



“Jinkushal Industries Limited Q2 Year FY '26 Earnings Conference Call”

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**MANAGEMENT: MR. ABHINAV JAIN – WHOLE-TIME DIRECTOR,
JINKUSHAL INDUSTRIES LIMITED
MR. SUMEET KUMAR BERLIA – EXECUTIVE DIRECTOR
AND CHIEF FINANCIAL OFFICER, JINKUSHAL
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Moderator: Ladies and gentlemen, good day, and welcome to Jinkushal Industries Limited Q2 FY '26 Earnings Call.

As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*”, then “0” on your touch-tone phone.

This conference call may contain forward-looking statements about the company which are based on beliefs, opinions and expectations of the company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

We have with us today, Mr. Abhinav Jain – Whole-Time Director; and Mr. Sumeet Kumar Berlia – Executive Director and Chief Financial Officer.

I now hand the conference over to Mr. Abhinav Jain. Thank you and over to you, sir.

Abhinav Jain: Good afternoon, everyone, and thank you for joining us today. It gives me great pleasure to welcome you all on the first earnings conference call of Jinkushal Industries Limited following our recent listing on the Stock Exchanges. I would like to extend my gratitude to our investors, analysts and stakeholders for joining us today, and for the trust that you have placed in our journey. Today, we walk you through the remarkable journey of Jinkushal Industries Limited's growth and resilience and share insights into our vision for the future.

Jinkushal Industries Limited began its journey decades ago rooted in a family legacy of five decades of mining and construction. What started as a small equipment leasing business has now evolved into India's largest non-OEM exporter of construction machines, with a footprint spanning more than 35 countries across six continents. Our transformation has been gradual but deliberate. Our philosophy has remained unchanged to create value through trust, reliability and value creation.

Today, we operate through an integrated multi-vertical business model that covers every stage of the value chain. Our operations span three key segments - exports of new and customized construction machines, exports of used and refurbished machines, exports of our proprietary brand, HexL. Each of these verticals complement each other, creating a strong synergy and allowing us to cross-sell and deliver complete end-to-end solutions from sourcing and refurbishment to customization, accessorization and aftersales services.

This multi-vertical structure allows us to cater to a broad range of customers from large-scale infrastructure contractors to equipment rental companies and wholesale distributors and importers, offering them machines that meet different price points, performance standards and regional needs.

Our strength also lies in our diversified portfolio which includes a wide range of machines such as excavators, backhoe loaders, motor graders, bulldozers, wheel loaders, compactors, cranes, etc. And now, we are researching to expand into electric construction equipment as well. And with the right infrastructure set up first, we are going to soon delve into that as well. This diversity not only reduces business risk, but also positions us strongly with that into emerging such trends like sustainable and smart infrastructure.

We continue to follow an asset-light approach, partnering with trusted global manufacturers for contract production of third-party refurbishments as and when needed, while maintaining a 30,000 square feet in-house facility in Raipur, India. This facility is equipped with modern systems and staffed by 42 skilled technicians, supported by seven designated service centers in a hub-and-spoke model across India and UAE. Together with a strong network of 220-plus suppliers in the B2B business, this structure gives us flexibility, scalability, and consistent quality control.

We enter the next phase of our journey with a clear agenda to accelerate profitability to a high value product mix, unlock efficiencies in working capital, and scale our international reach. With the expansion of HexL and strengthening refurbishment capabilities, and a rapidly expanding global presence, we are laying the foundation for enduring value-oriented growth. The successful IPO has fortified our balance sheet and broadened our financial flexibility, building on the extraordinary 38-fold top-line growth of the past seven years, we are confident of starting a fraction of similar growth with a peak for the next five to seven years on a larger capital number.

Powered by our stronger capital base, enhanced liquidity, and diversified global operations, we are sure to achieve this goal. In essence, our journey has been about evolving with the market, growing smarter, and not just bigger, and positioning Jinkushal Industries as a reliable, globally trusted partner that combines Indian equities with international standards.

During H1 FY'26, our operational focus was primarily on improving profitability and optimizing the operating cycle. We introduced better cost control and improved supply chain efficiency. These actions helped offset a global market fluctuation situation and improved our margins even as the top-line remained sustained and stable. In addition, we continue to strengthen our global supply and distribution network, ensuring faster delivery cycles and improved machine quality. Our customer relationships, especially in the markets like LATAM, Africa, and Middle East remain strong and are expanding steadily.

