# Jain Resource Recycling Limited

23-September-25

**Subscribe- Long Term**

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**Issue Details**

| Issue Details | |
|---|---|
| Issue Size (Value in ₹ million, Upper Band) | 12,500.0 |
| Fresh Issue (No. of Shares in Lakhs) | 215.5 |
| Offer for Sale (No. of Shares in Lakhs) | 323.3 |
| Bid/Issue opens on | 24-Sep-25 |
| Bid/Issue closes on | 26-Sep-25 |
| Face Value | Rs. 2 |
| Price Band | 220-232 |
| Minimum Lot | 64 |

**Objects of the Issue:**

- **Fresh Issue: ₹5,000 million**
  - Pre-payment or scheduled re – payment of a portion of certain outstanding borrowings availed by the company.
  - General corporate purposes.
- **Offer for Sale: ₹7,500 million**

| Book Running Lead Managers |
|---|
| ICICI Securities Limited |
| Motilal Oswal Investment Advisors Limited |
| PL Capital Markets Private Limited |
| **Registrar to the Offer** |
| KFin Technologies Limited |

| Capital Structure (₹ million) | Aggregate Value |
|---|---|
| Authorized share capital | 825.0 |
| Subscribed paid up capital (Pre-Offer) | 647.1 |
| Paid up capital (post-Offer) | 690.2 |

| Share Holding Pattern % | Pre Issue | Post Issue |
|---|---|---|
| Promoters & Promoter group | 88.0 | 73.2 |
| Public | 12.0 | 26.8 |
| Total | 100.0% | 100.0% |

**Financials**

| Particulars (Rs. In Million) | FY25 | FY24 | FY23 |
|---|---|---|---|
| **Revenue from operations** | 71,258 | 44,284 | 30,641 |
| Operating expenses | 67,569 | 42,012 | 29,399 |
| **EBITDA** | **3,689** | **2,272** | **1,242** |
| Other Income | 364 | 564 | 435 |
| Depreciation | 157 | 157 | 135 |
| **EBIT** | **3,896** | **2,679** | **1,541** |
| Finance cost | 847 | 533 | 305 |
| **PBT** | **3,046** | **2,146** | **1,237** |
| Tax | (813) | 508 | 318 |
| **Consolidated PAT** | **2,233** | **1,638** | **918** |
| EPS | **6.5** | **4.7** | **2.7** |
| **Ratio** | **FY25** | **FY24** | **FY23** |
| EBITDAM | 5.2% | 5.1% | 4.1% |
| PATM | 3.1% | 3.7% | 3.0% |
| Sales growth | 60.9% | 44.5% | |

**Company Description**

The Jain Metal Group is engaged in the recycling and production of non-ferrous metals in India with capabilities to handle multiple products in recycling at a single location and has an extensive global network for sourcing recyclable materials. The company was originally constituted as a partnership firm in the year 1953 under the name of Jain Metal Rolling Mills which was reconstituted vide partnership deed dated April 1, 1993, and subsequently converted into their company on February 25, 2022, as a private limited company under the Companies Act, 2013. They commenced their recycling operations under their erstwhile partnership firm in the Fiscal year 2013.

They are primarily engaged in manufacturing non-ferrous metal products through recycling of non-ferrous scrap, with a portfolio comprising (i) lead and lead alloy ingots, (ii) copper and copper ingots, and (iii) aluminium and aluminium alloys. Their lead ingot is registered as a brand with the London Metal Exchange, providing access to a wider global customer base and the advantage of LME reference pricing. They had partnered with M/s Ikon Square Limited, UAE, by acquiring a 70% stake in Jain Ikon Global Ventures (FZC), Sharjah, for setting up a gold and silver refining facility, which commenced operations in August 2024 but was discontinued in April 2025 due to low margins, high costs, working capital constraints, and sector volatility. Additionally, they are engaged in trading non-ferrous metals and other commodities, contributing 2.0%, 1.9%, and 4.5% of revenue from operations in FY25, FY24, and FY23, respectively.

Their key raw materials include: (i) lead scrap rains, lead scrap rinks, lead scrap relay and lead scrap radio for lead products; (ii) copper scrap druid, copper scrap berry and copper scrap birch for copper products; (iii) aluminium scrap tread, aluminium scrap talon and aluminium scrap tense for aluminium products.

**Valuation & Outlook:**

Jain Resource Recycling Limited is a prominent player in India's non-ferrous metal recycling industry, specializing in the sustainable processing of copper, lead, and aluminium scrap. The company is part of the Jain Metal Group, a well-established entity in the metal recycling sector. The company operates three recycling facilities situated in the SIPCOT Industrial Estate, Gummidipoondi, Chennai. These facilities are dedicated to processing various types of metal scrap, including copper, lead, and aluminium. They source their raw materials from 120 countries and cater to various industries like automotive, electronics, and lead acid batteries etc.

The company operates three recycling facilities in SIPCOT Industrial Estate, Chennai, enabling integrated operations. Their strategic location allows the use of by-products across facilities and shared resources like labs and technical expertise. They have a strong international presence, exporting to over 20 countries—including China, Singapore, South Korea, UAE, Taiwan, and Japan—with a significant portion of revenue derived from these markets

At the upper price band, the company is valued at 35.9x FY25 P/E, reflecting a post-issue market capitalization of ₹80,060 million. They are entering copper cathode, wire rod, and busbar production to enhance their value chain and diversify their customer base. Additionally, they are expanding into niche recycling segments—solar panels, automotive tires, and copper-aluminium radiators—to tap into growing market and sustainability opportunities. Leveraging their recycling expertise, they aim to explore new domains, grow internationally, and drive sustainable long-term growth. On this basis, the IPO appears fully priced and warrants a "**SUBSCRIBE – LONG TERM**" recommendation.

➢ **Description of Business**:

Their recycling operations are vertically integrated with end-to-end recycling processes wherein raw materials are procured both domestically and internationally. Over the last three Fiscals, the Jain Metal Group has sourced raw materials from more than 120 countries. As a process, the raw material scrap is sorted based on type and quality followed by pre-processing steps including sorting, stripping, shredding, granulation followed by melting of scrap for alloying and refining to achieve the desired purity levels and quality. The refined scrap is then cast into forms such as ingots, billets, rods, or other shapes and thereafter the final products undergo quality control tests to ensure that they meet industry standards and customer specifications.

