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# Jain Resource Recycling Ltd

## Jain Resource Recycling Ltd

**Rating**  
**SUBSCRIBE**

**Issue Opens On**  
**Sept 24, 2025**

**Issue Closes On**  
**Sept 26, 2025**

**Listing Date**  
**Oct 01, 2025**

**Price Band (INR)**  
**220 - 232**

**Issue Size (INR Mn.)**  
**12,500**

### Company Overview:

Jain Resource Recycling, a part of Jain Metal Group, primarily focuses on manufacturing of green non-ferrous metals through recycling of diverse range of scrap materials sourced both domestically and internationally. Its product offering includes lead and lead ingots, copper and copper ingots and aluminum. As part of its manufacturing process, it also produces tin and plastic granules, to support its end-to-end recycling mission.

As of July 31, 2025, its total capacity stood at 308,306 TPA, with rated capacity of 184,000 TPA for lead and lead products, ~83,000 TPA for copper and other copper products, ~24,700 TPA for aluminum and 13,200 TPA for manufacturing of plastic granules.

The group also engages in opportunistic trading of metals like nickel, silicon, tin, and zinc. It sources most of its raw material from international markets due to higher availability and formalization of scrap markets. Exports account for most of its revenue, led by its strong global footprint.

### Outlook:

The Company boasts a total capacity of 308.3 KTPA (as of Jul'25) and is among one of the largest formal recycler of non-ferrous metals in India. It has a strong hold over its operations in an industry with high entry barriers, mainly led by its strong network for sourcing raw materials from diverse base of suppliers spread across 120 countries and ability to market its product to large and seasoned base of 371 customers both in India and globally.

It has witnessed a healthy revenue, and net profit growth of 52.5% and 56.3% CAGR over FY23-25. Its initial issue is sized up for INR 12.5bn, split as INR 7.5bn OFS and INR 5.0bn of fresh equity raise. The Company has planned to raise INR 5.0bn through issue of fresh equity, for repayment of borrowings of ~INR 3.8bn and rest for general corporate purposes.

Jain Resource Recycling's initial issue is priced at 35.7x TTM P/E, compared to its direct peer's average of 54.0x TTM P/E. On comparing its financial performance with the peer set, we believe its valuation appears low, led by its higher growth and better return profile. We expect the Company to perform better, as it plans on its next leg of growth journey, driven by gradual expansion in recycling capacity. Moreover, with introduction of EPR norms and government support for higher recycling, it can positively impact its EBITDA margins. We assign a "SUBSCRIBE" rating to the issue.

Particulars ( INR Mn)	FY23	FY24	FY25
Revenue	30,641	44,284	71,258
EBITDA	1,242	2,272	3,688
EBITDA Margin (%)	4.1%	5.1%	5.2%
Profit After Tax	918	1,638	2,243

Source: IPO Prospectus, DevenChoksey Research

### OFFER STRUCTURE

Particulars	IPO Details
No. of shares under IPO (Mn.)	53.9
Fresh issue (# shares) (Mn.)	21.6
Offer for sale (# shares) (Mn.)	32.3
Price band (INR)	220 – 232
Post issue MCAP (INR Mn.)	76,177 – 80,060

Issue	# Shares	INR Mn.	%
<b>QIB</b>	4,04,09,483	Min 9,375	Not less than 75%
<b>NIB</b>	80,81,897	Max 1,875	Not more than 15%
<b>Retail</b>	53,87,931	Max 1,250	Not more than 10%
<b>Net Offer</b>	5,38,79,310	12,500	100%

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoters	88.01%	73.15%
Public	11.99%	26.85%
<b>Total</b>	100.0%	100.0%

Objects of the Offer	INR Mn.
1. Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by the Company	3,750
2. General corporate purposes	1,250

### BRLM

- DAM Capital Advisors Ltd
- ICICI Securities Ltd
- Motilal Oswal Investment Advisors Ltd
- PL Capital Markets Private Ltd

### Indicative Timetable

Offer Closing Date	Friday, Sept 26, 2025
Basis of Allotment	Monday, Sept 29, 2025
Initiation of Refunds	Tuesday, Sept 30, 2025
Credit of Shares to Demat	Tuesday, Sept 30, 2025
Listing Date	Wednesday, Oct 01, 2025

Source: IPO Prospectus

## Jain Resource Recycling Ltd

### Industry Overview:

#### Global recycling market

The global non-ferrous metals recycling industry focuses on aluminum, copper, lead, and zinc, and was estimated at 45 MTPA in FY23. It is expanding rapidly, driven by sustainability goals, strict environmental norms, and strong demand from automotive, construction, and electronics. Recycling is highly efficient process, as recycling of aluminum saves up to 95% energy, while that of copper and zinc saves 85% and 76%, respectively, compared to primary production, along with significant reduction in CO<sub>2</sub> emissions.

Asia leads recycling led by higher industrialization in China, Japan, and India, Europe excels in regulatory support, while North America benefits from a mature recycling ecosystem. Rising resource scarcity, new recycling technologies, and circular economy initiatives further strengthen the industry's outlook.

