IPO Note

Jain Resource Recycling Limited

Rating: Subscribe for Long Term

➢ About

Jain Resource Recycling Limited (JRRL), part of the Jain Metal Group, is a leading Indian player in the recycling and production of non-ferrous metals, with a strong focus on lead, copper, and aluminium. The company's operations began under a partnership firm in 1953 and it has evolved through various corporate forms, becoming a public limited company in 2025. It is now among the largest revenue-wise non-ferrous metal recyclers in India, operating four recycling plants and a strong international sourcing and sales network.

➢ Investment Thesis

- **Market Leadership with Global Recognition:** Jain Resource Recycling Ltd. (JRRL) is one of only two Indian recycling companies whose lead ingots are registered on the London Metal Exchange (LME) and approved by MCX. This certification not only boosts customer trust but also provides the company with international pricing visibility and credibility. Such recognition reduces sales risk and strengthens its ability to access global markets, giving it a competitive edge over unorganized recyclers.

- **High Entry Barriers:** The recycling industry requires large upfront investments in plants, pollution control, and regulatory clearances, creating high barriers for new entrants. Moreover, customer trust and long-term supply relationships are difficult to replicate, making incumbents like JRRL the preferred partners for global and domestic buyers. This combination of capital intensity, compliance requirements, and brand credibility positions JRRL securely in a niche market.

- **Diversified Portfolio & ESG Focus:** Beyond lead, JRRL has expanded into copper, aluminium, and gold refining, creating a diversified earnings base that reduces dependency on a single metal. Its facilities are designed for 100% recycling and zero liquid discharge, and it increasingly uses renewable energy sources, aligning operations with global ESG standards. This dual focus on diversification and sustainability enables the company to tap into both industrial demand and investor preference for green businesses.

- **Strategic Location & Global Network:** JRRL's plants are strategically located near major ports such as Chennai, Ennore, and Kattupalli, ensuring smooth access to raw materials and exports. The company sources scrap from over 70 countries, providing resilience against domestic supply shortages while also strengthening its bargaining power in procurement. This global network and logistical advantage give JRRL a cost-efficient, scalable supply chain that supports long-term competitiveness.

- **Outlook:** Jain Resource Recycling Ltd. operates in a structurally growing industry, supported by rising demand for recycled metals, increasing ESG focus, and India's dependence on scrap imports. The company's diversified portfolio (lead, copper, aluminium), LME-registered products, strong global sourcing network, and sustainable practices provide a durable competitive edge. At the upper price band, the IPO values JRRL at a P/E of 35.9x FY25 earnings, which is broadly in line with Gravita India (37.7x) and at a discount to Pondy Oxide (55.2x). Given its scale, growth trajectory, and high entry barriers, the valuation appears fair, **we recommend Subscribe for Long Term.**

IPO DETAILS	
IPO Date	24 to 26 September 2025
Listing Date	1 October 2025
Issue Price Band	₹220 to ₹232
Sale Type	Fresh Capital-cum-Offer for sale
Total Issue	₹1,250 Cr
Fresh Issue	₹500 Cr
Offer for Sale	₹750 Cr
Implied Market Cap	₹ 8,006 Cr
Share Holding Pre Issue	32,35,34,090 shares
Share Holding Post Issue	34,50,85,814 shares

Source- Company filing-RHP

Issue Break Up	
QIB Shares Offered	75%
Retail Shares Offered	10%
NII Shares Offered	15%

Source- Company filing-RHP

BRLMs
DAM Capital Advisors Ltd.
ICICI Securities Ltd.
Motilal Oswal Investment Advisors Ltd
PL Capital Markets Pvt. Ltd.