They operate through their three recycling facilities located at SIPCOT Industrial Estate, Gummidipoondi, Chennai engaged in recycling: (i) copper scrap birch and copper scrap druid (hereinafter known as "Facility 1"); (ii) lead scrap including lead scrap radio, lead scrap relay, lead scrap rains, lead scrap rinks and copper scrap including copper scrap birch, copper scrap druid, (hereinafter known as "Facility 2"); and (iii) aluminium scrap including aluminium scrap tread, aluminium scrap talon and aluminium scrap tense (hereinafter known as "Facility 3" and collectively with Facility 1 and Facility 2 referred to as "Recycling Facilities"). Further, they commenced gold refining operations through their subsidiary, JIGV at the facility situated at Sharjah Airport International Free Zone (SAIF-Zone), UAE from on August 19, 2024 ("Refining Facility"). They operate Facility 1 and Facility 2 through their Company and Facility 3 through their subsidiary JGTPL. Further, their subsidiary JGTPL received the consent to operate (CTO-Direct) from the Tamil Nadu Pollution Control Board under (i) Section 21 of the Air (Prevention and Control of Pollution) Act, 1981, as amended; and (ii) Section 25 of the Water (Prevention and Control of Pollution) Act, 1974, as amended, each dated May 16, 2025 for production of purified aluminium chips and iron chips at its facility located at Survey No. 69, Dekanikottai, Kelamangalam Road, Annekollu Village, Krishnagiri District, Tamil Nadu 635113 subleased from one of its customers (hereinafter known as "Hosur Facility"). The Hosur Facility functions as a segregating facility and is engaged in cleaning contaminated aluminium chips received from the customer's aluminium component machining factory located in proximity to the Hosur Facility and removing oil and iron impurities from such contaminated chips using magnetic separation process. As on July 31, 2025, their Recycling Facilities are operating with a combined actual production of 64,619 MTPA and the Hosur Facility is operating with an actual production of 88 MTPA. However, their Refining Facility operated with the actual production of 28 MTPA as on March 31, 2025 and the actual production as on July 31, 2025 was 0 MTPA due to closure of business operations for refining Precious Metals with effect from April 17, 2025.

They cater to customers in various industries including lead acid battery, electrical and electronics, pigments, and automotive. Their clientele includes Vedanta Limited-Sterlite Copper, Luminous Power Technologies Private Limited and Yash Resources Recycling Limited and global customers such as Mitsubishi Corporation RtM Japan and Nissan Trading Co. They cater to both international and domestic markets. The details of their revenue from operations from sale of products for the periods indicated are set out below:

| Particulars | 2025 | 2024 | 2023 |
|---|---|---|---|
| Revenue from operations (in ₹ million) | 71,258 | 44,284 | 30,641 |
| Sale of products (domestic) (in ₹ million) | 28,224 | 20,324 | 14,820 |
| As a percentage of total revenue from operations (in %) | 39.6% | 45.9% | 48.4% |
| Sale of products (exports) (in ₹ million) | 43,033 | 23,960 | 15,821 |
| As a percentage of total revenue from operations (in %) | 60.4% | 54.1% | 51.6% |

They have an extensive global footprint across major overseas geographies including Singapore, China, Japan, Taiwan and South Korea and their revenue from exports constituted 60.4%, 54.1% and 51.6% of their total revenue from operations for Fiscals 2025, 2024 and 2023 respectively. The table below sets forth details of revenues generated along with percentage of total sales from export for their top overseas customers.

| Particulars | Country | 2025 | | 2024 | | 2023 | |
|---|---|---|---|---|---|---|---|
| | | Revenue from operations (in ₹ million) | As a percentage of total sales from export (in %) | Revenue from operations (in ₹ million) | As a percentage of total sales from export (in %) | Revenue from operations (in ₹ million) | As a percentage of total sales from export (in %) |
| **Lead & Lead Alloy Ingots** | | | | | | | |
| Customer 1 | Singapore | 12,981 | 29.8% | 9,578 | 41.0% | 1,466 | 9.3% |
| Customer 2 | Taiwan | 5,557 | 12.7% | 1,618 | 6.9% | 0 | 0.0% |
| Customer 3 | South Korea | 507 | 1.2% | 351 | 1.5% | 115 | 0.7% |
| **Copper & Copper Ingots** | | | | | | | |
| Customer 1 | China | 2,836 | 6.5% | 1,721 | 7.4% | 2,589 | 16.4% |
| Customer 2 | China | 2,756 | 6.3% | 2,258 | 9.7% | 2,284 | 14.4% |
| Customer 3 | China | 1,435 | 3.3% | 35 | 0.2% | 0 | 0.0% |
| Customer 4 | China | 913 | 2.1% | 678 | 2.8% | 974 | 6.2% |
| **Aluminium & Aluminium Alloys*** | | | | | | | |
| Customer 1 | Taiwan | 951 | 21.2% | 103 | 0.4% | - | - |
| Customer 2 | Japan | 201 | 0.5% | 611 | 2.6% | 5 | 0.0% |
| Customer 3 | China | 49 | 0.1% | 0 | 0.0% | - | - |
| **Precious Metals **** | | | | | | | |
| Customer 1 | UAE | 2951 | 6.8% | - | - | | |
| Customer 2 | UAE | 2912 | 6.7% | - | - | - | - |
| Customer 3 | UAE | 1098 | 2.5% | - | - | - | - |

The table below sets forth details of revenues generated from their top customer, top five customers and their top ten customers for Fiscals 2025, 2024 and 2023:

| Particulars | Amount (in ₹ million) | As a percentage of Total Revenue from Operations (in %) | Amount (in ₹ million) | As a percentage of Total Revenue from Operations (in %) | Amount (in ₹ million) | As a percentage of Total Revenue from Operations (in %) |
|---|---|---|---|---|---|---|
| Top customer | 13,477 | 18.9% | 9,680 | 21.9% | 2,599 | 8.5% |
| Top five customers | 31,095 | 43.6% | 19,713 | 44.5% | 9,776 | 31.9% |
| Top 10 customers | 41,617 | 58.4% | 25,359 | 57.3% | 15,807 | 51.6% |

The details of their segment-wise revenue for Fiscals 2025, 2024 and 2023 respectively is as under:

| Segment | Fiscal 2025 | | Fiscal 2024 | | Fiscal 2023 | |
|---|---|---|---|---|---|---|
| | Revenue from Operations (in ₹ million) | As a percentage of Revenue from Operations (in %) | Revenue from Operations (in ₹ million) | As a percentage of Revenue from Operations (in %) | Revenue from Operations (in ₹ million) | As a percentage of Revenue from Operations (in %) |
| Lead & Lead Alloy Ingots | 28,119 | 39.5% | 20,762 | 46.9% | 10,702 | 34.9% |
| Copper & Copper Ingots | 31,939 | 44.8% | 19,282 | 43.5% | 18,154 | 59.3% |
| Aluminium & Aluminium Alloys | 2,732 | 3.8% | 2,718 | 6.1% | 353 | 1.2% |
| Precious Metals | 6,964 | 9.8% | - | - | - | - |
| Others | 1,504 | 2.1% | 1,522 | 3.4% | 1,431 | 4.7% |
| **Total** | **71,258** | **100.0%** | **44,284** | **100.0%** | **30,641** | **100.0%** |

They are a customer centric Company and constantly striving to create value for their customers with a dedicated emphasis on quality, regulatory compliances, and health and safety measures. They employ stringent quality control mechanism at each stage of the recycling and refining processes. They have a laboratory accredited by the National Accreditation Board for Testing and Calibration Laboratories ("NABL") for testing of lead, copper and aluminium in accordance with ISO/IEC 17025:2017. Their Recycling Facilities have accreditations such as ISO 9001:2015 for quality management system, ISO 14001:2015 for environment management system, ISO 45001:2018 for occupational health and safety management system and license for use of standard BIS mark for cast aluminium and its alloys (ingots and castings for general corporate purposes). Additionally, they comply with applicable environmental regulations regarding handling hazardous effluents and discharges and ensure safe disposal engaging third-party assistance for collection, transport, treatment and storage thereof in line with the provisions of Hazardous Rules and other applicable laws.