A major focus area for us this year has been the strategic expansion of our HexL brand. HexL represents our vision of delivering world-class cost-effective equipment design as per global top standards and built for emerging markets. With this aim, we have successfully engaged and established new distributor partnerships, including one of Africa's largest equipment dealers, which will significantly enhance HexL's reach and recurring revenue potential. And many more such partnerships are underway. With more working capital available post-IPO and a clear

roadmap for scaling HexL globally, we are confident that the brand will contribute meaningfully to our top-line and bottom-line both in the coming years.

Traditionally, the second half of our financial year performs stronger than the first. This is driven by higher export delivery, stronger demand and execution of orders from our key markets. We expect H2 of FY'26 to reflect better financial performance, improve profitability, and healthy cash flows as operational efficiencies continue to play out.

Our near-term focus remains on maintaining financial prudence while pursuing sustainable and most importantly, profitable growth. We are committed to expanding our global presence, strengthening brand equity, and creating long-term shareholder value, with an aspiration to cross around Rs. 800 crores of revenue in the next two or three years. But the sharpest focus of ours remains on PAT growth more than turnover growth.

Thank you. And our CFO, Mr. Sumeet Berlia, will now take you through the financial performance of our company.

Sumeet Berlia:

Thank you, Abhinav sir, and good afternoon, everyone. It gives me great pleasure to share with you the financial and operational highlights of Jinkushal Industries Limited for the first half of FY'26, covering both Quarter 1 and 2.

For the six-months period ended September 30, 2025, we achieved a turnover of Rs. 121.6 crores compared to Rs. 119.6 crores in H1 FY'25. EBITDA increased from Rs. 10.3 crores in H1 FY'25 to Rs. 16.2 crores in H1 FY'26, with margins strengthening from 4.8% to 9% during the same period. Our PAT stood at Rs. 11 crores, an improvement from Rs. 5.7 crores in the same period last year, a significant growth of 89%. While the top-line has remained steady, the improvement in profitability and margins clearly reflect our continued focus on efficiency and margin expansion.

On the balance sheet front, debt-to-equity ratio improved significantly to 0.36x down from 0.63x as of March 2025. Current ratio stood at 2.56x, reflecting a strong liquidity position and increased from 1.99x as of March 31, 2025. Sales from our proprietary brand, HexL, accounted for approximately 11% of total revenue during the first half of FY'26, with a total of 72 units sold till date. This reflects a significant increase from the previous period, primarily driven by the successful launch of HexL backhoe loaders.

Backhoe loaders has now become our highest-selling product, contributing nearly 40% of total sales in H1 FY'26 compared to 25% last year. The remaining revenue was derived almost equally from the sale of new, customized equipment of other brands and used refurbished equipment. Notably, the average selling price of used equipment has increased significantly, supported by improved product mix and stronger demand in the refurbishment segment.

From a geographical perspective, during H1 '26, Mexico continues to be the company's largest revenue-contributing market, accounting for nearly 50% of total sales. UAE emerged as the second-largest market, contributing 28%. Additionally, South Africa has rapidly become the third-largest market for us, contributing 8% of sales following the company's expansion into the region.

Thank you, and we will now open the floor for questions.

Moderator: Thank you, sir. We will now begin with the question-and-answer session. The first question is from the line of Harsh M from Toro Wealth Management LLP. Please go ahead, sir.

Harsh Mulchandani: Yes, sir. Thank you for the opportunity. Just wanted to understand a bit about your business. Now that you have raised funds from IPO and you have good liquidity, what would be the challenges in terms of scaling your business from here on, and how do you differentiate yourself from any other player in the country who is probably doing similar refurbishment and export of equipment?

Abhinav Jain: Hi. Great question, Mr. Harsh, I believe. And first of all, I will redirect your attention towards the fact that we are in niche business and in the segment there's no apple-to-apple comparison, who are doing the exact three verticals that we do our business in. We are the largest non-OEM exporter of construction equipment in the country, and we are a global company focusing on global markets.

After the IPO proceeds, our objectives are to **(Inaudible) 0:12:31.3** increase our top-line and bottom-line both in each of the product segments and categories that we cater to, and especially strengthen our brand HexL, which we have been doing so as for the performance in the past two quarters as well, and increase our focus on creating brand recognition, **(Inaudible) 0:12:50.7** strengthening our supply chain, pointing distributors in various countries which will ultimately impact our bottom-line profitability.

Harsh Mulchandani: Okay. And just to take forward the question of bottom-line, so there was margin decrease in FY'25 in percentage terms. So, what was the reason or was it that the base was higher for FY'24 being a one-off year, if you could elaborate on that?

Abhinav Jain: Great. So, I believe the top-line in March '24 was about Rs. 240 crores and the top-line in March '25 was about Rs. 380 crores, so such rapid increase in revenue and top-line growth was achieved due to the push that we did in the key markets that we are present and pushing our machine phase. And obviously when you try to scale with such a vigor, you have to face margin pressures and that's what was visible in our numbers and balance sheet.

