

## Company Overview

The Jain Metal Group (JMG) is engaged in the recycling and production of non-ferrous metals in India, with the capability to process multiple products at a single location and backed by a strong global network for sourcing recyclable materials. The company primarily focuses on manufacturing non-ferrous metal products by recycling scrap. Its product portfolio comprises of lead and lead alloy ingots, copper and copper ingots, and aluminium and aluminium alloys. The company's lead ingot is registered as a brand on the London Metal Exchange, which gives it a distinct advantage of accessing a broad customer base by offering products compliant with international quality standards. It is also involved in the trading of non-ferrous metals and other commodities, which account for a small portion of its revenue. The company serves both domestic and international markets, with exports contributing over 50% of its revenue. The Group's recycling operations are vertically integrated, supported by end-to-end processes wherein raw materials are procured from both domestic and international markets. It operates three recycling facilities at SIPCOT Industrial Estate, Gummidipoondi, Chennai. In addition, its subsidiary Jain Ikon Global Ventures (JIGV) has commenced gold refining operations at the facility located at the Sharjah Airport International Free Zone (SAIF Zone), UAE. Another subsidiary, Jain Green Technologies Private Limited (JGTPL), has received consent to operate (CTO-Direct) from the Tamil Nadu Pollution Control Board for the production of purified aluminium chips and iron chips at its Hosur facility. As of July 31, 2025, the Group's recycling facilities were operating at a combined actual production of 64,619 MTPA, while the Hosur facility was operating at 88 MTPA. The facilities are accredited with ISO 9001:2015 for quality management system, ISO 14001:2015 for environmental management system, and ISO 45001:2018 for occupational health and safety management system, and also holds a license for use of the standard BIS mark for cast aluminium and its alloys. With a customer-centric approach, JMG is committed to delivering value with a strong emphasis on quality, regulatory compliance, and health and safety standards.

## Objects of the issue

The net proceeds of the fresh issue are proposed to be utilized for funding of the following objects:

- ⇒ Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by the company; and
- ⇒ General corporate purposes.

## Investment Rationale

### Strategically located facilities with multi-product capabilities ensuring long-term operational excellence

JMG conducts its recycling operations through three facilities in India, located at SIPCOT Industrial Estate, Gummidipoondi, Chennai, spread across 26.94 acres of leased land, which enables integrated and centralized operations. The strategic location of these facilities offers the company the benefit of using various by-products from one facility as raw materials for another, in addition to utilizing common capabilities such as laboratory infrastructure and technical expertise. This cross-facility utilization helps minimize raw material wastage, thereby enhancing efficiency in the recycling process and providing JMG with a competitive edge. The recycling facilities have diversified capabilities, enabling the company to cater to a wide range of customers across different product categories. Each facility focuses on a particular metal category, and this specialization provides the benefit of economies of scale by reducing operational costs. The facilities are also equipped with equipment and systems which include high-capacity lead refining furnaces, advanced technology lead smelting rotary furnaces, coreless and channel-type induction furnaces for copper melting, regen burner technology, aluminium melting furnaces, automatic casting lines aided by robotic system for casting and stacking of lead and aluminium ingots, high-end automatic lead acid battery breaker, efficient cable scrap granulation machine etc. SIPCOT, being a key industrial hub in Tamil Nadu, offers proximity to the Chennai port on the Chennai-Kolkata Highway and connectivity with Ennore Port and Katupalli Port. Chennai Port, one of the principal gateways on India's east coast, allows smooth handling of imports and exports with China and South-East Asian countries. These locational advantages not only optimize the company's logistics but also ensure a steady and efficient supply chain for both raw material imports and finished product exports.