➢ **Key Strengths:**

- **Track record of profitability and consistent financial performance in an industry with significant entry barriers**

The Jain Metal Group is engaged in the recycling and production of non-ferrous metals in India. Their Company's lead ingot is registered as a brand by the London Metal Exchange, and their brand name "JAIN 9998" is accepted as a registered brand of refined lead by the Multi Commodity Exchange (MCX) in India, towards the settlement of lead contracts traded on MCX. In Fiscal 2025, JMG achieved a 60.9% year-on-year increase in revenue from operations in addition to the highest EBITDA growth of 62.2% which demonstrated a robust CAGR of 72.3%, expanding to ₹3,685.8 million in Fiscal 2025 from ₹1,241.8 million in Fiscal 2023. Further, in Fiscal 2025, JMG recorded the highest PAT growth at 36.3% year-on-year wherein JMG's PAT rose sharply to ₹2,232.9 million from ₹1,638.3 million. Their Company has showcased a consistent track record of growth and profitability. They have registered a growth in their revenue from operations of 44.5% year-on-year from Fiscal 2023 to Fiscal 2024 and 60.9% year-on-year from Fiscal 2024 to Fiscal 2025. From Fiscal 2023 to Fiscal 2025 their gross profit margins have increased from 5.3% in Fiscal 2023 to 6.3% in Fiscal 2025. Further, their Company recorded a growth in profit after tax of 78.4% year-on-year from Fiscal 2023 to Fiscal 2024 and 36.3% from Fiscal 2024 to Fiscal 2025. For the financial years ending March 31, 2025, 2024 and 2023, their (i) revenue from operations stood at ₹71,257.7 million, ₹44,284.2 million and ₹30,640.7 million respectively; (ii) gross profit stood at ₹4,443.1 million, ₹2,850.8 million and ₹1,635.3 million respectively; and (iii) profit after tax stood at ₹2,232.9 million, ₹1,638.3 million and ₹918.1 million respectively. They believe that improved credit ratings allow them the benefit of increased financial limits and multiple funds raising/leveraging options, both domestically and internationally. The following table highlights the total financial limits of the Company for Fiscals 2025, 2024 and 2023 –

| Particulars | March 31, 2025 (in ₹ million) | March 31, 2025 (in ₹ million) | March 31, 2025 (in ₹ million) |
|---|---|---|---|
| Total borrowing limits* | 16,450 | 15,966 | 10,346 |

- **Strategically located Recycling Facilities with capabilities to handle multiple products lines**

The Company conducts its recycling operations at three Recycling Facilities in India located at SIPCOT Industrial Estate, Gummidipoondi, Chennai spread across 26.94 acres of leased land providing them the benefit of integrated and centralized operations. The strategic location of Recycling Facilities offers them the benefit of utilizing various by-product of one facility as raw materials for another facility in addition to the ability to utilize common capabilities including laboratory infrastructure, technical know-how etc. The value of captive consumption of the by-products was ₹439.27 million, ₹321.80 million and ₹646.95 million for Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively constituting 0.62%, 0.73% and 2.11% of the total revenue from operations for such periods. They believe that cross-facility utilization of their by-products permits efficient utilization of their raw materials by limiting wastage in their recycling process which provides them a competitive advantage in their business operations. The table below sets forth their major product categories and market position of JMG in India for the year 2024, based on capacity:

| Secondary Metal | JMG production (kT) | Overall demand in India (kT) | % share of JMG |
|---|---|---|---|
| Lead | 101 | 1180 | 8.6% |
| Copper | 22 | 645 | 3.4% |
| Aluminum | 10 | 1900 | 0.5% |

Their Recycling Facilities have diversified capabilities with their lead recycling unit having the capabilities to recycle lead acid battery scrap, lead copper relay scrap and various types of lead scraps. Further, their copper recycling unit offers the capacity to recycle insulated copper cable scrap, motor scrap, graphite coated copper foil and various categories of copper scrap. Similarly, their aluminium recycling unit offers recycling of automotive aluminium scrap, extrusion scrap and aluminium chip scrap. This enables them to cater to a broad range of customers across product categories. With their Recycling Facilities focusing on a particular metal category, they believe that such specialization of product line provides them the benefit of economies of scale by way of reduced operational costs. They are located in one of the key industrial hubs SIPCOT, Tamil Nadu in South India near the Chennai port at Chennai-Kolkata Highway offering connectivity with the Ennore Port and Katupalli Port. The Chennai Port is one of the principal gateways on the east coast of India that helps them to serve imports and exports from/to China and South-East Asian countries. They believe that this not only optimizes their Company's logistics but also ensures a steady and efficient supply chain by facilitating efficient logistics for both raw material imports and finished product exports and deliveries. The details of their raw material procurement from imports are as under:

- **Strong customer base with global footprint and deep sourcing capabilities**

They have an established presence in international markets. Their capabilities enable them to serve various customers in international markets with significant portion of their revenue being generated from export of their products to more than 20 countries as on March 31, 2025, including China, Singapore, South Korea, UAE, Taiwan, Japan, etc. Their revenues from exports grew at a CAGR of 64.9% between Fiscals 2023 and Fiscal 2025 to ₹43,033.3 million in Fiscal 2025 as compared to ₹15,820.7 million in Fiscal 2023. They generated revenue of ₹43,033.3 million, ₹23,960.2 million and ₹15,820.7 million from their export sales as on for Fiscals 2025, 2024 and 2023 respectively, which represented 60.4%, 54.1% and 51.6% of their revenue from operations for the respective periods. The details of their country-wise revenue from operations for Fiscal 2025, Fiscal 2024 and Fiscal 2023 are as below:

| Country wise revenue from operation | Fiscal 2025 | | Fiscal 2024 | | Fiscal 2023 | |
|---|---|---|---|---|---|---|
| | Amount (in ₹ million) | As a percentage of total revenue from operation (in %) | Amount (in ₹ million) | As a percentage of total revenue from operation (in %) | Amount (in ₹ million) | As a percentage of total revenue from operations (in%) |
| India | 27,620 | 38.8% | 21,000 | 47.4% | 14,832 | 48.4% |
| Singapore | 12,982 | 18.2% | 9,734 | 22.0% | 35 | 0.1% |
| China | 13,644 | 19.2% | 7,843 | 17.7% | 10,348 | 33.8% |
| UAE | 7,187 | 10.1% | - | - | - | - |
| Taiwan | 6,508 | 9.1% | 137 | - | 40 | - |
| Japan | 452 | 0.6% | 895 | 2.0% | 56 | 0.2% |
| South Korea | 1,579 | 2.2% | 3,625 | 8.2% | 4,257 | 13.9% |
| Others | 609 | 0.9% | 2,036 | 4.6% | 1,120 | 3.7% |
| Adjustments* | 678 | 1.0% | -849 | -1.9% | -7 | 0.0% |
| **Total** | **71,258** | **100.0%** | **44,284** | **100.0%** | **30,641** | **100.0%** |

Their customer relationships are primarily led by their ability to meet stringent quality and technical specifications for their customers in a timely and cost-effective manner. As a result, they have a history of high customer retention. They believe that such long-term association with their customers offers them the advantage of revenue visibility, industry goodwill and a deep understanding of the requirements of their customers. The details of their repeat customers and their revenues from repeat orders from such customers for Fiscal 2025, Fiscal 2024 and Fiscal 2023 are as set out below:

| Particulars | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|
| No. of Repeat Customers | 203 | 188 | 154 |
| No. of Total Customers | 371 | 342 | 317 |
| Percentage of Repeat Customers (in %) | 54.7% | 55.0% | 48.6% |
| Revenue of Repeat Customers (in ₹ million) | 59674.61 | 37745.2 | 23091.11 |
| Revenue from Operations (in ₹ million) | 71257.68 | 44284.18 | 30640.71 |
| Revenue from repeat customers as a % of revenue from operations (%) | 83.7% | 85.2% | 75.4% |

Their enduring customer relationships serve as a clear testament to their commitment to quality and recycling capabilities. They believe that as a result of their long-standing relationships with their customers, they are well equipped to retain their presence in the market and build upon these relationships to reach out to new customers. Their customer relationships have helped them expand their product range and geographic reach in addition to allowing them to plan their capital expenditure. Further, it enhances their ability to benefit from increasing economies of scale and ensuring a competitive cost structure to achieve sustainable growth and profitability.

