

MSKC & Associates LLP

(Formerly known as M S K C & Associates)

Chartered Accountants

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Olympia Cyberspace, 10th Floor
Module 4, 21/ 22, Alandur Road, Guindy
Chennai 600032, INDIA

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, India, 600 010.

DAM Capital Advisors Limited

PG-1, Ground Floor,
Rotunda Building, Dalal Street,
Fort, Mumbai,
Maharashtra, India, 400 001.

ICICI Securities Limited

ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai,
Maharashtra, India, 400 025.

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower,
Rahimtullah Sayani Road,
Opposite Parel ST Depot,
Prabhadevi, Mumbai,
Maharashtra, India, 400 025.

and

PL Capital Markets Private Limited

3rd Floor, Sadhana House, 570,
P. B. Marg, Behind Mahindra Tower,
Worli, Mumbai,
Maharashtra, India, 400 018.

(DAM Capital Advisors Limited, ICICI Securities Limited, Motilal Oswal Investment Advisors Limited and PL Capital Markets Private Limited, collectively referred to as, "Book Running Lead Managers")

Sub: Proposed initial public offering of equity shares of Jain Resource Recycling Limited (Formerly known as Jain Resource Recycling Private Limited) ("the Company" and such an offering, the "Offer", and such equity shares, the "Equity Shares")

1. This report is issued at the request of Jain Resource Recycling Limited (Formerly known as Jain Resource Recycling Private Limited) ("the Company") in accordance with the terms of our engagement letter dated September 10, 2024, and arrangement letter dated March 24, 2025.
2. We have been informed by the Management that the Company requires a report on the utilization of the funds drawn from lenders, for onward submission to the Lead Managers to assist them in conducting and documenting their investigation of the affairs of the Company in connection with the prospective issue of equity shares covered by the Red Herring Prospectus.



Head Office: Olympia Cyberspace, 10th Floor, Module 4, 21/ 22, Alandur Road, Guindy, Chennai 600032, INDIA
Tel: +91 44 6131 0200, | LLPIN: ACK-7004

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3. This report is in respect of the funds drawn from lenders and utilization of the funds, as listed in the "Statement of utilization of funds drawn by the Company towards working capital demand loans from lenders" during the period from the date of sanction till July 31, 2025" (the "Statement" or "Annexure A") annexed to this report which has been prepared by the Company, for the proposed initial public offering pursuant to the requirement contained in paragraph (A) (2) (b) of Clause (9) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (hereinafter referred to as the "ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI").

4. The Statement has been initialed by us for identification purposes only.

Management's Responsibility for the Statement

5. The preparation of the Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
6. The Management is responsible for ensuring that the Company complies with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"); and the Companies Act, 2013.
7. The Management is also responsible for ensuring the utilisation of loan for the purpose availed.

Auditor's Responsibility

8. Pursuant to the requirements of Clause (9)(A)(2)(b) of Part A of Schedule VI of the ICDR Regulations, it is our responsibility to obtain limited assurance and form a conclusion that nothing has come to our attention that causes us to believe that the details relating to the working capital demand loans from the date of sanction till July 31, 2025, on an overall basis, are not in agreement with the audited books of account and other relevant records of the Company for the year ended March 31, 2025 and the unaudited books of accounts and other relevant records of the Company for the period from April 01, 2025 to July 31, 2025.
9. The financial statements of the Company for the year ended March 31, 2025 have been audited by us on which we issued an unmodified audit opinion vide our report dated August 24, 2025 and is subject to approval by the shareholders. Our audit of the financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
10. We have performed the following procedures:
 - a. Obtained details of working capital demand loans availed by the Company from the date of sanction upto July 31, 2025, along with its purpose, balance outstanding as on July 31, 2025, interest rate and other particulars. These loans are proposed to be repaid by the Company out of proceeds from issue of equity shares of the Company in the proposed Initial Public Offering.
 - b. Obtained from the Company, the latest approved sanction letters, facility agreements and security documents ('the Sanction Letters') in relation to each of the relevant working capital demand loans as mentioned in the Statement. The management of the Company has represented to us that there are no amendments or supplementary letters thereof other than those provided to us;



