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Issue Details

Issue Details	
Issue Size (Value in ₹ million, Upper Band)	1,161
Fresh Issue (No. of Shares in Lakhs)	86.4
Offer for Sale (No. of Shares in Lakhs)	9.6
Bid/Issue opens on	25-Sep-25
Bid/Issue closes on	29-Sep-25
Face Value	₹ 10
Price Band	115-121
Minimum Lot	120

Objects of the Issue

- Fresh Issue: 1,045 million**
  - Repayment of certain borrowings availed by the company.
  - Funding working capital requirements and general corporate purpose.
- Offer for sale: 116 million**

Book Running Lead Managers	
GYR Capital Advisors Private Limited	
Registrar to the Offer	
Bigshare Services Private Limited	

Capital Structure (₹ million)	Aggregate Value
Authorized share capital	400
Subscribed paid up capital (Pre-Offer)	297
Paid up capital (Post - Offer)	384

Share Holding Pattern %	Pre-Issue	Post Issue
Promoters & Promoter group	100	75
Public	0	25
Total	100	100

Financials

Particulars (₹ In million)	FY25	FY24	FY23
Revenue from operations	3,806	2,386	2,335
Operating expenses	3,572	2,152	2,192
EBITDA	234	234	142
Other Income	52	42	4
Depreciation	8	8	6
EBIT	278	268	141
Interest	38	21	7
Profit before tax	239	247	134
Tax	48	61	33
Consolidated PAT	191	186	101
EPS	4.9	4.9	2.6
Ratios	FY25	FY24	FY23
EBITDAM	6.1%	9.8%	6.1%
PATM	5.0%	7.8%	4.3%
Sales growth	59.5%	2.2%	-

Sector- Electrical Equipments

Company Description

Jinkushal Industries Ltd is engaged in export trading of new/customized and used/refurbished construction machines in global markets. 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. Company have exported construction machines to over thirty (30) countries, including UAE, Mexico, Netherlands, Belgium, South Africa, Australia, and UK. Company 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. Company believe that each of these verticals is structured to improve operational efficiency and reach a wide customer base, ensuring that their exported machines align with the required performance standards, durability expectations, and specific application needs. In addition to aforementioned primary business verticals, they also derive a small portion of revenue from (i) their logistics warehouses leasing; (ii) renting of construction machines.

Company specialize in export trading of construction machines such as hydraulic excavators, motor graders, backhoe loaders, soil compactors, wheel loaders, bulldozers, cranes, and asphalt pavers. Their operations extend beyond plain export trading as they endeavor to leverage their 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, before export sales to ensure optimized functionality, efficiency, and performance to meet customers’ specific requirements. Construction machines are high-value capital goods with strong resale demand, making them attractive assets for contractors or businesses needing immediate deployment. Some of the key drivers of the secondary machinery market for used and new machines are: (i) rising infrastructure development and construction activities; (ii) cost-effectiveness and financial flexibility; and (iii) increasing equipment rental and leasing trends. Their 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. As on date, they have carried out export trading of refurbished, customized, modified, accessorized new and used construction machines to over thirty (30) countries across the globe, majorly to various overseas wholesale buyers, distributors, importers, and some end users including construction and rental companies.

Valuation

Jinkushal Industries Limited is among the largest exporters of non-OEM construction equipment, with an international presence in the UAE and USA through its subsidiaries. The Company is committed to refurbishment, reuse, and promoting the circular economy, reflecting its focus on sustainability and environmental responsibility. With a diversified market base and optimized machine solutions, it delivers value to customers across geographies. The launch of its proprietary brand HexL marks a strategic shift from selling other brands’ products to building a product-driven, customer-centric business model.

At the upper price band company is valuing at P/E of 30.1x to its FY25 earnings, with EV/EBITDA of 22.0x and market cap of ₹ 4,644 million post issue of equity shares.

We believe that the IPO is fully priced and recommend a “**Subscribe-Long Term**” rating to the IPO.

**Description of Business****BUSINESS VERTICAL WISE REVENUE**

Company primarily operate across three primary business verticals; i.e. (i) export trading of customized, modified and accessorized new construction machines; (ii) export trading of used/refurbished machines; and (iii) export trading of their own brand 'HexL' construction machines (presently in category backhoe loaders) to cater to a diverse international customer base.