- **Application of Hedging Mechanism for Commodity Price Risk Protection for Products**

Their business operations are directly impacted by fluctuations in the prices of base metals traded on the London Metal Exchange (LME). Price increase or decrease in these metals can significantly affect their profitability. For the purposes of safeguarding their financial position against this price volatility, they utilize hedging exclusively within the metals market by entering into futures derivative contracts on the LME. Hedging is a risk management strategy that allows businesses to protect themselves from the financial impact of price fluctuations in the markets. Specifically, in the metals industry, hedging involves using financial instruments like futures contracts to mitigate the risk posed by volatile commodity prices. This enables companies to stabilize their financial performance by offsetting potential losses from price movements in base metals.

At the time of purchasing raw materials from suppliers, they hedge the final sale value of these materials by taking a short position in futures contracts on the LME, executed through brokers. Similarly, at the time of sale of physical metal, they take a long position in the futures contracts. These contracts typically span for a ninety-day period ("Delivery Period"), during which they lock in the sale price of the final product. This strategy ensures that their production costs are covered, regardless of market price fluctuations. Additionally, they have the option to sell their finished products to pre-identified buyers before the Delivery Period expires. In such cases, they close their futures positions with the LME and withdraw from the original contracts. This flexibility allows them to manage metal price risk in real time in response to changing market conditions. Their foreign currency exposure comprises of outstanding amounts payable for imported raw materials, capital goods and working capital financing denominated in foreign currency. In relation to their exports, they have a natural hedge as their imports exceed exports in terms of value. However, as a practice and for the purposes of ensuring that they are not adversely affected by any foreign currency fluctuations due to high transaction volume, they monitor their foreign currency position on a daily basis whereby a net foreign currency position is arrived at by assessing their receivables and payables in foreign currency, including working capital liabilities. In the event that the liabilities exceed the receivables in foreign currency on a consolidated basis, appropriate buy contracts/forward contracts are executed to hedge any foreign currency exposure. They enter into multiple buy and sell contracts on a daily basis and any unutilized contracts are rolled over to next cycle with the outstanding foreign currency exposure being provided at the end of the financial year. The table below provides the details of derivative/hedging instruments entered into by the Company for hedging foreign currency exposure during the last three financial years:

| Period | Nature of Derivative Instruments Used | Purpose of Hedging | Amount Hedged (in ₹ million) | Amount Hedged (Foreign Currency in million) |
|---|---|---|---|---|
| Fiscal 2025 | Forward Contracts | To mitigate foreign exchange rate fluctuations against Imports/Exports | 40,470 | 480 |
| Fiscal 2024 | Forward Contracts | To mitigate foreign exchange rate fluctuations against Imports/Exports | 22,511 | 272 |
| Fiscal 2023 | Forward Contracts | To mitigate foreign exchange rate fluctuations against Imports/Exports | 19,039 | 239 |

Due to the high volume of contracts entered into on a daily basis for both imports and exports, the foreign currency position is tracked only on a consolidated basis for their Company as a whole and not product-wise, contract-wise or consignment wise. Further, due to the mix of exports and domestic sales, imports and domestic purchases, the net foreign currency position of profit or loss for their Company keeps fluctuating continuously which can be tracked / monitored only on a consolidated basis and not for individual transactions.

- **Key Strategies:**

- **Forward Integration into Copper Cathode and Wire Rod Manufacturing Business**

They aim to expand their product offerings by expanding into copper cathode, the purest form of copper, wire rod and copper busbar manufacturing business (“New Project”) thereby increasing their ability to cater to a more diversified consumer base and enlarging the value chain in the business. Under the New Project, copper cathode shall be produced from recycled copper materials by removal of fringe metallic impurities by way of electrolytic refining and subsequently converting the copper cathode into high-quality copper wire rod. The feed stock for the copper cathodes shall be the finished products from their Company’s Recycling Facilities and hence, the copper cathode, copper wire rod and copper busbar project shall be a forward integration project for JMG. The New Project is proposed to be implemented in phased manner with the capital expenditure to be met out of internal accruals. They believe that such forward integration strategy shall not only strengthen their position in the copper recycling value chain but also caters to the growing demand within the wire industry. They believe that the forward integration project of manufacturing copper cathodes, copper wire rods and copper busbar along with the state-of-art facilities will further consolidate their position in the recycling and metal manufacturing industry. They believe that the New Project aligns with their vision of diversifying their product portfolio and serving the growing demand for high-quality copper products. In relation to the forward integration project, their subsidiary, JGT has entered into a 99-year lease agreement with SIPCOT for land parcels bearing Plot No (s). B-74 & 76 Survey No. 35/1 Pt. ,35/2 Pt. ,of Karumbukuppam village, 87/1 Pt., 3Pt., 4Pt., 89 Pt situated at SIPCOT Industrial Park at Gummidipoondi, admeasuring 6.58 acres and have received the consent to establish bearing consent order no. 2501267649464 and 2501167649464 under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 respectively, each dated August 02, 2025 from the Tamil Nadu Pollution Control Board. They believe, that with its geographical proximity to their Recycling Facilities, the New Project shall have the benefit of operational synergies with their Recycling Facilities in terms of efficient logistics and cost optimization.

Since the only fuel required to convert copper anode into copper cathode is electricity, they plan to operate the New Project with an in-house rooftop solar power plant. They believe that sourcing solar power for the New Project shall enable them to generate a portion of the copper cathode production without usage of any fossil fuels ("Green Copper Cathode") thereby reducing the carbon footprint. In light of significant damage to environment posed by copper cathodes production from mining and smelting of ores, they believe that production of Green Copper Cathode under the New Project shall make them a preferred supplier for various environment conscious consumer industries having policy of giving preference to green metals in addition to placing them in a position to carry out the production in an environmentally friendly manner.

