



# CNGSN & ASSOCIATES LLP

## CHARTERED ACCOUNTANTS

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### CERTIFICATE ON DEFAULTS AND NON-PAYMENT OF STATUTORY DUES, CONTINGENT LIABILITIES AND TAX LITIGATIONS

September 18, 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 ₹ 7,500 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").

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



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1. We, M/s. CNGSN & Associates LLP (FRN: 04915S/S200036), are the Peer Reviewed Practicing Chartered Accountants firm. We hereby consent to references to us as the “Independent Chartered Accountant(s)” of the Company in the Red Herring Prospectus (the “RHP”) 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 the Registrar of Companies, Tamil Nadu and Andaman at Chennai (the “RoC”), and subsequently intends to file (i) the Prospectus (the “Prospectus”) with SEBI, the Stock Exchanges and the RoC, and (ii) such other documents or materials relating to the Offer (collectively termed as the “Offer Documents”).
2. We have been requested by the Company to certify on matters relating to statutory dues, contingent liabilities and tax litigations as disclosed in the Restated Financial Statements of the Company for the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023.

**Management’s Responsibility:**

3. The preparation of the information relied upon for the purpose of this certificate, including the statement referred to herein, is the responsibility of the management of the Company. This responsibility also includes the maintenance of adequate accounting and other records supporting its contents; the design, implementation and maintenance of internal controls commensurate with the size and nature of the Company, for ensuring the accuracy, authenticity and completeness of the underlying information; making estimates that are reasonable in the circumstances; and providing information for verification that is free from material misstatement.
4. The management is also responsible for the correct identification of all information and details, the accurate and correct determination of relevant facts and figures, and for ensuring that the content and intent of the certificate is true, correct and serves its intended purpose.
5. The management is further responsible for ensuring compliance with the applicable provisions of the Companies Act, 2013 (the “Companies Act”), the ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), and other relevant laws and regulations in connection with the proposed Offer.

**Practitioners Responsibility:**

6. Pursuant to the requirements of this engagement, it is our responsibility to perform such procedures as may be necessary to confirm whether the information and details relied upon for the purpose of this certificate are in accordance with the records and documents made available to us for examination.
7. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and the Guidance Note on Reports in Company Prospectuses (Revised 2019), both issued by the ICAI, and in accordance with the generally accepted auditing standards in India and other applicable authoritative pronouncements issued by the ICAI. These standards require that we plan and perform our procedures to obtain reasonable assurance with reference to the reporting criteria. We have complied with the relevant ethical requirements of the ICAI Code of Ethics and have also complied with the 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.





**Procedures Performed:**

8. We have reviewed the restated consolidated financial statements of the Company for the financial years ended March 31, 2025 and March 31, 2024, and March 31, 2023, 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 Statements**”), along with the reports issued thereon. We have also examined other relevant records and registers of the Company.
9. We have also:
- reviewed the minutes of the meetings of the Board of Directors and Committees, minutes of Annual General Meetings and Extraordinary General Meetings and other statutory records.
  - reviewed the details of sanction letters and confirmation letters from each bank from which the Company has obtained non-fund-based facilities.
  - verified confirmation letters from the bankers that none of the facilities of the Company with the bankers turned into Non-Performing Assets (“NPA”) at any point between April 1, 2022 and July 31, 2025.
  - verified the list of statutory dues and employee-related dues paid by the Company.
  - reviewed management representations, statutory returns and other supporting documents.
  - verified the status of legal proceedings, orders and outstanding tax demands based on available records.