- **Export trading of customized, accessorized new construction machines** – They source new construction machines of various OEM brands through various suppliers and enhance their value through customization, modification, or accessorization either in-house or through third-party vendors or under customization arrangements with suppliers based on customer's technical specifications. Such customised, modified and accessorised machines are then sold through exports from India or from other countries under the MTT Exports route.
- **Export trading of used/refurbished construction machines** – They procure used construction machines, which are refurbished either in their in-house Refurbishment Facility or at their non-exclusive third-party refurbishment centres or under refurbishment arrangements with suppliers. Upon restoration to operational standards established by them, the refurbished machines are exported to global markets. This ensures that refurbished machines meet industry requirements and customer expectations while extending the usability of the machines in international markets.
- **Export trading of their Own Brand HexL construction machines (presently in category of backhoe loaders)** – As part of their expansion strategy, they have launched their own brand, 'HexL,' under which backhoe loaders are presently being manufactured through contract manufacturing arrangements in China. These machines are supplied to global markets through their existing supply chain and distributor network. These machines are produced in accordance with their specifications, quality standards, and technical requirements, ensuring consistency in performance and reliability.

In addition to primary business verticals, company also derive small portion of revenue from leasing of warehouses and rental of construction machineries.

The table below sets forth the breakdown of their revenue from operations for Fiscal 2025, Fiscal 2024 and 2023:

Particulars	Fiscal 2025	% of Revenue	Fiscal 2024	% of Revenue	Fiscal 2023	% of Revenue
Sale of new (customized, accessorized) construction machines	23,190	60.9%	14,269	59.8%	22,719	97.3%
Sale of used (refurbished) construction machines	13,180	34.6%	9,223	38.7%	41	0.2%
Sale of own brand contract manufactured construction machines	1,442	3.8%	-	0.0%	-	0.0%
Income from rental of construction machine	28	0.1%	96	0.4%	118	0.5%
Income from logistics warehousing	109	0.3%	120	0.5%	103	0.4%
Other Operating Revenue (Duty Drawback and RODTEP Scrip Sales)	106	0.3%	151	0.6%	364	1.6%
<b>Total</b>	<b>38,056</b>	<b>100.0%</b>	<b>23,859</b>	<b>100.0%</b>	<b>23,345</b>	<b>100.0%</b>

**Product wise revenue for the period Fiscal 2025**

(₹ in millions except for percentage)

Name of the Company	Product wise revenue for the period ended March 31, 2025		
	No. of Machines Sold	Total Revenue from Operations	% of Revenue from Operation (Sales of goods)
Hydraulic Excavators	127	1,172	31.0%
Backhoe Loaders	225	927	24.5%
Motor Graders	44	452	12.0%
Concrete Mixer Truck	43	295	7.8%
Soil Compactors	75	228	6.0%
Bulldozers	11	137	3.6%
Crushers	6	150	4.0%
Cranes	18	150	4.0%
Wheel Loaders	22	127	3.4%
Dump Trucks	8	59	1.6%
Tractor	12	33	0.9%
Telehandlers	6	26	0.7%
Pavers	1	23	0.6%
Others	-	1	0.0%
<b>Total</b>	<b>598</b>	<b>3,781</b>	<b>100.0%</b>

Strengths:

➤ Largest player in export of Non-OEM construction equipment in addition to presence in UAE and USA through their Subsidiaries.

Company is engaged in export trading of refurbished and new construction machines to international markets. JKIPL is the largest Non-OEM construction equipment 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 with export of construction machines to over 30 countries, including UAE, Mexico, Netherlands, Belgium, South Africa, Australia, and UK etc. Company believe that they are one of the most established players in the construction machines trading industry, with a strong presence in both domestic and international markets. Their global footprint is further strengthened by their subsidiary, Hexco Global FZCO, based in the UAE, which plays a pivotal role in driving their international operations. Having a Step-Down Subsidiary in USA enhances their global network and reach further. Hexco Global FZCO provides them with strategic advantages by leveraging the UAE’s favorable trade policies, prime geographical location, and exceptional global connectivity. Through their subsidiary, they efficiently manage exports, optimize logistics, and expand their customer base, allowing them to enhance their operational efficiency and tap into key international markets.

By capitalizing on the business-friendly ecosystem of the UAE, they continue to scale their global operations, reinforce their presence in the construction machines industry, and deliver high-quality new and refurbished construction machines to clients worldwide. Company also import construction machines from international markets to maintain supply chain, to ensure quality and variety as per customers’ requirement and preference and leverage favorable pricing of domestic and international market. During last three Fiscals, they have imported from 2 countries comprising of China and UAE. Their position as the largest Non-OEM construction machines exporter with a 6.9% market share reflects their ability to serve diverse international markets and their expertise in global trade. It underscores their commitment to international quality standards and their capability to meet varied client requirements. As they expand, they remain focused on strengthening their global presence, improving customer satisfaction, and maintaining their role as a reliable exporter of construction machines.

