Jinkushal Industries Ltd.

September 24, 2025

IPO Details

IPO Date	September 25, 2025 to September 29, 2025
Face Value	₹10 per share
Price Band	₹115 to ₹121 per share
Lot Size	120 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	95,95,483 shares (aggregating up to ₹116.11 Cr)
Fresh Issue	86,35,935 shares (aggregating up to ₹104.49 Cr)
Offer for Sale	9,59,548 shares of ₹10 (aggregating up to ₹11.61 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	2,97,46,000 shares
Share Holding Post Issue	3,83,81,935 shares
QIB Shares Offered	Not more than 50% of the Net Offer
Retail Shares Offered	Not less than 35% of the Net Offer
NII (HNI) Shares Offered	Not less than 15% of the Net Offer
Retail (Min & Max) shares	120 Shares & 1,560 shares
Retail (Min & Max) application amount	₹14,520 & ₹1,88,760
S-HNI (Min shares & application amount)	1,680 shares & ₹2,03,280
S-HNI (Max shares & application amount)	8,160 shares & ₹9,87,360
B-HNI (Min shares & application amount)	8,280 shares & ₹10,01,880
Basis of Allotment	Tue, Sep 30, 2025
Initiation of Refunds	Wed, Oct 1, 2025
Credit of Shares to Demat	Wed, Oct 1, 2025
Listing Date	Fri, Oct 3, 2025
Cut-off time for UPI mandate confirmation	5 PM on Mon, Sep 29, 2025
Promoters	Anil Kumar Jain, Abhinav Jain, Sandhya Jain, Tithi Jain and Yashasvi Jain.
Registrar	Bigshare Services Pvt.Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Incorporated in 2007, Jinkushal Industries Ltd. is engaged in export trading of new/customized and used/refurbished construction machines in global markets. The Company has over 8 years of operating history of dealing with procurement, refurbishment, customisation and export trade of construction machines. They primarily operate across three primary 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 their own brand 'HexL' construction machines (presently in category of backhoe loaders) to cater a diverse international customer base. In addition to primary business verticals, they also derive a small portion of revenue from (i) logistics warehouses leasing; (ii) renting of construction machines. The Company operates an in-house refurbishment facility in Raipur, Chhattisgarh, India- spanning 30,000 sq. ft. Their Refurbishment Facility is staffed with 42 skilled employees who play a key role in reconditioning and customizing machines to meet customer requirements. Further, in addition to their in-house capabilities, they also utilize the services of third-party non-exclusive refurbishment centers that refurbish their used machines in accordance with their standard operating procedures, instructions, and technical requirements. The Company has successfully supplied over 1,500 construction machines, comprising of over 900 new (with customization, modified or accessorized) and over 600 used/refurbished construction machines. To expand their global operations, they incorporated Hexco Global FZCO in the year 2023, an overseas subsidiary based in JAFZA, UAE, in which they currently hold an 80% stake.

The Revenue of the Company increased by 59.49% and Profit after Tax rose by 2.68% from FY24 to FY25.

Objects of the Issue

- ❑ Offer for Sale- Rs. 11.61 Crore
- ❑ Funding the long-term incremental working capital requirements of the Company- Rs. 72.67 Crore
- ❑ General Corporate Purposes- Rs. 31.82 Crore