And in the current half year ended 30 September 2025, we have again pushed back on the profitability and margin percentage side. And from about 5% earlier, we are at about 9% to 10% on a PAT level margin basis on a same comparable period. So, this has been a trend which has

been followed in any of the three years if you pick from our past seven or eight years of history. If you compare any two years, either the top-line or the bottom-line, we have an increased growth as opposed to the other. But if you compare any three years in our history of any comparable period, you will always find that our growth has been consistent in three years period on the top-line and bottom-line basis both. And in the current year, I would like to mention again, our focus is clearly and sharply on profitability and profit side.

Harsh Mulchandani: Got it. So, normalized gain 10% PAT margins is how you look at the business over a longer period of time, give or take couple of quarters here and there, could be fluctuations, but yearly levels 10% PAT margins is how we should look at the business?

Abhinav Jain: Well, 7% to 9% PAT margins is where we stand and this is the range that we ideally target and the growth stage company with vision to grow multiple fold in the coming years with penetration in the global market, increasing our revenue in top-line will definitely also be needed and we cannot just enjoy higher PAT percentage margins at a lower turnover base. So, we have to balance it out. And I would say, the range of 7% to 9% is where we are comfortable with, with absolutely zero CapEx involvement, I believe that is a PAT percentage level which gives us the real comfort.

Harsh Mulchandani: Okay. Another question, I had was around your in-house brand, so that you are getting it manufactured from China, right? And what percentage of revenues as of FY'25 and as of half year now is coming from your own brand.

Abhinav Jain: So, in March H1 '25, we had about eight machines sold of HexL, our own brand. And in H1 2026 basically September 2025 we have about 35 machines sold of our HexL brand. And as Mr. Sumeet, our CFO, also pointed out that till date, we have sold about 72 machines which has been an incremental jump on that figure as well. So, in about the 120 roughly odd backhoe loaders or these (inaudible) backhoe loaders that we are selling are now of our own brand. So, I believe more or less about 25%, 30% up from 2%, 3% of our revenue in the backhoe loader product category is coming from our own brand now.

Harsh Mulchandani: Got it. That's good to know. And which key industries are you catering to in Mexico and UAE and Africa. What are the end use of these like, is this construction or there is mining also or some other industries?

Abhinav Jain: Well, both of these machines are capital goods in construction and mining equipment these are the easiest financeable product in the entire world and that's why they always have a high demand in the primary sector, lending segment globally. And our end users, we sell to B2B distributors or importers are wholesale buyers of these machines just like any other import export business works. We do not sell B2C, we sell B2B. And our importers and buyers then sell these machines to the end users as a last-mile point in their time zone in their language with their regional support.

And we cater to these customers of ours who in turn cater to the contractors, mining companies, construction contractors, government contractors, etc. And out of the 200-odd countries in the world hardly 20, 30 are developed and the rest 170 are underdeveloped which are always having a demand for development either it will be fast in one year or slow in one year, but there's always going to be a sustainable demand for development and it's a Rs. 10 lakh crores industry of the global huge equipment market size in 2024 growing to be in 2029, Rs. 16 lakh crores.

So, the size is big, the industries that we cater are basically everything is covered in the Rs. 10 lakh crores. So, even your industries, your steel plants, your factories they need something or the other your rail loading point, your agriculture business also needs loading of grain on the **(Inaudible) 18:28.4** etc. So, these construction, mining, agricultural equipment their versatile equipment will get you sales.

Harsh Mulchandani: Got it. And just last one question - any company globally that you look up to as an aspiration?

Abhinav Jain: Well, there are a few global companies that we look towards aspirationally, they are multi-billion-dollar companies and kind of the global leader and opportunistic player in this space. I would like to refrain from disclosing their confidential information in the interest of our business trade secret, I would say, but we are happy to take that one on one. But yes, there are a few companies, but hardly companies who have the reach and network and the global outreach of our size, being present in 35 countries across six continents. So, that gives us a very big headroom that we are the number fourth or fifth player right now globally. And we are not that big. So, we have a good room to cover. And the next upward players are all multi-billion-dollar companies.

Harsh Mulchandani: Got it. Thank you so much and best of luck.

Moderator: Thank you, sir. Thank you. Our next question is from the line of Vignesh Iyer from Sequent Investments. Please go ahead, sir.

Vignesh Iyer: Hello. Thank you for the opportunity. Sorry, sir. I missed your earlier comment. What percentage of our sales comes from our own brand?