➤ Refurbishment, reuse, and contribution to circular economy along with environmental responsibility.

Company focus on extending the life cycle of used machines through systematic refurbishment processes. The machines they source undergo detailed inspections, followed by necessary repairs, servicing, and restoration to ensure they are returned to reliable working condition. This approach not only restores operational value but also reduces the demand for manufacturing new machines, thereby conserving raw materials, lowering energy consumption, and cutting carbon emissions associated with production. 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. Each refurbished machine is evaluated for performance, reliability, and safety before being offered to customers, providing them with cost-effective alternatives to new equipment without compromising on quality or functionality. 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. Their focus on quality refurbishment helps their customers extend their project budgets, reduce total cost of ownership, and meet their operational goals with confidence. Through their refurbishment, they contribute to building a more sustainable industrial ecosystem, where resource efficiency, economic value, and environmental responsibility go hand in hand.

➤ Diversified Market Presence and Optimized Machines Solutions.

By offering a wide range of construction machines across global markets and segments, they reduce dependence on any single product category or region. This approach allows them to respond to industry changes and evolving customer needs. Their portfolio includes customized and accessorized machines from other brands, refurbished used machines, and newly launched equipment under their own brand. Company 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. Company believe that their product portfolio helps them retain their customers and strengthen their cross-selling efforts across product portfolios. With a focus on quality assurance and customer needs, they aim to balance cost and operational efficiency in the construction machines industry. Their experience in refurbishment and value addition increases the usability of machines, reducing machine wastage and improving resource utilization. This approach ensures cost-effective solutions while maintaining alignment with sustainable practices.

➤ Supply Chain Efficiency.

Company believe they have built an efficient supply chain infrastructure that supports their 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 their customers’ requirements and market demand.

The table below sets forth details of their domestic and foreign suppliers in the last three (3) Fiscals:  
(₹ in millions except for percentage)

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Purchases	% of total purchase	Purchases	% of total purchase	Purchases	% of total purchase
Domestic Supplier	898	54.2%	845	48.7%	1,434	80.3%
Foreign Supplier	759	45.8%	890	51.3%	352	19.7%
Number of active suppliers during the period	203	N.A	206	N.A	184	N.A



Company logistics partners also play a key role in facilitating seamless distribution of machines across domestic and international markets. They leverage a network of storage partners, transportation providers, and port facilities to ensure that construction machines are seamlessly transported from refurbishment, customization, or production hubs to end-users. Their expertise in handling bulk shipments, combined with their adherence to regulatory requirements, enables them to efficiently serve customers across geographies while maintaining cost-effectiveness and timely delivery. To further enhance their supply chain capabilities, they have recently entered into contract manufacturing arrangements with third-party manufacturers in China for the construction machines (presently backhoe loader category being manufactured). These machines are manufactured based on their specifications and quality standards, ensuring they meet the evolving needs of their customers. This strategic outsourcing approach allows them to optimize resources, improve cost efficiency, and ensure a steady supply of high-quality construction machines, reinforcing their commitment to delivering superior, reliable, and competitively priced solutions to both domestic and international markets.

➤ **Launch and Expansion of HexL brand machines.**

The recent launch of HexL, their brand, marks their transition from other brands' product sales model to their own brand, product-driven, customer-centric business approach. Under this model, construction machines are being manufactured through contract manufacturing arrangements with third-party manufacturers. These machines are produced in accordance with their specifications, technical requirements, and quality standards. To maintain product consistency and ensure adherence to predefined parameters, they conduct regular quality checks through frequent visits to contract manufacturing facilities. This process enables them to monitor production, address any deviations from specifications, and uphold operational efficiency. By overseeing manufacturing and quality assurance, they strengthen their market positioning and ensure that HexL-branded machines meet industry requirements and customer expectations. Company strive to supply construction machines under their brand 'HexL' that align with customer and industry requirements across global markets. The introduction of a branded product line allows them to utilize their existing distribution channels, standardize machine specifications, establish direct market presence, and strengthen customer engagement. With contract manufacturing enabling flexible production capacity, they strive to meet demand without managing in-house production facilities. This approach supports resource allocation, supply chain optimization, and cost management while ensuring that products adhere to required performance and safety standards. By expanding their role from a seller of other brands' construction machines to a supplier of their own machines, they are in a position to further strengthen their relationships with customers, suppliers, and distribution, and are in a position to differentiate their offerings, expand product reach, and integrate quality assurance across the supply chain. This transition supports business continuity and enhances the company's ability to supply machines that meet operational, technical, and regulatory requirements in international markets. As on the date, they have supplied forty (40) backhoe loaders manufactured under their own brand name.

