Jain Resources Recycling Limited

23rd September, 2025

IPO Details

IPO Date	September 24, 2025 to September 26, 2025
Face Value	₹2 per share
Price Band	₹220 to ₹232 per share
Lot Size	64 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	5,38,79,310 shares (aggregating up to ₹1,250.00 Cr)
Fresh Issue	2,15,51,724 shares (aggregating up to ₹500.00 Cr)
Offer for Sale	3,23,27,586 shares of ₹2 (aggregating up to ₹750.00 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	32,35,34,090 shares
Share Holding Post Issue	34,50,85,814 shares
QIB Shares Offered	Not less than 75% of the Offer
Retail Shares Offered	Not more than 10% of the Offer
NII (HNI) Shares Offered	Not more than 15% of the Offer
Retail (Min & Max) shares	64 Shares & 832 shares
Retail (Min & Max) application amount	₹14,848 & ₹1,93,024
S-HNI (Min shares & application amount)	896 shares & ₹2,07,872
S-HNI (Max shares & application amount)	4,288 shares & ₹9,94,816
B-HNI (Min shares & application amount)	4,352 shares & ₹10,09,664
Basis of Allotment	Mon, Sep 29, 2025
Initiation of Refunds	Tue, Sep 30, 2025
Credit of Shares to Demat	Tue, Sep 30, 2025
Listing Date	Wed, Oct 1, 2025
Cut-off time for UPI mandate confirmation	5 PM on Fri, Sep 26, 2025
Promoters	Kamlesh Jain
Registrar	Kfin Technologies Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Jain Resources Recycling Limited was incorporated in 2022, it is engaged in the recycling and manufacturing of non-ferrous metal products. Its product portfolio includes lead and lead alloy ingots, copper and copper ingots, and aluminum and aluminum alloys.

The company operates three recycling facilities located at SIPCOT Industrial Estate, Gummidipoondi, Chennai. These facilities process various types of metal scrap, including copper (birch, druid), lead (radio, relay, rains, rinks), and aluminum (tread, talon, tense). A gold refining facility in Sharjah Airport International Free Zone (SAIF-Zone), UAE, through its subsidiary JIGV.

They supply their products to sectors such as lead-acid battery, electrical and electronics, pigments, and automotive. Clients include domestic and international companies such as Vedanta Limited- Sterlite Copper, Luminous Power Technologies Private Limited, Yash Resources Recycling Limited, Mitsubishi Corporation RtM Japan, and Nissan Trading Co.

The company's revenue increased by 60% and profit after tax (PAT) rose by 36% between the financial year ending with March 31, 2025 and March 31, 2024.

Objects of the issue

- ❑ Offer for Sale- Rs. 750 Crore
- ❑ Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by the Company- Rs. 375 Crore
- ❑ General Corporate Purpose - Rs. 125 Crore

Financial Details

Particulars (Amount in Crores)	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations	7125.8	4428.4	3064.1
Other income	36.4	56.4	43.5
Total Income	**7162.2**	**4484.8**	**3107.6**
Expenses			
- Cost of goods sold	6442.2	4043.7	2769.7
- Change in Inventories of finished goods, work-in-progress and stock in trade	-22.1	-154.1	-112.9
- Purchases of stock in trade	111.1	119.8	131.1
- Employee benefit expenses	30.7	32.4	14.4
- Finance cost	84.7	53.3	30.4
- Depreciation and amortization	15.7	15.7	13.5
- Other expenses	195.1	159.2	137.5
Total expenses	**6857.4**	**4270.0**	**2983.7**
EBITDA	**368.8**	**227.4**	**124.3**
EBITDA Margin (%)	**5.18%**	**5.14%**	**4.06%**
Profit/(Loss) before tax	**304.6**	**214.6**	**123.6**
Tax expense/(credit)	81.3	50.7	31.8
Profit/(Loss) After Tax	**223.2**	**163.6**	**91.8**
PAT Margin (%)	**3.13%**	**3.69%**	**3.00%**
Basic EPS (in Rs.)	**7.16**	**5.29**	**2.98**

Key Metrics	Mar-25	Mar-24	Mar-23
Net Debt-to-Equity	0.92	1.65	2.95
EBITDA Margin (%)	5.17	5.13	4.05
Return on Equity (%)	40.77	57.66	59.94

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Competitive Strengths

- **Integrated Recycling Facilities-** The Company conducts its recycling operations at 3 Recycling Facilities in India located at SIPCOT Industrial Estate, Gummidipoondi, Chennai spread across 26.94 acres of leased land providing the benefit of integrated and centralized operations. The strategic location of Recycling Facilities offer cross-facility use of by-products as raw materials and shared capabilities such as laboratory infrastructure and technical know-how. This efficient utilization of resources minimizes wastage in the recycling process and provides a competitive advantage.

- **Strong customer base with global footprints-** The company has an established international presence, with a significant share of revenue from exports to over 20 countries, including China, Singapore, South Korea, UAE, Taiwan, and Japan, as of March 31, 2025. Over the past three years, Jain Metal Group has imported materials from more than 120 countries, building a strong global sourcing network and maintaining high customer retention.

