



प्रबंधक/Manager,  
निर्गम एवं सूचीबद्धता प्रभाग-II/ Division of Issues and Listing-II,  
रजिस्ट्रीकरण, मंजूरी, पत्र-व्यवहार/Registration, Approval and Correspondences  
निगम वित्त विभाग/Corporation Finance Department,  
ई मेल/Email :- [prateeks@sebi.gov.in](mailto:prateeks@sebi.gov.in)  
दूरभाष सं./Tel. No :- 022-2644 9173

SEBI/HO/CFD/RAC-DIL2/P/OW/2025/23005/1  
August 25, 2025

**DAM Capital Advisors Limited**  
Altimus 2202, Level 22,  
Pandurang Budhkar Marg, Worli,  
Mumbai 400018

**Kind Attention : Ms. Arpi Chheda**

महोदय / Sir,

**विषय / Sub: Jain Resource Recycling Limited का प्रस्तावित आईपीओ / Proposed IPO of Jain Resource Recycling Limited ("the company")**

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट), भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) द्वारा मांगे गए स्पष्टीकरणों और उसके संबंध में दिए गए उत्तरों के संदर्भ में, यह सूचित किया जाता है कि इनकी जाँच करने पर यह पाया गया है कि इनमें कमियाँ हैं / भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के प्रावधानों और दिए गए अनुदेशों का पालन नहीं किया गया है, और आपके लिए यह जरूरी है कि आप स्टॉक एक्सचेंज और / या कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले उन कमियों को दूर करें और संबंधित प्रावधानों तथा दिए गए अनुदेशों का पालन करें। उपरोक्त के संबंध में की गई टिप्पणियों का और जिन शर्तों आदि का पालन किया जाना है, उनका जिक्र संलग्नक 'I' और संलग्नक 'II' में किया गया है। कृपया यह भी नोट करें कि संलग्नक में जो कमियाँ बताई गई हैं / कुछ और प्रकटीकरण (डिस्क्लोज़र) करने की बात कही गई है, यह सब आपको केवल उदाहरण के तौर पर ही बताया गया है। यह सुनिश्चित करने की जिम्मेदारी आपकी है कि सभी और सही प्रकटीकरण किए जाएं।

With reference to the draft offer document in respect of captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies / instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI (ICDR) Regulations, 2018) and instructions have been observed which are required to be rectified/complied with by you before filing the offer document with the Stock Exchange and / or ROC. Observations on the captioned issue and other conditions to be complied with are indicated in Annexure 'I' and 'II'. It may be noted that the deficiencies /

requirement of additional disclosures listed in the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

1. बुक रनिंग लीड मैनेजर होने के नाते, आप यह सुनिश्चित करेंगे कि स्टॉक एक्सचेंज / कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले संलग्नक में दी हुई टिप्पणियों / शर्तों आदि के अनुसार प्रस्ताव दस्तावेज में बदलाव कर लिए जाएं। कंपनी रजिस्ट्रार / स्टॉक एक्सचेंज के पास अंतिम प्रस्ताव दस्तावेज दाखिल करने से पहले आपको हमें एक पत्र भेजकर इस बात की पुष्टि करनी होगी कि अपेक्षानुसार बदलाव कर लिए गए हैं और साथ ही यह भी बताना होगा कि प्रत्येक टिप्पणी / शर्त आदि के अनुसार बदलाव कैसे किए गए हैं। **इसके अलावा और कोई भी बदलाव सेबी से लिखित सहमति लिए बिना नहीं किए जाएंगे।**

As Book Running Lead Manager (LM), you shall ensure that all changes are effected based on the observations / conditions contained in the Annexure before you file the offer document with the stock Exchange / ROC. A letter confirming these changes and explaining, in seriatim, the manner in which each observation / condition has been dealt with along with your comments should be submitted to us before you file the final offer document with ROC / Stock Exchange. **NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI.**

2. यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनिमय बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है। सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है। अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं। अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिकायरमेंट्स) रेग्यूलेशन्स, 2018] के अनुसार भी किया जाए। ऐसा करना इसलिए जरूरी है, ताकि निवेशक प्रस्तावित निर्गम (इश्यू) में निवेश करने के संबंध में सोच-समझकर निर्णय ले सकें।

It is to be distinctly understood that submission of offer document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LMs have certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for disclosures and investor protection in force for the time being. The LMs are advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

3. यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्युअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित

करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनियम बोर्ड (मर्चेन्ट बैंकर) विनियम, 1992 [सेबी (मर्चेन्ट बैंकर्स) रेग्यूलेशन्स, 1992] के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख March 30, 2025 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है।

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated March 30, 2025, in accordance with SEBI (Merchant Bankers) Regulations, 1992.

4. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाध्यता से मुक्त नहीं हो जाती या वह कानूनी प्रावधानों के अनुसार ली जाने वाली मंजूरी या ऐसी कोई अन्य मंजूरी लेने से मुक्त नहीं हो जाती, जो प्रस्तावित निर्गम के संबंध में लेनी जरूरी हो। हालाँकि, सेबी प्रस्ताव दस्तावेज में कोई अनियमितता या कमी पाए जाने पर कभी भी अग्रणी प्रबंधकों के खिलाफ कार्रवाई कर सकता है।

The filing of offer document does not, however, absolve the company from any liabilities under Section 34 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the LMs any irregularities or lapses in offer document.

5. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट) में दी गई जानकारी से भिन्न हो। इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है।

Any publicity materials / advertisements should not contain matters extraneous to the information contained in the draft offer document. **Attention is specifically drawn to the provisions of Section 36 of the Companies Act, 2013.**

6. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए।

The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 25(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI within seven days of filing the Prospectus with ROC / within seven days of filing the Letter of Offer with the stock exchange, as the case may be, along with details of filing fees paid till date.



आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से कम हो, तो ऐसे में अग्रणी प्रबंधक यह सुनिश्चित करेंगे और इस बात की पुष्टि करेंगे कि सेबी को शेष फीस अदा किए जाने के संबंध में इन विनियमों की अनुसूची-III के प्रावधानों का पालन किया गया है।

If filing fees paid by you is less than the actual fees required to be paid, the LMs are advised to ensure and confirm compliance with the provisions of Schedule III of the said Regulations in regard to payment of the balance fees to SEBI.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से अधिक हो, तो ऐसे में आप सेबी को सूचित करेंगे कि कितनी फीस लौटाई जानी है, साथ ही आप यह भी बताएंगे कि आपने लौटाई जाने वाली फीस की रकम की गणना कैसे की है और सेबी को किसके नाम पर चेक जारी करना होगा।

If filing fees paid by you are more than the actual fees required to be paid, you are advised to inform SEBI about the amount to be refunded, along with detailed calculation of amount refundable and name of the person in whose favour, the cheque may be issued by SEBI.

7. प्रस्तावित निर्गम (इश्यू) इस अभिमत पत्र के जारी होने की तारीख से 12 महीनों के भीतर पैसा लगाने (अभिदान करने / सब्सक्रिप्शन) के लिए खोला जा सकता है।

The proposed issue can open for subscription within a period of 12 (twelve) months from the date of issuance of this observation letter.

8. आपसे अनुरोध है कि इस पत्र की प्राप्ति के 15 दिनों के भीतर अपनी उत्तर प्रस्तुत करें।

You are requested to submit your response within 15 days of the receipt of this letter.