**Key Strategies:**

➤ **Further Integration and Diversification.**

As part of their strategy, they aim to strengthen and streamline their supply chain by expanding their network of vendors for procurement, refurbishment, customization, and contract manufacturing. By increasing the number of suppliers, contractors, vendors, refurbishment, and customization partners, they plan to scale operations efficiently while maintaining quality control measures. Further diversification of their supplier base will help them mitigate risks associated with supply chain disruptions and improve inventory management, ensuring a consistent supply of construction machines to meet the evolving demands of customers across different markets. Company intend to place additional focus on their own brand and their branded product lines to enhance their control over production quality, cost efficiency, and overall supply chain management. Engaging with contract manufacturers will allow them to ensure that all construction machines are produced in accordance with their predefined specifications, technical requirements, and industry regulations. This structured approach will help maintain consistency in product quality, comply with safety and operational standards, and provide customized solutions tailored to specific customer and market needs. By implementing these initiatives, they seek to strengthen their long-term business sustainability, build lasting customer relationships, and reinforce their position as a key player in the global construction machines industry. Through a well-integrated supply chain and a focus on quality-driven manufacturing, they aim to optimize operational efficiency, expand their market reach, and ensure continued growth in both domestic and international markets.

➤ **Sales Volume Growth.**

Company intend to drive sales growth by leveraging their global distribution network and expand their customer base. By strengthening their presence across multiple markets, they seek to increase sales volumes in both the new construction machines segment, especially their own brand, as well as the refurbished and used machines and new and customized machines segment. Expanding outreach to diverse customer groups, including wholesale buyers, dealers, distributors, and importers, who in turn cater to regional contractors, infrastructure developers, and machine rental companies, will enable them to enhance market penetration and optimize revenue opportunities. Through targeted market expansion initiatives, strategic partnerships, and an optimized distribution model, they intend to strengthen their position in the global construction machines industry while ensuring sustained business growth.

➤ **Efficiency Enhancement and Cost Optimization.**

Company intend to continuously improve their operational efficiencies by refining procurement, refurbishment processes, and logistics. By streamlining these key functions, they aim to enhance workflow efficiency, reduce turnaround times, and ensure seamless execution across their supply chain. To further optimize costs while maintaining product quality, they intend to further invest in technology and process automations. These investments will help enhance process accuracy, improve inventory management, and enable better resource utilization. By integrating advanced systems and automated solutions, they seek to strengthen operational control, minimize inefficiencies, and sustain long-term cost-effectiveness in their business operations.

➤ **Expansion of Product portfolio.**

Company plan to expand their product portfolio beyond hydraulic excavators, backhoe loaders, wheel loaders, motor graders, and bulldozers to meet the evolving needs of the construction industry. As part of their growth strategy, they aim to introduce electric construction machines in the future, aligning with industry trends and increasing demand for sustainable solutions. By incorporating electric machines into their offerings, they seek to cater to a wider range of customer requirements while addressing environmental considerations and regulatory shifts and make their brand future ready. This expansion will enable them to serve diverse industry segments, enhance operational efficiency, and position themselves as a forward-looking provider of construction machines in global markets.

➤ **Working Capital Optimization.**

Given the highly competitive nature of their industry, controlling costs is critical to improving margins and ensuring long-term financial sustainability. A significant portion of their working capital is tied up in extended inventory cycles and longer payment terms granted to customers. For Fiscal 2025, their working capital cycle stood at 109 days, compared to 48 days in Fiscal 2024, and is expected to remain at similar levels as they expand their product portfolio, geographic reach, and push higher sales volumes under their own brand. As they scale operations and strengthen their international presence, they anticipate similar working capital requirements in the near term. To address this, they plan to implement strategies to shorten the working capital cycle through better inventory management and stronger brand positioning. By optimizing inventory turnover, reducing holding periods, and streamlining procurement, they aim to improve operational efficiency and cash flow. A stronger brand image will also enable them to negotiate more favourable payment terms, reducing their reliance on extended customer credit periods. Efficient working capital management will support sustainable growth, strengthen their brand momentum, improve liquidity, and help execute their scalable business model for global expansion. By aligning financial strategy with operational efficiency, they aim to boost profitability, maintain competitiveness, and secure long-term stability. They also intend to utilise a portion of the Net Proceeds towards funding their working capital requirement.