**Conclusion:**

10. Based on our examination, procedures performed as indicated in Procedures Performed paragraph, according to the information & explanations given to us and relying on representations & explanations from the management of the Company, we hereby confirm the following:

**A. Details of Contingent Liabilities**

The following table sets out the Company’s contingent liabilities as per the Restated Financial Statements for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023:

(in ₹ million)			
Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
A. Corporate Guarantees: Given to Banks (Notes 3)	-	-	-
B. Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	-	-	-
C. Direct Taxes (Disputed)			
- Income tax (Disputed) (Notes 4 and 5)	54.58	83.47	2.63
D. Indirect Taxes (Disputed)			
- Sales Tax/ VAT / Central Excise Demand	72.07	72.07	72.07
- Customs Duty Demand (Disputed)	13.35	13.35	13.35
- Goods and service tax demand (Disputed)	77.40	14.26	-
E. Contingent liability towards export obligations	-	27.58	87.66
<b>Total</b>	<b>217.40</b>	<b>210.73</b>	<b>175.71</b>

**Additional Notes:**

- Mere receipt of notices without an adjudicated demand or quantifiable financial implication has not been treated as a contingent liability, unless the Company, based on internal assessment or legal advice, has considered it appropriate to disclose the same.
- Based on the records verified and management representations, we note that wherever applicable, demands raised by tax or other authorities pursuant to any notices or orders received by the Company and furnished to us, which may result in financial outflow or contingent liability, have been appropriately disclosed by us.



3. The Company, together with its erstwhile group entity, Jain Recycling Private Limited (since merged into the Company), had jointly issued corporate guarantees totalling Rs. 900 million in favour of Jain Green Technologies Private Limited (a subsidiary), facilitating secured loan facilities sanctioned by banks.
4. The Company was incorporated on 25th, February, 2022, through the conversion of the erstwhile partnership firm M/s Jain Metal Rolling Mills (JMRRM), in accordance with the provisions of Chapter XXI-Part I of the Companies Act, 2013. Subsequently, M/s Jain Recycling Private Limited ('JRPL') was merged into the Company pursuant to the Hon'ble NCLT order dated 21st January, 2025, as explained in Note No. 40.

Both JRPL and the Company were subject to search and seizure operations under Section 132 of the Income-tax Act, 1961 ("the Act") on 25th February, 2020. Consequent thereto, the income-tax authorities, initiated assessment proceedings for Assessment Years (AY) 2014-15 to AY 2020-21. To settle the disputes, the Company filed an application under Section 245C of the Act before the Settlement Commission (now succeeded by the Interim Board for Settlement "IBS") on 12th March, 2021, offering additional income of Rs.734.40 million for AY 2014-15 to AY 2020-21 and paying additional tax of Rs.365.40 million.

This application, however, was rejected by IBS on 31st July 2023. The matter was subsequently carried before the Hon'ble Madras High Court, which remanded it back for reconsideration by the IBS. Pursuant thereto, IBS, vide its order dated October 07, 2024, directed Joint Verification under Section 245D(3) of the Act by the Principal Commissioner of Income-tax (PCIT Central 1, Chennai). After conclusion of the Joint Verification process, the Hon'ble IBS passed its final order under Section 245D(4) of the Act on 30th May, 2025, quantifying further additional income of Rs.138.63 million to be offered by the Company, with NIL additional income for JRPL, thereby bringing finality to the issues arising out of the search proceedings.

Accordingly, the Company has created a provision for tax pertaining to earlier years amounting to Rs.44.78 million. The Company has also filed a review petition before the Interim Board for Settlement – II, Delhi, contesting the levy of interest for the period 01st February 2021 to 30th June 2022.

Consequent thereto, the company discharged a portion of the outstanding liabilities, amounting to ₹85 million and ₹3 million for AYs 2015-16 and 2020-21, respectively, on 31st July 2025.

5. The Company has filed an appeal under section 246A of the Income-tax Act, 1961 before the Hon'ble Commissioner of Income-tax (Appeals) against the assessment order dated 27th March 2025 passed under section 143(3) for the Assessment Year 2023-24 (Financial Year 2022-23). The appeal, filed on 28th March 2025, bears e-filing acknowledgment number 918859750280325. The matter under dispute relates to the disallowance of unrealized mark-to-market (MTM) gains on unsettled forward contracts amounting to Rs.83.04 Million, which has led to a resultant disputed tax demand of Rs.25.85 Million. The Company has contended that the said amount represents notional gains which were already reduced from the computation of taxable income, and the disallowance has resulted in a potential instance of double taxation. The matter is pending adjudication.