## Issue Details

|                                  |                                                           |
|----------------------------------|-----------------------------------------------------------|
| Offer Period                     | 24 <sup>th</sup> Sept. 2025 - 26 <sup>th</sup> Sept. 2025 |
| Price Band                       | Rs. 220 to Rs. 232                                        |
| Bid Lot                          | 64                                                        |
| Listing                          | BSE, NSE                                                  |
| Issue Size (no. of shares in mn) | 53.9                                                      |
| Issue Size (Rs. in bn)           | 12.5                                                      |
| Face Value (Rs.)                 | 2                                                         |

## Issue Structure

|        |     |
|--------|-----|
| QIB    | 75% |
| NIB    | 15% |
| Retail | 10% |

|      |                                                                                                                        |
|------|------------------------------------------------------------------------------------------------------------------------|
| BRLM | DAM Capital Advisors Ltd., ICICI Securities Ltd., Motilal Oswal Investment Advisors Ltd., PL Capital Markets Pvt. Ltd. |
|------|------------------------------------------------------------------------------------------------------------------------|

|           |                        |
|-----------|------------------------|
| Registrar | KFin Technologies Ltd. |
|-----------|------------------------|

| Particulars               | Pre Issue %   | Post Issue %  |
|---------------------------|---------------|---------------|
| Promoter & Promoter Group | 88.0          | 73.2          |
| Public                    | 12.0          | 26.8          |
| <b>Total</b>              | <b>100.00</b> | <b>100.00</b> |

(Assuming issue subscribed at higher band)

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# Jain Resource Recycling Ltd.

## Global customer base and deep sourcing capabilities enables scalable growth

JMG serves a diverse customer base and has built a strong presence in international markets, generating a significant portion of its revenue from exports to over 20 countries. The company's export revenue grew at a CAGR of 64.9% between FY23 and FY25. The company has high customer retention, driven by its ability to meet stringent quality and technical specifications in a timely and cost-efficient manner. Its long-standing customer relationships enable it to maintain market presence and build upon these relationships to reach out to new customers. This has helped the company to expand into new geographies and broaden product offerings. These long-term associations provide JMG with revenue visibility, industry goodwill, and a deep understanding of customer requirements. Such relationships further enhance the company's ability to benefit from economies of scale, sustain a competitive cost structure, and achieve long-term growth and profitability. Over the past three years, JMG has imported raw materials from more than 120 countries and has also developed a deep sourcing network across the globe. Its dedicated sourcing team of four strategically placed traders is responsible for procurement planning, quality inspections, and logistics coordination. The company benefits from a direct sourcing advantage through bulk procurement of raw materials directly from overseas scrapyards via advance payments, without the involvement of third-party agents/intermediaries. Strong ties with raw material suppliers also enable JMG to obtain good-quality scrap metals at competitive rates within prescribed timelines, strengthening its business operations.

## Valuation

The Jain Metal Group (JMG) is engaged in the recycling and production of non-ferrous metals in India, with a primary focus on recycling non-ferrous metal scrap. Its product portfolio includes lead and lead alloy ingots, copper and copper ingots, and aluminium and aluminium alloys. The company is also involved in the trading of non-ferrous metals and other commodities. The need for metal recycling is increasing, as the industry is a significant contributor to greenhouse gas emissions. The demand for secondary copper grew at a CAGR of ~18% between FY19 and FY24, driven by the shift towards sustainable practices. Secondary aluminium demand rose at a CAGR of ~8% during the same period, supported by robust automobile production and construction activities, while secondary lead demand witnessed steady growth with a CAGR of 3.8%. JMG is well-positioned to capture this growing demand, supported by its strategically located facilities that enable cross-facility utilization of by-products and diversified operational capabilities. This integration provides the company with a competitive edge and enables it to serve a broad customer base across different geographies. Its strong global presence and long-standing customer relationships, built on consistent quality control and adherence to technical specifications, provide revenue visibility along with sustained growth and profitability. Financially, the company has delivered a strong performance between FY23 and FY25, with revenue growing at a CAGR of 52.5%, EBITDA at 72.3%, and PAT at 56.0%. This strong financial performance reflects not only the growth of its operations, but also capital allocation and efficient working capital management across its business. **On the upper price band, the company is valued at a P/E of 32.4x based on FY25 earnings, which is comparatively lower than its peers. Given its strong market position, established global footprint, and healthy financials, JMG is well-placed to deliver sustainable growth. We therefore recommend a "SUBSCRIBE" rating for this issue from a medium to long-term perspective.**