- **Exploring new recycling domains to better serve their customers in domestic and international markets**

They have a diverse portfolio of products including recycling of lead, copper and aluminium scrap. Commencing with lead recycling in Fiscal 2013, they have diversified their operations over the past decade to encompass copper and aluminium recycling. The growth in the scrap market in the new age and niche segments will provide business opportunities in the recycling sector. Their growth strategy emphasizes expanding manufacturing capacity and diversifying their operations through strategic entry into such niche recycling verticals and they are targeting sectors that align with market demand and sustainability imperatives. Further, with India's continuous push for renewable energy, the market for solar panel recycling is expected to increase considering the aging solar panels and increasing focus on the sustainability by domestic companies. Similarly, the automative tire recycling industry is expected to grow. Venturing into copper-aluminium radiator scrap industry will thus, allow the Company to capitalize the opportunity in these segments. In addition to these, increasing usage of brass in electrical, plumbing, and industrial applications and its high recyclability coupled with increased government focus on brass recycling makes brass scrap industry another lucrative segment for Company to expand into. Further, an increase in the market of smartphones, laptops and appliances supplemented by increasing shift from informal to organized e-waste processing has increased the quantum of e-waste generation. As a result the increase in electronics scrap generation opens up another recycling domain for the Company to venture into. Not only expanding market share but increased focus and push by government policies for eco-friendly production methods further paves way for the Company to diversify and extend its operations to green copper cathode production and harness the opportunity and meet the increasing demand from sectors like electric vehicles and renewable energy, for use of sustainable copper.

Their established expertise in recycling operations enables them to successfully explore these new recycling domains, broaden their international customer base, and capitalize on emerging long-term growth opportunities. They believe that this strategic approach shall drive revenue growth, enhance their competitive advantage, and deliver enduring value to all stakeholders. Further, by exploring new recycling domains they intend to position themselves better to meet evolving market requirements and drive sustainable growth.

- **Value creation through extraction of by-product such as tin and plastic to achieve cost efficiency**

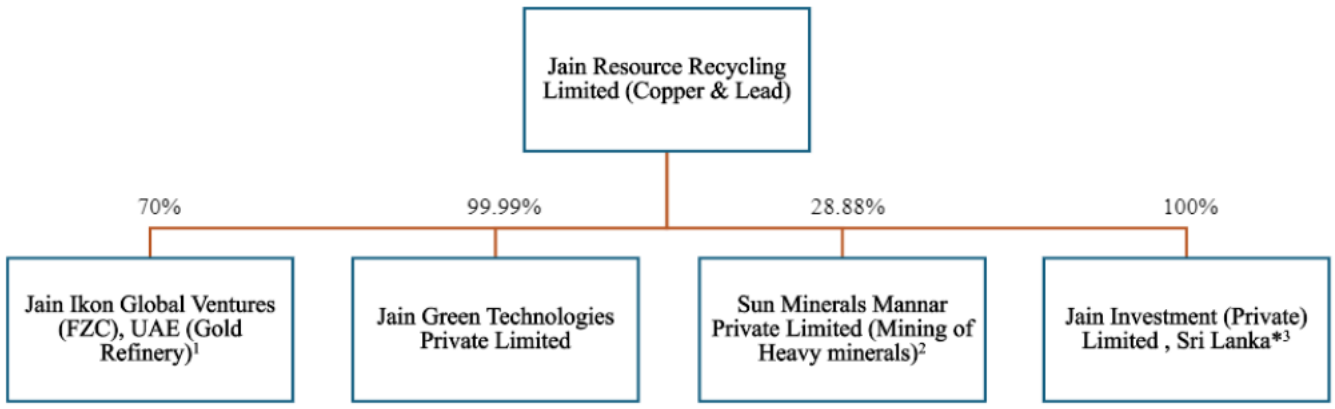
JMG is well positioned in the metal recycling industry with capabilities to manufacture multiple product lines of non-ferrous metal products comprising of (i) lead and lead alloy ingots; (ii) copper and copper ingots; and (iii) aluminium and aluminium alloys. Building on its existing capabilities, their Company aims to adopt a holistic and integrated approach to metals and material recycling by leveraging the full potential of the by-products, tin and plastic, generated as a result of its lead and copper recycling operations. This strategic direction is aligned with the Company's commitment to resource optimization, cost efficiency, and environmentally responsible business practices.

***Tin*** - Their Company received the consent to establish for production of tin ingots vide consent order no. 2406260140659 dated December 27, 2024 and the consent to operate- expansion vide consent order no. 2507264465163 and 2507164465163 under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974, respectively each dated April 17, 2025 from the Tamil Nadu Pollution Control Board for its Facility 2. Tin, present at about 0.2% as an impurity in the lead scrap, is recovered during the lead recycling process. As the Indian lead market continues to expand, with the demand for lead increasing from 1.20 million tonne to 1.37 million tonne between FY 2019 and FY 2024, logging a CAGR of 2.7% and expected to grow at a CAGR of 5.4-6.4%, to reach 1.9-2.0 million tonne by FY 2030, the volume of recycled lead is also expected to rise thereby, inducing increased recovery of tin as a by-product which can then be further refined and processed into tin ingots. Capitalising on this opportunity, their Company commenced operations to extract tin and manufacture it into crude tin ingots of 99.5-99.8% purity level and lead tin (Pb) alloy solders/ingots (collectively referred as "Tin Ingots") as per customer requirements through the vacuum distillation furnace technology ("VDF") under which metals with lower boiling point are vaporized followed by a condensation process to extract metals with a higher-boiling point thereby facilitating the extraction of tin from lead by melting lead scrap in the furnace The primary clientele for their Tin Ingots include battery manufacturers, tin refiners, alloy manufacturers and tin plating companies.

***Plastic*** **-** Their Company received consent to operate- direct vide consent order no. under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 respectively each dated May 06, 2025 from the Tamil Nadu Pollution Control Board for Facility 1 and consent to operate for expansion vide consent order no, under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 each dated April 17, 2025 from the Tamil Nadu Pollution Control Board for Facility 2. India generates approximately 9.5 tonne per annum of plastic waste as of 2024 and the bulk of this waste comprises polypropylene (PP), polyethylene (PE) and polyvinyl chloride (PVC), with packaging representing the largest share of consumption. India's plastic recycling industry is rapidly evolving, driven by increased consumption, rising awareness of environmental sustainability and government initiatives aimed at managing the country's growing plastic waste problem. The market for recycling plastic waste stood at 9.71 million tonne in FY 2024, growing 11.6% YoY from 8.70 million tonne in FY 2023 and is projected to rise at a CAGR of 11-12% to reach 18-19 million tonne from 2023 to 2030. As a part of its lead and copper recycling process, their Company recovers plastic as a by-product in the form of PPCP chips and PVC granules from lead battery scrap and copper cables respectively. With the aim to tap this product segment, their Company has commenced recycling and manufacturing of PPVC granules and PVC granules (collectively referred as "Plastic Granules") from the recovered plastic, which would otherwise be disposed of as waste. The majority of their Plastic Granules customers includes companies engaged in manufacturing automative components, footwear soles, garden pipes and lead acid battery cases. By converting plastic by-products into a commercially viable product without the need for external raw material procurement, the Company not only aims to reduce the environmental impact but also to create an additional stream of income.

➢ **Their Corporate Structure**:

The following chart shows the corporate structure of the Company:




➢ **Recycling Process**:

- ***Lead Recycling*** **-** Lead recycling operations of their Company are housed at their Facility 2 which primarily involves processing used lead-acid batteries, which serve as the main raw material. The recycling process begins by breaking down these batteries into smaller pieces. From there, the different components are separated to recover the valuable metals contained within. The extracted lead is then processed and refined, transforming it from scrap into a reusable material. This efficient recycling process not only helps in conserving natural resources but also significantly reduces environmental pollution by ensuring safe disposal and reuse of hazardous battery components. Lead being hazardous material, requires a licence for the scrap to be imported and the required licences are provided by Battery Waste Management Rules, 2022 for import of the scrap. The final product of their lead recycling process are marketed in two forms i.e. refined lead ingot (99.97% to 99.99%) and lead alloy ingot (the composition of which is determined basis client requirements).