Financial Details

Particulars (Amount in Crores)	31-Mar-25 (Consolidated)	31-Mar-24 (Consolidated)	31-Mar-23 (Standalone)
Revenue from Operations	380.55	238.59	233.45
Other income	5.24	4.20	0.44
Total Income	**385.80**	**242.79**	**233.89**
Expenses			
- Cost of materials consumed	4.00	4.80	2.91
- Purchase of Machines for Trade and Refurbishment	306.93	167.93	174.39
- Changes in inventories	(15.25)	6.87	(0.73)
- Direct Expenses	16.19	20.63	23.23
- Employee Benefit Expense	8.18	8.32	7.84
- Finance costs	3.81	2.05	0.68
- Depreciation and amortization expense	0.84	0.78	0.62
- Other expenses	37.13	6.64	11.56
Total expenses	**361.86**	**218.06**	**220.52**
EBITDA	**23.34**	**23.35**	**14.22**
EBITDA Margin (%)	**6.13%**	**9.78%**	**6.09%**
Profit/(Loss) before tax	**23.93**	**24.72**	**13.36**
Tax expense/(credit)	4.79	6.08	3.25
Profit/(Loss) After Tax	**19.14**	**18.64**	**10.11**
PAT Margin (%)	**4.96%**	**7.67%**	**4.32%**
Basic EPS (in Rs.)	**6.15**	**6.27**	**3.40**
Key Metrics	**Mar-25**	**Mar-24**	**Mar-23**
ROCE (%)	**18.39%**	**29.44%**	**34.11%**
ROE (%)	**28.30%**	**55.19%**	**51.95%**
D/E Ratio	**0.58**	**1.06**	**0.66**

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on

Competitive Strengths

- **Largest Export Player:** As per CareEdge Report, they are the largest Non-OEM construction equipment exporter with a 6.9% market share. The Company is recognized as Three-Star Export house by Directorate General of Foreign Trade (DGFT), Government of India with export of construction machines to over 30 countries, including UAE, Mexico, Netherlands, Belgium, South Africa, Australia, and UK etc.

- **Sustainability:** The Company focuses on extending the life cycle of used machines through systematic refurbishment processes. Their refurbishment processes are designed to meet the operational standards of a wide range of industries, ensuring that the machines are dependable, efficient, and suited to the demands of end users. In doing so, they not only create value from assets that would otherwise be written off but also offer a sustainable choice to businesses looking to optimize their capital investments.

- **Diversified Market Presence:** Company's portfolio includes customized and accessorized machines from other brands, refurbished used machines, and newly launched equipment under their own brand. They supply machines such as hydraulic excavators, motor graders, backhoe loaders, soil compactors, wheel loaders, bulldozers, cranes, and asphalt pavers. This diverse product range supports construction and infrastructure projects, helping meet operational needs and market demand while strengthening their resilience and growth potential.

- **Supply Chain Efficiency:** The Company has built an efficient supply chain infrastructure that supports the core business in the export trading of construction machines. Over the past three fiscal years, their procurement network comprised 228 suppliers, including 172 contractors, 51 traders, and 5 manufacturers. This diverse supplier base enables them to source a wide range of new and used construction machines in line with the customer's requirements and market demand. In addition to supplier relationships, they work with 6 non-exclusive third-party refurbishment centers located in Mumbai, Delhi, Hyderabad, Nagpur, and Chennai in India, and 1 in the UAE.

- **Consistent Track Record of Financial Performance:** The Company's revenue from operations reached Rs. 380.55 Crore in Fiscal 2025, Rs. 238.59 Crore in Fiscal 2024 and Rs. 233.45 Crore in Fiscal 2023, demonstrating a CAGR of 27.68% during this period. Their restated profit after tax also saw significant growth, increasing from Rs. 10.11 Crore in Fiscal 2023 to Rs. 18.64 Crore in Fiscal 2024 and to Rs. 19.14 Crore in Fiscal 2025.

Key Risk Factors

- **Heavily Dependent on Export Market:** The business model of the Company is predominantly export-oriented, with approximately 99.18% of the revenue from operations the last three Fiscals, was derived from overseas sales. High dependency on export revenues exposes them to regulatory uncertainty, geopolitical risks, tariff & non-tariff barriers, trade policy volatility and foreign exchange risks.

- **Concentration of Revenue:** The concentration of revenue among a limited number of key customers exposes them to substantial risks, including revenue volatility, reduced negotiating leverage, and operational instability. The Revenue from Top 1 Customer as a % of Revenue from Operations for the Fiscals 2025, 2024 and 2023 was 22.31%, 95.99% and 73.47%; Revenue from Top 5 Customers was 75.06%, 98.76% and 97.75%, respectively.

