



“Jain Resource Recycling Limited Q2 FY '26 Earnings Conference Call”

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MODERATOR: **MR. VIKAS SINGH – ICICI SECURITIES LIMITED**

Moderator:

Ladies and gentlemen, good day and welcome to the Jain Resource Recycling Limited Q2 FY '26 Earnings Conference Call hosted by ICICI Securities Limited. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance of the company and it may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Vikas Singh from ICICI Securities Limited for opening remarks. Thank you and over to you, Vikas.

Vikas Singh:

Good morning, everyone. Welcome to the very first Jain Resources Recycling Limited Q2 results conference call. From the management side, we have with us Mr. Kamlesh Jain, Chairman and Managing Director, Mr. Mayank Pareek, Joint Managing Director, Mr. Hemant Jain, Director and CFO. Without taking any more time, I will hand it over to Mr. Kamlesh for his opening remarks. Over to you, sir.

Kamlesh Jain:

Thank you very much and a very good morning to all of you. Wishing everyone a very happy Diwali and a prosperous New Year. Welcome to the Q2 FY '26 earnings conference call of Jain Resource Recycling Limited. This is Kamlesh Jain, Chairman and Managing Director of the company. Joining me on the call today are my colleagues, Mr. Mayank Pareek, Joint Managing Director, Mr. Sanchit Jain, Additional Director, Mr. Hemant Jain, Executive Director and CFO, and other senior members of our team along with our investor Relations Advisors, Strategic Growth Advisors.

We truly appreciate your time and interest in joining us today to discuss our performance for the quarter ended September 30, 2025. First and foremost, I would like to sincerely thank all of our investors for the overwhelming response and the trust they have shown in Jain Resource Recycling Limited. We were successfully listed on both the NSE and BSE on October 1, 2025, following an IPO of INR1,250 crores, comprising a fresh issue of INR500 crores and an offer for sale, OFS of INR750 crores.

The net proceeds from this fresh issue will be utilized as follows. Approximately Rs. 375 crores will be used to prepay or repay certain outstanding borrowings, which will lead to interest cost saving, while the remaining funds will be allocated towards general corporate purpose, including business expansion, working capital requirement and all other operational needs.

This marks our first earning call post listing. I would like to begin by sharing a brief overview of our company and journey so far. Our company, Jain Resources Recycling Limited, is a part of Jain Metal Group, which carries a proud legacy spanning over seven decades.

The group was founded in 1953 as Jain Metal Rolling Mills, initially focusing on rolling of brass and copper, gradually expanding into aluminum and steel. Between 2025 and 2013, the group was primarily engaged in trading activities before taking a strategic decision to transition from trading to manufacturing. A move that marked the beginning of our transformation into an integrated non-ferrous recycling enterprise.

Over the years, we have achieved several key milestones in our journey. The entity was reconstituted as a partnership firm in 1993 and subsequently converted into a private limited company on February 25, 2022, under the Companies Act 2013. We commenced our manufacturing operation in 2013 with the establishment of a lead refining unit, which laid the foundation for our entry to large scale recycling.

Building on this base, we expanded into copper cable recycling in 2018. Soon after, we embarked upon plastic recycling with a view to recycling in-house plastic scrap generated from lead-acid batteries, battery cycling and cable scrap recycling. We diversified into aluminum recycling through the formation of our subsidiary, Jain Green Technologies Private Limited in 2022.

Realizing the opportunity hidden in extracting thin metal present in lead scrap, we installed state-of-the-art vacuum furnace technology and started producing tin in 2025. Today, we have built a robust and diversified recycling platform capable of processing multiple non-ferrous metals at a single integrated location. Our strong global sourcing network combined with an unwavering focus on quality, efficiency and sustainability continues to be the core stone of the long-term growth and value creation.

A key milestone in our journey came in 2023 when our lead ingot was listed as an LME brand, London Metal Exchange. This achievement provides us with the distinct global advantage enabling access to a wider customer base, ensuring our product meets international quality benchmarks and linking our pricing with the globally recognized LME reference price. From a modest beginning as a rolling mill in 1953, today we have evolved into a global recycling enterprise, a journey built on vision, resilience and a relentless focus on sustainability.

Over the decades, our focus on innovation, quality and responsible growth has enabled us to build a business that not only creates value but also contributes meaningfully to a circular economy. With that, I will now hand over to Mr. Mayank Pareek, Joint MD, who will take you through the detailed overview of our business operations, product mix and strategic roadmap. Over to you, Mayank.