- ***Copper Recycling*** - They conduct copper recycling process at their Facility 1 and Facility 2. The recycled copper is used in electrical appliances, automative industry and electronics manufacturing. Their Company has a robust copper recycling operation that complements its expertise in lead recycling. The Company's copper recycling activities focus on recovering high quality copper from various waste streams, contributing to resource conservation and environmental sustainability. Further, they engage in sale of various non-ferrous copper scrap on a B2B basis.

- ***Aluminium Recycling*** - Their subsidiary JGTPL at Facility 3 recycle a wide range of aluminium scrap, including aluminium scrap tread, aluminium scrap talon and aluminium scrap tense. The recycled aluminium is then refined and sold to various industries, including automotive, construction, and packaging. Further, JGTPL engages in sale of various non-ferrous aluminium scrap, the same being (i) by-products of the manufacturing/recycling process undertaken at the Company level; or (ii) secured during intermittent stages of the recycling process such as sorting, breaking etc. Such scrap is sold to third parties strictly on a B2B basis.

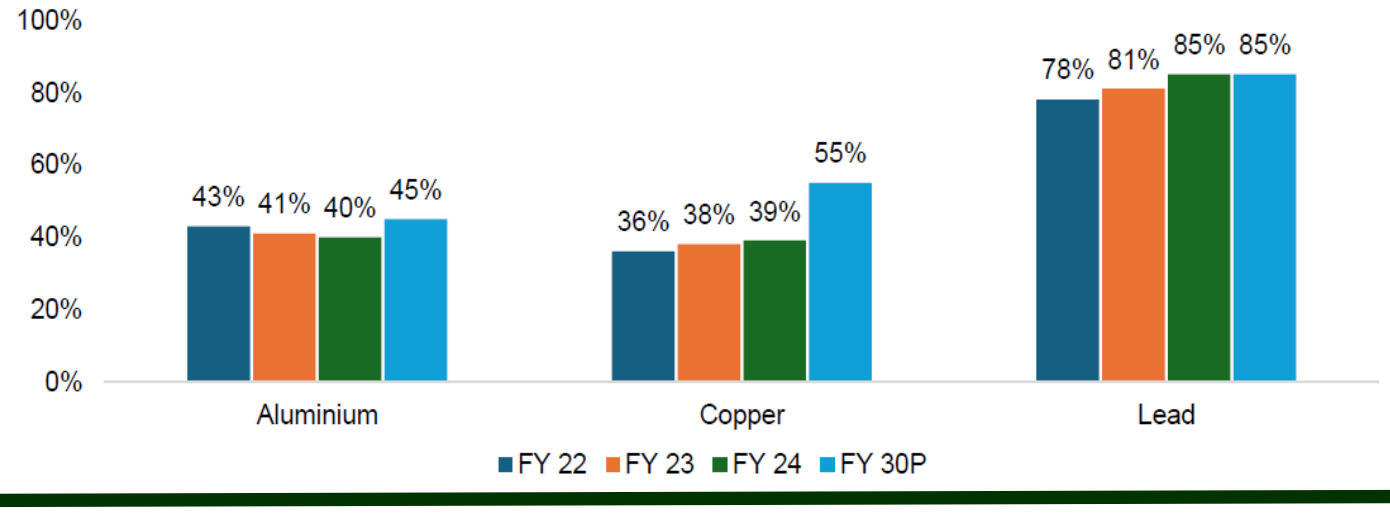
- **E-Waste Management -** For the purposes of legal disposal and processing of e-waste incidentally received along with the import consignments of cable and other scraps regularly imported by Group, such as discarded computers, refrigerators, washing machines, televisions, VCRs, stereos, copiers, fax machines, electric lamps, cell phones, audio equipment and other electronic items and batteries, their Company has forged an alliance with government approved e-waste recycling entities for its Facility 1 and Facility 2. The terms of the agreements highlight that these entities will be providing treatment services for E-scrap including its collection, transportation and segregation. The segregation and classification of E-scrap will be done for destruction, processing or disposal in accordance with requirements of their Company. Further, the treatment of the E-scrap by the e-waste recycling entities has to be done in accordance with the general requirement for electrical and electronic processing and security classification and as per the requirements for end of life electrical and electronic equipment handling.

➢ **Industry Snapshot*:***

- **Overview of metal recycling in India**

**Metals recycling rate in India** - Metal recycling in India is poised to undergo a significant transformation, driven by the government's commitment to reducing industrial waste and promoting sustainable practices.

***Historic & Projected rate of recycled content (%)***



- **Existing stance of Government of India on recycling and need of the hour**

India's metals recycling rates may appear high, but a closer look reveals a concerning reality. Most of the remelted copper is used to produce rods and billets, primarily for the electrical and electronics segment. However, the country's recycling process is largely focused on direct melting of scrap, resulting in variable copper purity due to the use of diverse scrap types. This approach raises quality concerns, particularly regarding tramp elements in conductor applications.

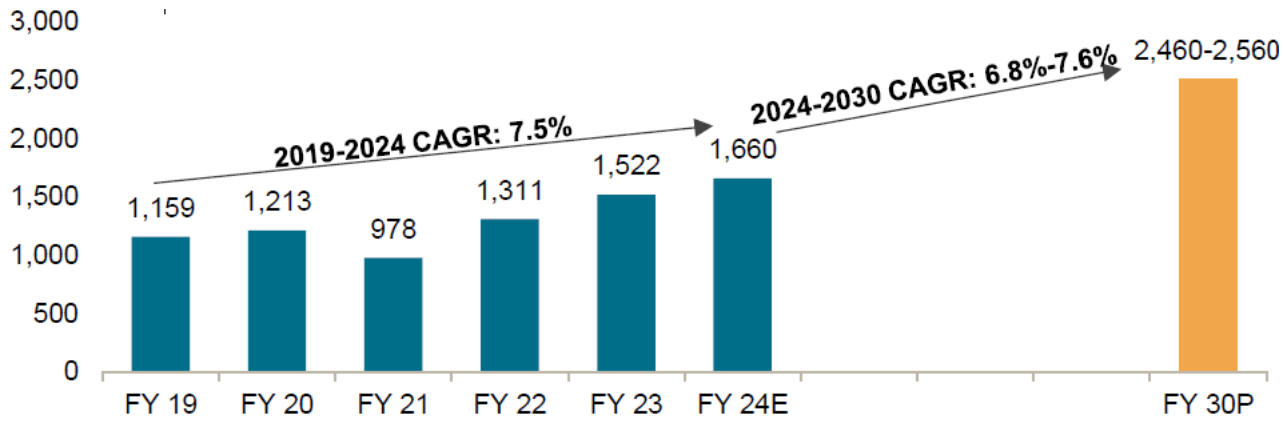
In contrast, leading economies like China, the EU, and Japan have a much higher share of secondary smelting and refining of scrap, with rates of 32%, 30%, and 16%, respectively7. India's reliance on direct melting of scrap results in copper rods or billets that often fail to meet national standards. Poor-quality wires and cables are a leading cause of building fires and electrocutions in India. A study by ICA India found that 26% of building wire samples across India failed to meet conductor test standards, with all failures attributed to products from local brands of non-listed companies. This underscores the urgent need for investment in secondary smelting and refining of scrap processing in India to align with ETP copper standards. In response to these concerns, to increase the share of secondary smelting and refining of scrap in India (now at a mere 1%), the government has mandated that all new products made from non-ferrous metals must contain a minimum of 5% recycled content starting from the financial year 2028. This requirement is a part of a detailed roadmap towards reducing industrial waste, with the target progressively increasing to 10% in FY29. By FY31, the government has set a target of achieving at least 10% recycled content for aluminum products, 20% for copper and 25% for zinc.