Source- Company filing-RHP

Object of the offer (₹Cr)	
Pre-payment or scheduled re-payment of borrowing	₹ 375
General Corporate Purpose	₹ 125

Source- Company filing-RHP

Anupama Bhootra
Analyst
Siyaa Deshmukh
Associate

Contact No:
02041000688

➢ Business Model

JRRL operates on a vertically integrated recycling model. The business imports and procures scrap metal globally (over 120 countries as sources in the last three years), processes these at its three main plants in Chennai (for copper, lead, and aluminium, respectively), and supplies refined ingots, billets, and rods both domestically and globally. The company handled value-addition through in-house developed technology, such as advanced cable stripping and sorting, which set industry benchmarks. Its business also included a gold refining venture in the UAE (ceased in April 2025 due to unfavourable conditions).

➢ Revenue Mix

Segments	Fiscal 2023		Fiscal 2024		Fiscal 2025	
	Revenue from operations	% of revenue from operations	Revenue from operations	% of revenue from operations	Revenue from operations	% of revenue from operations
Lead and lead alloy ingots	1,070	34.93%	2,076	46.88%	2,812	39.46%
Copper and copper ingots	1,815	59.25%	1,928	43.54%	3,194	44.82%
Aluminium and aluminium alloys	35	1.15%	272	6.14%	273	3.83%
Precious Metals	0	0%	0	0%	696	9.77%
Others	143	4.67%	152	3.44%	150	2.11%
Total	**3,064**	**100%**	**4,428**	**100%**	**7,126**	**100%**

Source- Company filing-RHP

➢ Product Portfolio

Segment	Products	Notes / Specialties
Lead & Lead Alloys	Refined lead ingot, remelted lead ingot, lead alloys, pure lead, lead calcium alloys, lead tin alloys, lead antimony alloys, lead master alloys, specialty alloys, red lead	Lead ingot registered with **LME** and approved by **MCX**
Copper & Copper Alloys	Refined copper ingots, copper billet, copper wires, copper products (clove, cobra, mill berry, grease mill berry, tin mill berry)	Used in cables, electrical, automotive
Aluminium & Aluminium Alloys	Aluminium ingots, aluminium alloys (ADC series – JIS standard; LM series – BS standard), molten aluminium, customised alloys	Supplies also in **hot molten form**
Plastics & By-products	Polypropylene granules, plastic chips, PET flakes (food grade), industrial & engineering plastic granules	Derived from recycling operations
Other By-products	Rubber granules, zinc scrap, brass scrap, stainless steel scrap, iron scrap, aluminium powder	Used in secondary industries
Precious Metals (UAE Subsidiary)	Gold dore refining (discontinued April 2025), silver by-products	Operations stopped due to low margins

Source- Company filing-RHP

➢ Production Capacity

Products Recycled	Capacity (Tonne per annum)	Production (Tonne per annum)
Lead	1,84,000	1,54,848
Copper	1,17,005	73,123
Aluminium	24,000	12,505

Source- Company filing-RHP

➢ Manufacturing Facilities

- Facility 1 in Gummidipoondi (Chennai): Lead recycling unit (capacity: 184 KTPA); Copper recycling unit (capacity: 47.520 KTPA)
- Facility 2 in Gummidipoondi (Chennai): Copper recycling unit (capacity: 69.485 KTPA)
- Facility 3 in Gummidipoondi (Chennai): Aluminium scrap recycling unit (capacity: 24 KTPA of aluminium alloys)

➢ Geographical Bifurcation

Particulars	2023	2024	2025
Export	51.63%	54.11%	60.39%
Domestic	48.37%	45.89%	39.61%

Source- Company filing-RHP

Country	FY 23		FY 24		FY 25	
	Amt (₹Cr)	% of Revenue from Operation	Amt (₹Cr)	% of Revenue from Operation	Amt (₹Cr)	% of Revenue from Operation
India	1,483	48.41%	2,100	47.42%	2,762	38.76%
Singapore	4	0.11%	973	21.98%	1,298	18.22%
China	1,035	33.77%	784	17.71%	1,364	19.15%
UAE	-	-	-	-	719	10.09%
Taiwan	4	-	14	-	651	9.13%
Japan	6	0.18%	90	2.02%	45	0.63%
South Korea	426	13.89%	362	8.19%	158	2.22%
Others	112	3.65%	204	4.60%	61	0.85%
Adjustments*	-1	-0.02%	-85	-1.92%	68	0.95%
Total	**3,064**	**100.00%**	**4,428**	**100.00%**	**7,126**	**100.00%**

