



# CNGSN & ASSOCIATES LLP

## CHARTERED ACCOUNTANTS

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### REPORT IN CONNECTION WITH KEY PERFORMANCE INDICATORS (KPIs)

March 30, 2025

To,  
**The Board of Directors,**  
**Jain Resource Recycling Limited**  
(formerly known as “Jain Resource Recycling Private Limited”)  
The Lattice  
Old No. 7/1, New No. 20  
4th Floor Waddles Road, Kilpauk  
Chennai, Tamil Nadu - 600010  
(the “Company”)

**DAM Capital Advisors Limited**  
PG-1, Ground Floor, Rotunda  
Building, Dalal Street, Fort, Mumbai  
400 001, Maharashtra, India

**ICICI Securities Limited**  
ICICI Venture House,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025,  
Maharashtra, India

**Motilal Oswal Investment Advisors Limited**  
Motilal Oswal Tower,  
Rahimtullah Sayani Road,  
Opposite Parel ST Depot,  
Prabhadevi, Mumbai - 400 025,  
Maharashtra, India

**AND**

**PL Capital Markets Private Limited**  
3rd Floor, Sadhana House,  
570, P.B. Marg, Worli, Mumbai  
Maharashtra- 400 018, India

(DAM Capital Advisors Limited, ICICI Securities Limited, Motilal Oswal Investment Advisors Limited and PL Capital Markets Private Limited with any other Book Running Lead Managers that may be appointed in connection with the Offer, the “BRLMs”)

Dear Sir/ Madam,

Re: Proposed initial public offering of equity shares of face value of ₹ 2 each (the “Equity Shares”) of M/s. Jain Resource Recycling Limited (the “Company”), comprising a fresh offer of up to [●] Equity Shares, aggregating up to ₹ 5,000 Million, by the Company (the “Fresh Offer”) and an offer for sale of up to [●] Equity Shares, aggregating up to ₹ 15,000 Million, by Kamlesh Jain and Mayank Pareek (the “Selling Shareholders”) (the “Offer for Sale”, and together with the Fresh Offer, the “Offer” and such Equity Shares, the “Offered Shares”).



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This certificate is issued in accordance with the terms of our engagement letter and consent letter.

1. We, **M/s CNGSN & Associates LLP** (FRN: 04915S/S200036), are the Peer Reviewed Practicing Chartered Accountant firm. We hereby consent to references to us as the "*Independent Chartered Accountant(s)*" of the Company in the Draft Red Herring Prospectus (the "**DRHP**") of the Company to be submitted/filed with the Securities and Exchange Board of India (the "**SEBI**"), BSE Limited ("**BSE**") and NSE Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**ICDR Regulations**"), and subsequently intends to file (i) the Red Herring Prospectus (the "**RHP**") with SEBI, the Stock Exchanges and the Registrar of Companies, Tamil Nadu and Andaman at Chennai (the "**RoC**"), (ii) the Prospectus (the "**Prospectus**") with SEBI, the Stock Exchanges and the RoC, and (iii) such other documents or materials relating to the Offer (collectively with the DRHP, RHP and Prospectus, the "**Offer Documents**").
2. We have received a request from the company to provide report with regard to the Key Performance Indicators ("**KPIs**") as identified by the Company as on respective dates and for respective period, set forth in the accompanying statement as prepared by the company's management for the purposes of disclosure in the Offer Documents as required by the ICDR Regulations.
3. The accompanying statement containing details of GAAP measures, Non-GAAP Financial measures and Non-Financial measures (part of financial reporting) as described in the Technical Guide on Disclosure and Reporting of KPIs in Offer Documents issued by ICAI and identified by the Company as per the requirement of paragraph 9(K)(3) of Part A of Schedule VI to the ICDR Regulations (the "**Statement**") is prepared by the Management of the Company.
4. The KPIs of the Company, as identified by the Company for the six months ended September 30, 2024 and the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 are set out in **Annexure A**. The procedures and data provided for the KPIs and the assumptions in relation to these KPIs have been mentioned in **Annexure B**. These have been verified by us and found to be correct.

