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YOUR FRIENDLY FINANCIAL ADVISORS



IPO Note:

JINKUSHAL INDUSTRIES LIMITED- SUBSCRIBE

Jinkushal Industries Ltd. (JIL) exports new/customized and used/refurbished construction machines to global markets. According to the CareEdge Report, JKIPL is the largest non-OEM construction machine exporter, with a 6.9% market share. The Directorate General of Foreign Trade ("DGFT") of the Government of India has recognized JKIPL as a Three-Star Export House. It had exported construction machines to more than thirty (30) nations, including the UAE, Mexico, the Netherlands, Belgium, South Africa, Australia, and the United Kingdom.

JIL primarily operates in three business verticals: (i) export trading of customized, modified, and accessorized new construction machines; (ii) export trading of used/refurbished construction machines; and (iii) export trading of own brand 'HexL' construction machines (currently classified as backhoe loaders) to a diverse international customer base. Each of these verticals is designed to increase operating efficiency and reach a large customer base, guaranteeing that exported machines meet performance criteria, durability expectations, and unique application requirements. In addition to the aforementioned core business verticals, it generates a tiny amount of its revenue from (i) leasing logistics warehouses and (ii) renting construction machinery.

The company specializes in the export of construction machines such hydraulic excavators, motor graders, backhoe loaders, soil compactors, wheel loaders, bulldozers, cranes, and asphalt pavers. Its operations go beyond simple export trading, as it strives to use technical know-how and systematic processes to refurbish, customize, modify, and accessorize both used and new construction machines, either in-house or through third-party vendors, prior to export sales to ensure optimal functionality, efficiency, and performance to meet customers' specific requirements.

The company recently developed its own brand, 'HexL', for construction machines and has worked with third-party manufacturers in China under a contract manufacturing structure. This model requires that construction machinery be constructed in accordance with its requirements and standards in order to meet market demand. It began manufacturing backhoe loaders and has sold forty (40) backhoe loaders to date. In the future, the company intends to manufacture and sell other types of construction machinery and electric construction equipment under the brand name 'HexL'.

It has successfully delivered more than 1,500 construction machines, including over 900 new (customized, modified, or accessorized) and over 600 used/refurbished machines. During Fiscal 2025, Fiscal 2024, and Fiscal 2023, it supplied over 1,249 construction machines, including over 928 new (customized or accessorized) and over 366 used/refurbished. To expand its global activities, the business established Hexco Global FZCO in 2023, a foreign subsidiary situated in JAFZA, UAE, in which JIL now owns an 80% share. Hexco Global FZCO is engaged in the trading of construction machines had acquired a business in 2024, which included part of its assets -a subsidiary Hexco Global USA LLC, in which it holds a 90% membership interest, making it a step-down subsidiary of JKIPL.

Investment Recommendation and Rationale: -

Jinkushal Industries Ltd. (JIL) is India's largest non-OEM exporter of construction machines with a 6.9% market share, exporting to 30+ countries. It operates across customized new machines, refurbished used machines, and its own HexL brand, having supplied 1,500+ machines globally. Strong global subsidiaries in UAE/USA, focus on customization, and launch of HexL provide scalable growth. With diversified markets and a rising proprietary brand, JIL is well-placed to benefit from growing global infrastructure demand. At the upper price band of ₹121, the issue is valued at a P/E multiple of about 24.30x on its FY25 post-IPO EPS of ₹4.98. We give a 'SUBSCRIBE' rating to the issue for the following reasons: -

1. Largest non-OEM exporter of construction machines from India with 6.9% market share and recognition as a Three-Star Export House.
2. Exported 1,500+ machines across 30+ countries with subsidiaries in UAE & USA, leveraging international networks.
3. Diversification into refurbished/customized machines and launch of own brand HexL (backhoe loaders, future electric equipment) provide higher margins and scalability.

Issue Opens	25th September 2025
Issue Closes	29th September 2025
Type of Issue	Fresh Issue of 86,40,000 shares (aggregating up to ₹ 104.54 Crores) Offer for sale of 9,59,548 shares of ₹10 (aggregating up to ₹ 11.61 Crores)
Issue size	₹ 116.15 crores
Price Band	₹115 to ₹121 per share
Bid lot/ Bid Size	120 shares/ Rs. 14,520
Issue structure	QIB-50%, HNI- 15%, Retail- 35%
Post issue equity shares	3,83,86,000 shares
Promoters and Promoter Group Public	Pre Issue – 100.00% Post Issue- 74.99% Pre issue – 0.00% Post Issue- 25.01%
Post issue implied market cap	₹464.42 Crores
BRLMs	GYR Capital Advisors Private Limited,
Registrar to the issue	Bigshare Services Private Limited

Financial Summary (₹ in lakhs except for percentage and ratios)

Particulars	Fiscal		
	2025	2024	2023
Revenue from Operations	38,055.81	23,859.18	23,345.05
Growth in Revenue from Operations (%)	59.50%	2.20%	31.92%
Other Income	524.85	420.66	44.40
EBITDA	2,860.05	2,756.94	1,467.92
EBITDA Margin (%)	7.52%	11.56%	6.29%
Profit after Tax	1,914.00	1,864.45	1,011.74
PAT Margin (%)	5.03%	7.81%	4.33%
Net worth	8,618.96	4,306.94	2,450.12
RoNW (%)	21.22%	43.29%	41.29%
RoE (%)	28.30%	55.19%	51.95%
RoCE (%)	18.39%	29.44%	34.11%
Debt- Equity Ratio	0.58	1.06	0.66

Source: RHP

Details of Revenue from Operation:

(₹ in Lakhs except for percentages)

Segment	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from Operations	% of Revenue from Operation	Revenue from Operations	% of Revenue from Operation	Revenue from Operations	% of Revenue from Operation
Revenue from operations in India*	313.12	0.82%	375.50	1.57%	585.05	2.51%
Revenue from operations outside India #	37,742.69	99.18%	23,483.68	98.43%	22,760.00	97.49%
Total	38055.81	100.00%	23,859.18	100%	23,345.05	100.00%

*Revenue from operations in India includes revenue generated from logistics warehouse leasing income and construction machinery rental income and export benefits.