स्थान / Place: मुंबई / Mumbai

प्रतीक श्रीवास्तव /Prateek Shrivastava

**Annexure I**

**OBSERVATIONS**

The following are SEBI's observations in respect of Draft Red Herring Prospectus of Jain Resource Recycling Limited. These observations while referring to a specific chapter or point, the LM shall however ensure to disclose the same across all pages/chapters where the same/similar matter occurs in the DRHP. The BRLM shall also ensure that these disclosures are made in all filings with

1. Please refer to our email dated May 27, 2025 and your letters dated June 11, 2025 and all other correspondences exchanged. LM is advised to ensure compliance with the same.
2. With regard to above, LM is advised to ensure that the changes made pursuant to our clarifications are duly incorporated in the updated DRHP and RHP and Abridged Prospectus.
3. Wherever the LM has undertaken to modify / delete the risk factors or in other relevant section of the DRHP in its replies, the same shall be duly modified and incorporated in the updated DRHP / RHP.
4. Wherever the LM has mentioned "*Complied with*" or "*Noted for compliance*" or "*Complied with and noted for compliance*" or "*Complied with to the extent applicable*" or "*Complied with, to the extent applicable and noted for compliance*" or "*Complied with and noted for compliance, to the extent applicable*" in its replies, LM shall ensure that the same are duly complied with.
5. LM is advised to ensure all quantitative information be provided in tabular form and free from discrepancies/errors in all sections for the ease of reading. LM may provide with certainty all the relevant information sought by SEBI till the issue of this observation letter, in the offer document/UDRHP/RHP.
6. LM is advised to ensure that the primary business of the company shall be disclosed in lucid and economical language. The disclosure shall specify the industry, sector, activity, products etc with clarity.
7. LM is advised to ensure that the disclosure of risk factors are based on materiality, to be supported by quantifiable data to bring out the risk and to make cross-reference the exact page no. of DRHP, wherein the details of information has been disclosed.
8. LM is advised to disclose in the RHP that the company, its Directors and its promoters / promoter group are not declared as "Fraudulent Borrowers" by the lending banks or financial institutions or consortium, in terms of RBI master circular dated July 01, 2016.



9. LM is advised to update the UDRHP, in case any action against Issuer Company, any of the Promoters and Directors, Promoter Group of the Issuer Company, in the past has been initiated or concluded by SEBI.

10. LM is advised to disclose the below in the Price Band Advertisement :-

- i) Market Cap to Revenue (on Cap and Floor Prices)
- ii) Market Cap to Tangible Assets (on Cap and Floor Prices)
- iii) EV/EBITDA (on Cap and Floor Price)

And compare the same with peers and industry in which company operates. In addition to this, a separate risk factor should also be inserted as Top 10 Risk Factor under “Internal Risk Factors” Category mentioning the above parameters along with comparison with peers and industry in which company operates.

11. LM shall also ensure that all the complaints received so far, if any and forwarded by SEBI for its comments be made part of the material documents for inspection.

12. LM is advised to disclose the details of all profit sharing arrangements involving the Issuer, promoters, promoter group, directors and shareholders, if any

13. LM is advised to disclose names of competitors/ peers in Industry Overview section, wherever applicable.

14. LM shall confirm whether there has been a change in auditor(s) before completion of the appointed term (in any of the past five fiscal years), and the reasons thereof.

15. The risk factors, to the extent possible, should disclose the specific as well as financial/economic impact on the company rather than being generic.

16. LM is advised to delete statements whereby any ranking/ achievement/ performance of the Issuer company basis any selective parameters is disclosed in comparison to assessed peers/ listed peers/ selected Indian peers only and not on Industry/ market wide performance of Issuer company from all sections except Industry Overview section.

17. LM is advised to ensure that relevant disclosures as to all actions/complaints/pending litigations with other Regulatory Authorities are made in the RHP.

18. LM is advised to verify and disclose if the name of any of the directors, promoter and promoter group persons is appearing in the list of directors of struck-off companies by ROC/ MCA. Also verify and disclose if the name of the promoter group companies and group companies is appearing in the list of struck-off companies by ROC/ MCA.