#### **Management's Responsibility for the Statement:**

5. The preparation of the accompanying Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing, and maintaining adequate internal controls that were operating effectively and testing of such controls for ensuring the accuracy and completeness of information relating to KPIs including such accounting records relevant to the preparation and presentation of the Statement, applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
6. The Management is also responsible for:
  - i. identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the statement;
  - ii. providing access to the accounting and other records to the reporting practitioner including information and explanations required for reporting on the KPIs;
  - iii. maintenance of the accounting and other records in relation to point (a) and (b) above; and
  - iv. compliance with the ICDR Regulations, the Technical Guide on Disclosure and Reporting of KPIs in Offer Documents issued by ICAI and other regulatory requirements.
  - v. the identified KPIs were adopted by the Management of the Company in its IPO Committee meeting dated March 30, 2025, based on the recommendation of the Audit Committee.

#### **Practitioner's Responsibility:**

7. Pursuant to the requirements of paragraph 9(K)(3) of Part A of Schedule VI of the ICDR Regulations, it is our responsibility to obtain limited assurance and conclude, based on the technical guide on KPIs issued by ICAI as to whether:
  - a. the financial details provided in the Statement are in agreement with the restated consolidated financial statements of the Company for the six-month period ended September 30, 2024 and for the financial years ended





March 31, 2024 and March 31, 2023, and the restated standalone financial statements for the financial year ended March 31, 2022, which have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (the “Ind AS”), and restated in accordance with the ICDR Regulations (collectively referred to as the “Restated Financial Information”), along with the reports issued thereon. and the underlying books of account maintained by the Company used for the purpose of preparation of the Restated Financial Information; and

b. The KPIs included in the Statement are mathematically accurate.

These audits were not planned or performed in connection with any transactions to identify matters that may be of potential interest to third parties.

We conducted our examination of the Statement in accordance with the Technical Guide on Disclosure and Reporting of KPIs in Offer Documents issued by ICAI and the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which require that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

8. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC-1) – Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent from a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the procedures in relation to the Statement as mentioned in Annexure B.
10. We have no responsibility to update this report for events and circumstances occurring after the respective dates of the reports on the financial statements mentioned in paragraphs 7 and 8 above except where the company has specifically requested to update the effect of corporate actions on share capital occurring after the Balance Sheet date.
11. We have no responsibility for identification, definition, completeness, relevance, appropriateness and sufficiency of the KPIs included in the Statement.
12. The procedures we have performed do not constitute an audit or review made in accordance with generally accepted auditing standards. Furthermore, they will not necessarily reveal matters of significance with respect to any material misstatement of the information related to KPIs of the Company.
13. This report can be used, in full or part, for inclusion in the Offer Documents. We hereby consent (i) to our Firm name and the aforementioned details being included in the Offer Documents; and (ii) to the submission of this report to any regulatory/statutory/governmental authority, stock exchanges, or any other authority as may be required. We also give our consent to include this report as part of the section titled “Material Contracts and Documents for Inspection” in the Offer Documents which will be available to the public for inspection and on the website of the Company.
14. All capitalized terms not defined herein would have the same meaning as attributed to them in the Offer Documents, as applicable.

**Inherent Limitations:**

15. Our work and conclusion shall not in any way constitute advice or recommendations (and we accept no liability in relation to any advice or recommendations) regarding any commercial decisions associated with the Issue, including, in particular, but without limitation, any which may be taken by the Company, the Bankers/ BRLM or the Syndicate Members in the capacity of investor or in providing investment advice to their clients or the Company.



16. We, however, state that this is not an assurance as to the future viability of the Company or whether the KPIs have been considered / have a bearing for arriving at the basis for Offer price. We further state that our reporting is based on the facts up to the date of the report and we neither give any guarantee nor any assurance that the KPIs reported will continue to perform and/or report in a similar manner in future. It should be noted that the KPIs contained in the Statement may not be measures of operating performance or liquidity defined by generally accepted accounting principles. We make no comment about the Company's definition, methodology or presentation of the KPIs in the Statement or its usefulness for any purposes.
17. The KPIs included in the Statement should not be considered in isolation from, or as a substitute for, analysis of Company's historical financial performance, as reported and presented in the Restated Financial Information of the Company included in the Offer Document. These KPIs (other than GAAP measures) are not defined in Indian Accounting Standards (Ind AS)/Accounting Standards (AS) notified under section 133 of the Act, are not presented in accordance with Ind AS/AS and have limitations. These KPIs may differ from similarly titled information used by certain peer companies, who may calculate such information differently and hence their comparability with the measures used by the Company may be limited. Therefore, such KPIs should not be viewed as substitutes for measures of performance under Ind AS/AS or as indicators of Company's financial position, financial performance or its cash flows.
18. Certain KPIs included in the Statement, such as operational or non-financial metrics not forming part of the Company's financial reporting system or not subject to internal financial controls, have been presented solely based on management-prepared workings, internal records, and representations provided by the Management. We have not performed any verification procedures on these KPIs, and accordingly, we do not express any conclusion, assurance, or opinion on the completeness, accuracy, or appropriateness of such information.