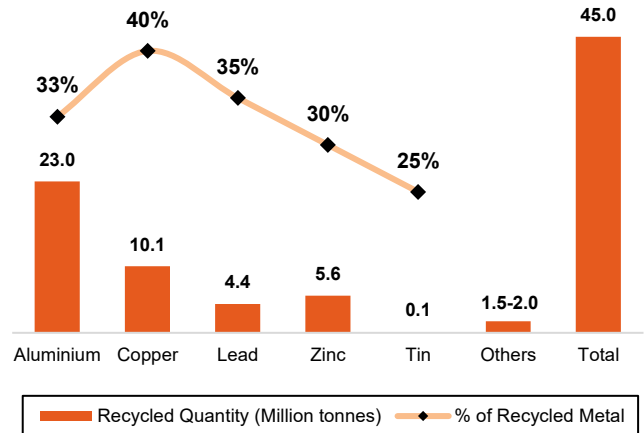
#### Metal Recycling In India

India's metal recycling sector is undergoing rapid transformation, propelled by government initiatives which promotes a circular economy, resource efficiency, and sustainable industrial practices. With steel and aluminum production accounting for nearly 10% of global greenhouse gas emissions, recycling presents a vital solution, as secondary aluminum production has a carbon footprint 5 to 25 times lower than primary production, while scrap-based steel production cuts emissions by roughly 50%. Although the opportunity is significant, the industry is defined by high entry barriers, including stringent regulatory approvals and substantial capital costs, which limit participation and protect established players.

#### Copper recycling industry in India

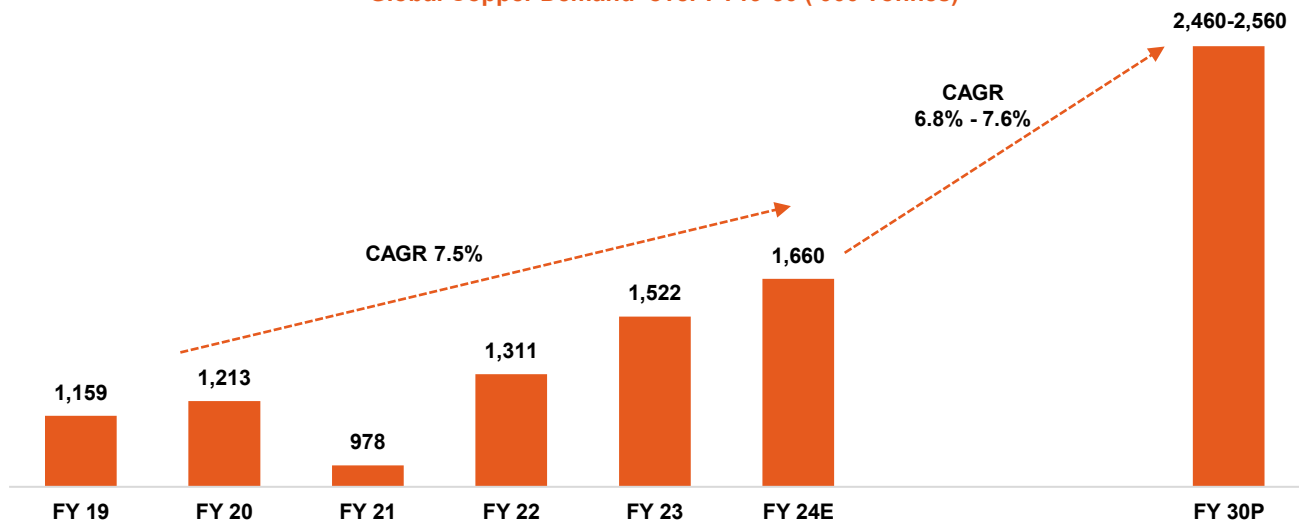
The Indian copper recycling industry is emerging as a vital component of the country's resource strategy, driven by rapid industrialization, infrastructure growth, and the push for sustainable practices. With rising copper demand and increasing focus on circular economy models, recycled copper is gaining prominence as a cost-effective and energy-efficient alternative to primary production. The sector not only addresses resource scarcity but also reduces carbon emissions, making it an essential pillar in India's transition toward sustainable industrial development.

