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CM RATING 44 /100

Jinkushal Industries

Largest Non-OEM construction machines exporter

Exports new/refurbished construction equipments in global market with customization, modification, or accessorization

Jinkushal Industries (JKIPL), promoted by Anil Kumar Jain, is engaged in export trading of new/customized and used/refurbished construction machines in global markets. It specializes in export trading of construction machines such as hydraulic excavators, motor graders, backhoe loaders, soil compactors, wheel loaders, bulldozers, cranes, and asphalt pavers.

Operations of JKIPL extend beyond plain export trading as its endeavor is to leverage its technical knowhow and systematic processes to refurbish, customize, modify, and accessorize both used and new construction machines, either in-house or on through third-party vendors, before export sales to ensure optimized functionality, efficiency, and performance to meet customers' specific requirements.

JKIPL primarily operates 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 its own brand 'HexL' construction machines (presently in category of backhoe loaders) to cater a diverse international customer base. In addition to aforementioned primary business verticals, it also derives a small portion of revenue from (i) logistics warehouses leasing; (ii) renting of construction machines.

In FY25 revenue, about 60.94% is from sale of new customized/accessorized construction machines, 34.63% from sale of used/refurbished construction machines, 3.79% sale of own brand contract manufactured construction machines, 0.07% from rental of construction machines, 0.29% from logistics-warehousing, 0.28% other operating income.

In terms of products, in FY25 revenue about 30.98% is from hydraulic excavators, 24.53% from backhoe loaders, 11.95% from motor graders, 7.80% from concrete mixer truck, 6.03% from soil compactors, 3.62% from bulldozers, 3.98% from crushers, 3.97% from cranes, 3.37% from wheel loaders, 1.57% from dump trucks, 0.89% from tractors, 0.69% from telehandlers, 0.60% from pavers and 0.01% from others.

Majority of the revenue of the company comes from exports. Revenue from operations outside India accounted for 99.18% of revenue in FY25 and revenue from operations in India accounted for mere 0.82%. It has exported construction machines to over thirty (30) countries, including UAE, Mexico, Netherlands, Belgium, South Africa, Australia, and UK. It majorly exports to various overseas wholesale buyers, distributors, importers and some end users including construction and rental companies. Of FY25 revenue from operations, 74.17% came from Mexico, 8.86% from UAE, 4.55% from Netherlands, 3.03% from UK, 2.82% from Australia, 2.34% from Vietnam and 1.14% from USA.

JKIPL is the largest Non-OEM construction machines exporter with a 6.9% market share. JKIPL is recognized as Three-Star Export house by Directorate General of Foreign Trade ("DGFT"), Government of India.

A substantial portion of its export revenue is derived through MTT transactions involving direct shipment between foreign entities without physical entry into India. About 45.57% of FY25 revenue came from MTT and 52.95% from other than MTT.

Construction machines are high-value capital goods with strong resale demand, making them attractive assets for contractors or businesses needing immediate deployment. Its ability to supply ready-to-use refurbished and customized machines allows customers to bypass long lead times (generally four to six months) associated with ordering new machines.

Under business vertical of export trading of modified, customized and accessorized new construction machines, JKIPL procure new construction machines of various third-party OEM brands and enhance their value through customization, modification, or accessorization based on customer's technical specifications. It get the new construction machines modified and accessorized according to the customers' requirements either in-house or through third-party customization hubs. Its customization, modification and/or accessorization process includes installing value-enhancing machines or accessories such as auxiliary hydraulics or breaker piping kits, air conditioning systems, safety modifications, attachment integrations, etc. These modified/customized machines are then exported either directly from India or through other countries via Merchant Trade Transactions ("MTT Export").

Under its business vertical of export trading of used/refurbished machines, it refurbish used construction machines to enhance their functionality and extend their operational life through systematic refurbishment processes. To support this, the company operates an in-house refurbishment facility in Raipur, Chhattisgarh, India- spanning 30000 square feet. In addition to supplier relationships, it work with six (6) non-exclusive third-party refurbishment centres located in Mumbai, Delhi, Hyderabad, Nagpur, and Chennai in India, and one (1) in the UAE. Refurbishment facility of the company is equipped with modern machines, including hydraulic mobile cranes, hydraulic crimping machines, plasma cutting systems, MIG welding machines, lathes and turning machines, line boring machines, sand blasting, air compressors, painting devices etc., ensuring that its refurbishment process aligns with industry standards. Further, in addition to in-house capabilities, it also utilizes the services of third-party non-exclusive refurbishment centers that refurbish its used machines in accordance with its standard operating procedures, instructions, and technical requirements.

It has recently in December 2024 has launched its own brand, 'HexL', for construction machines and have partnered with third-party manufacturers in China through a contract manufacturing arrangement. Under this model, construction machines are manufactured according to its specifications, and standards to meet market demand. The company have started the brand with backhoe loaders manufacturing and as on date have sold forty (40) backhoe loaders machines and going forward, the company intend to get other construction machinery manufactured including other categories of machines and electric construction equipment and sold under its brand name 'HexL'.

The company has successfully supplied over 1500 construction machines, comprising of over 900 new (with customization, modified or accessorized) and over 600 used/refurbished construction machines. During the Fiscal 2023-25, it have supplied over 1249 construction machines, comprising of over 928 new (with customization or accessorized) and over 366 used/refurbished construction machines.