Source- Company filing-RHP

➢ Management Overview

- **Kamlesh Jain – Chairman & Managing Director**

A commerce graduate from the University of Madras (1989), Kamlesh Jain has over 30 years of experience in the metal recycling industry. He was a partner at Jain Metal Rolling Mills (1993–2022) and has led JRRL since its incorporation. He also serves as Senior VP (South India) of the Bombay Metal Exchange and Regional VP (South India) of the Recycling Association of Africa.

- **Mayank Pareek – Joint Managing Director**

Mayank Pareek, a Chartered Accountant (1995) and commerce graduate from Mohta PG College, brings 10+ years of industry experience. He joined JRRL in 2022 after serving with Fervent Global LLP and is currently a member of the MCX Lead Product Advisory Committee.

- **Hemant Shantilal Jain – Executive Director & CFO**

A Chartered Accountant since 2008 and commerce graduate from Gujarat University, Hemant Jain has 15+ years of experience in accounts, audit, and taxation. He was CFO of Jain Metal Rolling Mills since 2012 and continues in the same role at JRRL post its conversion in 2022.

➢ Industry Analysis

- India is the fourth-largest recycler of lead globally, with ~85–90% of domestic lead production coming from recycling. Demand for lead grew from 1.20 MT in FY19 to 1.37 MT in FY24 (CAGR: 2.7%) and is projected to reach 1.9–2.0 MT by FY30 at ~5.5–6.5% CAGR, driven largely by the battery industry.
- The copper demand in India rose from 1,159 KT in FY19 to 1,522 KT in FY23 (7.1% CAGR) and is estimated to reach 2,460–2,560 KT by FY30. EVs, infrastructure, and renewable energy are driving secondary copper demand, which was ~645 KT in FY24.
- Aluminium demand in India reached 4.8 MT in FY24, representing ~6.9% of global demand. It is projected to grow at 10–11% CAGR to 8.5–9.0 MT by FY30, supported by automotive, construction, and packaging.
- India heavily depends on scrap imports: in FY24, aluminium scrap imports were 1.77 MT (80–85% of total), while copper scrap imports were ~310 KT. This import reliance highlights the opportunity for large, organized recyclers to fill the domestic gap

➢ Risk Factors

- Revenues are exposed to metal price volatility on LME, especially in aluminium and copper. Sharp swings in global prices can directly impact margins.
- ~18% of Revenue form Operations are from China, any geopolitical disruptions, trade restrictions may affect the revenue.
- Scrap supply risk is material, with 80–85% of aluminium scrap and ~50% of copper scrap sourced through imports. Any trade restrictions, duties, or geopolitical disruptions could affect raw material availability.
- The industry is energy-intensive; outdated recycling practices among smaller players highlight the importance of technology adoption. Rising power costs can erode competitiveness.
- Environmental and compliance risks are high. Lead and battery recycling, if mismanaged, can cause health hazards; hence tighter regulations could raise compliance costs.

➢ Competitive Edge

- JRRL is one of only two Indian companies with LME-registered lead ingots, ensuring global acceptance and price discovery, a differentiator in a fragmented industry.
- Diversified product portfolio across lead, copper, aluminium, plastics, and alloys, with ~184,000 TPA lead, 117,000 TPA copper, and 24,000 TPA aluminium capacity, provides risk diversification.
- Plants are strategically located near Chennai, Ennore, and Kattupalli ports, reducing logistics costs and facilitating both imports and exports efficiently.
- Strong ESG positioning with 100% recycling, zero liquid discharge, and renewable energy usage, aligning with India's circular economy roadmap and investor ESG preferences.
- A global sourcing network covering 70+ countries strengthens supply chain resilience and creates entry barriers for new players.