Global non-ferrous metals recycling market size (2023)



Source: IPO Prospectus, Deven Choksey Research

Global Copper Demand over FY19-30 ('000 Tonnes)



Source: IPO Prospectus, Deven Choksey Research

## Jain Resource Recycling Ltd

### Industry Overview:

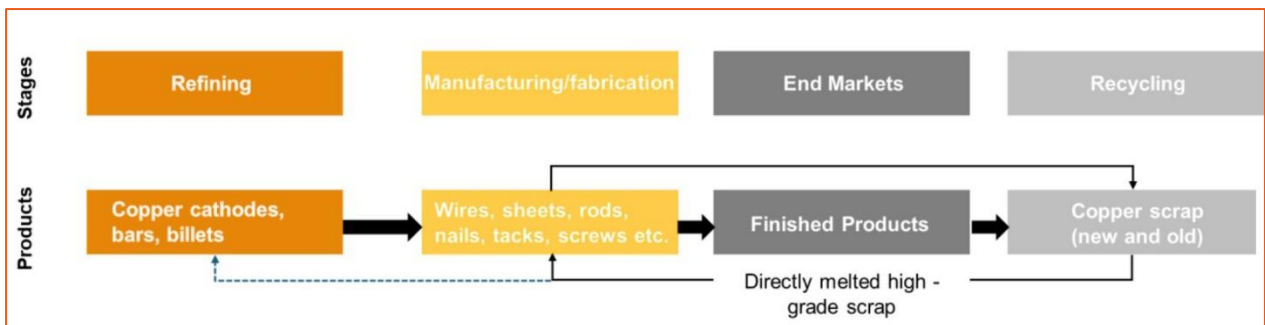
#### Demand Drivers and End-Use Sectors

Strong demand from key end-use industries has been the major driver of growth for India's copper recycling market. Indian consumer durables sector, have been the highest adopter of recycled copper, with utilizing ~80–85% of its total requirement, while the transportation and industrial sectors each consume ~50–55% of their copper requirements through recycled sources. Rapid rise in demand of electric vehicles (EVs), is expected to drive large quantum of copper for wiring, in motors and batteries, and will remain as one the strong catalyst for the industry's expansion.

#### Industry Structure and Challenges

India's recycling process involves scrap collection, shredding, melting, purification, and casting. However, the sector relies heavily on direct melting, which results in inconsistent purity and quality issues. An ICA India study found that 26% of local building wire samples failed conductor tests. Secondary smelting and refining remains underdeveloped at just 1% of India's capacity, far below global peers.

#### Secondary Copper Value Chain



Source: IPO Prospectus, Deven Choksey Research

#### Government Policies and Support

The government has launched various policies and initiatives to drive higher recycling in India and includes mandate for phased increase in recycled content for copper products from 5% in FY28 to 20% by FY31, launch of Extended Producer Responsibility (EPR) framework, effective April 2025, Scrap Recycling Framework (2020) and the Vehicle Scrappage Policy (2021).

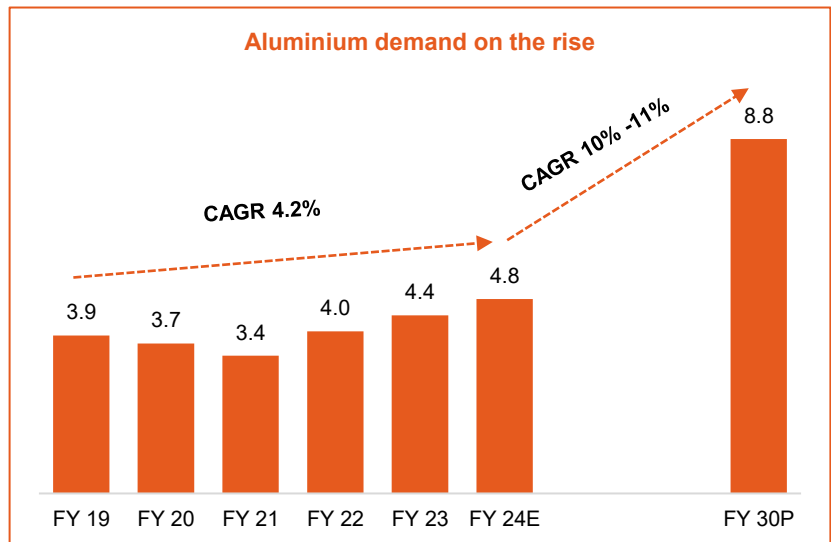
#### Aluminium recycling industry in India

The Indian aluminum recycling industry is emerging as a key pillar of the country's circular economy, driven by rising demand across automobiles, construction, and packaging.

Secondary aluminum consumption in India accounted for ~40.0% of total consumption as of FY24 and, is expected to expand to reach 45.0% by 2030, as the sector is gaining prominence for being cost-effective and energy-efficient alternative to primary production.

Strong growth for recycled copper is further supported by multiple government policies, led by increasing import of scrap, and India's low per capita aluminum consumption, underpinning the country's significant long-term potential.

#### Aluminium demand on the rise



Source: IPO Prospectus, Deven Choksey Research

#### End-Use Sectors and Demand Drivers

The automobile sector is the largest consumer of recycled aluminum, accounting for ~43.0%–45.0% of the total recycled aluminum demand, driven by lightweighting and electric vehicles, followed by building and construction accounting for ~20.0%–21.0% demand, packaging accounting for 8.0–9.0%, consumer durables accounting for 5.0–6.0%, while the electricity sector accounted for merely 1.0–2.0%.

## Jain Resource Recycling Ltd

### Industry Overview:

#### Lead recycling industry in India

The lead recycling industry in India is one of the most established segments of the non-ferrous metal recycling sector, with 85–90% of the country's total lead production derived from recycling.