19. During the interim period of issuance of observation and listing, for all the complaints received by LM/Company and complaints forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant disclosures, if required, disclosures are made in the Red Hearing Prospectus and other Offer related material along with the disclosures of the Financial Impact of the same, if any. Further, LM is advised to incorporate a prominent Risk Factor, if required, for such complaints received.
20. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, group, directors, promoters, subsidiaries which are at FIR stage and no/some cognizance has been taken by court is incorporated in the Red Hearing Prospectus along with appropriate risk factors in this regard.
21. LM is advised to update the RHP in respect to all pending litigations including for any legal notices where the Company is in receipt of such notices post filing of DRHP.
22. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for our comments, if any.
23. LM is advised to ensure that Top 5 risk factors should be made part of Price Advertisement and should also form part of Abridged Prospectus.
24. Under section "Monitoring of Utilization of funds", LM is also advised to make suitable disclosure on following points:
- i) The proceeds of the issue shall also be monitored by the Audit Committee till utilization of the proceeds.
  - ii) Issuer Company shall provide details / information / certifications obtained from statutory auditors on the utilization of the Net Proceeds to the Monitoring Agency.
  - iii) Issuer Company shall for the purpose of quarterly report by Monitoring Agency, provide item by item description for all the expense heads under each object of the issue.
  - iv) Issuer Company shall in its quarterly Notes to Accounts of its Financial Statements include the employment of issue proceeds under various expense heads.
  - v) For any investments in acquisitions or strategic partnership or any inorganic growth initiative, post IPO from the IPO proceeds, detailed disclosures of same shall be made in public domain at that time.
25. LM is advised to ensure the utilization and monitoring of the issue proceeds to be precise and any changes shall be in terms of law and as per the revised framework.
26. LM is advised to ensure that the usage of funds is as disclosed in the Objects of the Issue and any spill over from the intended Objects of the issue to the GCP is not carried out by the issuer.

27. LM is advised to prominently disclose on top of the page that the deployment of funds have not been appraised by any bank, or financial institution.
28. LM is advised to comply with SEBI circular SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022.
29. LM is advised to adhere to the following conditions:
- UDRHP is filed with SEBI not less than seven working days prior to submission of the draft advertisement for announcement of price band advertisement.
  - UDRHP shall contain necessary updated disclosures justifying the offer price under Section - "Basis for offer price", "Risk Factors" etc., particularly emphasising on appropriate Key Performance Indicators as applicable to the industry in which the issuer company operates in quantitative terms, (For illustration, Price to Earnings ratio and/or Market Cap to Total Revenue ratio etc.), with corresponding suitable explanations so as to justify the offer price".
30. LM is advised to ensure following disclosures in the Issue advertisement for announcement of Price Band and all further advertisements as a box item below the price band:

*"Risks to Investors:*

- The [to be disclosed] Merchant Bankers associated with the issue have handled [to be disclosed] public issues in the past three years out of which [to be disclosed] issues closed below the issue price on listing date."*
- Any adverse data in the basis for issue price should be disclosed. For example:*
  - "The Price/Earnings ratio based on diluted EPS for [latest full financial year] for the issuer at the upper end of the Price band is as high as [to be disclosed] as compared to the average industry peer group PE ratio of [to be disclosed]."*  
*[if average industry peer group PE ratio is not available, then P/E of Nifty Fifty may be disclosed]*
  - "Average cost of acquisition of equity shares for the selling shareholders in IPO is [to be disclosed] and offer price at upper end of the price band is [to be disclosed]."*
  - "Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed]%. "*





- iii. *Details of issue price and allottees of the pre-ipo placement or any secondary transactions by the selling shareholders from the date of filing of DRHP till the date of issuance of Price Band Advertisement..*

The data on above disclosures shall be updated and disclosed prominently (in the same font size as the price band) in advertisements of Price Band and all further advertisements, website of the company and the stock exchange. Further, any adverse ratio / data in basis for issue price should be disclosed.