- **Copper recycling industry in India**

  - **Review and outlook of the Indian recycled copper market**

As India embarks on an economic growth sprint, its infrastructure-enhancement efforts are gaining remarkable momentum. This rapid progress underscores the critical role of copper in industrialization, particularly electrification, a key driver of the global energy transition. With the significance of copper increasing worldwide, its steady supply is essential for India's burgeoning infrastructure, spanning building construction, transportation networks and power grids. Moreover, copper is a vital component in new clean-energy technologies such as electric vehicles, electrical motors, wind turbines, solar panels and battery storage, which are crucial to India's envisioned economic, industrial and sustainable growth. The overall copper demand in India has witnessed significant growth, surging from 1,159 kilo tonnes (kT) in FY19 to 1,522 kT in FY23, registering a 7.05% CAGR. It is estimated at 1,660 kT in FY24, a growth of 9.1% from FY 23. Further, it is projected to clock a CAGR of 6.8-7.6% to reach 2,460-2,560 kT by FY30. The global copper demand in 2023 reached 25.3 million tonnes. India’s copper demand in FY 24 is estimated at 1,660 KT, representing approximately 6.6% of global demand.

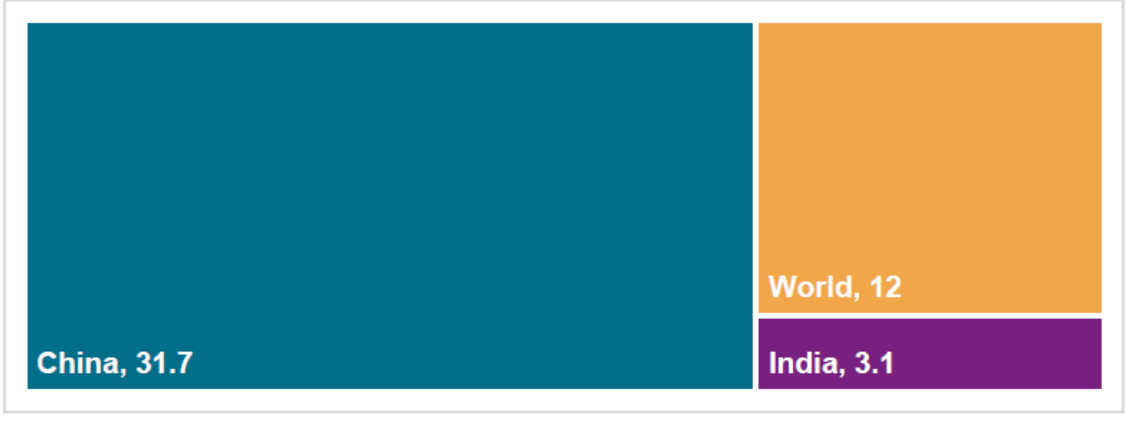
***Overall copper demand 2019-2030 (kilo tonnes)***




- **Aluminium recycling industry in India**

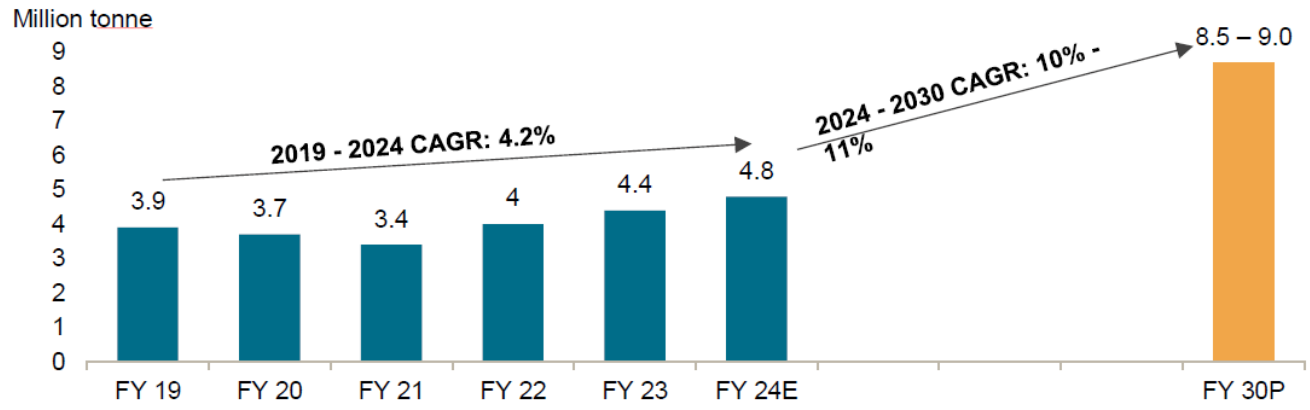
India—the world’s second-largest producer of aluminium after China—with a production of ~4.2 million tonne12 in fiscal 2024, plays a vital role in the global aluminium supply chain. The global aluminium demand in 2023 reached 69.7 million tonnes. India’s aluminium demand in FY 24 is estimated at 4.8 million tonne, representing approximately 6.9% of global demand. The Indian aluminum market demonstrates robust growth potential, driven by increasing demand across end-use industries, including automotive, construction, packaging, and electricals. Total aluminum demand (primary and secondary) in India reached 4.8 million tonnes in FY 2024. Following a decline due to COVID-19 restrictions - from 3.9 million tonnes in FY 2019 to 3.4 million tonnes in FY 2021 - demand rebounded strongly, growing on-year at rates of 17.6%, 10%, and 9.1% to reach 4.0 million tonnes, 4.4 million tonnes, and 4.8 million tonnes in FY 2022, 2023 and 2024 respectively. India’s per capita Aluminium consumption is only about 3.1 kg compared to the world average of 12 kg and China’s per capita consumption of 31.7 kg[13].

***Per capita Aluminium consumption (Kg)***



This presents a huge opportunity for Indian aluminium industry to grow across various end-use segments. Further, it is projected to clock a CAGR of 10-11% to reach 8.5 – 9.0 million tonne by FY30. The rise in demand is supported by the replacement of other non-ferrous or ferrous metals with aluminium in key end-use industries, owing to their superior technical properties such as an optimum strength-to-weight ratio, low melting point, corrosion resistance, better electrical and thermal conductivity, and better recyclability. Demand growth drivers include projected high GDP growth and government initiatives such as Make in India, 100% rural electrification, Housing for All, Smart Cities, the National Infrastructure Pipeline of ₹100 lakh crore, renewable energy and FAME (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) scheme.

