



IPO Note

JINKUSHAL INDUSTRIES LIMITED

Sep 25th, 2025



Sep 25th, 2025**Details of the Issue**

Price Band	₹ 115 - ₹ 121
Issue Size	₹ 116.15 Cr
Face Value	₹ 10
Bid Lot	120
Listing on	BSE, NSE
Post Issue Mcap	₹ 464.42 Cr
Investment Range	₹ 13,800 - ₹ 14,520

Important Indicative Dates (2025)

Opening	25 - Sep
Closing	29 - Sep
Basis of Allotment	30 - Sep
Refund Initiation	01 - Oct
Credit to Demat	01 - Oct
Listing Date	03 - Oct

Lead Manager

GYR Capital Advisor Pvt Ltd

Offer Details

Offer Size	₹ 116.15 Cr
Fresh Issue	₹ 104.54 Cr
OFS	₹ 11.61 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	58	4.80	5.05	50
NII	17	1.44	1.52	15
Retail	41	3.36	3.54	35
Em- ploy.	-	-	-	-
Total	116	9.60	10.10	100

Invest Now**Company Profile**

Jinkushal Industries Limited is a global exporter of construction machinery, operating in over 30 countries, including the UAE, Mexico, Netherlands, Belgium, South Africa, Australia, and the UK, and is recognized for quality, customization, and service excellence. The company operates across three verticals: exporting customized new machines, cost-effective used and refurbished machines, and its proprietary 'HexL' brand backhoe loaders engineered for performance and durability. By April 2025, it supplied over 1,500 machines 900 new and 600 used/refurbished demonstrating rapid growth with 1,171 units delivered in the nine months ending December 2024. Its in-house Refurbishment Facility, staffed by 48 skilled employees, customizes and reconditions pre-owned machinery, complemented by independent refurbishment centers following its technical standards. Supported by a procurement network of 228 suppliers and a workforce of 90 permanent employees and 21 interns, Jinkushal continues to scale operations and strengthen its position as a trusted global construction machinery exporter.

GEPL's Insights & Investment Thesis:

- Jinkushal Industries Limited is the largest Non-OEM construction equipment exporter in India with 6.9% market share, operating across new and refurbished construction machinery segments.
- The company generates 75% of its revenue from top 5 customers creating a concentration risk. Despite being profitable, the company has been reporting negative operating cash flow due to higher working capital requirements.
- Based on the FY25 earnings, relative to the company's post-IPO paid up capital, the issue is priced at a P/E ratio of 24.26x. We believe that the company faces client concentration risk and had negative operating cash flow over the last two years. Therefore, we recommend a "Avoid" rating for the issue.

Business Highlights & Services

Jinkushal Industries Limited (JKIPL) is the largest Non-OEM construction equipment exporter in India, commanding a 6.9% market share (CareEdge Report) and recognized as a Three-Star Export House by the Directorate General of Foreign Trade (DGFT). With exports to over 30 countries—including UAE, USA, Mexico, Netherlands, Belgium, South Africa, Australia, and the UK—JKIPL has established a strong global footprint, supported by its subsidiaries Hexco Global FZCO (UAE) and a Step-Down Subsidiary in the USA, which enhance operational efficiency, optimize logistics, and expand international reach. The company operates across new and refurbished construction machinery segments, combining robust international sourcing and strategic imports from China and UAE to maintain quality, variety, and cost efficiency. JKIPL's systematic refurbishment process extends the life cycle of used machines, restoring operational value while reducing raw material demand, energy consumption, and carbon emissions aligning business growth with sustainability and circular economy principles.

By offering reliable, cost-effective alternatives to new equipment, JKIPL enhances client operational efficiency and total cost of ownership, reinforcing its reputation for quality and service excellence. Its strategic global presence, diversified supply chain, and commitment to refurbishment driven sustainability position the company to capture growth in international markets, optimize capital allocation for clients, and maintain leadership in the Non-OEM construction equipment sector.



Jinkushal Industries Limited offers a diversified portfolio of new, refurbished, and branded construction machines, including excavators, loaders, graders, cranes, and pavers, reducing dependence on any single product or geography and supporting cross-selling opportunities. Its strong supply chain of 228 suppliers, seven refurbishment centers (India & UAE), and global logistics network ensures quality, customization, and cost-efficient delivery across 30+ markets. The company is transitioning from trading to a brand-driven model through HexL, manufactured via asset-light contract arrangements in China with strict quality oversight. This strategy enables scalable capacity, cost efficiency, and standardized products aligned with customer needs. With 40 HexL backhoe loaders already supplied, JK IPL has begun building brand equity and direct market presence. By combining product diversification, refurbishment expertise, supply chain strength, and a scalable branded model, JK IPL enhances resilience, customer engagement, and long-term growth potential in global construction equipment exports.