## Key Risks

- ⇒ The company is required to comply with strict quality requirements and incur significant expenses to maintain its product quality, as its products are manufactured based on detailed technical specifications. Any failure to meet these requirements, or non-compliance with applicable quality standards, may result in rejection of supplied goods, cancellation of current and future orders, and customer claims, all of which could adversely affect its reputation, financial conditions, cash flows and results of operations.
- ⇒ The company depends on third-party suppliers for the scrap required in its business operations. Approximately 75%–80% of its total scrap requirement is imported, based on the average procurement data for the last three financial years. Any disruption in the supply or availability of the scrap, or fluctuations in its prices, may adversely impact the company's business operations, cash flows, and financial performance.
- ⇒ The company operates in an industry with high regulatory barriers to entry. It may face competition in its product line from both organized and unorganized players, including competitors with greater financial and marketing resources. Failure to compete effectively, or inability to meet the pricing pressures from such competitors may adversely impact its business, financial condition, results of operations, and cash flows.

# Jain Resource Recycling Ltd.

## Income Statement (Rs. in millions)

| Particulars                                                                   | FY23          | FY24          | FY25          |
|-------------------------------------------------------------------------------|---------------|---------------|---------------|
| <b>Revenue</b>                                                                |               |               |               |
| Revenue from Operations                                                       | 30,641        | 44,284        | 71,258        |
| <b>Total Revenue</b>                                                          | <b>30,641</b> | <b>44,284</b> | <b>71,258</b> |
| <b>Expenses</b>                                                               |               |               |               |
| Cost of Materials Consumed                                                    | 27,697        | 40,437        | 64,422        |
| Purchases of Stock-in-Trade                                                   | 1,311         | 1,199         | 1,111         |
| Changes in Inventories of Finished Goods, Stock in Trade and Work-in-Progress | -1,129        | -1,541        | -221          |
| Employee Benefits Expense                                                     | 144           | 324           | 307           |
| Other Expenses                                                                | 1,375         | 1,593         | 1,951         |
| <b>Total Operating Expenses</b>                                               | <b>29,399</b> | <b>42,012</b> | <b>67,569</b> |
| <b>EBITDA</b>                                                                 | <b>1,242</b>  | <b>2,272</b>  | <b>3,688</b>  |
| Depreciation and Amortization Expense                                         | 135           | 157           | 157           |
| <b>EBIT</b>                                                                   | <b>1,106</b>  | <b>2,115</b>  | <b>3,532</b>  |
| Finance Costs                                                                 | 305           | 533           | 847           |
| Other Income                                                                  | 435           | 564           | 364           |
| <b>Profit before Share of Loss Of Associate</b>                               | <b>1,236</b>  | <b>2,146</b>  | <b>3,048</b>  |
| Share of Loss of Associate                                                    | 0             | 0             | -2            |
| <b>PBT</b>                                                                    | <b>1,236</b>  | <b>2,146</b>  | <b>3,046</b>  |
| <b>Tax Expense</b>                                                            |               |               |               |
| Current Tax                                                                   | 351           | 530           | 691           |
| Tax relating to Earlier Years                                                 | 0             | 0             | 50            |
| Deferred Tax (Charge) / Benefit                                               | -33           | -23           | 72            |
| <b>Total tax</b>                                                              | <b>318</b>    | <b>508</b>    | <b>813</b>    |
| <b>PAT</b>                                                                    | <b>918</b>    | <b>1,638</b>  | <b>2,233</b>  |
| <b>Diluted EPS</b>                                                            | <b>2.7</b>    | <b>4.7</b>    | <b>7.2</b>    |

Source: RHP, BP Equities Research

## Cash Flow Statement (Rs. in millions)

| Particulars                                                     | FY23      | FY24       | FY25        |
|-----------------------------------------------------------------|-----------|------------|-------------|
| Cash Flow from operating activities                             | 109       | 334        | 36          |
| Cash flow from investing activities                             | -87       | -934       | -260        |
| Cash flow from financing activities                             | 32        | 1,359      | -354        |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>54</b> | <b>759</b> | <b>-578</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>1</b>  | <b>55</b>  | <b>814</b>  |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>55</b> | <b>814</b> | <b>236</b>  |

