company plans to invest in digital advertising, targeted campaigns, and dealer engagement to enhance brand recognition and customer loyalty. Strengthening distributor and dealer relationships through training, support, and collaborative marketing will ensure effective brand representation and high-quality after-sales service. Increased participation in international exhibitions will provide platforms to showcase products, engage with industry stakeholders, and explore new partnerships. By implementing these initiatives, Jinkushal Industries Limited seeks to deepen international penetration and reinforce its brand equity in the construction machinery market.

**Working Capital Optimization:** Jinkushal Industries Limited recognizes the importance of cost control in a competitive industry and is focused on optimizing its working capital. With its working capital cycle at 109 days in Fiscal 2025, compared to 48 days in Fiscal 2024, the company anticipates similar requirements as it expands its portfolio, geographic reach, and branded sales. To address this, Jinkushal Industries Limited plans to improve inventory turnover, reduce holding periods, and streamline procurement processes. A stronger brand image will also enable the company to secure favorable payment terms, reducing reliance on extended customer credit. Efficient working capital management will improve liquidity, support sustainable growth, and strengthen the company's scalable global business model. A portion of the Net Proceeds is also proposed to be utilized for funding working capital needs, aligning financial strategy with operational efficiency to boost profitability and ensure long-term stability.

## Risk Factor

- Heavy dependence on exports (99% of revenue), making it vulnerable to global trade and regulatory risks.
- Revenue concentration in Mexico and UAE, exposing it to regional disruptions.
- High working capital requirements, with reliance on borrowings for funding.
- Negative operating and investing cash flows in FY24–FY25, creating liquidity pressure.
- Dependence on third-party Chinese manufacturer for HexL brand, exposing quality and supply chain risks.

## Peer Comparison

| Co_Name | Total Income | PAT | EPS | P/E | P/BV | BV | FV | Price | Mcap |
|---|---|---|---|---|---|---|---|---|---|
| Action Const.Eq. | 3327.05 | 409.22 | 35.50 | 31.94 | 8.32 | 136.28 | 2 | 1133.75 | 13501.06 |
| Jinkushal Industries Ltd. | 380.56 | 19.14 | 4.99 | 24.26 | 4.42 | 27.36 | 10 | 121.00 | 464.42 |

***Peer companies financials are TTM based**
****Jinkushal Industries Ltd. based on Actual FY25**

## Valuation

Considering the P/E valuation, on the upper end of the price band of Rs121, the stock is priced at pre issue P/E of 18.80x on FY25 EPS of Rs 6.43. Post issue, the stock is priced at a P/E of 24.26x on its EPS of Rs. 4.99. Looking at the P/B ratio at Rs.121 pre issue, book value of Rs.31.40 of P/Bvx 3.85x. Post issue, book value of Rs.27.36 of P/Bvx 4.42x.

Considering the P/E valuation, on the lower end of the price band of Rs.115, the stock is priced at pre issue P/E of 17.87x on FY25 EPS of Rs. 6.43. Post issue, the stock is priced at a P/E of 23.06x on its EPS of Rs. 4.99. Looking at the P/B ratio at Rs. 115 pre issue, book value of Rs. 31.40 of P/Bvx 3.66x. Post issue, book value of Rs.27.36 of P/Bvx 4.20x.

## Industry Outlook

The global market for used construction equipment involves the buying and selling of pre-owned machinery and vehicles utilized in the construction sector, The used construction equipment market has shown consistent growth, with an estimated value of USD 132.4 billion in CY24. This growth is mainly fueled by two significant factors: (a) the rise in infrastructure development and construction activities in emerging economies, and (b) the cost-effectiveness of used equipment compared to new machinery. Looking forward, the market is expected to reach USD 177.2 billion by CY29, with a CAGR of 6.0% during the forecast period.

## Outlook

Jinkushal Industries Limited is well-positioned to capitalize on its global presence, refurbishment expertise, and growing HexL brand. Its strong customer relationships, diversified portfolio, and financial growth provide resilience. However, high export dependence, working capital needs, and reliance on third-party manufacturing pose challenges. With effective execution of strategy, the company can sustain global expansion and strengthen competitiveness.

