JAIN RESOURCE RECYCLING LTD.

September 23, 2025

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	Metal
Offer for sale (Shares)	32,327,586
Fresh Issue (Shares)	21,551,724
Net Offer to the Public	**53,879,310**
Issue Size (Rs. Cr.)	1185-1250
Price Band (Rs.)	220-232
Offer Date	24-Sep-25
Close Date	26-Sep-25
Face Value	2
Lot Size	64

Issue Composition

	In shares
Total Issue for Sale	53,879,310
QIB	40,409,483
NIB	8,081,897
Retail	5,387,931

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	88.01%	73.59%
QIB	11.99%	22.51%
NIB	0.00%	2.34%
Retail	0.00%	1.56%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Jain Resource Recycling IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by the Company.
2. General corporate purposes

Book Running Lead Manager

- ICICI Securities Limited
- Motilal Oswal Investment Advisors Limited
- PL Capital Markets Private Limited

Name of the registrar

- KFin Technologies Limited

About the company

Incorporated in 2022, Jain Resource Recycling Limited (JRR) specializes in recycling and manufacturing non-ferrous metals. Its product portfolio includes lead and lead alloy ingots, copper and copper ingots, aluminium and aluminium alloys, tin ingots, and recycled plastic. The company operates three recycling facilities at SIPCOT Industrial Estate, Gummidipoondi, Chennai, processing diverse metal scrap. Through its subsidiary JIGV, it also runs a gold refining facility in Sharjah Airport International Free Zone (SAIF-Zone), UAE. JRR serves sectors such as lead-acid batteries, electrical and electronics, pigments, and automotive, supplying both domestic and international clients, including Vedanta Limited–Sterlite Copper, Luminous Power Technologies, Yash Resources Recycling, Mitsubishi Corporation RtM Japan, and Nissan Trading Co. Its products reach global markets including Singapore, China, Japan, and South Korea. As of July 31, 2025, the company employed 411 permanent staff.

Strength

Track Record of Profitability in a High-Barrier Industry: Jain Metal Group (JMG) is a leading Indian non-ferrous metal recycling and production company. Its lead ingot brand is registered with the London Metal Exchange, while "JAIN 9998" is accepted by India's Multi Commodity Exchange (MCX). The company has demonstrated strong financial growth, with Fiscal 2025 revenue rising 60.91% and EBITDA increasing 62.22% to ₹368.58 crore, while PAT grew 36.29% year-on-year. JMG maintains a stable credit profile, with long-term loans rated "CRISIL A/Stable," benefiting from high regulatory barriers to entry.

Strategically Located Recycling Facilities with Multi-Product Capabilities: JMG's recycling operations are based in the SIPCOT Industrial Estate, Gummidipoondi, Chennai, spanning 26.94 acres. Facilities leverage by-products across processes and are equipped for lead, copper, and aluminium recycling. In 2024, the company held an 8.55% market share in lead, 3.42% in copper, and 0.52% in aluminium. Proximity to Chennai, Ennore, and Katupalli ports ensures efficient import and export logistics. In Fiscal 2025, international procurement represented 76.90% of raw material purchases, while exports contributed 60.39% of revenue. Product offerings include lead and lead alloys, copper and copper ingots, and aluminium and aluminium alloys.

Strong Global Customer Base and Sourcing Network: JMG exports to over 20 countries, with exports accounting for 60.39% of Fiscal 2025 revenue, growing at a 64.93% CAGR since Fiscal 2023. Long-term relationships with domestic and international clients ensure recurring business. Its dedicated trading team sources over 70% of overseas raw materials directly from scrapyards, optimizing costs and securing a stable supply. Strategic supplier relationships and agile sourcing enable the company to capitalize on scrap price variations across markets.

Hedging Mechanisms for Commodity Price and Currency Risk: JMG actively manages commodity price volatility through hedging strategies on LME-traded metals. The company takes short positions when buying raw materials and long positions when selling finished products to stabilize margins. Foreign currency exposure is monitored daily, with buy/forward contracts executed as needed. In Fiscal 2025, the company hedged ₹4,047.04 crore in foreign exchange, leveraging LME recognition to efficiently settle derivatives.

Experienced Leadership and Skilled Management: Led by Promoter and Chairman & MD Kamlesh Jain, with over 30 years of industry experience, JMG is supported by a professionally qualified team. Joint MD Mayank Pareek, a Chartered Accountant with 10+

years' experience, and Executive Director & CFO Hemant Shantilal Jain, a Chartered Accountant with 15+ years' expertise, strengthen operational, financial, and strategic decision-making, driving sustainable growth and market expansion.