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- c. Verified the corresponding drawing limits specified in the sanction letters pertaining to the relevant loans and basis amounts drawn from the books of account of the Company, ensured that the amounts outstanding as at July 31, 2025, are within the limits specified in the sanction letters;
 - d. Obtained the working capital demand loan statement of the Company and traced the loan availed amount mentioned in the Statement to the working capital demand loan statement of the Company for the period from the date of sanction till July 31, 2025;
 - e. Obtained the general ledger details of the loan accounts as mentioned in the Statement, for the period from the date of latest renewal of the facilities till July 31, 2025 and traced the amount of utilization of such loan accounts on test check basis to the supporting documents, to examine whether such transactions are incurred in accordance with the sanction letters of the loans;
 - f. Conducted relevant management inquiries, and obtained necessary representation;
 - g. In respect of utilization of the working capital demand loans outstanding as at July 31, 2025, considering the fact that cash flows from the respective loans and other operational cash flows are kept in the same bank accounts and are considered to be fungible by the Company, we have obtained the details of cash flows of all such facilities on a combined and overall basis to assess utilization of the loans as it is impracticable to establish a one to one correlation of utilization of these;
 - h. Obtained the balance confirmations from banks as at July 31, 2025, with respect to working capital demand loan accounts mentioned in the Statement in order to confirm the outstanding balances of the relevant working capital demand loans as at July 31, 2025; and
 - i. The management of the Company also mentioned the fact that part of the funds drawn from the working capital demand loans are transferred to multiple current accounts / other cash credit (referred to as the secondary accounts) maintained by the Company for making subsequent / forward trade and other payments. Accordingly, the corresponding details of utilization of such transferred funds have also been provided by the Company to us for the secondary accounts for the period which we have reviewed on a test check basis.
11. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India.
 12. We have complied with the relevant applicable requirements of the 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.
 13. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
 14. We have no responsibility to update this report for events and circumstances occurring after the date of this report.



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Conclusion

15. Based on our examination as above, and the information, explanation and confirmation given to us, along with the procedures as described in paragraph 10 above, we report that nothing has come to our attention that causes us to believe that the details provided in the Statement, on an overall basis, are not in agreement with the audited books of account and other relevant records of the Company for the year ended March 31, 2025 and the unaudited books of accounts and other relevant records of the Company for the period from April 01, 2025 to July 31, 2025.

Restriction on use

16. This report is addressed to Board of Directors and BRLMs and issued at specific request of the Company for submission to the BRLMs to assist them in conducting their due-diligence and documenting their investigations of the affairs of the Company in connection with the proposed Offer. This report may be delivered to SEBI or the stock exchanges by the BRLMs only when called upon by SEBI or the stock exchanges in writing in connection with any inspection, enquiry or investigation, as the case may be, to evidence BRLMs due diligence obligations pertaining to subject matter of this report or for any defence that the BRLMs may wish to advance in any claim or proceeding with SEBI or stock exchanges in connection with due diligence obligations of the BRLMs in the Offer pertaining to subject matter of this report. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For M S K C & Associates LLP (Formerly known as M S K C & Associates)

Chartered Accountants

ICAI Firm Registration No. 001595S/S000168



Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 25029409BMMITW4364



Place: Chennai

Date: September 08, 2025

Encl.: Annexure to the Report

JAIN RESOURCE RECYCLING LIMITED

(Formerly Known as Jain Resource Recycling Private Limited)



Annexure - Statement of utilization of funds drawn by the Company towards working capital demand loans from certain lenders during the period from the date of sanction till July 31, 2023