Lead recycling in India is primarily driven by the lead-acid battery market, which accounts for over 80% of consumption, and the industry has achieved one of the highest recycling rates globally. Its strong circularity, steady demand growth, and alignment with sustainability goals make it a cornerstone of India's metal recycling ecosystem.

#### End-Use Sectors and Demand Drivers

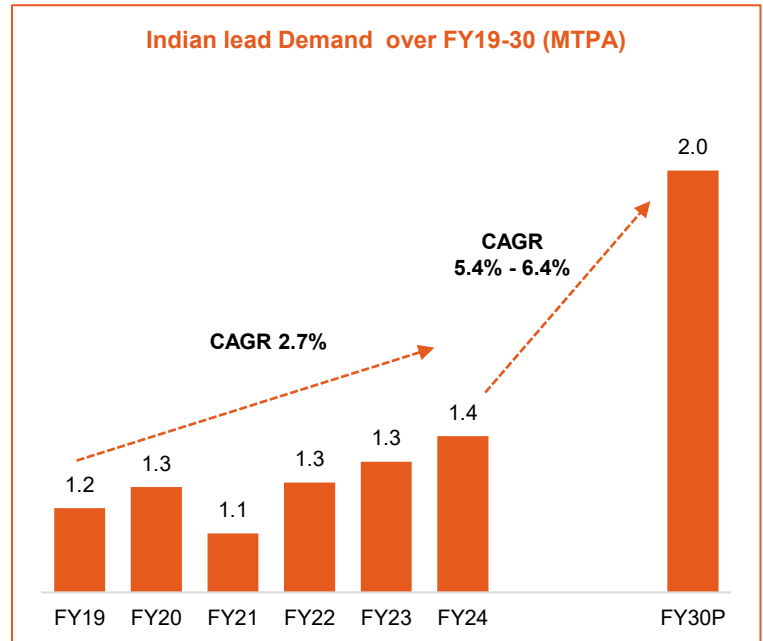
Lead-acid batteries dominate consumption, using 80–90% of recycled lead across automotive OEMs, replacement markets, telecom, UPS, and solar storage. Smaller applications include cable sheathing (2%), PVC stabilizers (1–2%), and other uses such as radiation shielding, ammunition, and rolled products (8–10%).

#### Trade and Import Dependency

Imports of lead scrap stood marginal at ~95 KTPA in FY24 and, represented only 8.0–10.0% of secondary lead production. Imports are primarily sourced from the US, Qatar, and UK, while exports remained negligible.

#### Government Policies and Regulations

Government has launched several policies and regulations to support led recycling in India including the SOP for Lead Recycling (2024), Hazardous and Other Wastes Rules (2016), and CPCB licensing norms. Moreover, launch of Extended Producer Responsibility (EPR) framework for non-ferrous metals effective from Apr'25, which is expected to further improve formalization in the industry.



Source: IPO Prospectus, Deven Choksey Research



## **Jain Resource Recycling Ltd**

### **Company Overview**

Jain Resource Recycling, is part of Jain Metal Group, which primarily focuses on manufacturing of green non-ferrous metals through recycling of diverse range of scrap materials sourced both domestically and internationally. Its product offering includes lead and lead ingots, copper and copper ingots and aluminum. As part of its manufacturing process, it also produces tin and plastic granules, to support its end-to-end recycling mission.

Primarily its revenue is classified into following five segments:

#### **1. Lead and Lead Alloy Ingots**

- Includes revenue from sale of refined lead products, manufactured from raw materials such as lead scrap rains, lead scrap rinks, lead scrap relay, and lead scrap radio. For the recycling of lead, it utilizes a high-end automatic lead acid battery breaker. The recycling process begins with dead and old batteries being broken using an automated battery braking system, followed by segregation process, efficiently yielding components like lead paste, metallic lead, plastic, and acid .
- The Company's lead ingot is registered as a brand by the London Metal Exchange (LME), providing it a distinctive competitive advantage over its peers, as it helps it offer products to customer globally, which are compliant with international quality standards.

#### **2. Copper and Copper Ingots**

- Includes revenue from sale of refined and raw copper products, made available through manufacturing and segregation process, from raw materials such as copper scrap druid, copper scrap berry, and copper scrap birch, sourced both domestically and internationally.

#### **3. Aluminum and Aluminum Alloys**

- The recycling of aluminum unit, started operations in 2022 through its subsidiary JGTPL.
- Includes revenue from sale of refined aluminum, from diverse range of aluminum scarp. The refined aluminum ingots are produced through utilization of automatic casting lines, aided by robotic system for efficiently handling the casting and stacking.

#### **4. Precious Metals (Gold & Silver Refining) (Discontinued)**

- JMG acquired a 70% stake in Jain Ikon Global Ventures (JIGV) to set up a gold refining facility in Sharjah, UAE.
- The refining of gold and its by-product silver commenced in Aug'24, and was discontinued shortly, with effect from April 17, 2025, due to its lower margin profile on account of high operational overheads, working capital constraints, and continued volatility in the gold refining sector.