➢ Peer Comparison

Name of Company	Revenue from operations (₹ Crore)	EPS (₹)		NAV (per share) (₹)	P/E
		Basic	Diluted		
Jain Resource Recycling Limited	7,126	7.16	7.16	21.87	35.86
Listed peers(2)					
Gravita India Limited	3,869	45.11	45.11	273.04	37.67
Pondy Oxides & Chemicals Limited	2,057	22.03	21.08	205.26	55.24

Source- Company filing-RHP
** Post-Issue P/E is considered for Jain Resource Recycling Ltd.*

➢ Financials

Income Statement (₹ Cr.)	FY23	FY24	FY25
Revenue from Operations	3,064	4,428	7,126
Revenue Growth		*45%*	*61%*
Expenses			
Cost of Material	2,788	4,009	6,531
Employee Expense	14	32	31
Other Expense	138	159	195
EBITDA	**124**	**227**	**369**
EBITDA Growth		*83%*	*62%*
EBITDA Margin	*4%*	*5%*	*5%*
Depreciation and Amortization	14	16	16
EBIT	**111**	**212**	**353**
EBIT Growth		*91%*	*67%*
EBIT Margin	*4%*	*5%*	*5%*
Finance Cost	30	53	85
Other Income	43	56	36
Share of loss of Associate	-	-	(0)
EBT	**124**	**215**	**305**
EBT Growth		*74%*	*42%*
EBT Margin	*4%*	*5%*	*4%*
Tax expense	(32)	(51)	(81)
PAT	**92**	**164**	**223**
PAT Growth		*78%*	*36%*
PAT Margin	*3%*	*4%*	*3%*
Revenue 3 Year CAGR			***52%***
EBITDA 3 Year CAGR			***72%***
PAT 3 Year CAGR			***56%***

Source- Company filing-RHP, PESB Research

Balance Sheet (₹ Cr.)	FY23	FY24	FY25
Assets			
Non Current Assets			
PPE	58	65	72
Investment	0	2	26
Right-of-use assets	16	15	17
Intangible Assets	-	0	0
Capital WIP	-	-	3
Goodwill on Consolidation	-	-	0
Loans & Advances	-	0	16
Income tax assets (Net)	0	0	-
Other Financial Assets	3	4	41
Others	6	3	16
Total Non Current Assets	**84**	**88**	**191**
Current Assets			
Inventories	342	550	675
Trade Receivables	254	183	129
Cash and Cash Equivalents	6	81	24
Bank Balance	140	219	225
Investments	-	14	10
Loans & Advances	7	52	38
Other Financial Assets	78	15	80
Others Current Assets	205	325	463
Total Current Assets	**1,032**	**1,440**	**1,645**
Total Assets	**1,116**	**1,529**	**1,836**
Equity			
Equity Share Capital	40	41	65
Other Equity	159	328	661
Non-Controlling Interest	2	-	(1)
Total Equity	**201**	**369**	**725**
Liabilities			
Non Current Liabilities			
Borrowings	42	36	3
Lease Liabilities	5	4	7
Other Financial Liabilities	119	93	0
Provisions	1	2	3
Deferred Tax Liabilities (Net)	4	2	8
Total Non Current Liabilities	**170**	**136**	**22**
Current Liabilities			
Borrowing	691	873	916
Lease Liabilities	1	1	2
Trade Payables	33	27	104
Other Financial Liabilities	8	31	47
Other Current Liabilities	3	81	11
Provisions	0	0	1
Current tax Liabilities (Net)	7	10	9
Total Curent Liabilities	**744**	**1,024**	**1,089**
Total Equity and Liabilities	**1,116**	**1,529**	**1,836**