Name of Bank / Financial Institution	Date of Latest Sanction / Renewal of Loan	Date of Disbursement of Loan	Nature of Borrowing	Principal working capital loan amount sanctioned as on July 31, 2023 (₹ in million)	Balance amount outstanding as on July 31, 2023 (₹ in million) (Refer note 2 below)	Interest rate (% per annum)	Actual utilization as on July 31, 2023 (₹ in million)	Repayment schedule	Purpose for which disbursed loan amount was utilized	Repayment facility	
Yes Bank Limited	12-12-2024	Various dates from 31st July 2023 to 31st July 2025	Pre Shipment Credit in Foreign Currency (PFC)	87.60	87.60	SOFR +1.05% to 1.50% p.a	87.60	On Demand		NA	
			Working Capital Demand Loan	500.00	500.00	17.7 to 8.5% p.a	500.00	On Demand		NA	
			Letter of Credit	68.76	68.76	Not Applicable	68.76	On Demand		NA	
			Cash Credit	-	-	9.7% p.a	-	On Demand		NA	
ICICI Bank Limited	07-05-2023	Various dates from 17th April 2023 to 31st July 2025	Standby letter of Credit (SBC)	710.34	710.34	SOFR +1.00% to 1.25% p.a	710.34	On Demand		NA	
			Cash Credit	8.84	8.84	WCLR +1.00% to 1.50% p.a	8.84	On Demand		Not applicable	
			Standby letter of Credit (SBC)	1,443.08	1,443.08	SOFR +1.2 to 1.35% p.a	1,443.08	On Demand		NA	
			Pre Shipment Credit in Foreign Currency (PFC)	871.65	871.65	SOFR +1.10% to 1.50% p.a	871.65	On Demand		NA	
Kotak Mahindra Bank Limited	19-06-2023	Various dates from 07th May 2023 to 31st July 2025	Pre Shipment Credit in Foreign Currency (PFC)	2,000.00	2,000.00	SOFR +1.00% to 1.25% p.a	2,000.00	On Demand		Working capital facilities	
			Working Capital Demand Loan	287.18	287.18	SOFR +1.00% to 1.25% p.a	287.18	On Demand		1% p.a	
			Standby letter of Credit (SBC)	102.57	102.57	1 Year WCLR	102.57	On Demand		Not applicable	
			Cash Credit	962.84	962.84	SOFR +0.90% to 1.25% p.a	962.84	On Demand		NA	
RBL Bank Limited	10-07-2023	Various dates from 22nd April 2023 to 29th July 2025	Pre Shipment Credit in Foreign Currency (PFC)	2,000.00	2,000.00	SOFR +1.25 to 1.5% p.a	2,000.00	On Demand		NA	
			Working Capital Demand Loan	7,879.2	7,879.2	SOFR +1.25 to 1.5% p.a	7,879.2	On Demand		1% p.a	
			Cash Credit	944.33	944.33	SOFR +1.00% to 1.50% p.a	944.33	On Demand		Not applicable	
			Standby letter of Credit (SBC)	1,604.84	1,604.84	SOFR +1.20% to 1.40% p.a	1,604.84	On Demand		NA	
HDFC Bank Limited	12-06-2023	Various dates from 16th April 2023 to 30th July 2025	Letter of Credit	63.66	63.66	Not Applicable	63.66	On Demand		NA	
			Working Capital Demand Loan	364.62	364.62	8.3% p.a to 9% p.a	364.62	On Demand		1% p.a	
			Cash Credit	61.41	61.41	1 Year WCLR +0.5%	61.41	On Demand		NA	
			Standby letter of Credit (SBC)	261.25	261.25	SOFR +1.20% to 1.40% p.a	261.25	On Demand		NA	
25-08-2022		Over draft against Fixed Deposit	1,290.00	1,290.00	SOFR +1.20% to 1.40% p.a	1,290.00	On Demand		20.00	On Demand	NA

(1) The above Annexure is based on the latest financial documents and as per the records and books of accounts maintained by the Company in the normal course of its business and we confirm that these borrowings have been utilized for the purposes mentioned above.
(2) This amount does not include interest accrued.
(3) The above table does not include working capital facilities which were closed subsequent to July 11, 2023.

For Jain Resource Recycling Limited (Formerly known as Jain Resource Recycling Private Limited)



Name: Hemant J. Jain
Designation: Director and Chief Financial Officer
Place: Chennai
Date: September 03, 2023

Initialed For Identification Purposes Only



Registered Office: THE LATTICE, Old No. 7/1, New No. 20, 4th Floor, Waddles Road, Kilpauk, Chennai 600 010, T.N, India
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