#### **5. Others (Trading Operations)**

- The company is also engaged in trading of non-ferrous metals and other commodities. This includes commodities such as nickel cathode, silicon metal, tin ingots, and zinc ingots, generally undertaken on an opportunistic basis based on customer requests.

### **Segment Mix (%)**

Product	FY23	FY24	FY25	Sales CAGR% (FY23-25)
Lead & Lead Alloy Ingots	34.9%	46.9%	39.5%	62.1%
Copper & Copper Ingots	59.2%	43.5%	44.8%	32.6%
Aluminium & Aluminium Alloys	1.2%	6.1%	3.8%	178.2%
Precious Metals	NA	NA	9.8%	NA
Others*	4.7%	3.4%	2.1%	2.5%
<b>Total Revenue</b>	<b>30,641</b>	<b>44,284</b>	<b>71,258</b>	<b>52.5%</b>

\*Others segment revenue includes the trading of non-ferrous metals and other commodities, service income, and other adjustments.

Source: IPO Prospectus, Deven Choksey Research

## Jain Resource Recycling Ltd

### Company Overview:

### Capacity and Production:

The company conducts its recycling operations through its three facilities strategically located at the SIPCOT Industrial Estate, Gummidipoondi, Chennai. The facilities are in close proximity to the Chennai port, which acts as a principal gateway on the east coast of India, crucial for faster imports and exports, especially to China and South-East Asian countries

The combined capacity of all its recycling facilities (as of July 31, 2025) stood at 308,306 TPA, with rated capacity of 184,000 TPA for lead and lead products, ~83,000 TPA for copper and other copper products, ~24,700 TPA for aluminum and 13,200 TPA for manufacturing of plastic granules.

Facility Name	Location & Operator	Primary Function
Facility 1	SIPCOT Industrial Estate, Chennai (JRRL)	Recycling copper scrap (birch and druid). Produces Refined Copper Ingots/Billet and other Copper Products.
Facility 2	SIPCOT Industrial Estate, Chennai (JRRL)	Recycling lead scrap (including lead acid batteries) and copper scrap. Produces Refined Lead Ingot, Lead alloys, and Copper Products. This facility also houses new operations for Tin Ingots and Plastic Granules manufacturing (PP Granules).
Facility 3	SIPCOT Industrial Estate, Chennai (JGTPL subsidiary)	Recycling aluminium scrap (tread, talon, tense). Produces Aluminium Ingots & Molten Aluminium.
Hosur Facility	Krishnagiri District, TN (JGTPL subsidiary)	Segregating facility engaged in cleaning contaminated aluminium chips received from a customer's machining factory, removing oil and iron impurities.
Refining Facility Sharjah, UAE (JIGV subsidiary)		Refined gold and its by-product silver ("Precious Metals"). Operations commenced in August 2024 but were discontinued effective April 17, 2025.

Source: IPO Prospectus, Deven Choksey Research

The Group's recycling operations are vertically integrated for yielding end-to-end recycling. The process flow includes following steps:

- Procurement:** Scrap raw materials are sourced both domestically and internationally, in particular skewed towards globally sourcing led by easy availability from formal supply channels.
- Sorting and Pre-processing:** Raw material scrap is sorted based on type and quality, followed by pre-processing steps including sorting, stripping, shredding, and granulation.
- Melting and Refining:** Segregated scrap is melted for alloying and refining to achieve the desired purity levels and quality.
- Casting and Forming:** The refined metal is cast into different forms such as ingots, billets, rods, as per customer requirements.
- Quality Testing:** The final products undergo quality control tests to ensure they meet industry standards and customer specifications.



Source: IPO Prospectus, Deven Choksey Research

Source: IPO Prospectus, Deven Choksey Research

## **Jain Resource Recycling Ltd**

### **Company Overview**

#### **Capacity Utilization**

To drive operating leverage, the Company has a track record of optimally utilizing its recycling capacities (~65.0-70.0% range) historically. Moreover, it plans for organic expansion in the product lines where the capacity utilization increases the 70.0% threshold, to improve its market share in formal recycling industry.

- Some of its capacities have operated at lower utilization levels (e.g., copper smelting), as the segregation processes are manual and labor-intensive, with no specific machinery or automation involved.
- Lead production has continued to remain the backbone of the company, and over the years have witnessed a significant expansion in its rated lead ingot capacity from 141,000 MTPA to 184,000 MTPA.
- In last few years, aluminum has emerged as a strong growth driver, with capacity increasing from 6,000 MTPA to 24,000 MTPA, to enable it to diversify its revenue from traditional copper-lead dominance.

#### **Raw Material**

Its raw material procurement has skewed more towards global market, with international procurement accounting for ~77.0%, while the domestic procurement stood at ~23.0%.

The company has built a diversified base of scrap suppliers, spanning across more than 120 countries, including the US, Malaysia, Brazil, UK and Kuwait (Middle East). The company benefits from procurement of raw materials at bulk directly from overseas scrapyards, yielding lower sourcing cost, by elimination of intermediary. In FY25, ~72.0% of international purchases came directly from scrap yards.