- **Geographical Concentration:** During last three Fiscals, the Company has exported to over ten countries including Mexico, UAE, Australia, Netherlands, UK, etc. Their revenue remains significantly dependent on Mexico, which accounted for a major portion of the revenue during the relevant periods. The revenue generated from business operations in Mexico as a % of Revenue from Operations was 74.17%, 82.52% and 30.32% for Fiscals 2025, 2024 and 2023.

- **Significant Working Capital Requirements:** The business requires substantial working capital to fund the procurement, refurbishment, customization, inventory holding, and logistics for construction machines. Additionally, their working capital needs may increase if their contractual or sales terms do not include advance payments, or if payment is required upon delivery. The working capital is funded through short-term borrowings and internal accruals.

- **Limited Operating History:** The Company recently launched their brand, HexL, in December 2024 with an initial focus on backhoe loaders, which are manufactured under a contract manufacturing arrangement in China. Given the recency of this launch, HexL has a limited operating history, which makes it challenging to assess its long-term commercial viability, customer acceptance, and ability to contribute meaningfully to their growth and profitability.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Jinkushal Industries Ltd.	NA	10.00	18.78*	6.44**	6.44**	21.22%	28.98
Peers:-							
Action Construction Equipment Ltd.	1139.90	2.00	33.16	34.39	34.37	25.34%	135.60
Vision Infra Equipment Solutions Ltd.	237.00	10.00	14.84	15.97	15.97	20.68%	66.82

*P/E calculated based on upper band price.
**EPS calculated including fresh issue shares.

Summary

Jinkushal Industries Ltd. is engaged in export trading of new/customized and used/refurbished construction machines in global markets. They primarily operate across three primary 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 their own brand 'HexL' construction machines (presently in category of backhoe loaders) to cater a diverse international customer base. The Company operates an in-house refurbishment facility in Raipur, Chhattisgarh, India- spanning 30,000 sq. ft. Their Refurbishment Facility is staffed with 42 skilled employees. The Company has successfully supplied over 1,500 construction machines, comprising of over 900 new (with customization, modified or accessorized) and over 600 used/refurbished construction machines.

The used construction equipment market has shown consistent growth, with an estimated value of USD 132.4 billion in CY24. This growth is mainly fuelled 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. This growth will be bolstered by the expansion of urban infrastructure projects, government investments in construction, and digital platforms that facilitate the resale and procurement of used equipment.

The global backhoe loader market has demonstrated steady growth over the past several years, with the market size increasing from approximately USD 3.61 billion in CY19 to an estimated USD 4.44 billion in CY23, reflecting a CAGR of 5.3% during this period. This growth is primarily driven by increase in road construction projects and the rapid rise in power infrastructure development, especially in developing nations. Looking ahead, the market is expected to continue its upward trajectory with a projected CAGR of 9.7% from 2023 to 2029, potentially reaching USD 7.72 billion by the end of the forecast period. The steady rise in demand can be attributed to the versatility and efficiency of backhoe loaders in various applications, including construction, agriculture, and municipal tasks.

The Company plans to fund their long-term working capital requirements for business expansion and for scaling up their own brand- HexL.

Therefore, it is recommended to "**Subscribe**" to the IPO for long-term investment, considering its growth potential.

DISCLAIMER

Prepared By:

Research Analyst : Anmol Grover

Email ID: anmolgrover@adroitfinancial.com

Research Associate : Bhavin Tharwani

Email ID: bhavintharwani@adroitfinancial.com

Phone Number: 0120-4550300*270/388

Adroit Financial Services Private Limited (hereinafter referred to as "Adroit") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Metropolitan Stock Exchange Limited. It is also registered as a Depository Participant with CDSL and NSDL. **Adroit Financial Services Private Limited is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide Registration Number INH100003084.** Adroit or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities Market. Adroit or its associates/analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months.

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment. The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but They do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Neither Adroit, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information. Adroit Financial Services Private Limited has not independently verified all the information contained within this document. Accordingly, They cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document.