To expand its global operations, the company incorporated Hexco Global FZCO in the year 2023, an overseas subsidiary based in JAFZA, UAE, in which JKIPL currently hold a 80% stake. 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. Through these subsidiaries, it have strengthened its role in the construction machine trading segment with an expanded presence in international markets. Hexco Global FZCO supports its international operations by utilizing the advantages of the UAE's open trade policies, ease of doing business, regulatory framework, distribution network, geographical position, and global connectivity.

About 54.19% of total purchased in FY25 came from domestic suppliers with balance 45.81% came from foreign suppliers. Moreover Top 1/5/10 suppliers accounted for 22.6%, 49.64% and 61.92% of total purchases in FY25.

The issue and object of the offer

The issue comprises both fresh issue of equity share of 8635935 and offer for sale of 959548 equity share. Offer of sale is entirely by promoter selling shareholders i.e. 620570 equity shares by Anil K Jain, 217850 share by Abhinav Jain and 121128 shares by Sandhya Jain.

Of the net proceeds from fresh issue, Rs 72.675 crore is towards funding the long-term incremental working capital requirement of the company and balance is for for general corporate purposes.

Total borrowings as on March 31, 2025 was Rs 54.27 crore.

Strength

Largest player in export of Non-OEM construction equipment

Diversified market presence and optimized machines solutions

Established relationships with its customers and wide customer base

Launch of own brand HexL recently marks its transition from other brands' product sales model to own brand, product-driven, customer centric business approach.

Weakness

High dependency on export revenues exposes it to regulatory uncertainty, geopolitical risks, tariff & non-tariff barriers and trade policy volatility.

Majority of its revenue are denominated in foreign currencies.

Top 1/5/10 customers accounted for 22.31%/75.06%/84.80% of the FY25 revenue from operations.

Significantly major portion of its revenue is derived from select geographies such as Mexico and UAE.

Dependent on third-party suppliers and any disruptions in the supply or an increase in the prices of requisite construction machines could adversely affect its operations.

Having launched its own brand i.e. HexL in December 2024 it has limited operating history and uncertain market acceptance.

Have experienced negative cash flows from Operating and Investing activities in recent past.

Exposed to credit risk from its customers and the recoverability of trade receivables is subject to uncertainties as it do not have ECGC cover, Letters of Credit, or other formal risk mitigation measures to mitigate the credit risk and safeguard trade receivables.

Derive a significant portion of its revenue for export trading of refurbished construction machines and refurbished machines may be subject to risk associated with quality, reliability and regulatory compliance.

Volatility in the pricing of construction machinery and related components may adversely affect its profitability.

The market in which it operates is fragmented and fairly competitive. It face competition from manufacturers, traders, suppliers, of construction machines across both organized and unorganized sectors.

There are certain instances of delays in payment of statutory dues.

Promoters are at present involved in and may enter into ventures that may lead to real or potential conflicts of interest with its business.

Valuation

Consolidated re-stated revenue for the fiscal ending March 2025 stood higher by 60% to Rs 380.56 crore. With the OPM contract by 370 bps to 6.1%, the the growth of OP was flat (up 0%) to Rs 23.35 crore. Finally, net profit after MI was up by 3% to Rs 19.14 crore.

On expanded equity, the EPS for FY2025 was Rs 5. The issue price (on the upper price band) discounts the FY25 EPS by 24.2 times. The P/BV stood at 2.1 times and EV/Sales stood at 1.3 times.

In comparison, Action Construction Equipment and Vision Infra Equipment Solutions quotes at a PE of 33.8 times and 17.4 times respectively and a P/BV of 8.5 times and 3.3 times. The EV/sales of Action Construction Equipment and Vision Infra was 4.1 times and 1.8 times. Sanghvi Movers and Escorts Kuboto quotes at a PE of 25.9 times and 33.1 times respectively with P/BV of it being 3 times and 4 times and EV/sales of 4.9 times and 4.1 times.

Jinkushal Industries : Issue Highlights	
Fresh Issue (in equity share nos.)	8635935
Offer for sale (in equity share nos.)	959548
Price band (Rs.) *	
Upper	121
Lower	115
Post-issue equity (Rs crore)	38.38
Post-issue promoter (including promoter group) stake (%)	75.00
Minimum Bid (in nos.)	120
Issue Open Date	25-09-2025
Issue Close Date	29-09-2025
Listing	BSE, NSE
Rating	44 /100

Jinkushal Industries : Re-stated Consolidated Financials				
	2303 (12)**	2403 (12)	2503 (12)	
Sales	233.45	238.59	380.56	
OPM (%)	6.1	9.8	6.1	
OP	14.24	23.36	23.35	
Other income	0.44	4.21	5.25	
PBIDT	14.68	27.57	28.60	
Interest	0.69	2.05	3.81	
PBDT	13.99	25.52	24.79	
Depreciation	0.63	0.79	0.85	
PBT	13.37	24.73	23.94	
EO Exp	0.00	0.00	0.00	
PBT after EO	13.37	24.73	23.94	
Tax	3.25	6.09	4.80	
PAT from Continuing Biz	10.12	18.64	19.14	
Share of Profit from Associates	0.00	0.00	0.00	
PAT from Continuing Biz	10.12	18.64	19.14	
Minority Interest	0.00	0.00	0.00	
Net profit	10.12	18.64	19.14	
EPS (Rs)*	2.6	4.9	5.0	
* on post IPO fully dilluted equity of Rs 38.38 crore. Face Value: Rs 10				
EPS is calculated after excluding EO and relevant tax				

Figures in Rs crore			
** Stanalone financials			
Source: Capitaline Corporate database			