**Industry Snapshot:**

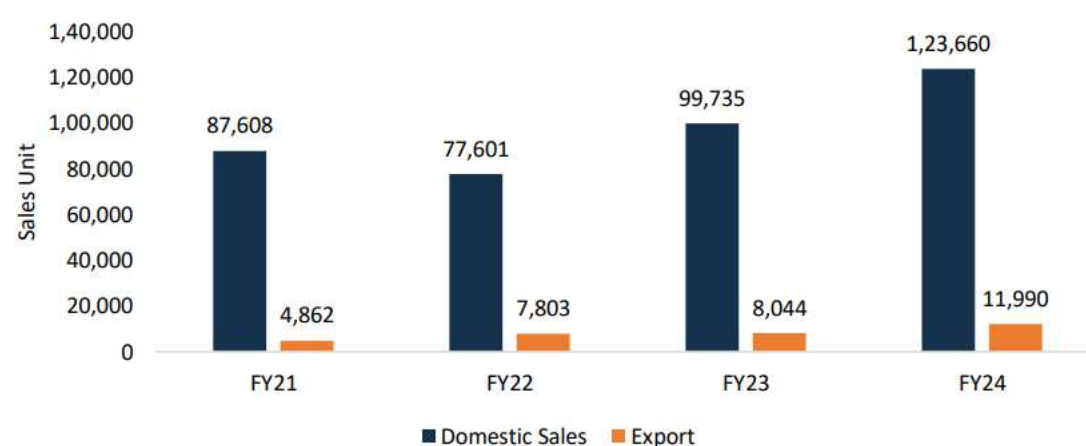
**Construction Equipment Market**

**Domestic Construction Equipment market**

Mining is the process of extracting solid ores, materials, and substances from geological deposits. It is essential for providing metals, rare earth elements, uranium, coal, diamonds, building materials, stone, rock, and various important industrial chemicals and solids. The contemporary mining industry depends on heavy machinery and vehicles to explore economically significant mineral, ore, and chemical deposits, develop mines for access, and extract these resources for storage and processing. The infrastructure and construction sectors rely on a wide array of machines for tasks such as ground preparation, excavation, material transport, and laying materials in specific configurations, as well as earthmoving and road construction. Consequently, this sector employs a diverse range of equipment. Construction equipment (CE) refers to heavy-duty vehicles specifically designed for construction activities, mainly focusing on earthwork, material handling, and processing tasks.

This category includes various types of machinery, such as hydraulic excavators, wheel loaders, backhoe loaders, bulldozers, dump trucks, tippers, graders, pavers, asphalt drum wet mix plants, breakers, vibratory compactors, cranes, forklifts, off-highway dumpers (ranging from 20 to 170 tonnes), drills, scrapers, motor graders, and rope shovels. Owing to the increased infrastructure and construction activities, the Construction Equipment (CE) industry in India is growing at a healthy pace. With a wide production capacity base, India is perhaps the only developing country, which is moving towards self-reliance in such highly sophisticated equipment. India has only a few, mainly medium and large companies in the organized sector who manufacture them. The technology barriers are high, and therefore the role of SME's is restricted to manufacture of components and some sub-assemblies. A robust infrastructure is essential for a country's development, improving living standards and greatly boosting gross domestic product (GDP), especially in developing countries like India. The construction industry is the second-largest employer in the nation, following agriculture. It also draws a significant portion of Foreign Direct Investment (FDI), coming in second to the services sector, and provided jobs for 73.4 million people in India during FY24. The infrastructure sector represents 30%-40% of the demand for construction activities, with industrial, residential, and commercial projects making up the rest.

**Domestic sales and Exports of Construction Equipment**



Growing Opportunity for increase in availability of used and new construction equipment for purchase and sale as overall growth of economy and industry