Abhinav Jain: Well, as I said, we had in the last half of the previous year sold about eight machines out of the total 191 machines in the previous half. So, now in H1 '26 we have sold 35 machines out of the 192 machines sold totally. So, that amounts to about, I believe, I am missing the percentage exactly, but it will be something 15% to 20%. Yes, 15% to 20%. 35 out of 192 is current half, the previous half was eight out of --

Vignesh Iyer: Hello. Yes, got it. Sir, my next question is, is it one of the reasons why we are seeing an increase in margin when we have to compare the Y-o-Y basis, simply if I compare the Q2 numbers, because the revenue number, the net sales number is more or less not much growth is seen, but we see a big jump in EBITDA. Is it primarily because of shift from refurbished to own brands?

Abhinav Jain: On the contrary, we have seen profitability. In the early years of any new brand establishment, the profitability of new brands do not get settled in initially. However, our strongest suit is our use and refurbishment business sector. In H1 2025, we had about 51% by value of our new and other brand customized machine sales and 45% by value of our used and refurbished machine sales of other brands. On the contrary, we have deliberately and physically taken calls and in H1 2026, we have 46% by value of our used and refurbished machine sales as opposed to 43% in value of other brand sales.

So, we have actually increased our used and refurbished machine sales and other brand machine sales has been transferred kind of to our own brand sales of new machines. And this is the primary reason why we have seen an increase in the profitability and profit. Because on used and refurbished machine sector we earn about 12% to 14% on a PAT level basis and on other brand sector we earn a lower value than that of course by logic because value addition is more in used and refurbished machines.

And however, the absolute value, the sale price of new machine of any brand is higher and compared to the same machine, used and refurbished machine will be lower. And that also reflects exactly on the turnover size. While the profit has grown while the turnover has not because the used and refurbished machine sales has increased.

Vignesh Iyer: Okay. Sir, one last question from my side. Just wanted to understand more on the invoicing part of it. I mean, we do not manufacture it we outsource it to a factory in China to manufacture this, and some part of it gets exported. So, just wanted to understand how do we invoice our export companies in terms of which currency?

Abhinav Jain: Excellent question. So, it's a policy initiated and promoted by the Government of India. Recently we had given a corporate news section as well showcasing how this is good for big export houses in India. The Government of India is promoting Indian export houses to become global players. They are not just domestic exporters exporting from one country, they want their strong export houses to really become global players. That's why they have been supporting merchant trade transactions.

So, it is a simple process where someone else from a third country sells their products to us. They basically invoice their products to us and we take that into our inventory or stock or book and we sell it ahead to some other person or other four countries and the goods never touch India which again is in line with the promoted policy of the Government of India for Indian exporters to become global exporters and global power houses.

Vignesh Iyer: Okay. But the currency remains the same, I mean is it USD?

Abhinav Jain: USD. Yes, it is the choice.

Vignesh Iyer: Sir your voice is breaking. Sorry.

- Abhinav Jain:** So, it can be anything, it is primarily in USD, U.S. dollars, but it is a choice for exporters to use whatever they want to, just like any other export goods. It is normal throughout exports, basically.
- Vignesh Iyer:** Okay. Because, I mean, if I understand it right, we are naturally hedged in that way, right? I mean, we are importing in USD and exporting in USD.
- Abhinav Jain:** Yes, we have some portion of natural hedging as well. But because we have exports from India as well where we are buying from **(Inaudible) 0:25:34.7** that segment vertical as well.
- Vignesh Iyer:** Okay. Got it. That's all from my side, sir. Thank you.
- Abhinav Jain:** Thank you.
- Moderator:** Thank you, sir. Our next question comes from the line of Arvind Singh Chaudhary from RMO House Investment LLP. Please go ahead, sir.
- Arvind Singh Chaudhary:** Good afternoon. Congratulations on a good set of numbers. Basically, I have two questions. The first one is that there are a lot of auctions going in mining sector. So, do you have plans for any mining equipment? The second one is that the seven delegations from Australia are coming in India from 26th October to 3rd of November. Do you have any talk with the delegations for technical collaborations?
- Abhinav Jain:** I will answer your first question. We do not intend to take on any mining contract directly, but however, the opportunity may come and as long as they complement our primary core vertical of exports of used or new construction equipment, we may explore the opportunity. And the delegation from Australia is something that I was not aware about exactly honestly. Maybe they are not exactly from the field of business or work that we are in. Maybe they are from some other field or some other mining sector. So, we may explore that opportunity and probably I can give you an answer after exploring who is coming exactly and what is their agenda.
- Arvind Singh Chaudhary:** Sure. Thank you.
- Abhinav Jain:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Raaj from Arjav Partners. Please go ahead, sir.
- Raaj Macwan:** Sir, I wanted to know our segment-wise sales and EBITDA.
- Sumeet Berlia:** I am sorry, can you repeat the question, please?