**An Indicative timetable in respect of the Issue is set out below:**

| EVENT | INDICATIVE DATE (On or about) |
|---|---|
| BID/ISSUE OPENS ON | 25-September-25 |
| BID/ISSUE CLOSES ON | 29-September-25 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | 30-September-25 |
| Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account | 01-October-25 |
| Credit of Equity Shares to Demat Accounts of Allottees | 01-October-25 |
| Commencement of trading of the Equity Shares on the Stock Exchanges | 03-October-25 |

# Annexure

### Consolidated Financials

### Profit & Loss

Rs. in Cr.

| Particulars | Period ended 31-Mar-25 (12 Months) | Period ended 31-Mar-24 (12 Months) | Period ended 31-Mar-23 (12 Months) |
|---|---|---|---|
| Revenue from operations | 380.56 | 238.59 | 233.45 |
| Total expenditure | 357.21 | 215.23 | 219.22 |
| **Operating Profit** | **23.35** | **23.36** | **14.24** |
| OPM% | 0.61 | 0.98 | 0.61 |
| Other Income | 5.25 | 4.21 | 0.44 |
| **Total Net Income** | **28.60** | **27.57** | **14.68** |
| Interest | 3.81 | 2.05 | 0.69 |
| **PBDT** | **24.79** | **25.52** | **13.99** |
| Depreciation | 0.85 | 0.79 | 0.63 |
| **PBT** | **23.94** | **24.73** | **13.37** |
| Tax | 4.80 | 6.09 | 3.25 |
| **PAT** | **19.14** | **18.64** | **10.12** |

**Balance sheet is on next page**

## Balance Sheet

Rs. in Cr.

| Particulars | As on 31-Mar-25 | As on 31-Mar-24 | As on 31-Mar-23 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, Plant and Equipment | 9.02 | 9.90 | 8.54 |
| Goodwill on consolidation | 0.03 | 0.00 | 0.00 |
| Right-of-use assets | 0.52 | 0.32 | 0.19 |
| Capital Work-in-progress | 0.01 | 0.00 | 0.57 |
| **Financial Assets** | | | |
| Investments | 0.60 | 0.60 | 0.60 |
| Other Financial Assets | 0.95 | 1.02 | 0.88 |
| **Toal Non-Current Assets** | **11.12** | **11.83** | **10.77** |
| **Current asset** | | | |
| Inventories | 22.23 | 6.09 | 12.19 |
| **Financial Assets** | | | |
| Investments | 29.83 | 17.28 | 8.57 |
| Trade receivables | 102.36 | 59.93 | 0.56 |
| Cash and cash equivalents | 5.07 | 7.72 | 11.33 |
| Loans | 0.00 | 0.00 | 0.03 |
| Other Financial assets | 4.36 | 2.72 | 1.31 |
| Other Current Assets | 3.77 | 3.28 | 4.12 |
| Current Tax Asset (net) | 0.62 | 0.59 | 0.52 |
| **Total current assets** | **168.23** | **97.61** | **38.63** |
| **Total Assets** | **179.35** | **109.44** | **49.39** |
| **Non-current liabilities** | | | |
| **Financial Liabilities** | | | |
| Borrowings | 0.00 | 0.00 | 0.33 |
| Lease liabilities | 0.45 | 0.24 | 0.14 |
| Provisions | 0.37 | 0.45 | 0.21 |
| Deferred Tax Liabilities (Net) | 0.90 | 0.65 | 0.23 |
| **Total Non- Current liabilities** | **1.72** | **1.34** | **0.91** |
| **Current liabilities** | | | |
| **Financial Liabilities** | | | |
| Borrowings | 54.27 | 45.70 | 15.77 |
| Lease liabilities | 0.10 | 0.10 | 0.06 |
| Trades Payable - total outstanding dues of micro enterprises and small enterprises | 0.30 | 0.08 | 0.02 |
| Trades Payable - total outstanding dues of creditors other than micro enterprises and small enterprises | 23.23 | 13.45 | 2.73 |
| Other financial liabilities | 0.30 | 0.26 | 0.17 |
| Other Current Liabilities | 5.93 | 5.30 | 5.22 |
| Provisions | 0.11 | 0.00 | 0.00 |
| **Total Current liabilities** | **84.23** | **64.89** | **23.98** |
| **Total** | **85.95** | **66.23** | **24.89** |
| | | | |
| Net worth represented by: | | | |
| Equity Share Capital | 0.14 | 0.14 | 0.14 |
| Other equity | 86.05 | 42.93 | 24.36 |
| (c) Non Controlling Interests | 7.21 | 0.14 | 0.00 |
| Net Worth | 93.40 | 43.21 | 24.50 |

## RANKING METHODOLOGY

| | |
|---|---|
| WEAK | ★ |
| NEUTRAL | ★★ |
| FAIR | ★★★ |
| GOOD | ★★★★ |
| EXCELLENT | ★★★★★ |


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