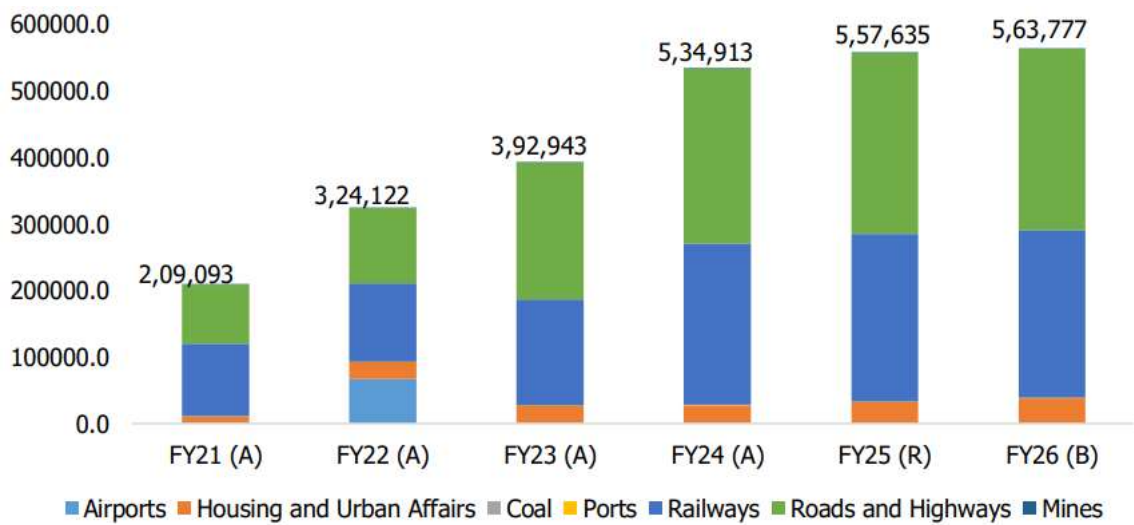
The overall growth of the economy and the construction industry is driving a significant increase in the availability of both new and used construction equipment for purchase and sale. Rising infrastructure investments, urbanization, and industrial expansion have fuelled higher demand for construction machinery, prompting manufacturers to scale up production and enhance their distribution networks. Simultaneously, the growing secondary market for used equipment is benefiting from improved asset quality, better maintenance practices, and advancements in technology such as telematics and predictive maintenance. As a result, buyers now have greater access to a diverse range of equipment that meets various operational and budgetary requirements.

The expanding availability of high-quality used construction machinery is particularly advantageous for cost-sensitive markets in developing economies, where refurbished equipment enables small and mid-sized contractors to undertake large-scale projects at a lower capital investment. Meanwhile, developed markets are witnessing increased demand for technologically advanced new equipment with improved efficiency, lower emissions, and enhanced automation features. This dual growth in both new and used equipment markets is fostering a more dynamic and liquid industry, providing stakeholders with greater flexibility in procurement, leasing, and resale options. Additionally, the increasing availability of trained technicians, specialized repair services, and a robust supply chain for components ensures the longevity and operational efficiency of both new and used machinery. As domestic production expands and equipment technology advances, this thriving ecosystem will play a crucial role in supporting the industry's growth, reinforcing India's position as a key global hub for construction machinery manufacturing, servicing, and resale. As economic growth continues to drive construction activities, the availability of both new and pre-owned construction equipment is expected to further expand, supporting the sector's overall sustainability and efficiency.

Industries which use construction equipment

Infrastructure is a crucial sector for the overall development of any country. In India, it is considered as the backbone of the country's economy as it integrates projects on a large scale and strengthens its competitiveness on a global level. The infrastructural facilities such as roads, railways, metro rails and so on are required to potentially increase the productivity and seamless functioning of other business sectors in India. In the Union Budget 2025-26, the government continued its focus on infrastructure development with allocation of Rs. 5,63,777 crores towards capital expenditure for industries which use construction equipment (airports, housing and urban affairs, coal, ports, railways, roads and highways, mines), a 1.1% increase over revised estimates of 2024-25.

Capital Expenditure for the industries which use construction equipment in budget 2025-26



Global Used Construction Equipment Market

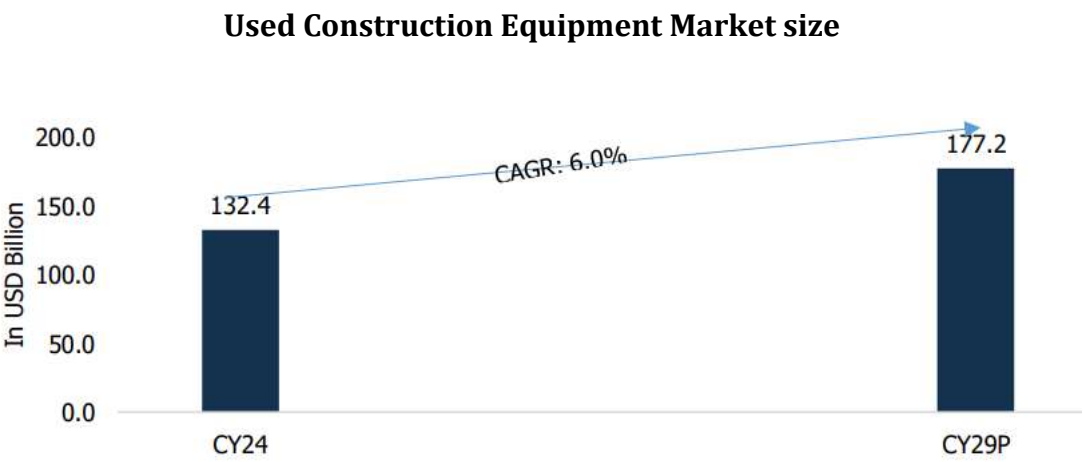
Market size of Global Used Construction Equipment Market