- Raaj Macwan:** Hello. I wanted to know our segment-wise sales and EBITDA, like how much sales from new equipment, how much from the used ones and how much from our own brand in H1 FY '26?
- Sumeet Berlia:** Sure. So, about Rs. 51 crores of new equipment of other brands sales has been there in H1 '26. About Rs. 54 crores, Rs. 55 crores of used, refurbished machines of other brands in the current half and our own brand about Rs. 13 crores to Rs. 14 crores. And we are focused on PAT level margin usually, and I would again say, bring it back to the point that 2% to 4% on PAT level basis is where we target new equipment of other brands, 12% to 14% is where we target used equipment of other brands. And for HexL, our own brand, it's early on, but there are many first-time, one-time operation costs as we expand. But going forward, we can easily eye about 12% to 15% PAT level margins as our brand grows and gains traction.
- Raaj Macwan:** Okay. And sir, in our HexL brand, we manufacture it from China, right? And then we import here and then we sell it. That is the business model.
- Abhinav Jain:** No, we do not import the HexL brand, we just get it contract manufactured from China and then sell it aboard to various countries all across the world.
- Raaj Macwan:** Okay. And sir, as you said earlier in HexL brand, till date you have sold around 72 equipments, right? And out of that, 35 are sold in H1 FY'26 compared to eight machines in H1 FY'25, right?
- Abhinav Jain:** Correct. H2 of FY'25, some in the current October of FY'26.
- Raaj Macwan:** So, the average selling price of HexL is around Rs. 40 lakhs?
- Sumeet Berlia:** I am sorry, what?
- Raaj Macwan:** The average selling price of HexL brand equipment is around Rs. 40 lakhs?
- Sumeet Berlia:** More or less, yes.
- Raaj Macwan:** More or less, okay. And sir, how much would be the average selling price of our peers in the same category of equipments? And what will be our USP in the brand, HexL brand? Like, do we compete on the price or do we compete on the quality or do we compete on our reach?
- Abhinav Jain:** So, it's a multifaceted and a good question. First of all, I would like to tell we are selling machines across 35 countries in six continents which is a rare feat and brands with or companies with very large numbers or capital bases are able to achieve this feat of distribution and network of selling in this. The entire reason that we launched HexL brand was, our engineering expertise and our engineering excellence and overall mechanical engineering expertise of India as a whole was with us to leverage and the sales network was with us to leverage.

And then we were able to understand the customer pain point of what exactly goes wrong in our construction equipment. Because remember, from the past five decades my family has been involved in the mining and construction activities in south of Chhattisgarh. So, this was something that was very important underlying factor which gave us immense insight on what are the pain points of customers and just like in a crowded automobile market some good and upcoming brands launched cars and car brands and disrupted the entire automobile market internationally. We also thought that with our engineering background, with our five decades of experience - my father is a mechanical engineer, I am a mechanical engineer, and my colleagues are working in the U.S. in the globally popular construction equipment companies.

We collaborated with them we have a U.S. office as well and then we designed and turned the customer pain points into engineering solutions and we really were able to do it at a cheaper cost us being Indians we always Jain Marwari family taking money at every, every step of the way. So, we were really able to give great value to our customers. Now about the price point comparison, we have to compare the price in the destination market that we are selling and we have adequately placed our prices competitive.

First of all in the pictures, in the value and then after giving great price, features and value. And these are commercial and construction industrial equipment which ultimately gives productivity to the customer. So, when they get so many things on sale because one customer buys multiple machines, ultimately its productivity gets increased, its cost get decreased, its cost of ownership gets decreased. So, he is liking the machine, the quality of construction, the design, the engineering everything is good but our biggest USP I would say is the aftersales service quickly.

India and China bring so big automobile hubs in these days, in these couple of years we are able to service and provide aftersales service in spare parts very quickly. Or like we have a saying that 90% of the spare parts that we have that the customers require easily after this is displayed in a proper format, we dispatch them within 48 hours. So, this cuts out the whole corporate and large process of the part going from maybe China to Singapore, then to Houston, then to any South American country or maybe Dubai, then Hong Kong, then African country. So, we are a D2C in the aspect of spare part delivery. That is the biggest USP that the customers do not get downtime, they are getting good results to that. So, this is why our machines are being demanded.