**Conclusion:**

19. Based on the limited procedures performed by us and based on the reports issued by other auditors, as above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that (i) the financial details provided in the Statement are not in agreement with the audited financial statements, Restated Financial Information and the underlying books of account maintained by the Company used for the purpose of preparation of the financial statements / Restated Financial Information and (ii) KPIs included in the Statement are not mathematically accurate.

**Restriction on Use:**

20. This certificate is being issued for information and inclusion (in full or in part) in the DRHP, the RHP, the Prospectus or any other Offer-related materials, and may be relied upon by the Company, the BRLMs and their legal counsel appointed in relation to the Offer and to assist the BRLMs in conducting and documenting their due diligence. We hereby consent to the inclusion of extracts of or references to this certificate in the Offer Documents or in any related Offer material, and to its submission to the SEBI, the RoC, the Stock Exchanges and any other regulatory authority, and for record retention by the BRLMs, in accordance with applicable law.
21. This certificate is issued at the request of the Company solely in connection with the Offer and is addressed to the intended and identified users. It should not be used for any other purpose or by any other person without our prior written consent. We do not accept or assume any liability or duty of care for any use of this certificate other than for its intended purpose or by any person other than those specifically authorised to rely upon it.
22. We confirm that the information contained in this certificate is true, correct, complete, accurate, not misleading and does not omit any material fact which may render such information misleading. It is adequate to enable investors to make a well-informed decision.
23. We confirm that upon receipt of any communication from the Company indicating changes in any of the information covered herein, we shall immediately communicate such changes in writing to the BRLMs until the date on which the Equity Shares offered in the Offer commence trading on the Stock Exchanges. In the absence of



such communication from us, the BRLMs and their legal counsel may assume that there is no change in respect of the matters covered in this certificate.

**Yours faithfully,**

For **M/s. CNGSN & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 04915S/S200036