The global market for used construction equipment involves the buying and selling of pre-owned machinery and vehicles utilized in the construction sector, such as excavators, loaders, bulldozers, cranes, and more. This market includes equipment that has been returned from lease agreements, traded in for newer models, or sold after the completion of projects. 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. Used construction equipment offers substantial cost savings, allowing businesses to obtain necessary machinery without the hefty capital investment that comes with new purchases.

Furthermore, the increasing availability of well-maintained and refurbished equipment has enhanced market appeal, making used machinery an attractive option for companies looking to expand their fleet or replace older assets. 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. Infrastructure improvement initiatives, such as commercial building renovations, railway stations, airports, runway repairs, and roadway and bridge extensions across Europe and Asia Pacific, are driving the demand for used construction equipment. A notable example is India's Pinnapuram Integrated Renewable Energy Project, a 5,230MW hybrid renewable energy initiative covering 1,929 hectares, which is set to be completed by Q4 2025. Such large-scale global developments are anticipated to further increase the demand for used construction equipment. Additionally, the rising cost of new construction machinery, driven by technological advancements and inflation, continues to be a key market driver. As prices surge, construction firms, including those involved in smart city projects, are increasingly turning to used equipment to optimize expenditures and



ensure cost-efficient project execution. With these factors in play, the global used construction equipment market is well-positioned for sustained expansion over the coming years.



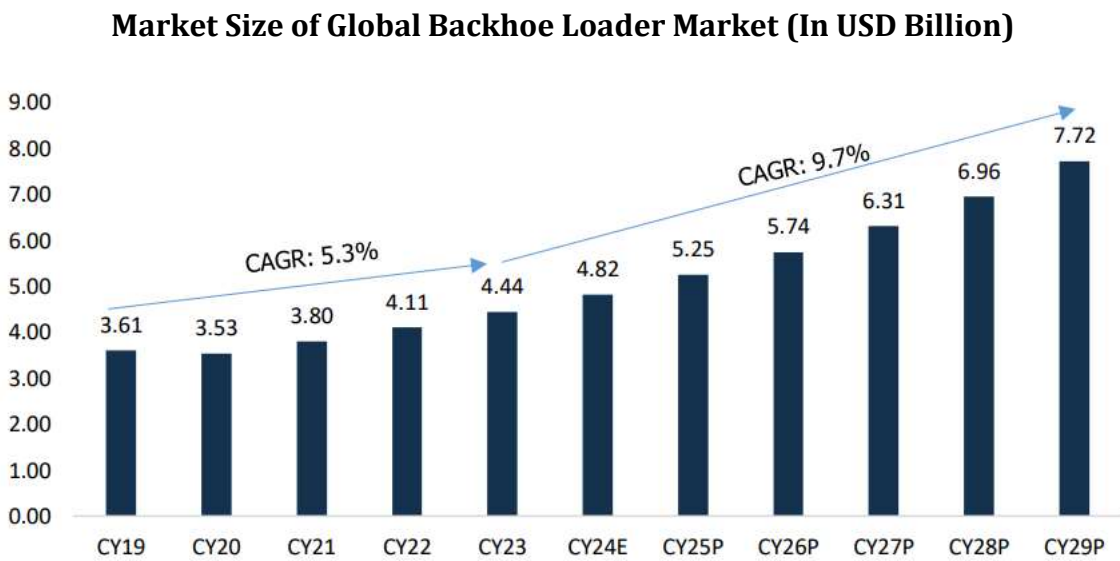
Global Backhoe Loader Market

Market Size of Global Backhoe Loader Market

Backhoe loaders are versatile machines that combine the functions of a wheel loader and an excavator. These machines are widely used across various industries, including construction, agriculture, and mining. They are compact and can work efficiently in tight spaces. They are equipped with a front bucket that can lift and move heavy materials and a rear digging arm that can excavate and dig soil. The bucket and the arm can be easily interchanged, which makes these machines suitable for a wide range of activities. 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.