Source- Company filing-RHP, PESB Research

➢ Financials

Cash Flow Statement (₹ Cr.)	FY23	FY24	FY25
Net Cash from Operating Activities	11	33	4
Net Cash from Investing Activities	(9)	(93)	(26)
Net Cash from Financing Activities	3	136	(35)
Net Change in Cash	5	76	-58
Opening balance	0	6	81
Closing balance	6	81	24

Source- Company filing-RHP, PESB Research

Ratio Analysis	FY23	FY24	FY25
Margin Analysis			
Gross Margin	9%	9%	8%
EBITDA Margin	4%	5%	5%
PAT Margin	3%	4%	3%
Profitability			
ROA	-	12%	13%
ROCE	25%	32%	30%
ROE	46%	44%	31%
Short Term Liquidity			
Current ratio (X)	1.4	1.4	1.5
Quick ratio (X)	0.9	0.9	0.9
Avg. days sales outstanding	30	15	7
Avg. days inventory outstanding	41	45	35
Avg. days payable	4	2	5
Fixed asset turnover	52	68	99
Long Term Solvency (x)			
Total Debt/ Equity	3.6	2.5	1.3
Interest Coverage Ratio	3.6	4.0	4.2
Valuation Ratios (x) (as of Sept)			
EV/EBITDA			24.1
P/E			35.9
P/B			11.0
EV/Sales			1.2

Source- Company filing-RHP, PESB Research

➢ Disclaimer

Disclosures and Disclaimers:

This report has been prepared by Pune E- Stock Broking Limited (here in after referred to as PESB) in the capacity of a Research Analyst registered with SEBI and distributed as per SEBI (Research Analysts) Regulations 2014. This report is prepared and distributed by Research Analysts employed by PESB for information purposes only, and neither the information contained herein, nor any opinion expressed should be construed or deemed to be construed as solicitation or as offering advice for the purposes of the purchase or sale of any security, investment, or derivatives. The information and opinions contained in the report were considered by PESB to be valid when published. The report also contains information provided to PESB by third parties. Whilst PESB has taken all reasonable steps to ensure that all the information in the report is correct, PESB does not offer any warranty as to the accuracy or completeness of such information. Any person placing reliance on the report does so entirely at his or her own risk and PESB does not accept any liability as a result. Securities markets may be subject to rapid and unexpected price movements and past performance is not necessarily an indication of future performance. Investors must undertake independent analysis with their own legal, tax, and financial advisors and reach their own conclusions regarding investment in securities market and should understand that. Under no circumstances can it be used or considered as an offer to sell or as a solicitation of any offer to buy or sell the securities mentioned within it. The information contained in the research reports may have been taken from trade and statistical services and other sources, which PESB believe is reliable. PESB or any of its group/associate/affiliate companies do not guarantee that such information is accurate or complete and it should not be relied upon as such. Any information provided in the report reflects analysis at this date and are subject to change without notice. PESB submits that no material disciplinary action has been taken on PESB by any regulatory authority impacting Research Analysis activities. PESB is a Member of National Stock Exchange of India Limited (NSE), BSE Ltd (Bombay Stock Exchange), Multi Commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange Limited (NCDEX), and has Depository Participant affiliation with Central Depositories Services (India) Limited (CDSL). It is a SEBI registered Portfolio Manager and SEBI registered Research Analyst [SEBI Reg. No.: INB/F/E 231079832, INB/F/E 011079838, IN-DP-32-2015, AMFI Reg. No. ARN: 173556, SEBI Research Analyst Reg. No.: INH000018197, CIN - L67120PN2007PLC130374.

Certifications: The Research Analyst(s), Shubham Mundada, who prepared this research report hereby certifies that the views expressed in this research report accurately reflect the research analyst's personal views about all of the subject issuers and/or securities, that the analyst(s) have no known conflict of interest and no part of the research analyst's compensationwas, is, or will be, directly or indirectly,related to the Specific views or recommendations contained in this research report.