**31. Financial Indebtedness :-**

- i) LM is advised to disclose table for last 3 FYs and stub Period, if any. The table should contain Date of Sanctioning of the Loan, Opening Balance of Loan from a particular bank, Closing Balance of Loan from a Particular Bank, Any new loan sanctioned during the period and amount repaid during the period. (Type of Loan Wise)
- ii) LM is advised to ensure that there are no other covenants as disclosed in the offer document.
32. LM is advised to include all Financial Metrics Numbers disclosed in DRHP as a separate portion under Sub-Section "Summary of Financial Information". This section must include different segment of revenue including Revenue Classification based on products, Geography, etc.
33. The DRHP suffers from numerous grammatical/language errors, incomplete words./statements etc. LM is advised to proof read the entire DRHP and remove these errors. Further, LM is advised to avoid such errors in future filings.
34. In respect to the Objects of the Issue, LM is advised to disclose the status of projects, if any, for which borrowed money is being utilized. Further, LM is advised to provide a certificate from statutory auditor or independent chartered accountant having peer review certificate certifying the utilization of borrowed amount, which is being repaid from proceeds of the issue.
35. Page 19- LM is advised to remove the suffix ".00" from the description 'Number of Customers' and 'Number of Recycling plants' on this page and all the places in the offer document.
36. Page 22- LM is advised to add a separate risk factor stating the fact that "Contingent liabilities about 15-20% of PAT as per last Financial Year."
37. Page 23-25- LM is advised to clearly disclose the nature of relation with the related party in a separate column.



38. Page 26 – LM is advised to disclose the reason for the wide disparity between the acquisition price of the promoter/selling shareholder and members of the promoter group for acquisition on the same date (February 4, 2025).
39. Page 31-32- LM is advised to ensure that “Forward looking statements not to contain risk factors or reference to risk factors.”
40. Page 34, Risk factor no. 1 :- LM is advised to disclose % of sales revenue derived from each of the key products in the heading of the risk factor.
41. Page 34-35, Risk factor no. 2 :- LM is advised to disclose data on number of orders cancelled by the customers in the past 3 Financial Years and stub period. The same also to be included in heading of the risk factor.
42. Page 35-36, Risk factor no. 3 :- It is observed that 75%-80% of raw materials are imported. LM is advised to mention this fact in the heading of the risk factor. Further, LM is advised to disclose the company's exposure to foreign currency exchange rate fluctuation as a separate risk factor.
43. Page 37, Risk factor no. 6 :- LM is advised to mention Relevant regulation in SEBI ICDR Regulations pertaining to monitoring agency.
44. Page 38-39, Risk factor no. 8 :- LM is advised to clearly brought out the risk on account of possibility of the company required to absorb the contract labour in permanent employment. LM is advised to disclose any such claims made by the contract labourers in the past 3 FYs and stub period.
45. Page 46-47, Risk factor no. 13 :- LM is advised to mention % of related party transactions ,as mentioned in the description below, in the heading of the risk factor.
46. Page 47-48, Risk factor no. 15 :- LM is advised to move this risk factor to Top 5 Internal risk factors. Further, LM is advised to mention the fact that no long term contracts with majority of top customers in the heading of the risk factor.
47. Page 49, Risk factor no. 17- LM is advised to consider re-drafting of the heading of the risk factor to include that majority of export revenue is derived from China.
48. Page 49-50, Risk factor no.18 :- LM is advised to disclose installed capacity and actual capacity utilization for all the manufacturing facilities in a tabular form.
49. Page 53, Risk factor no. 23 :- LM is advised to move this risk factor to Top 15 Internal risk factors.
50. Page 53-55, Risk factor no. 24 :- It is noted that premises are leased from promoter/promoter group. LM is advised to disclose terms and conditions of the lease

agreements including lease rentals payable to the promoters vis a vis market rentals of the said properties.