Strategy

Forward Integration into Copper Cathode and Wire Rod Manufacturing: Jain Metal Group (JMG) is expanding into copper cathode, wire rod, and busbar production through a forward integration strategy leveraging recycled copper from its existing facilities. The project will be executed in phases using internal accruals. A subsidiary has secured a 99-year lease at SIPCOT Industrial Park near current operations, enabling operational synergies and cost optimization. The facility will feature an in-house rooftop solar plant to produce "Green Copper Cathode," targeting environmentally conscious customers.

Diversification into Emerging Recycling Domains: JMG is broadening its recycling portfolio to meet growing domestic and international demand. Beyond lead, copper, and aluminium scrap, the company plans to enter solar panel, automotive tire, e-waste, and brass scrap recycling. Its forward integration into sustainable copper production positions JMG to serve high-growth sectors like electric vehicles and renewable energy, enhancing market competitiveness and revenue potential.

Value Creation through By-Product Utilization: The company is optimizing its value chain by extracting tin and plastic by-products from lead and copper recycling. Tin ingots, recovered from lead recycling, and recycled plastic granules from battery and cable scrap provide additional revenue streams with minimal raw material costs. These initiatives improve profitability while reducing environmental impact, supplying materials for industries such as automotive, footwear, and battery components.

Commitment to Sustainability and ESG Principles: JMG embeds ESG principles across operations. By recycling non-ferrous metals, the company reduces mining demand, conserves resources, lowers energy consumption, and minimizes greenhouse gas emissions. Investments in advanced recycling technologies optimize efficiency and reduce waste. Social initiatives include community engagement, school renovations through charitable partnerships, sustainable employment, safe working conditions, and fair labor practices, fostering long-term economic and social value.

Risk Factor

- Lead and Lead Alloy Ingots and Copper and Copper Ingots contributed 39.46% and 44.82% of revenue in Fiscal 2025. Reduced demand for these products could negatively impact business and cash flows.
- A large portion of revenue comes from the top customer, top five, and top 10 customers, most without long-term contracts. Losing any of them may affect revenues and profitability.
- The Promoter has faced past disciplinary actions by SEBI or stock exchanges; future regulatory actions cannot be ruled out.
- Jain Resource Recycling Ltd. is subject to strict quality standards and faced order cancellations in Fiscal 2025 (11), Fiscal 2024 (29), and Fiscal 2023 (30). Non-compliance could harm reputation, cash flows, and operations.
- Disruptions or shortages of essential utilities may interrupt operations and increase production costs, affecting results.
- Certain financial valuations may be higher than peers and industry standards, potentially impacting investor perception.
- The Promoter and Promoter Group will retain majority shareholding post-offer, allowing significant influence over company decisions.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Gravita India	3868.77	312.39	45.84	36.45	5.96	280.44	2	1670.80	12331.92
Pondy Oxides	2056.91	58.05	23.35	56.22	6.29	208.57	5	1312.70	3949.52
JAIN RESOURCE RECYCLING LTD	7125.77	223.29	6.90	35.86	6.54	35.49	2	232.00	8005.99

***Peer companies financials are TTM based**
*****Jain Resources Recycling Ltd Financial are based on FY25**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.232, the stock is priced at pre issue P/E of 33.62 x on an FY25 EPS of Rs.6.90. Post issue, the stock is priced at a P/E of 35.86x on its EPS of Rs. 6.47. Looking at the P/B ratio at Rs.232 pre issue, book value of Rs. 22.40 of P/Bvx 10.36x. Post issue, book value of Rs.35.49 of P/Bvx 6.54x.

Considering the P/E valuation, on the lower end of the price band of Rs.220, the stock is priced at pre issue P/E of 31.88 x on FY25 EPS of Rs. 6.90. Post issue, the stock is priced at a P/E of 34.00x on its EPS of Rs.6.47. Looking at the P/B ratio at Rs.220 pre issue, book value of Rs. 22.40 of P/Bvx 9.82x. Post issue, book value of Rs.35.49 of P/Bvx 6.20x.

Industry Outlook

The global economic outlook remains subdued with a projected growth of 2.8% for 2025, but India is a bright spot with a growth rate of 6.20% expected in 2025 and 6-7% in the following years. This growth is driven by a large consumer market, infrastructure investments, and government initiatives. The Indian metals recycling industry, however, faces challenges, including fragmented supply chains, a lack of modern infrastructure, and vulnerability to fluctuations in global metal prices. The demand for copper is growing due to industrialization and clean-energy technologies like electric vehicles and solar panels, while the country's reliance on imported copper scrap has been decreasing. India's aluminium market also shows robust potential, with a projected compound annual growth rate (CAGR) of 10-11% to reach 8.5–9.0 million tonnes by FY30, driven by its use in automotive, construction, and electrical industries. The domestic lead market is also expanding, with demand expected to grow at a CAGR of 5.4-6.4% to reach 1.9-2.0 million tonnes by FY 2030, which will lead to increased recovery of tin as a by-product from lead recycling.