And the other key aspect is we do not earn a lot on spare parts. Everyone in the automotive or construction segments will know. There are low single-digit margins on the sales of machines. 10x or 50x on the sales of spare parts or after-sales service. This is the biggest gap we identified. Now we are just selling spare parts with bare minimum margin because that's not our core focus or business and we are just supporting our customers for that. So, this has turned the whole industry on its head and this is why we are beating the most popular brands you can say out there in the destination market.

Raaj Macwan:

Understood, sir. So, our price is comparatively lower than our peers, right?

- Abhinav Jain:** Our sales price is lower than our peers. But also the most important aspect is our spare parts cost is very, very low than our peers, because total cost becomes extremely low. And at the same time, feature rich and latest technology AI enabled machines with AI assisted, operator assisted features, human detection cameras etc., etc.
- Raaj Macwan:** All right. So, sir, by how much range will our price be lower than the peers? Any rough estimate you can give.
- Abhinav Jain:** I would say 40% is the price difference when you compare apple-to-apple similar configuration, similar specs machine of any other popular brand. Different brands will have different price range difference I mean different markets, but I would say the average would be anywhere between 20% to 40%.
- Raaj Macwan:** 20% to 40% lower, okay.
- Abhinav Jain:** Yes, on capital goods that's a thing because it's a heavy sized product.
- Raaj Macwan:** Understood. And sir in next two to three years' time you commented you want to reach sales of around Rs. 800 crores, right?
- Abhinav Jain:** Correct.
- Raaj Macwan:** In FY'26 you will close around Rs. 250 crores to Rs. 260 crores of sales. So, you are talking about 3.5x to 4x increase in our sales, right? So, what gives you this confidence to reach Rs. 800 crores of sales? And sir, at Rs. 800 crores of sales what would be our segmental breakup of sales?
- Abhinav Jain:** Sure. So, HexL brand will increase, the new customized machines share will be taken up a little bit more by HexL. Used and refurbished machines, which is our main core business, will remain to be present. And however, I believe so far the numbers that we have achieved have totally been without capital. We have only got listed this month less than maybe 20, 25 days ago and maybe 18 working days. So, we have not really been able to utilize the entire working capital that we have used.
- So, having these numbers in March '25 with Rs. 380 crores in the last year with a lesser capital availability and with incrementally extra liquidity available with us, I do not really see a problem for us to achieve Rs. 800 crores of revenue in the next three years. For achieving Rs. 800 crores of revenue, we need about Rs. 300 crores or Rs. 350 crores of working capital overall, including equity, including working capital limits that we have from the bank. So, I believe about Rs. 200 crores of equity after the IPO, including our own net worth and the equity raise has been there.
- And then with the working capital lines of the bank, we can really reach that figure. And then turning it around will not be a problem given the diversified product portfolio that we have, our

own brand that we have and the diversified customer geographies that we serve in. So, that really is 2x or 2.5x of working capital in an export market is quite, I mean, not a far reach. But our focus is never on turnover, it is a range that we want to reach on turnover, which is to set a benchmark for the penetration and reach or size. So, our focus is always on the PAT.

Ultimately, what we focus on is how much money reaches home. And 35% to 40% of CAGR on PAT level is what we really intend to grow at in the next three years, on an absolute basis. If turnover is less, that's fine, but PAT is something that we focus on. We have focused on PAT always, and we want to grow the same.

Raaj Macwan: 35%, 40% PAT, CAGR three, four years you are saying. All right, sir. Okay. Yes. Thanks.

Moderator: Thank you, sir. Our next question comes from the line of Vignesh Iyer from Sequent Investments. Please go ahead, sir.

Vignesh Iyer: Thank you for the opportunity, Abhinav, sir. I wanted to understand the dynamics on your own brand versus the refurbished. So, you shared the numbers in terms of your own brand machine you have sold in H1 FY'26 versus H1 FY'25. So, I wanted to understand, is it the same customers who were earlier buying refurbished that they have shifted to your HexL brand?

And what was like the timeline before your own brand machine got approved by the same customers? What is the general timeline, just to get an understanding, if you intend to scale to Rs. 800 crores, Rs. 900 crores revenue in future, we might need a newer clients' addition and there would be a certain timeline for your product to get approved, so if you could share your insight on the same?

Abhinav Jain: So, it's about the sales pitch that you are talking about, the timeline for sales pitch, it can vary anywhere between 15 days to three months or longer sales cycle. It's like a car, some customers just go to the showroom and buy the car, maybe in one day or one week, and some customers take time of three months.

With the IPO proceeds, working capital and general corporate purposes, we are increasing our team, we are increasing our professionalism, the whole system and hierarchy and new business development will definitely be the primary focus since we are a new brand. It was easy for us to sell these machines even without any of this with a lesser working capital because we had the great distribution network. And some of our huge equipment buyers are definitely choosing to buy these machines because they are liking it, they are getting good customer feedback and they are getting those machines sold already.