#### B. Details of employee-related Statutory Dues paid by the Company

- a. The table below sets forth the details of the Statutory Dues paid by the Company in relation to our employees for the periods indicated below

(in ₹ million)			
Particulars	Number of employees covered	Total dues paid	Unpaid dues, if any
<b>Financial Year ended March 31, 2025</b>			
Employee state insurance contributions	114	0.58	-
Employee provident fund contributions	446	23.52	-
Tax deductions at source	57	14.86	-





Gratuity	Not Ascertainable	0.83	-
Leave Encashment	Not Ascertainable	0.37	-
Labour welfare fund	403	0.02	-
<b>Financial Year ended March 31, 2024</b>			
Employee state insurance contributions	137	0.73	-
Employee provident fund contributions	453	20.77	-
Tax deductions at source	32	42.52	-
Gratuity	Not Ascertainable	0.99	-
Leave Encashment	Not Ascertainable	0.42	-
Labour welfare fund	400	0.02	-
<b>Financial Year ended March 31, 2023</b>			
Employee state insurance contributions	230	1.10	-
Employee provident fund contributions	444	17.16	-
Tax deductions at source	33	5.85	-
Gratuity	Not Ascertainable	0.07	-
Leave Encashment	Not Ascertainable	0.13	-
Labor welfare fund	336	0.02	-

**Note:**

1. The company does not have a funded Gratuity facility. Actual outflow on account of Gratuity and Leave Encashment settlement is disclosed in the table and the accruals have not been considered.
2. The amount of interest / late fees / fine / penalty are not included in the above table.

b. The table below provides number of permanent employees of the Company as on the dates indicated:

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Total employees	405	408	378

**C. Details of delays in payment of Statutory Dues by the Company**

The table below provides the delays in payment of Statutory Dues by the Company during years indicated

(in ₹ million)			
Nature of Payment	Delay for Financial Year ended, March 31, 2025	Delay for Financial Year ended March 31, 2024	Delay for Financial Year ended March 31, 2023
1. Income Tax (IT)			
a. Amount of Delay	NA	107.08	72.11
b. No. Of Instance of Delay	NA	1	1
c. Average Period of Delay (in days)	NA	202	209
2. Tax Deducted at Source (TDS)			
a. Amount of Delay	0.23	0.26	0.01



b. No. Of Instance of Delay	83	35	4
c. Average Period of Delay (in days)	74	110	46
3. Tax Collected at source (TCS)			
a. Amount of Delay	-	0.09	0.13
b. No. Of Instance of Delay	-	7	223
c. Average Period of Delay (in days)	-	116	41
4. Goods & Service Tax (GST)			
a. Amount of Delay	162.00	468.76	108.77
b. No. Of Instance of Delay	1	3	2
c. Average Period of Delay (in days)	1	2	6
5. Custom Duty			
a. Amount of Delay	685.32	537.84	319.09
b. No. Of Instance of Delay	267	224	143
c. Average Period of Delay (in days)	8	7	6
6. Employee Provident Fund (EPF)			
a. Amount of Delay	-	0.01	0.35
b. No. Of Instance of Delay	-	1	18
c. Average Period of Delay (in days)	-	30	6
7. Employee State Insurance (ESI)			
a. Amount of Delay	-	-	-
b. No. Of Instance of Delay	-	-	-
c. Average Period of Delay (in days)	-	-	-
8. Labour Welfare Fund (LWF)			
a. Amount of Delay	-	-	-
b. No. Of Instance of Delay	-	-	-
c. Average Period of Delay (in days)	-	-	-
9. Gratuity			
a. Amount of Delay	-	-	-
b. No. Of Instance of Delay	-	-	-
c. Average Period of Delay (in days)	-	-	-



10. Leave Encashment			
a. Amount of Delay	-	-	-
b. No. Of Instance of Delay	-	-	-
c. Average Period of Delay (in days)	-	-	-