#Revenue from operations outside India including income generated by our Subsidiary based in the UAE, as well as revenue from exports trade by JKIPL.

Source: Red Herring Prospectus (RHP)

The table below shows the breakdown of revenue from operations for fiscal years 2025, 2024, and 2023.

Particulars	Fiscal 2025	% of Revenue	Fiscal 2024	% of Revenue	Fiscal 2023	% of Revenue
Sale of new (customised, accessorised) construction machines*	23190.23	60.94%	14,268.66	59.80%	22,718.54	97.32%
Sale of used (refurbished) construction machines	13180.14	34.63%	9,223.31	38.66%	41.46	0.18%
Sale of own brand contract manufactured construction machines#	1442.44	3.79%	0	0.00%	0	0.00%
Income from rental of construction machine	28.07	0.07%	96.31	0.40%	117.84	0.50%
Income from logistics warehousing	109.12	0.29%	119.94	0.50%	103.13	0.44%
Other Operating Revenue (Duty Drawback and RODTEP Scrip Sales)	105.81	0.28%	150.96	0.63%	364.08	1.56%
Total	38,055.81	100%	23,859.18	100.00%	23,345.05	100.00%

* Including revenue derived from MTT Export.

#Recently started in year 2024 with effect from July 2024 (Brand launched in December 2024).

Source: Red Herring Prospectus (RHP)

Shareholding pattern

Name of the Selling Shareholders	Type	Number of Equity Shares Offered	Weighted Average Cost of Acquisition per Equity Share (in ₹) (on a fully diluted basis)*
Anil Kumar Jain	PSS	6,20,570 Equity Shares of face value ₹10 each	0.04
Abhinav Jain	PSS	2,17,850 Equity Shares of face value ₹10 each	-
Sandhya Jain	PSS	1,21,128 Equity Shares of face value ₹10 each	0.05

Source: Red Herring Prospectus (RHP)

Objects of the issue

Fresh Issue of 86,40,000 shares (aggregating up to ₹104.04 Crores)

Offer for sale of 9,59,548 shares of ₹10 (aggregating up to ₹11.61 Crores)

Company plans to use the Net Proceeds to fund the following objects:

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

Source: Red Herring Prospectus (RHP)

Peer Comparison

Name of Company	Total Income (₹ in Lakhs)	Face Value (₹ per share)	P/E	EPS (₹)- Basic	EPS (₹)- Diluted	RoNW (%)	NAV (₹ per share)
Jinkushal Industries Limited	38,580.66	10.00	NA	6.15	6.15	21.22%	28.98
Listed Peers							
Action Construction Equipment Limited	3,42,736.98	2.00	31.18	34.39	34.37	25.34%	135.60
Vision Infra Equipment Solutions Limited	45,480.83	10.00	10.94	15.97	15.97	20.68%	66.82

Source: Red Herring Prospectus (RHP)

Competitive Strengths

1. Largest exporter of non-OEM construction equipment, has a presence in the UAE and the USA through subsidiaries.
2. Refurbishment, reuse, and contribute to the circular economy, all while maintaining environmental responsibility.
3. Diversified Market Presence and Optimized Machine Solutions.
4. Launch of "HexL" brand & refurbishment facility gives it stronger brand identity. Also it is recognised as a Three-Star Export House by the Government of India, boosting its credibility in international markets.
5. Established relationships with customers and wide customer base.

Source: Red Herring Prospectus (RHP)

Growth Strategies

1. To improve supply chain efficiency, consider increasing vendor networks for procurement, refurbishment, customisation, and contract manufacturing.
2. Increase sales by leveraging worldwide distribution and expanding client base.
3. Continuously enhance operating efficiency by improving procurement, refurbishment processes, and logistics.
4. Expand the product line beyond hydraulic excavators, backhoe loaders, wheel loaders, motor graders, and bulldozers to satisfy the increasing needs of the construction industry.
5. Create brand awareness with a disciplined marketing approach that focuses on visibility, market presence, and global reach.

Source: Red Herring Prospectus (RHP)

Key Risks

1. A large part of revenue comes from refurbishment and trading of construction equipment rather than own-brand manufacturing. Any slowdown in demand for refurbished machines or pricing pressure can affect margins.
2. The company relies significantly on exports to over 30 nations via subsidiaries in the UAE and the US. Any changes in global trade policies, FX fluctuations, or geopolitical threats might have a direct influence on performance.
3. Their operations (importing used machinery, renovating, and stocking spare parts) necessitate a large amount of working capital. Delays in receivables or increases in financing costs can strain liquidity.
4. The recycling industry is subject to strong environmental and waste management regulations; noncompliance may result in penalties or operational restrictions.
5. Environmental, safety, and customs requirements govern the refurbishment, disassembly, and export of machinery. Any tightening of regulations may have an impact on corporate operations.

Source: Red Herring Prospectus (RHP)


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