51. Page 58, Risk factor no. 30 :- LM is advised to disclose rate of interest payable on the unsecured loans. If the rate of interest is more than the market rate for such loans, LM is advised to disclose the same alongwith reason for the difference.
52. Page 60, Risk factor no. 35- LM is advised to move this risk factor to Top 20 Internal risk factors.
53. Page 61, Risk factor no 38 :- LM is advised to disclose the instances of inventory mismatch either shortage or surplus in the past, if any.
54. Page 63-64, Risk factor no. 43 :- LM is advised to move this risk factor to Top 20 Internal risk factors. Also, LM is advised to disclose the reason for high level of employee attrition rate.
55. Page 68, Risk factor no.51 and Page 80, Risk factor no. 79 :- It may not be appropriate to state that the Takeover Regulations may discourage/limit a third party from attempting to take control of the company or that even if a potential takeover of the company would result in the purchase of the equity shares at a premium to their market price or would otherwise be beneficial to the company's shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations . LM is advised to either point out specific provisions in the Takeover Regulations which prevent a potential takeover or remove this statement and the risk factor, if required.
56. Page 81, Risk factor no. 83 :- LM is advised to illustrate and disclose with examples how rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.
57. Page 116 – It is observed that 5,055,220 equity shares of the company held by associate of BRLM. LM is advised to submit a certificate stating the compliance with relevant regulations and disclose the fact as a seprate risk factor.
58. Page 117 – LM is advised to clarify Point no. 29 in view of the statement at point no. 13 that Motilal Oswal Finvest Ltd. is holding 5,055,220 equity shares of the company.
59. Page 121-124 - Since the only major object of the IPO is repayment/prepayment of working capital loans, LM is advised to provide more disclosures in respect of the working capital of the company including the working capital as it existed and the estimated working capital requirement at the time these working capital loans were taken from the various banks.
60. Page 181- India heavily dependent on imports for aluminium scrap because of lack of an efficient ecosystem for scrap collection and processing facilities – LM is advised to include

this as a separate risk factor alongwith the risk on this account due to foreign currency fluctuation.

61. Page 188 – LM is advised to disclose Stage 4 in lead recycling process.
62. Page 212 - LM is advised to clarify and disclose that in what capacity the company is a member of the Multi Commodity Exchange (MCX) in India.
63. Page 212 - LM is advised to disclose the source for the statement "The company is also among the top ten players in the world....50 countries'. Also, LM is advised to elaborate this statement and to clarify the meaning of 'presence'.
64. Page 212- LM is advised to re-draft The statement "The group is now expanding its portfolio.....UAE" to state "The group is now expecting to expand its portfolio....UAE".
65. Page 212- LM is advised to elaborately explain "Fulfillment of the group's commitment to ESG requirements" with facts and data.
66. Page 214 - Freight cost advantages to the company- LM is advised to compare the costs quoted as mentioned by the company with the normal market rates to indicate the competitive advantage to the company.
67. Page 216 - The company has commenced its recycling operations in 2013 only by setting up a lead refining unit as mentioned on page 263 of the DRHP. In view of the same, LM is advised to re-draft the statement 'with a rich legacy spanning seven decades, Jain Metal Group...in India.'.
68. Page 220 - Number of recycling plants is 3 and the 4th facility is the gold refining facility in Sharjah. LM is advised to correctly disclose in the 'Operational KPIs' on this page and at all the places in the DRHP.
69. Page 242- Sl. No. 8- LM is advised to complete the sentence in last column.
70. Page 243 - Combined percentage of cost of raw materials of lead, copper and aluminium is more than 100% in 9 months ended September 2024 and FY 2022. LM is advised to verify the figures and to made the correct disclosures.
71. Page 265- 266- Mars Metals and Minerals Pvt. Ltd. (MMMPL) is the majority shareholder (45%) in Sun Minerals Mannar Pvt. Ltd. through which the mining of heavy minerals in Mannar, Sri Lanka is proposed to be carried out by the issuer company. Further, the land on which the mining and processing of the heavy minerals is proposed to be carried out is also leased from MMMPL. LM is advised to disclose these facts as a risk factor as also if MMMPL is connected to the promoters/directors/KMPs/SMPs of the issuer company or its subsidiaries.