AdditionalDisclosures of Interest:

The ResearchAnalyst, PESB, or its associates or relatives of the research analyst does not have any Financial interest in the company (ies) covered in this report. The ResearchAnalyst, PESB or its associates or relatives of the research analyst affiliates do not hold more than 1% of the securities of the company (ies) covered in this report as of the end of the month immediately preceding the distribution of the research report. The Research Analyst, his/her associate, his/her relative, and PESB, do not have any othermaterial conflict of interest at the time of publication of this research report. The Research Analyst,PESB, and its associates have not received compensation for brokerage Services, investment banking,merchant banking or for any other products or services fromthe Company (ies) covered in this report, in the past twelve months. The Research Analyst,PESB or as associates have not managed or co-managed,in the previous twelve months, a private or public offering of securities for the company (ies) covered in this report. The Research Analyst, PESB or its associates have not received compensation or other benefits fromthe company (ies) covered in this report or fromany third party, in connectionwith the research report. The Research Analyst has not served as an Officer,Director, or employee of the company (ies) covered in the Research report. The Research Analyst and PESB has not been engaged in marketmaking activity for the company (ies) covered in the Research report.

This research report is for informational purposes only and is not tailored to the specific investment objectives, financial situation or particular requirements of any individual Recipient hereof. Certain securities may give rise to substantial risks and may not be suitable for certain investo₹Each investor must make its own determination as to the appropriateness of any Securities referred to in this research report based upon the legal, tax and accounting considerations Applicable to such investor and its own investment objectives or strategy, its financial situation and its Investing experience. The value of any securitymay be positively or adversely affected by changes in Foreign exchange or interestrates, as well as by other financial, economic, or political facto₹ Sources, Completeness and Accuracy: The material herein is based upon information obtained from sources that PESB and the research analyst believe to be reliable, but neither PESB nor the research analyst represents or guarantees that the information contained herein is accurate or complete and it should not be relied upon as such. Opinions expressed herein are current opinions as of the date appearing on this material and are subject to change without notice. Furthermore, PESB is under no obligation to update or keep the information current. Without limiting any of the foregoing, in no event shall PESB, any of its affiliates/employees or any third party involved in or related to computing or compiling the information have any liability for any damages of any kind including but not limited to any direct or consequential loss or damage, however arising, fromthe use of this report.

Copyright: The copyright in this research report belongs exclusively to PSB. All rights are reserved. Any unauthorised use or disclosure is prohibited. No reprinting or reproduction, in whole or in part, is permitted without the PESB prior consent, except that a recipient may reprint it for internal circulation only and only if it is reprinted in its entirety. Caution: Risk of loss in trading/investment can be substantial and even more than the amount / margin given by you. Investment in securities market are subject to market risks, you are requested to read all the related documents carefully before investing. You should carefully consider whether trading investment is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. PESB and any of its employees, directors, associates, group entities, or affiliates shall not be liable for losses, if any, incurred by you. You are further cautioned that trading/investments in financial markets are subject to market risks and are advised to seek independent third-party trading/investment advice outside PESB/group/associates/affiliates/directors/employees before and during your trading/investment. There is no guarantee/assurance as to returns or profits or capital protection or appreciation. PESB and any of its employees, directors, associates, and/ or employees, directors, associates of PESB's group entities or affiliates is not inducing you for trading investing in the financial market(s). Trading/Investment decision is your sole responsibility.You must also read the Risk Disclosure Document and Do's and Don'ts before investing. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject PESB and affiliates to any registration or licensing requirement within such jurisdiction. The Profits or capital protection or appreciation. PESB and any of its employees, directors, associates, and/or employees, directors, associates of PESB's group entities or affiliates is not inducing you for Trading/investing in the financial market(s). Trading/Investment decision is your sole responsibility. You must also read the Risk Disclosure Document and Do's and Don'ts before investing. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject PESB and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investo₹Persons in whose possession this document may come are required to informthemselves off and to observe such restriction. For Detailed Disclaimer, please visit our website www.pesb.co.in/