#### **Customers**

The company caters to diverse range of end-customers including lead acid battery, electrical and electronics, pigments, and automotive, renewable energy, infrastructure, general engineering, pipes and road safety.

Its clientele base stood at 371 customers (as of FY25), including 251 domestic and 120 overseas customers. Some of its top 10 customers include Vedanta Limited, Sterlite Copper, Luminous Power Technologies, Mitsubishi Corporation (RtM Japan) and Nissan Trading Co. During FY25, the revenue from repeat customers stood at ~84.0% of the overall revenue, lending high stability and visibility in the future.

#### **Hedging Strategies**

The company hedges its exposure of volatility in commodity prices of base metals (lead, copper, and aluminum) by deploying range of strategies through derivatives contracts traded on the London Metal Exchange (LME).

- Hedging is done on a back-to-back basis through future derivative contracts on LME, to ensure there is minimum or no price risk for the business for input and output commodities.
- It enters into a short position, after purchasing raw materials, on the LME futures contracts of the respective metal to hedge its profitability on its core operations. These contracts typically span a ninety-day period ("Delivery Period") to lock in the sale price and cover production costs.



**Jain Resource Recycling Ltd****Strategies:**

- **Leverage its financial strength to expand operations**

The Company plans to expand its operations gradually with internal accruals and has been recognized as the largest and fastest-growing non-ferrous metal recycling company in India (over FY23-25 by revenue). It has demonstrated profitability in a sector with significant entry barriers. Strong financial performance is expected to support it in expanding its refining capacities, without need of external debt.

- **Capitalize its location and multi-product recycling facility, to serve diverse set of customers and industries**

The company plans to capitalize its strategically located facilities (closer to Chennai port), to serve diverse set of customers both in India and internationally. Its recycling facilities can manage multiple products including lead, copper, aluminum, tin and plastic, and it employs modern machinery and diversified capabilities.

- **Entrenched Customer Base and Robust Global Sourcing Network**

The Company with its deep scrap sourcing network spread across over 70 countries, aims to procure bulk scrap from overseas and offer high quality green metals to its large customer base spread internationally.

- **Effective Hedging Mechanism for Commodity Price Risk**

Over years, it has built an effective hedging desk, and it aims to further improve its hedging processes, to ensure its exposure to volatility in commodity prices remains minimum. To limit its exposure it would deploy strategies in future derivative contracts on the London Metal Exchange (LME), as its finished lead products are LME-recognized, which facilitates the efficient settlement of derivative positions and enhances global acceptance.

**Risks:**

- **Product Concentration**

A major share of the Company's revenue was concentrated in two products i.e., Lead and Lead Alloy Ingots and, Copper and Copper Ingots in FY25. Any decline in raw material sourcing or the demand for these products could significantly impact its operations and financial performance.

- **Customer Concentration and Absence of Long-Term Contracts**

A significant portion of revenue is derived from the top five and top 10 accounts, and most of these customers do not operate under long-term contracts. The loss of one or more key clients could materially affect its business and profitability.

- **Raw Material Supply Risks**

The company meets ~75.0%-80.0% of its raw materials i.e., scrap requirements through imports. Lower availability of the scrap can impact its financial performance and exposes it towards supply chain risks.

- **Higher Foreign Exchange Exposure**

Exports accounted for ~60.0% of its overall revenues in FY25, making the Company vulnerable towards higher forex exposure. Adverse movements in currency rates could impact its profitability.

## Jain Resource Recycling Ltd

### SWOT Analysis



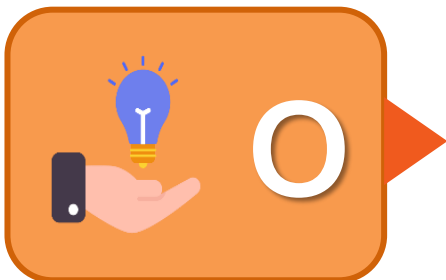
#### Strengths:

- **Strong Financial Performance:** The Company has showcased its financial strength by consistently delivered robust profitability in a high-barrier industry. It was regarded as one of India's largest and fastest-growing non-ferrous metal recycler by revenue between FY23–FY25.
- **Robust Global Footprint:** Exports accounted for ~60.0% of its revenue in FY25 and was supplied to diverse and large base of customers spread across 70+ countries. It has built entrenched relations with many of its customers and maintains a strong global footprint.
- **Strategic Located Operations and Strong Leadership:** The Company operates through its strategically located facilities (near Chennai Port), capable of handling and recycling multiple products, guided by an experienced management team and skilled professionals.
- **Efficient Commodity Risk Management:** It maintains a dedicated hedging desk, which deploys various strategies to limit its exposure towards commodity price volatility, and strengthen its risk management practices.



