



## IPO NOTE

## JNK INDIA LIMITED



Rating:

**APPLY**

(For Long Term)



## ISSUE OFFER

Issue Opens on	APRIL 23, 2024
Issue Close on	APRIL 25, 2024
Total IPO size (cr)	₹649.47
Fresh issue (cr)	₹300.00
Offer For Sale (cr)	₹349.47
Price Band (INR)	395 - 415
Market Lot	36
Face Value (INR)	2
Retail Allocation	35%
Listing On	NSE, BSE

## ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 50%;"></div>	50%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 35%;"></div>	35%

## SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
48,392,000	55,986,936

## INDICATIVE TIMETABLE

Finalisation of Basis of Allotment	26-04-2024
Refunds/Unblocking ASBA Fund	29-04-2024
Credit of equity shares to DP A/c	29-04-2024
Trading commences	30-04-2024

JNK India Limited is a company that designs, builds, supplies, installs, and commissions reformers, cracking furnaces, and process-fired heaters. The company has completed projects in Andhra Pradesh, Assam, Bihar, Karnataka, Kerala, Maharashtra, Tamil Nadu and West Bengal and has implemented projects globally, including in Nigeria and Mexico.

## OBJECTS OF THE ISSUE

- Working capital requirements.
- General corporate purposes.

## OUTLOOK &amp; VALUATION

The business of JNK India Ltd. (JIL) is producing heating equipment used for process industries like petrochemicals, fertilizer, and oil and gas refineries. The business has branched out into flares and incineration systems and is aiming to enter the renewable energy market, concentrating on green hydrogen.

Regarding financial performance, the organization has done well during the previous three fiscal years. The business has carved out a niche for itself in the heating equipment category and has seen growth in both its top and bottom lines over the periods under review. As of December 31, 2023, it had an order book valued at Rs. 845 cr, which suggests promising future growth.

The IPO valuation of 43x P/E appears fairly priced, Given all these factors, Investors may apply for this IPO with a long-term view. Investors should weigh the company's growth prospects and valuation before making a final decision.



## KEY MANAGERIAL PERSONNEL

01

### **Arvind Kamath**

Chairperson and Whole Time Director of Company, He was previously associated with Sulzer Pumps India Private Limited, Chetra Seals Private Limited, Mascot Flowtech Private Limited and Mascot Global Private Limited. He has an extensive experience in the capital equipment industry.

02

### **Goutam Rampelli**

Whole Time Director of the Company. He was previously associated with Larsen and Toubro Limited and L&T Hydrocarbon Engineering Limited. He is also a member of Institute of Directors. He has an extensive experience in the fired heaters and reformer packages industry.

03

### **Dipak Kacharulal Bharuka**

Whole Time Director and Chief Executive Officer of the Company. He was previously associated with Larsen and Toubro Limited. He has an extensive experience in the fired heaters and reformer packages industry.

04

### **Pravin Vyankatesh Sathe**

Chief Financial Officer of the Company. He is a member of the Institute of Chartered Accountants of India. He was previously associated with Sankalpan Infrastructure Private Limited and AT&F India Fabrication Private Limited.

05

### **Ashish Soni**

Company Secretary and Compliance Officer of the Company. He has experience in the corporate secretarial. He has successfully completed his bachelor's degree in commerce and LLB (Hons.) from DAVV, Indore. He is an associate member of the Institute of Company Secretaries of India.



## COMPANY PROFILE

- As Of March 31, 2023 the company has provided services to 17 clients in India and 7 clients abroad. Additionally, seven of the twelve Indian oil refining companies.
- All products in JNK India Limited are manufactured as per the requirements of the customer and in accordance with the applicable standards. The manufacturing is done at the in-house manufacturing facilities and/or third-party vendors.
- It can design, engineer, manufacture, supply, install, and commission heating equipment thermally. It can serve both local and international markets.
- Company has diversified into flares and incinerator systems and has been developing capabilities in the renewable sector with green hydrogen.

## COMPETITIVE STRENGTHS

- Established track record with a diverse customer base.
- Diversifying product portfolio to cater to varied industries.
- Demonstrated financial performance with a robust Order Book reflecting revenue visibility for last three Fiscals.
- Skilled and experienced Promoters and management team with committed employee base.
- Well-positioned to capture industry tailwinds through our demonstrated capabilities over time.

## KEY STRATEGIES

- Geographical expansion with a focus on high-growth markets to capitalize on the industry tailwinds.
- Enhance the diversified offerings including renewables.
- Pursue strategic investment, partnerships and acquisition opportunities and integrate them with the business operations.

## KEY CONCERNS

- Availability and cost of raw materials may adversely affect the business.
- Any downside in the capital expenditure of oil and gas, petrochemical and fertilizers industry would create an adverse impact on revenue.
- The Company has a high working capital requirement.
- The company is asset light Company wherein the company outsource fabrication process to third-party fabricators for most of the projects which presents numerous risks.
- Company derive a majority portion of revenues from sales of Heating Equipment only.

**COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)**

Name of the Company	EPS (Basic)	NAV	P/E	Total Income (In Lakhs)	RoNW (%)
<b>JNK India Limited</b>	<b>9.51</b>	<b>25.45</b>	<b>-</b>	<b>4,073.02</b>	<b>47.71</b>
<b>Peer Group</b>					
Thermax Limited	39.98	343.67	112.9	80,898.10	12.24
Bharat Heavy Electricals Limited	1.37	77.05	186.02	233,649.40	1.79

**FINANCIALS (RESTATED CONSOLIDATED)**

PARTICULARS (RS. IN LAKHS)	FY 2023	FY 2022	FY 2021
<b>Equity Share Capital</b>	96.00	96.00	6.00
<b>Other Equity</b>	1,125.70	625.80	362.17
<b>Net Worth</b>	1,221.70	721.80	368.17
<b>Total Borrowings</b>	32.39	26.92	2.53
<b>Revenue from Operations</b>	4,073.02	2,963.96	1,377.21
<b>EBITDA</b>	735.05	545.77	260.15
<b>Profit/loss before Tax</b>	627.11	478.26	228.09
<b>Net profit of the year</b>	463.62	359.83	164.76


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