72. Page 267 – LM is advised to include the valuation report in respect of the acquisition of the equity shares of the issuer company by Motilal Oswal Finvest Ltd. in the Material Contracts and documents available for inspection.
73. Page 268 - LM is advised to include the valuation report obtained in respect of the transfer of equity shares from Geetha K. Jain to Suresh Mutha, if any, in the Material Contracts and documents available for inspection.
74. Page 268-269- LM is advised to disclose the rationale for the transfer of equity shares of the company from Shri Kamlesh Jain to Star Trust on February 25, 2025 at a substantial discount (Rs. 78/- per share) to other issues/transfers around the same time ( ₹989- 990 per share). Also, LM is advised to include the valuation report for this transfer from Shri Kamlesh Jain to Star Trust, if any, in the Material Contracts and documents available for inspection.
75. Page 273-274- The company has stated in the DRHP that it is a member of the Multi Commodity Exchange of India Ltd.(MCX) while at the same time, its Joint Managing Director Shri Mayank Pareek is a member of the Lead Product Advisory Committee of MCX. In this regard, there appears to be a conflict of interest. LM is advised to clearly explain and disclose including by way of a risk factor. In case there is no such conflict of interest, LM is advised to make a specific negative statement to this effect.
76. LM is advised to confirm and disclose if Shri Hemant Shantilal Jain is not connected, directly or indirectly, to any other directors of the company.
77. Page 275-276 :- LM is advised to disclose the reason for no agreement with Shri Kamlesh Jain with respect to remuneration especially given the apparent disparity between his remuneration (₹90 million) and remuneration to other executive directors(₹2.29 million- ₹4.80 million) for Fiscal 2024. Also, LM is advised to disclose the reason for this apparent disparity.
78. Page 327- LM is advised to disclose the details of the projects, which are temporarily suspended.
79. Page 403- Immovable assets of the company mortgaged for loans taken by the company- LM is advised to disclose the same as a separate risk factor.





## Annexure II

### General Observations

1. LM is advised to ensure that prior to filing of RHP with Registrar of Companies, the Issuer Company has received crucial clearances / licenses / permissions / approvals from the required competent authority which are necessary for commencement of the activity for which the issue proceeds are proposed to be utilized.
2. LM is advised to ensure that cover page to be strictly in compliance with the ICDR Schedule VI- all extra texts may be avoided to ensure that the focus remains on the statutory texts mentioned in the Schedule.
3. LM is advised to ensure compliance of relevant circulars issued by SEBI in addition to circulars specifically mentioned in this observation letter.
4. LM is advised to ensure that the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.
5. LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.
6. LM is advised to ensure that the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.
7. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the red herring prospectus or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.
8. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
9. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.



10. In pursuance of Regulation 25 Sub-Regulation 9(a) of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.
11. LM shall confirm to SEBI that as on the date of the offer document, the clauses/ covenants of Articles of Association (AoA) of the issuer company are in compliance with the Companies Act and the Securities Laws, as applicable.

**12. ASBA:**

- i) LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSBs which are located in places of mandatory collection centers as specified in Schedule XII of SEBI (ICDR) Regulations, 2018, Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI, at least two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSBs for sending to designated branches other than those located in mandatory collection center.
- ii) LM is advised to ensure that the ASBA mode of payment is highlighted in bold in all the advertisement / communication informing about the issue. Further, LM is also advised to ensure that the following is suitably incorporated in all advertisements / communications regarding the issue issued by the issuer:

- a. The following may appear just below the price information of the issue as shown below:

***“PRICE BAND: RS. xx TO RS. xx PER EQUITY SHARE OF FACE VALUE OF RS. xx EACH***

***THE FLOOR PRICE IS xx TIMES OF THE FACE VALUE AND THE CAP PRICE IS xx TIMES OF THE FACE VALUE***

***BID CAN BE MADE FOR A MINIMUM OF xx EQUITY SHARES AND IN MULTIPLES OF xx EQUITY SHARES THEREAFTER.***

**ASBA \***

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application !!!



**Mandatory in public issue .No cheque will be accepted**



*now available in ASBA for retail individual investors.*

*\*ASBA is a better way of applying to issues by simply blocking the fund in the bank account.*

*For further details check section on ASBA below."*

- b. The following paragraph on ASBA may be inserted in the advertisement/Communications:

*"ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors.*

*For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure - Issue Procedure of ASBA Bidders" beginning on page xxx of the Red Herring Prospectus. The process is also available on the website of AIBI and Exchanges in the General Information Document."*

*ASBA bid-cum application forms can be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange and can be obtained from the list of banks that is displayed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in). \*\*List of banks supporting UPI is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) \*\*.*

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