#### Weaknesses:

- **Exposure to Quality Claims:** Its operations remains exposed to quality claims from customers. Moreover, its claims have escalated from INR 23 Mn. in FY23 to INR 184 Mn. in FY25.
- **High Employee Attrition:** The Company had high employee attrition of 24.6% in FY25. Continuity of high attrition among employees can impact its operations, as many segregation process are employee heavy, and can affect its profitability.
- **High Product Concentration:** The Company's reliance on copper and lead remained high, making it vulnerable to metals specific cyclical risks.



#### Opportunities:

- **Strong Positioning:** Over the years, it has built a large recycling capacity, capable of end-to-end recycling of non-ferrous metal from diverse scrap materials. The Company has robust plans to improve its international and domestic sourcing, along with expansion in its capacity to maintain its domestic leadership in non-ferrous metal recycling.
- **Supportive Regulations:** The Company is well positioned to capitalize stronger demand for recycled metals in India, as the new recycling framework mandates at least 5% recycled content in non-ferrous products by FY28.
- **Forward Integration and Diversification:** To improve profitability and support future growth, it plans to venture into manufacturing of green copper cathode and wire rod manufacturing, to drive higher value addition.



#### Threats:

- **Higher Competitive Intensity:** It operates in a highly competitive intense and fragmented industry consisting of both organized and unorganized players.
- **Volatility in Commodities and Forex:** Its business is highly exposed to fluctuations in global commodity prices and currency markets.
- **International and Geopolitical Risks:** With its high international presence it is exposed to range of economic, geopolitical, and regulatory risks across markets, which may affect its operations and financial performance significantly.

## Jain Resource Recycling Ltd

### Peer Comparison

In INR Mn. (FY25)								
Financial Metric	Jain Resource Recycling	Gravita India	Pondy Oxides & Chemicals	Hindalco Industries	Vedanta	National Aluminium Company	Hindustan Copper	Hindustan Zinc
Market cap	80,060	1,22,673	39,891	16,70,026	17,81,377	3,88,723	2,73,281	19,14,069
Enterprise Value	89,107	1,16,452	4,122	39,41,396	82,61,107	13,93,248	5,567	86,915
Sales	71,258	38,424	20,414	23,79,900	15,36,960	1,66,900	20,611	3,27,830
Sales Growth (YoY)	60.9%	22.2%	32.5%	10.4%	5.6%	27.4%	20.8%	8.8%
EBITDA	3,688	3,058	922	3,25,410	4,38,130	75,359	7,668	1,64,180
EBITDA Margin (%)	5.2%	8.0%	4.5%	13.7%	28.5%	45.2%	37.2%	50.1%
Net profit	2,243	3,124	581	1,60,010	1,49,880	52,679	4,651	1,03,530
Profit Margin (%)	3.1%	8.1%	2.8%	6.7%	9.8%	31.6%	22.6%	31.6%
Total Equity (at the end last FY)	7,247	20,699	5,929	12,37,090	3,82,990	1,78,054	24,492	1,33,260
ROE (%)	31.0%	21.5%	12.2%	13.9%	43.4%	32.7%	20.6%	72.6%
ROIC (%)	18.9%	18.6%	12.1%	9.5%	17.3%	32.5%	19.8%	52.9%
P/E	35.7x	39.3x	68.7x	10.4x	11.9x	7.4x	58.8x	18.5x
P/S	1.1x	3.2x	2.0x	0.7x	1.2x	2.3x	13.3x	5.8x
EV/EBITDA	24.2x	38.1x	4.5x	12.1x	18.9x	18.5x	0.7x	0.5x
EV/Sales	1.3x	3.0x	0.2x	1.7x	5.4x	8.3x	0.3x	0.3x
Net Debt / EBITDA	2.5x	-2.0x	0.8x	1.4x	1.6x	-0.7x	0.1x	0.1x
Net Debt / Equity	1.2x	-0.3x	0.1x	0.4x	1.8x	-0.3x	0.0x	0.2x

Source: IPO Prospectus, FactSet, Company, Deven Choksey Research

## Jain Resource Recycling Ltd

### Outlook:

Jain Resource Recycling, a part of Jain Metal group, is a manufacturer of non-ferrous metals through recycling, **with its promoter group expertise for over seven decades**. It boasts a total **capacity of 308.3 KTPA (as of Jul'25)** and is among one of the **largest formal recycler of non-ferrous metals in India**. It has a strong hold over its operations in an industry with high entry barriers, mainly led by its **strong network for sourcing raw materials** from diverse base of suppliers spread **across 120 countries** and ability to market its product to large and seasoned base of 371 customers both in India and globally.

Led by its strong asset allocation policies, it has been profitable since inception of its business, while its **revenue and net profit has witnessed a growth of 52.5% and 56.3% CAGR over FY23-25**. Its initial issue is sized up for INR 12.5bn, split as INR 7.5bn OFS and INR 5.0bn of fresh equity raise. The Company has **planned to raise INR 5.0bn through issue of fresh equity**, for **repayment of borrowings of ~INR 3.8bn** and rest for general corporate purposes.