Source: RHP, BP Equities Research

# Jain Resource Recycling Ltd.

## Balance Sheet (Rs. in millions)

| Particulars                                      | FY23          | FY24          | FY25          |
|--------------------------------------------------|---------------|---------------|---------------|
| <b>ASSETS</b>                                    |               |               |               |
| <b>Non-Current Assets</b>                        |               |               |               |
| Property, Plant and Equipment                    | 584           | 647           | 716           |
| Capital Work in Progress                         | 0             | 0             | 32            |
| Right-of-Use Assets                              | 157           | 145           | 168           |
| Intangible Assets                                | 0             | 0             | 1             |
| Goodwill on Consolidation                        | 0             | 0             | 4             |
| Financial Assets                                 |               |               |               |
| (i) Investments                                  | 1             | 21            | 260           |
| (ii) Loans & Advances                            | 0             | 0             | 158           |
| (iii) Other Financial Assets                     | 35            | 41            | 410           |
| Income Tax assets (Net)                          | 0             | 0             | 0             |
| Other Non Current Assets                         | 61            | 29            | 162           |
| <b>Total Non-Current Assets</b>                  | <b>839</b>    | <b>884</b>    | <b>1,911</b>  |
| <b>Current Assets</b>                            |               |               |               |
| Inventories                                      | 3,417         | 5,504         | 6,752         |
| Financial Assets                                 |               |               |               |
| (i) Investments                                  | 0             | 143           | 103           |
| (ii) Trade Receivables                           | 2,541         | 1,833         | 1,295         |
| (iii) Cash and Cash Equivalents                  | 55            | 814           | 236           |
| (iv) Bank balances other than (iii) above        | 1,402         | 2,188         | 2,247         |
| (v) Loans & Advances                             | 74            | 520           | 382           |
| (vi) Other Financial Assets                      | 783           | 149           | 805           |
| Other Current Assets                             | 2,048         | 3,252         | 4,632         |
| <b>Total Current Assets</b>                      | <b>10,321</b> | <b>14,404</b> | <b>16,451</b> |
| <b>TOTAL ASSETS</b>                              | <b>11,160</b> | <b>15,288</b> | <b>18,362</b> |
| <b>EQUITY AND LIABILITIES</b>                    |               |               |               |
| <b>EQUITY</b>                                    |               |               |               |
| Equity Share Capital                             | 400           | 410           | 647           |
| Other Equity                                     | 1,591         | 3,281         | 6,614         |
| <b>Total Equity Attributable to Shareholders</b> | <b>1,991</b>  | <b>3,692</b>  | <b>7,261</b>  |
| Non-Controlling Interest                         | 22            | 0             | -13           |
| <b>TOTAL EQUITY</b>                              | <b>2,013</b>  | <b>3,692</b>  | <b>7,247</b>  |
| <b>LIABILITIES</b>                               |               |               |               |
| <b>Non-Current Liabilities</b>                   |               |               |               |
| Financial Liabilities                            |               |               |               |
| (i) Borrowings                                   | 415           | 362           | 35            |
| (ii) Lease Liabilities                           | 50            | 40            | 67            |
| (iii) Other Financial Liabilities                | 1,191         | 927           | 1             |
| Provisions                                       | 11            | 18            | 34            |
| Deferred Tax Liabilities (Net)                   | 39            | 15            | 85            |
| <b>Total Non-Current Liabilities</b>             | <b>1,705</b>  | <b>1,361</b>  | <b>221</b>    |
| <b>Current Liabilities</b>                       |               |               |               |
| Financial Liabilities                            |               |               |               |
| (i) Borrowings                                   | 6,913         | 8,732         | 9,164         |
| (ii) Lease Liabilities                           | 8             | 10            | 17            |
| (iii) Trade Payables                             | 333           | 270           | 1,035         |
| (iv) Other Financial Liabilities                 | 82            | 312           | 470           |
| Other Current Liabilities                        | 32            | 806           | 110           |
| Provisions                                       | 1             | 2             | 7             |
| Current tax Liabilities (Net)                    | 72            | 103           | 91            |
| <b>Total Current Liabilities</b>                 | <b>7,442</b>  | <b>10,235</b> | <b>10,894</b> |
| <b>TOTAL LIABILITIES</b>                         | <b>9,147</b>  | <b>11,596</b> | <b>11,115</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>              | <b>11,160</b> | <b>15,288</b> | <b>18,362</b> |

Source: RHP, BP Equities Research

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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