***Aluminium demand on the rise***



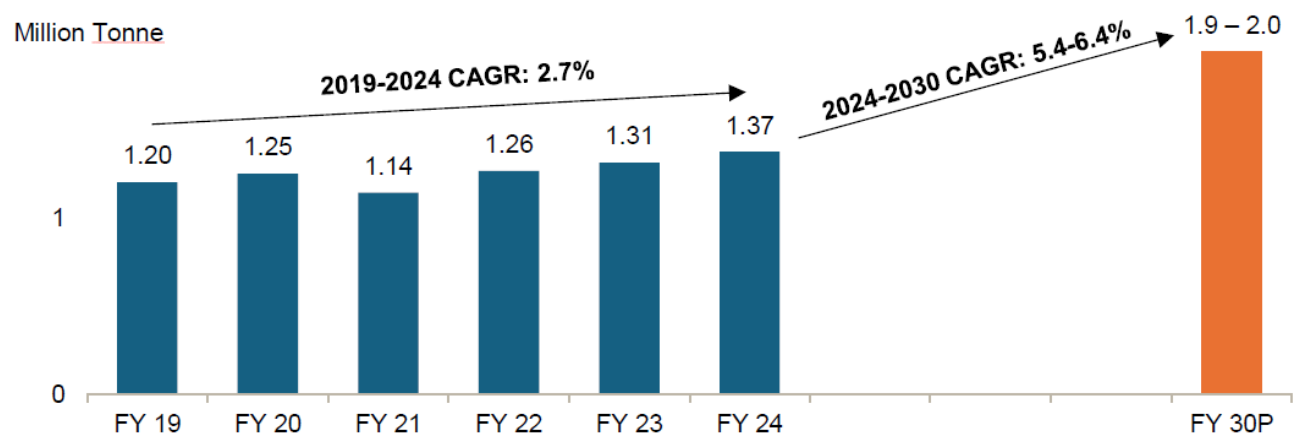

- **Lead Recycling Industry in India**

  - **Indian recycled lead market review and outlook**

The Indian lead market has witnessed steady growth in recent years, driven by increasing demand from the lead acid battery industry. Demand for lead in India grew from 1.20 million tonne to 1.37 million tonne between FY 2019 and FY 2024, logging a CAGR of 2.7%. India is expected to remain an attractive market for lead, with demand projected to grow at an average 6.4% until 203115. The overall demand is anticipated to log a CAGR of 5.4-6.4%, reaching 1.9-2.0 million tonne by FY 2030. The lead acid battery industry, comprising both original equipment manufacturer (OEM) and replacement markets, is the primary driver of demand. Additionally, industrial sectors such as telecom, home Uninterruptible Power Supply (UPS) and commercial power backup are also aiding demand. The emerging opportunity of energy storage for electricity generated from photovoltaic (PV) cells is expected to further drive demand given India's ambitious plan to aggressively expand solar PV capacity by 2030.

The domestic battery manufacturing industry is also witnessing growth, with major players expanding their lead acid battery manufacturing capabilities to cater to sustained demand. The industrial battery segment, which caters to data centres, financial institutions and the telecom industry, is experiencing strong growth on the back of a digitalization surge in the country that has driven up demand for reliable power backup solutions. The global lead demand in 2023 reached 12.5 million tonnes. India's lead demand in FY 24 stood at 1.37 million tonnes, representing approximately 11% of global demand.

***Overall growth in lead demand (2019-2030)***




- **Comparison with listed entity** –

| Name of Company | Face Value Per Share (₹) | EPS | P/E | RONW (%) for FY25 | NAV per equity share (₹) |
|---|---|---|---|---|---|
| Jain Resource Recycling Limited | 2 | 6.5 | 35.9 | 41.6% | 21.9 |
| **Listed Peers** | | | | | |
| Gravita India Limited | 2 | 45.1 | 37.1 | 22.3% | 273.0 |
| Pondy Oxides & Chemicals Limited | 5 | 21.1 | 62.2 | 12.7% | 205.3 |

*Note –: 1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on Sep 22, 2025.
2) * P/E of Jain Resource Recycling Limited is calculated on EPS of FY25, and post issue no. of equity shares issued.

➢ **Key Risk:**

- A substantial portion of their revenue is derived from the sale of their key products, namely Lead and Lead Alloy Ingots and Copper and Copper Ingots constituting 39.5% and 44.8% respectively of their revenue from operation in Fiscal 2025. Any loss of sales due to reduction in demand for these products could adversely affect their business, financial condition, results of operations and cash flows.

- They have derived a significant portion of their revenue from their top customers, top five customers and top 10 customers, and they do not have long-term contracts with majority of such customers. The loss of any of these customers may adversely affect their revenues and profitability.

- In the past, there have been disciplinary action imposed by SEBI or stock exchanges against the company's Promoter. The management cannot assure that in the future there will be no such action or regulatory proceedings initiated against them.

- They are subject to strict quality requirements and have experienced cancellation of 11, 29 and 30 customer orders in Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively. Any failure to comply with such quality standards may lead to cancellation of existing and future orders, which may adversely affect their reputation, financial condition, cash flow and results of operations.

- The company depends on third-party suppliers for the supply of scraps required for their business operations. Approximately 75%–80% of their total scrap requirement is imported, based on the average of their procurement data for the last three financial years. Any disruptions in the supply or availability of the scraps or fluctuations in their prices may have an adverse impact on their business operations, cash flows and financial performance.

- Any disruption or shortage of essential utilities could disrupt the company's operations and increase their production costs, which could adversely affect their results of operations.

- The company faces competition in their product line (from both organized and unorganized players), including from competitors that may have greater financial and marketing resources. Failure to compete effectively may have an adverse impact on their business, financial condition, results of operations and cash flows.

- The company's Promoter and Promoter Group will continue to retain majority shareholding in the company after the Offer, which will allow them to exercise significant influence over the same.

- Failure to successfully diversify may adversely affect their business, financial condition, results of operations, and cash flow.

- They rely on third-party logistics services for procurement of raw materials and for supply of their products and failure by any of their transportation providers could result in losses in sales.

➢ **Valuation & Outlook:**

Jain Resource Recycling Limited is a prominent player in India's non-ferrous metal recycling industry, specializing in the sustainable processing of copper, lead, and aluminium scrap. The company is part of the Jain Metal Group, a well-established entity in the metal recycling sector. The company operates three recycling facilities situated in the SIPCOT Industrial Estate, Gummidipoondi, Chennai. These facilities are dedicated to processing various types of metal scrap, including copper, lead, and aluminium. They source their raw materials from 120 countries and cater to various industries like automotive, electronics, and lead acid batteries etc.

The Company operates three recycling facilities in SIPCOT Industrial Estate, Chennai, enabling integrated operations. Their strategic location allows the use of by-products across facilities and shared resources like labs and technical expertise. They have a strong international presence, exporting to over 20 countries—including China, Singapore, South Korea, UAE, Taiwan, and Japan—with a significant portion of revenue derived from these markets

At the upper price band, the company is valued at 35.9x FY25 P/E, reflecting a post-issue market capitalization of ₹80,060 million. They are entering copper cathode, wire rod, and busbar production to enhance their value chain and diversify their customer base. Additionally, they are expanding into niche recycling segment solar panels, automotive tires, and copper-aluminium radiators—to tap into growing market and sustainability opportunities. Leveraging their recycling expertise, they aim to explore new domains, grow internationally, and drive sustainable long-term growth. On this basis, the IPO appears fully priced and warrants a "**SUBSCRIBE – LONG TERM**" recommendation.

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