Outlook

Jain Metal Group (JMG) is well-positioned for growth with strong profitability, high regulatory barriers, and globally recognized products. Strategic recycling facilities, a diversified customer base, and robust hedging mitigate operational and financial risks. Forward integration into sustainable copper production, expansion into new recycling domains, and by-product utilization enhance revenue potential. While market concentration and regulatory risks exist, JMG's experienced leadership and ESG focus support long-term competitiveness and value creation.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	24-September-25
BID/ISSUE CLOSES ON	26-September-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	29-September-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	30-September-25
Credit of Equity Shares to Demat Accounts of Allottees	30-September-25
Commencement of trading of the Equity Shares on the Stock Exchanges	01-October-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	7125.77	4428.42	3064.07
Total expenditure	6756.94	4201.22	2939.90
Operating Profit	**368.83**	**227.20**	**124.18**
OPM%	5.18	5.13	4.05
Other Income	36.39	56.42	43.46
Total Net Income	**405.21**	**283.62**	**167.63**
Interest	84.71	53.35	30.48
PBDT	**320.50**	**230.27**	**137.15**
Depreciation	15.67	15.67	13.53
Restated Profit before Share of Loss Of Associate	**304.83**	**214.60**	**123.62**
Share of Loss of Associate	**-0.24**	**0.00**	**0.00**
Restated Profit before Tax	**304.59**	**214.60**	**123.62**
Tax	-81.31	-50.78	-31.81
Profit & Loss	**223.29**	**163.83**	**91.81**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
(a) Property, Plant and Equipment	71.64	64.72	58.44
(b) Capital Work in Progress	3.25	0.00	0.00
(c) Right-of-Use Assets	16.82	14.53	15.68
(d) Intangible Assets	0.08	0.01	0.00
(e) Goodwill on Consolidation	0.41	0.00	0.00
(f) Financial Assets			
(i) Investments	26.01	2.13	0.14
(ii) Loans Advances	15.77	0.02	0.00
(iii) Other Financial Assets	40.96	4.06	3.49
(g) Income Tax assets (Net)	0.00	0.02	0.01
(h) Other Non Current Assets	16.17	2.87	6.11
Total non-current assets	**191.11**	**88.36**	**83.87**
Current asset			
(a) Inventories	675.23	550.44	341.74
(b) Financial Assets			
(i) Investments	10.25	14.34	0.00
(ii) Trade Receivables	129.48	183.31	254.12
(iii) Cash and Cash Equivalents	23.59	81.41	5.52
(iv) Bank balances other than (ii) above	224.71	218.80	140.23
(v) Loans and advances	38.17	51.98	7.38
(vi) Other financials assets	80.48	14.94	78.32
(c) Other Current Assets	463.22	325.19	204.78
Total current assets	**1645.13**	**1440.40**	**1032.08**
Total Assets	**1836.24**	**1528.76**	**1115.96**
Non-current liabilities			
Financial liabilities			
Borrowings	3.48	36.16	41.53
Lease Liabilities	6.70	3.96	4.98
Other Financial Liabilities	0.06	92.66	119.05
Provisions	3.38	1.80	1.08
Deferred Tax Liabilities	8.49	1.52	3.86
Total Non- Current liabilities	**22.10**	**136.09**	**170.49**
Current liabilities			
Financial Liabilities			
(i) Borrowings	916.44	873.23	691.27
(ii) Lease Liabilities	1.69	1.02	0.80
(iii) Trade Payables	0.00	0.00	0.00
Trade payables-Total outstanding dues of creditors other than micro and small enterprises	10.29	5.04	0.84
Total outstanding dues of creditors other than micro enterprises	93.22	21.93	32.49
Other Financial Liabilities	47.01	31.21	8.23
Other Current Liabilities	11.00	80.60	3.24
Provisions	0.65	0.21	0.09
Current Tax Liabilities	9.12	10.28	7.22
Total - Current Liabilities	**1089.42**	**1023.51**	**744.17**
Total Liabilities	**1111.52**	**1159.60**	**914.66**
Net worth represented by:			
Equity share capital	64.71	41.03	40.00
Other equity	661.36	328.13	159.09
Non- Controlling Interest	-1.34	0.00	2.21
Total Equity	**724.72**	**369.16**	**201.30**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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