And then word of mouth, marketing, those efforts also play. Of course, when we are launching a brand, these things will come into play when we raise capital, we are going to spend in these things, which will ultimately result in new customer acquisition as well. So, I cannot give you an average timeline because there are so many countries involved, and each country will have a

different timeline, different time zones, different cultures, different dynamics. But the entire aim is to achieve 50 distributors of HexL globally as opposed to currently 60 or 70 odd B2B customers that we have globally. I believe about even 20% of them get converted to HexL distributors and then that would become about 15 to 20 customers and other than that we have to acquire 30 more customers in the next three years.

And then even with the average annual volume, machine volume of 20 machines per year, 15 to 20 will make it 1,000. So, from zero HexL sales currently, we can have about 1,000 HexL machine sales, which will add to about Rs. 300 crores, Rs. 400 crores of turnover right away, which is zero right now. So, this is our clear intention. We have been moving in that path. We recently acquired a distributor in Africa, South Africa, which is the biggest distributor in South Africa, which is five decades old as well. So, we are in the right trajectory, right path. We are adding employees, professionals who are from the industry, who have the experience of appointing distributors globally, who can go out there and do sales.

So, obviously, it's a Rs. 10 lakh crores market as I said of new equipment, new construction equipment. So, new construction equipment is even there in larger numbers or at least the same amount. Of course, there are so many other customers whom I have probably not been able to reach out or will not be able to reach out as a company at this level and by hiring professionals, we can do that and we have professionals now, we have employees and sales managers of three or four different nationalities in South America, in Africa, in Dubai. So, we are doing that outreach and we are on the right trajectory I would say. The numbers speak for themselves, right, about 160 if 40 sales are of our HexL of our total backhoe loader category, so I believe share is going on the upward trajectory.

Vignesh Iyer:

Okay. And when it comes to, if you could, any volume growth expected in FY'26 H1? If I compare H1 FY '26 versus H1 FY '25, it's more or less flat. Has that HexL as a part of total sales has improved? So, what our strategy for this year would be to increase the penetration of HexL as part of total sales or are we seeing some volume growth that's possible in HexL?

Abhinav Jain:

That growth has razor sharp focus this year, even in the first half and it will remain to do so even in the second half. We want to achieve PAT, as I said earlier as well, any three years of our company's existence in history, if you see. In alternating years, we have once increased our penetration and top-line, in the alternating next year, we have increased our bottom-line. If you see FY'23 and FY'24, again, the turnover was flattish, but the PAT grew 2x. So, I believe probably we are at the same kind of cycle stage here this year when the turnover can be flattish, but we have seen PAT to grow almost 1.5x to 2x in the H1 comparable H1, right? So, we are on a similar track, I can say.

And it is not something new, it has been going on in our company's history in alternating years, in the entire seven years, whenever you compare any three years, not just this or the previous or the previous, any three years. Because it is a heavy equipment business, takes larger working cycle, the machines itself are bigger than our rooms that we are sitting in, they take a lot of time

for delivery, etc. So, any strategy to implement will take time to reflect on the balance sheet. That is why it takes two years or one and a half years to have that entire thing implemented, on a macro level, I would say. So, three years of our company will always give you better growth direction and trajectory other than any two years. In three years, you will probably see the PAT also grows and the top-line also grows, this is what I am talking about.

Vignesh Iyer: Right. Sir just one last question from my side. I have seen in the last two years, our tax rate for FY'24 has been 25% and company (inaudible) has been varying around 20% in FY '25 and even in the first two quarters, it has varied a lot. So, what would be a steady state tax rate for the entire year?

Abhinav Jain: The tax rate you mean to say?

Vignesh Iyer: Sorry?

Abhinav Jain: You mean, the tax taxation.

Vignesh Iyer: Yes, taxation rate has been 25% in FY'24 and 20% in '25.

Abhinav Jain: Subsidiaries in Dubai and in the U.S., right? So, because of that addition of the subsidiaries, and Dubai has a different taxation than India, which is why you are able to see the differentiation in tax rates. Currently we do not really see any, unless the taxation changes in these countries, I do not see any reason to have the tax rate change.

Vignesh Iyer: No, I mean, so it would be 20%, 25%, right? I mean, on a steady state basis.

Abhinav Jain: Yes, yes. I think so.

Vignesh Iyer: Okay. Thank you. Thank you for the answer.

Abhinav Jain: Yes. Thank you.

Moderator: Thank you, sir. Our next question comes from the line of Mangesh Kulkarni from Almondz Financial Services Limited. Please go ahead.