Additionally, the high versatility of backhoe loaders in construction operations, coupled with their compact size, allows them to be efficiently used even in small spaces. Furthermore, drastic population expansion and the rise in gross household disposable income in both developing and developed nations are contributing to the market's growth. 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 construction industry is the largest user of backhoe loaders. These machines are used for activities such as digging trenches, excavating foundations, and transporting materials. Backhoe loaders are also used in road construction activities, such as grading roads, clearing debris, and levelling terrain. Similarly, in the agriculture industry also, backhoe loaders are extensively used for tasks such as digging ditches for irrigation systems, building silos, and grading field surfaces. Backhoe loaders are also useful for transporting crops and livestock around a farm. Moreover, in the mining industry, backhoe loaders are used for underground mining activities.

These machines can easily manoeuvre through tight spaces and can quickly dig through various layers of soil and rocks. Backhoe loaders are also used for carrying heavy loads of minerals and ores to designated areas. Popular backhoe loaders like the Caterpillar 420F2, JCB 3CX, and Case 580N are further enhancing the market's appeal due to their powerful engines, versatile designs, and user friendly features. The increasing trend of renting construction equipment further supports market expansion by making backhoes more accessible to small and mid-sized contractors. These factors will drive the growth of the global backhoe loaders market during the forecast period.



Accounting ratios

(in ₹ million, unless otherwise stated)			
Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from Operations	3,806	2,386	2,335
Growth in Revenue from Operations (%)	59.5%	2.2%	31.9%
Other Income	52	42	4
EBITDA	286	276	147
EBITDA Margin (%)	7.5%	11.6%	6.3%
Profit After Tax	191	186	101
PAT Margin (%)	5.0%	7.8%	4.3%
Net worth	862	431	245
Return on Net Worth ("RoNW") (%)	21.2%	43.3%	41.3%
Return on Equity ("RoE") (%)	28.3%	55.2%	52.0%
Return on Capital Employed ("RoCE") (%)	18.4%	29.4%	34.1%
Net Asset Value Per Share (₹) (Post – Bonus)	28.98	14.48	8.24
Debt- Equity Ratio	58.0%	106.0%	66.0%

Comparison with listed entity

Name of the Company	Face Value (₹)	Basic EPS	Diluted EPS	P/E Ratio	RoNW (%)	Net Asset Value Per Share	Total Income (₹ in millions)
Jinkushal Industries Limited	10	4.9**	4.9**	30.14*	21.2%	29	3,858
Listed Peers							
Action Construction Equipment Limited	2	34.4	34.4	31.2	25.3%	136	34,274
Vision Infra Equipment Solutions Limited	10	16.0	16.0	10.9	20.7%	67	4,548

Note: 1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on September 1, 2025.  
2) \*/\*\* P/E and EPS of company is calculated on basis TTM and post issue no. of equity shares issued.

Key Risk:

- Company is heavily dependent on the export market and derive the majority of revenue from the export trading of construction machines. High dependency on export revenues exposes them to regulatory uncertainty, geopolitical risks, tariff & non-tariff barriers and trade policy volatility.
- Revenue from operations is dependent upon a limited number of customers and the loss of any of these customers or loss of revenue from any of these customers could have a material adverse effect on their business, financial condition, results of operations and cash flows.
- A significant portion of revenue is derived from select geographies such as Mexico and UAE. Any adverse developments in this market could adversely affect their business.
- Company have significant working capital requirements and their inability to meet such working capital requirements may have an adverse effect on results of operations.
- Company is dependent on third-party suppliers and any disruptions in the supply or an increase in the prices of requisite construction machines could adversely affect their operations.
- Company is dependent on third party transportation providers for the delivery of their machines and any disruption in their operations or a decrease in the quality of their services could affect their company's reputation and results of operations.

Valuation:

Jinkushal Industries Limited is among the largest exporters of non-OEM construction equipment, with an international presence in the UAE and USA through its subsidiaries. The Company is committed to refurbishment, reuse, and promoting the circular economy, reflecting its focus on sustainability and environmental responsibility. With a diversified market base and optimized machine solutions, it delivers value to customers across geographies. The launch of its proprietary brand HexL marks a strategic shift from selling other brands’ products to building a product-driven, customer-centric business model.

At the upper price band company is valuing at P/E of 30.1x to its FY25 earnings, with EV/EBITDA of 22.0x and market cap of ₹ 4,644 million post issue of equity shares.

We believe that the IPO is fully priced and recommend a “Subscribe-Long Term” rating to the IPO.



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Mid Caps (101st-250th company)	>20%	0%-20%	Below 0%
Small caps (251 <sup>st</sup> company onwards)	>25%	0%-25%	Below 0%

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