The company is transitioning from third-party brand sales to a branded, customer-centric model through its proprietary HexL line, manufactured under asset-light contract arrangements with third-party producers to JK IPL's specifications and quality standards. This shift enhances market positioning by ensuring standardized, high-quality machines, leveraging existing distribution channels, and building direct customer engagement without the capital burden of in-house manufacturing. Alongside, the company specializes in supplying ready-to-use refurbished and customized machines with strong resale demand, addressing contractors' need for immediate deployment and helping them avoid long procurement lead times. A robust client base underpins this strategy—JK IPL served 36 customers in FY25, up from 18 in FY23, with ~84% of revenue consistently generated from repeat clients over the last three fiscals. Strong customer stickiness is further evident as the top five customers contributed ₹285.65 Cr (75.1% of revenue) in FY25, ₹235.64 Cr (98.8%) in FY24, and ₹228.20 Cr (97.8%) in FY23. This combination of brand transition, refurbishment expertise, asset-light scalability, and long-standing customer relationships reinforces JK IPL's resilience, growth visibility, and competitive edge in global construction equipment exports.

Jinkushal Industries Limited is strengthening its supply chain by expanding procurement, refurbishment, and contract manufacturing networks to ensure quality, cost efficiency, and risk mitigation. The company is transitioning to a brand-driven model through HexL, enhancing control over production and scalability. Growth will be driven by leveraging its global distribution network, deepening penetration with dealers, distributors, and rental companies, and expanding into new markets. JK IPL plans to diversify its portfolio with electric construction machines, aligning with sustainability trends, while investing in technology, automation, and marketing to optimize operations, build brand equity, and reinforce its leadership in global construction equipment exports.

Product wise revenue breakup

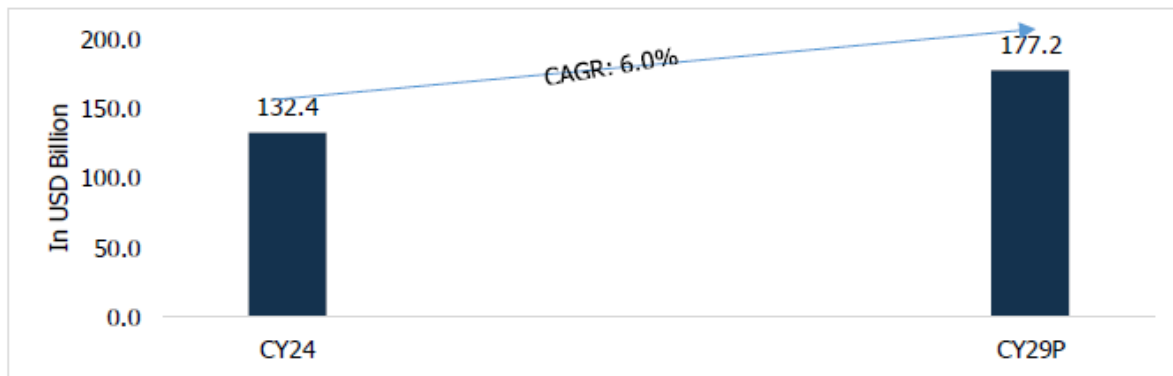
Particular	FY25			FY24			FY23		
	No. of Machines Sold	Revenue from Operation (INR in Cr)	% of Total Revenue	No. of Machines Sold	Revenue from Operation (INR in Cr)	% of Total Revenue	No. of Machines Sold	Revenue from Operation (INR in Cr)	% of Total Revenue
Hydraulic Excavators	127	117	30.98%	211	169	72%	295	203	89.25%
Backhoe Loaders	225	93	24.53%	86	33	14%	27	13	5.50%
Motor Graders	44	45	11.95%	3	3	1%	3	2	1.01%
Concrete Mixer Truck	43	29	7.80%			0%			0.00%
Soil Compactors	75	23	6.03%	25	8	3%	10	4	1.80%
Bulldozers	11	14	3.62%	9	7	3%	4	5	2.07%
Crushers	6	15	3.98%			0%			0.00%
Cranes	18	15	3.97%	30	15	6%			0.00%
Wheel Loaders	22	13	3.37%			0%	2	0.84	0.37%
Dump Trucks	8	6	1.57%			0%			0.00%
Tractor	12	3	0.89%			0%			0.00%
Telehandlers	6	3	0.69%			0%			0.00%
Pavers	1	2	0.60%			0%			0.00%
Others	0	0	0.01%		0.08	0%			0.00%
Total	598	378	100%	364	235	71%	341	228	100%