- **Commodity Risk Management**- The business operations are directly impacted by fluctuations in the prices of base metals traded on the London Metal Exchange (LME). Price increase/decrease in these metals can significantly affect profitability. For the purpose of safeguarding the financial position against this price volatility, they utilize hedging exclusively within the metals market by entering into future derivative contracts on the LME. This enables the company to stabilize their financial performance by offsetting potential losses from price movements in base metals.

- **Consistent Financial Performance with Strong Entry Barriers-** Company's lead ingot is registered as a brand by the London Metal Exchange. It has showcased a consistent track record of growth and profitability. They have registered a growth in its revenue from operations of 44.53% YoY from FY23 to FY24 and 60.91% YoY from FY24 to FY25. From FY23 to FY25, the company's gross profit margins has increased from 5.34% to 6.24%. Further, the Company recorded a growth in profit after tax of 78.44% YoY from FY23 to FY25 and 36.29% from FY24 to FY25.

Key Risk Factors

- **High Customer Concentration-** The company has historically derived a significant portion of its revenue from its top customers, top five customers and top 10 customers. In FY25, 58.40%, 43.64% and 18.91% of the company's total revenue derives from its top 10 customers, top 5 customers and top customer, respectively. They confirm that 5 of its Top 10 customers during the last three Fiscals have become inactive. While the company have diversified its customer base to some extent, the company continue to remain dependent on a few large customers for a substantial portion of its revenues.

- **Past Regulatory Actions Against Promoter-** In the past, there have been four disciplinary actions taken against the Promoter, Kamlesh Jain for violation. The violations were: Kamlesh Jain was penalized ₹300,000 (order dated April 30, 2020) for participating in non-genuine trades in Richa Industries Ltd. Shares. He failed to disclose acquisition of 7.5% stake in Le Waterina Resorts & Hotels Ltd.; fined ₹100,000 (order dated Aug 13, 2021). He did not disclose increase in shareholding from 0.30% to 6.50%; fined ₹100,000 (order dated Mar 26, 2021). He executed reversal trades in Mar 2015 that created misleading market appearance; matter later settled under SEBI's 2022 Settlement Scheme.

- **Product Quality Risks and Order Cancellations-** The company's products are manufactured based on detailed technical specifications and any failure to meet these requirements, or non-compliance with applicable quality standards, may result in rejection of the goods supplied, cancellation of current and future orders, and customer claims, all of which could adversely affect its revenue and profitability. In the past, some customers raised concerns about product quality after inspections. There were 11, 29 and 30 orders cancelled in FY25, FY24 and FY23, respectively. The company resolved these issues by giving credit notes, which were adjusted against future orders instead of paying refunds in cash.

- **Reliance on Imported Scrap for Operations-** The company's ability to remain competitive and profitable depends on its ability to source and maintain a stable and sufficient supply of raw materials. They depend on third party suppliers for the supply of scraps required for its business operations. Approximately 75%–80% of the total scrap requirement is imported, based on the average of the company's 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 business operations, cash flows and financial performance.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW	NAV (per Share)
Jain Resource Recycling Limited	NA	2.00	35.91*	6.46**	6.46**	41.56%	21.87
Peers:							
Gravita India Limited	1672	2.00	37.67	45.11	45.11	22.33%	273.04
Pondy Oxides & Chemicals Limited	1312	5.00	55.24	22.03	21.08	12.71%	205.26

*P/E Ratio calculated based on upper band price.
** EPS calculated including fresh issue shares.

Summary

The non-ferrous scrap recycling market size in India reached USD 24.8 million in 2024 and is expected to grow to USD 30.6 million by 2033, exhibiting a CAGR of 2.1% during 2025–2033. Rising industrialization, government regulations on sustainable waste management, increasing demand for secondary raw materials in manufacturing, cost benefits over virgin metals, and advancements in recycling technologies—enhancing efficiency and recovery rates across aluminum, copper, and zinc—are some of the factors driving this growth.

Jain Resource Recycling primarily focuses on manufacturing non-ferrous metal products through the recycling of non-ferrous scrap. Its product portfolio includes: (i) lead and lead alloy ingots, (ii) copper and copper ingots, and (iii) aluminum and aluminum alloys. The company operates three recycling facilities at SIPCOT Industrial Estate, Gummidipoondi, Chennai. These facilities share resources and reuse each other's by-products, helping to lower costs, minimize waste, and improve overall efficiency in the recycling process.

The company plans to use IPO proceeds to reduce debt, which will lead to lower finance costs and improved profitability.

Copper and lead (including lead alloy) account for about 45% and 40% of the company's revenue, respectively. To enhance profitability, the company is pursuing forward integration by processing copper into cathodes and subsequently into wire bars, a step expected to improve margins by 2%–5%. Management expects copper sales to strengthen in the near term, and along with value-addition initiatives, this should support higher EBITDA margins. The company has also invested heavily in infrastructure and significantly expanded its sourcing network, which now spans over 120 countries. In addition, it is exploring opportunities in the e-waste recycling business to further diversify operations.

A key risk for the company is regulatory action taken by SEBI against Promoter Kamlesh Jain in the past for disclosure lapses and trading-related violations. This may raise concerns regarding governance and compliance practices. Although the penalties have been duly paid and one matter has been settled under SEBI's scheme, these instances highlight risks around transparency and adherence to regulatory standards.

Therefore, it is recommended to "**Subscribe**" to the IPO for long-term investment, considering it's valuation and growth potential.

DISCLAIMER

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