*E.K. Srivatsan*

**E.K. SRIVATSAN**  
Partner  
Membership No.: 225064  
UDIN: 25225064BMJMOD2843

Place: Chennai  
Date: March 30, 2025

**CC:**

**Legal Counsel to the Company**

**Economic Laws Practice**  
9th floor, Berger Tower  
Sector 16B, Noida – 201301  
Uttar Pradesh, India

**Legal Counsel to the BRLMs**

**M/s. Crawford Bayley & Co.**  
State Bank Buildings  
N.G. N. Vaidya Marg  
Fort, Mumbai 400 023  
Maharashtra, India





**Annexure A**

**List of KPIs as identified and provided by the Company**

S. No.	Particulars	September 30, 2024	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
	<b><u>Financial KPIs</u></b>				
1	Revenue (in millions)	28,886.22	44,284.18	30,640.71	28,495.99
2	Revenue Growth	NA	44.53%	7.53%	NA
3	EBITDA (in millions)	1,793.01	2,272.18	1,241.76	1,164.36
4	EBITDA Margin	6.21%	5.13%	4.05%	4.09%
5	EBITDA Growth	NA	82.98%	6.65%	NA
6	PAT (in millions)	1,121.51	1,638.27	918.10	868.00
7	PAT Margin	3.88%	3.70%	3.00%	3.05%
8	PAT Growth	NA	78.44%	5.77%	NA
9	ROE	26.31%	57.66%	59.94%	80.91%
10	ROCE	12.62%	19.13%	12.31%	12.47%
11	Net worth (in millions)	4,818.34	3,671.81	1,969.73	1,059.10
12	RONW	26.42%	58.08%	60.62%	81.96%
13	NAV	14.89	11.35	6.09	3.27
*14	Inventory Days	73.96	39.69	43.59	46.99
*15	Debtor Days	22.71	18.03	27.67	26.96
*16	Creditor Days	7.85	2.68	4.52	5.16
*17	Working Capital Days	88.82	55.04	66.74	68.79
18	Net Debt (in millions)	8,273.66	6,091.79	5,870.42	5,352.71
19	Net Debt / Equity	1.71	1.65	2.95	4.99
*20	Fixed Asset Turnover	34.62	57.75	47.85	51.97
	<b><u>Operational KPIs</u></b>				
21	No. of Customers	251.00	342.00	317.00	268.00
22	No. of Recycling plants	4.00	4.00	4.00	3.00
23	Export revenue %	50.06%	54.11%	51.63%	72.26%
24	Revenue split by segments (metals)				
	Aluminum & Aluminum Alloys	2.49%	6.14%	1.15%	0.00%
	Lead & Lead Alloy Ingots	41.03%	46.88%	34.93%	37.35%
	Copper & Copper Ingots	51.62%	43.54%	59.25%	61.35%
25	EBITDA per ton (in Rupees)	8,768.70	5,820.27	4,959.35	6,138.13

\*Not Annualised



**Notes:**

- i. Since the company was incorporated on February 25, 2022, opening values are not available, and the first year's figures are based on closing values. Additionally, as the stub period represents only 6 months, its figures have been prepared based on closing values and are not directly comparable to the 12-month year-end figures.
- ii. For the stub period ended September 30, 2024, the Company has not disclosed growth-related KPIs as comparable financial results for the corresponding period of the previous year (i.e., September 30, 2023) are unavailable as the Company was a private limited entity and, as such, was not obligated to prepare or file quarterly/ half-yearly financial results during such corresponding previous year.
- iii. For both the Company and its listed peers, components of Other Equity have been considered after excluding balances of Other Comprehensive Income (OCI) that are subject to potential reclassification to the Statement of Profit and Loss in the future. Such re-classifiable items have been excluded on the basis that they do not represent permanent equity and may affect future earnings.
- iv. The Direct manufacturing costs primarily comprise power and fuel expenses along with direct labour charges.
- v. The KPI pertaining to the total number of customer count is derived from internal CRM and sales records provided by Management. We have not performed any audit or assurance procedures on this data and express no conclusion thereon.
- vi. The KPI pertaining to the number of recycling plants is based on management-prepared internal operational records and inputs. We have not performed any procedures to verify the physical existence, operating status or commercial functionality of such facilities, and hence express no assurance in this regard.
- vii. The Export Revenue % has been computed based on management-prepared workings using the Revenue From Operations split by geography, as disclosed in the Restated Financial Information. We have performed procedures to verify that the underlying data agrees with the audited segment disclosures and the relevant accounting records.
- viii. The revenue split by product/metal category is based on management-prepared workings derived from the Company's Restated Financial Information, as disclosed in the segment reporting notes. We have performed procedures to verify that the stated figures are in agreement with the audited segment disclosures and underlying accounting records.
- ix. The KPI pertaining to the calculation of EBITDA per ton (in rupees) has been computed based on management-prepared workings using unaudited operational data relating to production volumes, combined with financial data. As we have not performed any procedures on the volume data, we do not express any conclusion or assurance on the accuracy or reliability of the resulting KPI.
- x. The Net Asset Value (NAV) of the Company has been calculated based on the adjusted number of Equity Shares, incorporating corporate actions that took place after September 30, 2024. Such events are as follows:
  - a) On February 4, 2025, pursuant to a scheme of merger, the Company issued 2,12,14,393 Equity Shares of ₹10 each to the shareholders of Jain Recycling Private Limited (the merged entity).
  - b) On March 11 and March 12, 2025, the Company issued 4,30,008 Equity Shares of ₹10 each as a rights issue to its existing shareholders.
  - c) On March 13, 2025, the Company issued 20,36,776 Equity Shares of ₹10 each upon the conversion of Optionally Fully Convertible Debentures (OFCDs).
  - d) As a result of these actions, the total number of Equity Shares stood at 6,47,06,818 of ₹10 each. Subsequently, on March 18, 2025, the Company undertook a share split, reducing the face value of each share from ₹10 to ₹2, thereby increasing the total number of Equity shares to 32,35,34,090 of ₹2 each.
- xi. Net Worth has been computed as Equity Attributable to Owners of the Parent, based on the restated consolidated financial information of the Company, after excluding Non-Controlling Interest and accumulated Other Comprehensive Income (OCI). This computation is in line with the basis adopted by the Board of Directors of the Company for the purpose of presenting KPIs.