**Notes:**

1. Income tax demands raised and not paid on account of litigation are classified as Contingent Liabilities and not classified here.
2. Details disclosed with respect to delay in payment of customs duty paid have been derived solely from the books of accounts of the company.
3. The company does not have a funded Gratuity facility. Actual outflow on account of Gratuity and Leave Encashment settlement, as extracted from the books of accounts, is disclosed in the table and the accruals have not been considered.
4. The amount of interest / late fees / fine / penalty are not included in the above table.
5. For the year ended March 31, 2025 the company has paid ₹ 579.95 millions as advance tax for the FY 2024-25 (AY 2025-26).
6. Reasons for delay:

It is clarified that the reasons for the delay in remittance of the statutory dues, as detailed below, are based entirely on representations made by the management of the Company. We were not in a position to independently verify or test the veracity or accuracy of these reasons. The reasons cited are, therefore, an amalgam of various factors explained by the management and should be read accordingly.

i. Income Tax (IT):

The reasons for the delay in Income Tax payments are not ascertainable.

ii. Tax Deducted at Source (TDS):

In certain instances, there were delays in remittance of TDS primarily due to the time taken in obtaining requisite details from vendors, particularly Permanent Account Numbers (PAN) and clarification on the correct sections under which tax was to be deducted. In some cases, the accounting software required reconciliation with the TDS portal before generation of challans, which led to a deferral in timelines. There were also instances where TDS deductions were effected towards the close of the month, but owing to intervening holidays or restricted banking hours, the remittance window lapsed. Further, in some cases, internal approval workflows contributed to a delay in remitting the dues within the stipulated period.

iii. Tax Collected at Source (TCS):

The delays in TCS remittances were largely attributable to reconciliation mismatches between TCS collected and its corresponding entries in the accounting system, especially in B2C transactions or high-volume cash segments. At times, there were errors in applying the appropriate rate slabs during initial invoicing, necessitating corrections before remittance. Additionally, portal-level issues, particularly in uploading Form 27EQ or validating challan details, also contributed to timing differences in remittance.

iv. Goods and Services Tax (GST):

Delays in GST payments occurred in certain periods due to the time involved in reconciling Input Tax Credit





(ITC) as per GSTR-2B with the purchase ledger maintained in the books of account. The accounting team was required to adjust credit notes and advance receipts appropriately before filing final returns, which occasionally caused a deferment in payment timelines. In addition, technical glitches on the GST portal, especially during peak filing periods, also led to remittance delays. There were further instances where classification errors between IGST, CGST, and SGST had to be corrected before finalizing the tax liability.

v. Customs Duty:

Customs duty payments were delayed in specific cases due to procedural delays in obtaining the final Bill of Entry or related clearance documents from the Customs House Agent (CHA). In certain instances, payment was intentionally deferred pending resolution of classification-related disputes or eligibility for duty exemptions. Furthermore, technical errors in the ICEGATE portal or mismatches between port clearance acknowledgments and challan payments also contributed to the delay in remittance.

vi. Employee Provident Fund (EPF):

There were instances where EPF contributions were not remitted within the due dates due to delays in finalizing the monthly payroll or corrections required in employee-wise contribution computations. In some cases, a transition between payroll processing systems affected the timeliness of payment execution. Moreover, for new joiners whose Universal Account Number (UAN) verification was pending, contributions were temporarily held back until such time that UAN details were updated, resulting in a corresponding delay.

**D. Other Details**

- a. There are no instances of conversion of loans into equity, nor are there any non-payment or defaults in the payment of statutory dues by the Company, its Subsidiaries or Associates, except as mentioned above.
- b. There have been no instances of rescheduling or defaults of loan repayments or interest dues to banks or financial institutions by the Company.
- c. There have been no instances of overdues to companies or banks or financial institutions by the Company

11. All capitalized terms not defined herein bear the meaning ascribed to them in the Offer Documents.

**Restriction on Use:**

12. This certificate is being issued for information and inclusion (in full or in part) in 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.
13. 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.
14. 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.





15. 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: 25225064BMJMW5349

Place: Chennai  
Date: September 18, 2025

**CC:**

**Legal Counsel to the Company**

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