Domestic vs Export revenue breakup

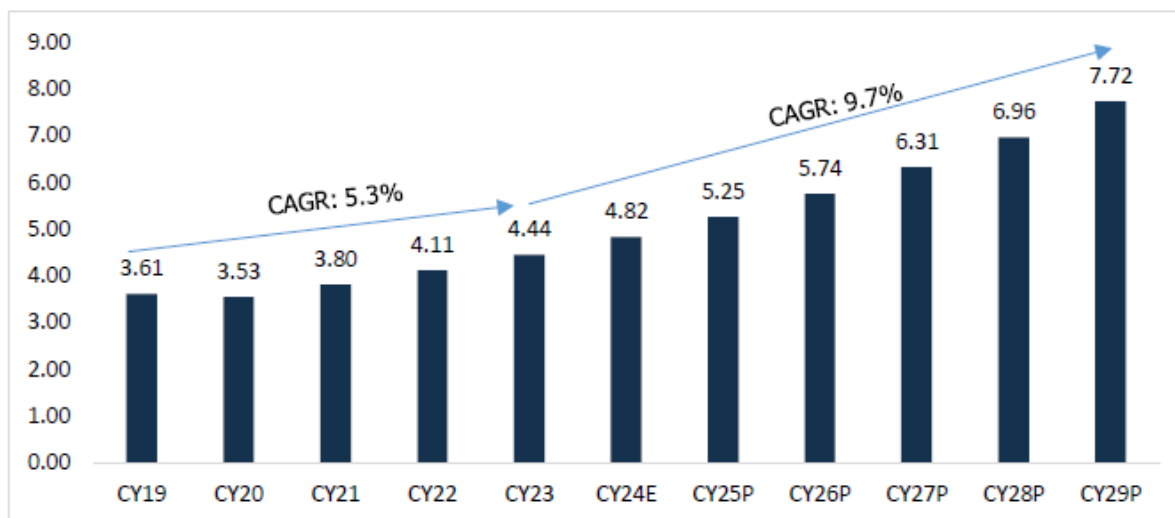
Particular	FY25		FY24		FY23	
	Amount	%	Amount	%	Amount	%
Revenue from Indian Operation	3	0.82%	4	1.57%	6	2.51%
Revenue from Export	377	99.18%	235	98.43%	228	97.49%
Total	381	100%	239	100%	233	100%

Objective of the IPO Issue

- Funding the working capital requirements of the Company for INR 72.68 Cr.
- General corporate purposes.

Industry Outlook**Chart 11: Used Construction Equipment Market size**

Source: CareEdge Research

Chart 12: Market Size of Global Backhoe Loader Market (In USD Billion)

Source: Technavio, EMIS



Peers Comparisons

Name of the company	Face Value (₹)	Total Revenue (In Cr)	EPS	P/E (x)	RoNW(%)
Jinkushal Industries Ltd	10	385.8	6.15	NA	21.22
Peers Group					
Action Construction Equipment Ltd	2	3,427.4	34.47	31.18	25.34
Vision Infra Equipment Solutions Ltd	10	454.8	15.97	10.94	20.68

Company's Competitive Strength

- Largest Installed Capacity for Production of Ethanol in India.
- Integrated Resource Management, Creating Scalable Operations.
- Strategically Located Production Infrastructure, with a Focus on Technological Innovation and Sustainability.
- Well-positioned to Capture Favourable Industry Tailwinds.
- Entrenched Customer Relationships, Creating a Strong Demand Pipeline.
- Skilled and Experienced Promoters and Management Team, with Committed Employee Base.

Key Strategies Implemented by Company

- Diversify Sources of Ethanol Production.
- Focus on Increasing the CBG Capabilities.
- Commence Production of 2G Ethanol.
- Venture Into Sustainable Aviation Fuel Supply.
- Establish Biofuel Dispensing Stations to Cater to Retail Energy and Flex-fuel Requirements.
- Increase Supply of Products Allied with the Production Processes, such as FOM.
- Grow Through MoUs, Pilot Projects, Joint Ventures and Strategic Acquisitions.

Particular (INR in Cr)	FY25	FY24	FY23
Equity Capital	0.14	0.14	0.14
Reserves and Surplus	86	43	24
Net Worth	86	43	25
Revenue	381	239	233
Growth (%)	59%	2%	
EBITDA	23	23	14
EBITDAM (%)	6.1%	9.8%	6%
PAT	19	18.6	10
PATM (%)	5.0%	7.8%	4.3%
ROE (%)	28%	55%	52%
ROCE (%)	18%	29%	34%



Notes

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