Mangesh Kulkarni: Yes. So, in the last question you have mentioned about the flattish growth expectation this year on the top-line. But at the same time, we are mentioning about substantial growth potential of means looking at our past trajectory of seven years. So, is it worth to assume that we will be achieving around Rs. 1,200 crores to Rs. 1,500 crores in the next five to seven years, looking at your statement in the last press release.

Abhinav Jain: Well, out of the flattish growth again I would like to reiterate here the fact that **(Inaudible)** 0:47:32.5. Next in any case if you say, the PAT and turnover both have grown at healthy levels

no one can complain about double-digit growth impact, higher not just lower double-digit, reasonable enough double-digit growth in PAT and turnover. In the next if you say seven years, definitely our target is to grow 10% I would say from here that is what we aspire to be. A lots of factors will come into play, a lot of things we will have to learn, but we are a company which is always very clearly focused on growth, we are not going to stop. There will be hurdles in a particular year or so but ultimately, we will beat all those hurdles in Indian sales in this year and from March '25 it's about Rs. 300 crores, Rs. 380 crores, we really want to have a good investment **(Inaudible) 0:48:48.8**.

Mangesh Kulkarni:

Hello? Your voice is cracking.

Moderator:

I am sorry, sir, to interrupt you, but sir your voice is cracking, yes, exactly.

Abhinav Jain:

Was that clearly audible, or should I repeat the entire thing again?

Moderator:

No, no, at the end, like 30 seconds or 40 seconds back, your voice was fluctuating.

Abhinav Jain:

So, the vision is clear, in the last seven years we have had about 38x growth on top-line. And in the last seven years, any three years if you pick, in any two of three years you may see one year the PAT has grown, or one year the turnover has grown. But if you pick up three, three years, we have had healthy levels of CAGR growth of revenue and PAT both always, which are reasonable enough, and sustainable enough, if you compare the three-year period, start of the first year, end of the third year, any three-year period.

And in the next seven years, of course, the whole purpose of IPO incremental working capital efforts and the launch of our own brand is focused on the used and refurbishment sector as well. And given the fact it's a Rs. 10 lakh crores market, we definitely aspire to be growing 8x to 10x, I would say, from our previous financial year in the next seven years. And the market is big enough, we are raising capital. And there will be a lot of factors to play, there will be a lot of things to see, but if all the boxes are checked, we definitely aspire to grow 8x to 10x in the next seven years.

Mangesh Kulkarni:

Okay, sir. And I just wanted to know about this, what is the approximate time taken for the refurbishment of the entire machine and means how the turnover is booked, it is based on the order books or how --

Abhinav Jain:

The turnover is booked upon the dispatch and the sale, when the invoice and everything is there, e-way bill, all those things are there, then the machine is dispatched, that's when the turnover is booked. We buy machines, we refurbish them, when the machine is ready and dispatched, that's when the invoice is booked. And I am sorry, I missed your first question, what was it again, please?

Mangesh Kulkarni:

I mean, approximate what time it takes for the refurbishment?

- Abhinav Jain:** Yes. Depending on the degree of refurbishment, it can take anywhere between one week to three months, four months, six months also, depending on the degree of refurbishment, the size of the machine.
- Mangesh Kulkarni:** Okay. So, any plans to look at the domestic market opportunity?
- Abhinav Jain:** Well, we are a global company, global market size is of around Rs. 10 lakh crores, and since we do earnings in dollars so it is promoted by the Government of India, it always gives you better margin because the cost of labor is cheaper in India. So, we are currently exporting our trust and engineering expertise from India. And when we are a globally large enough company, we will see India as one of our markets as well when we are that size. But currently we are focusing to cater the global demand, there's higher profitability like any other export business.
- Mangesh Kulkarni:** Okay, sir. Thank you and all the best.
- Abhinav Jain:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, in the interest of time, that was the last question. I now hand the conference over to Mr. Abhinav Jain for the closing comments. Thank you and over to you, sir.
- Abhinav Jain:** Hello. So, as we look ahead, we take pride not just in our results, I would say, but in the culture that we really have created and that drives us. And a culture built on discipline, trust and innovation is always going to prosper, I think. So, Jinkushal Industries is not just a machinery exporter, it represents India's global competence in manufacturing, refurbishment, designing, engineering expertise, and value creation.
- I take this opportunity to thank the entire team, our partners across continents, our investors, and all our stakeholders for their continued confidence and support. We remain optimistic and focused on delivering another year of strong performance and steady progress. With this, I would like to conclude. Thank you.
- Moderator:** Thank you sir. On behalf of Jinkushal Industries Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.