## Annexure B

At the request of the Company, we have performed following procedures, which were applied to the information provided by the Company as explained below:

- 1 Revenue = Revenue from Operations
- 2 Revenue Growth (%) =  $(\text{Revenue in Current Period} - \text{Revenue in Previous Period}) / \text{Revenue in Previous Period} * 100$
- 3 Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) = Profit Before Tax (PBT) + Finance Costs + Depreciation & Amortization - Other Income
- 4 EBITDA Margin (%) =  $(\text{EBITDA} / \text{Revenue from operations}) * 100$
- 5 EBITDA Growth (%) =  $((\text{EBITDA in Current Period} - \text{EBITDA in Previous Period}) / \text{EBITDA in Previous Period}) * 100$
- 6 PAT = Profit Before Tax (PBT) - Total Tax Expenses
- 7 PAT Margin (Profit After Tax Margin) =  $(\text{PAT} / \text{Revenue from Operations}) * 100$
- 8 PAT Growth (%) =  $((\text{PAT in Current Period} - \text{PAT in Previous Period}) / \text{PAT in Previous Period}) * 100$
- 9 Return on Equity (ROE) (%) =  $(\text{PAT} / \text{Average Equity (here Equity = Equity Share Capital + Other Equity - OCI re-classifiable to P\&L)}) * 100$
- 10 Return on Capital Employed (ROCE) (%) =  $(\text{Earnings Before Interest and Taxes (EBIT)} / \text{Average Capital Employed (here Capital Employed = Net worth + Total Debt + Deferred Tax Liability)}) * 100$
- 11 Net worth = Paid-up Share Capital + Other Equity (exclusive of NCI) - OCI re-classifiable to P&L - Accumulated Losses - Deferred Expenditure - Miscellaneous Expenditure - Revaluation Reserve - Write-back of Depreciation - Amalgamation Reserve - Share Pending Allotment
- 12 Return on Net worth (RONW) (%) =  $(\text{PAT} / \text{Average Net worth}) * 100$
- 13 Net Asset Value (NAV) per Share = Net Worth as restated / Total Number of Equity Shares as at the end
- 14 Inventory Days =  $\text{Average Inventory} / (\text{Cost of Goods Sold (here COGS = Cost of materials consumed + Purchases of Stock - in-trade + Changes in Inventories of finished goods, work-in-progress and stock in trade + Direct Manufacturing Costs)} / 365)$
- 15 Debtor Days =  $\text{Average Trade Receivables} / (\text{Revenue from Operations} / 365)$
- 16 Creditor Days =  $\text{Average Trade Payables} / (\text{COGS} / 365)$
- 17 Net Working Capital Days = Inventory Days + Debtor Days – Creditor Days
- 18 Net Debt = Total Borrowings (Long-term + Short-term) - (Cash & Bank Balances)
- 19 Net Debt to Equity = Net Debt / Equity
- 20 Fixed Asset Turnover =  $\text{Revenue from Operations} / \text{Average Net Fixed Assets (here Net Fixed Assets = Total Fixed Assets (excluding Intangibles) - Accumulated Depreciation)}$
- 21 Customer Count data = No. of Customers (Each customer making a purchase during a particular FY is counted)
- 22 Recycling Plants = No. of Fully operational plants operated during the year or period
- 23 Export Revenue % =  $\text{Export revenue} / \text{Total revenue from operations} * 100$
- 24 Revenue Split by Segments (%) =  $(\text{Segment Revenue} / \text{Total Revenue from Operations}) * 100$
- 25 EBITDA per Ton =  $\text{EBITDA} / \text{Total Volume of Goods Sold (in Tons)}$