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### Relative Valuation

Company Name	CMP (INR)	Market Cap (INR Bn.)	Revenue CAGR	PAT CAGR	EBITDA Margin (%)	EV/EBITDA		P/E		ROE
			Last 2 FY	Last 2 FY	FY25	FY25	TTM	FY25	TTM	FY25
Jain Resource Recycling	232	80.1	52.5%	56.3%	5.2%	24.2x	24.2x	35.7x	35.7x	31.0%
Listed Peers										
Gravita India	1,682	122.7	17.4%	24.6%	8.0%	39.4x	38.1x	42.6x	39.3x	21.5%
Pondy Oxides	1,338	39.9	17.6%	-12.0%	4.5%	19.9x	44.6x	31.0x	68.7x	12.2%
Mean			17.5%	6.3%	6.2%	29.7x	41.3x	36.8x	54.0x	16.9%
Median			17.5%	6.3%	6.2%	29.7x	41.3x	36.8x	54.0x	16.9%
Listed Metal Manufacturers										
Hindalco Industries	746	1,670.0	3.4%	25.9%	13.7%	6.0x	6.5x	9.5x	10.4x	13.9%
Vedanta	460	1,781.4	1.6%	19.1%	28.5%	6.1x	6.1x	12.1x	11.9x	43.4%
National Aluminium	213	388.7	8.4%	91.6%	45.2%	3.5x	4.5x	6.1x	7.4x	32.7%
Hindustan Copper	301	273.3	10.9%	25.5%	37.2%	28.0x	38.3x	45.9x	58.8x	20.6%
Hindustan Zinc	465	1,914.1	-0.2%	-0.8%	50.1%	12.0x	12.1x	18.9x	18.5x	72.6%
Mean			4.8%	32.3%	34.9%	11.1x	13.5x	18.5x	21.4x	36.6%
Median			3.4%	25.5%	37.2%	6.1x	6.5x	12.1x	11.9x	32.7%

## Jain Resource Recycling Ltd

### Financials:

Income Statement (INR Mn)	FY23	FY24	FY25	Cash Flow (INR Mn)	FY23	FY24	FY25
<b>Revenue</b>	<b>30,641</b>	<b>44,284</b>	<b>71,258</b>	Net Cash Flow from Operating Activities	109	334	36
Operating Expenditure	29,399	42,012	67,569	Net Cash Flow from Investing Activities	(87)	(934)	(260)
<b>EBITDA</b>	<b>1,242</b>	<b>2,272</b>	<b>3,688</b>	Net Cash Flow from Financing Activities	32	1,359	(354)
<b>EBITDA Margin %</b>	<b>4.1%</b>	<b>5.1%</b>	<b>5.2%</b>	Net Increase/(Decrease) in Cash	54	759	(578)
Other Income	435	564	364	<b>Cash &amp; Cash Equivalents at the Beginning</b>	<b>1</b>	<b>55</b>	<b>814</b>
Depreciation	135	157	157	<b>Cash &amp; Cash Equivalents at the End</b>	<b>55</b>	<b>814</b>	<b>236</b>
Interest	305	533	847				
Share of Profit / (Loss) from associate	0	0	-2				
<b>PBT</b>	<b>1,236</b>	<b>2,146</b>	<b>3,046</b>				
Tax	318	508	813				
Non Controlling interest	(0)	0	(10)				
<b>PAT</b>	<b>918</b>	<b>1,638</b>	<b>2,243</b>				
<b>PAT Margin (%)</b>	<b>3.0%</b>	<b>3.7%</b>	<b>3.1%</b>				
<b>Adj. EPS</b>	<b>2.7</b>	<b>4.7</b>	<b>6.5</b>				

Balance sheet (INR Mn)	FY23	FY24	FY25
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	584	647	716
ROU assets	157	145	168
Investments	1	21	260
Other non-current assets	96	70	766
<b>Current Assets</b>			
Inventories	3,417	5,504	6,752
Investments	0	143	103
Receivables	2,541	1,833	1,295
Other current assets	4,362	6,923	8,302
<b>Total Assets</b>	<b>11,160</b>	<b>15,288</b>	<b>18,362</b>
<b>EQUITY AND LIABILITIES</b>			
Equity share capital	400	410	647
Other equity	1,591	3,281	6,614
Non controlling interest	22	0	-13
<b>Total Equity</b>	<b>2,013</b>	<b>3,692</b>	<b>7,247</b>
<b>Non-Current Liabilities</b>			
Borrowings	415	362	35
Lease Liabilities	50	40	67
Provisions	11	18	34
Other non current liabilities	1,229	942	85
<b>Current Liabilities</b>			
Borrowings	6,913	8,732	9,164
Lease Liabilities	8	10	17
Trade Payables	333	270	1,035
Other financial liabilities	82	312	470
Other current liabilities	106	911	208
<b>Total Equity and Liabilities</b>	<b>11,160</b>	<b>15,288</b>	<b>18,362</b>

Source: IPO Prospectus, DevenChoksey Research



## **Jain Resource Recycling Ltd**

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