Mayank Pareek:

Thank you, Kamlesh ji. Let me now walk you through an overview of our business segments, operational footprint and future growth plans. To begin with, I will start with the product verticals.

Currently, we operate across five product verticals, the major three namely copper, lead and aluminum and the ancillary two namely plastic and tin, which together form the foundation of our diversified non-ferrous metal portfolio. Copper and copper ingots account for approximately 46% of our total revenue, where we command 3.4% market share in India. We produce ready-

to-melt copper, copper ingots and copper billets, which are used as feedstock for various applications such as electrical conduction, chemical, pigments, automotive components, high-purity copper cathode making, etcetera.

Lead and lead alloy ingots contribute around 48% of our total revenue with a strong 8.6% market share, underscoring our leadership in this segment. Our lead ingot registered with the London Metal Exchange is also recognized under the brand name Jain 9998 as a registered brand of refined lead by the multi-commodity exchange MCX in India. Refined lead ingots and lead alloy ingots are predominantly consumed in lead-acid batteries.

They also find their applications in radiation shielding products, cable sheathing, ammunition, pigments, stabilizers and modifiers for plastics and aerospace. Coming to aluminum and aluminum alloys, this segment represents somewhere around 4% of our total revenue with a 0.5% market share in India. Owing to their high strength to density ratio, aluminum alloys are widely used in the automotive industry to make the vehicle aerodynamic.

Similarly, owing to properties like good castability, machinability, corrosion resistance, aluminum alloys are also used in domestic appliances, mobile sets, etcetera. Melting of aluminum has a considerable cost of fuel and melt loss associated with it. Hence, the concept of supply of molten aluminum in hot molten form is increasingly catching up.

By virtue of our recycling process, we also recover two valuable by-products, tin and plastic. While their revenue contribution is relatively small, these segments hold significant importance from a clean recycling and environmental responsibility standpoint. Our plastic recycling division primarily processes in-house generated PVC and polypropylene scrap.

PVC regrind that we obtain from cable recycling typically contains multiple impurities, rendering it unusable in its raw form. Selling such low-grade scrap in the open market could result in unethical disposal practices such as burning or landfilling, etcetera. To address this, we have developed an in-house process to recycle the PVC regrind into high-quality PVC granules.

Similarly, polypropylene chip scrap derived from lead-acid battery breaking often carries traces of lead and sulfuric acid. Improper handling by unorganized recyclers can cause serious environmental and health hazards. Hence, we recycle this scrap internally to produce RoHS-compliant PPCP granules, ensuring safe and responsible recycling.

Our tin recovery process, though contributing a modest share to the total revenue, adds meaningful value to profitability, as the expected tin commands a significant value enhancement due to its high purity and industrial demand. In addition, we are also engaged in trading of non-ferrous metals and other commodities, which contribute around 2% to our total revenue. In 2023, we acquired a 70% stake in Jain Ikon Global Ventures, JIGV, which is in UAE, making it a subsidiary of Jain Resource Recycling Limited, to set up a gold refining facility in Sharjah.

Operations began in August 2024, focusing on gold and silver refining. However, due to low margins, high operating costs, working capital constraints, and sector volatility, against the backdrop of stringent AML restrictions, JIGV's precious metal refining operations were discontinued effective from April 17, 2025. Our presence across these verticals demonstrates a

well-balanced product mix and underscores our strong market position in what continues to be a highly fragmented metals recycling industry.

This diversified portfolio not only supports revenue stability, but also strategically positions us to capitalize on emerging opportunities across the non-ferrous recycling segment. Raw material sourcing is a significant part of the business and I will throw light here. We have established a diversified and resilient global procurement network spanning across multiple geographies.

Over the last three fiscals, the Jain Metal Group has sourced recyclable raw materials from more than 120 countries, reflecting the depth and reach of our global sourcing ecosystem. Our recycling operations are vertically integrated, covering end-to-end processes from procurement to production of refined metal products.

We source materials both domestically and internationally, with approximately 61% of our raw materials imported and the remaining 39% sourced locally. This balanced approach helps us to optimize cost efficiency, ensure supply continuity, and maintain consistent quality across all product categories.

Now I would like to highlight the recycling facilities. We have strategically located our four recycling facilities within the SIPCOT Industrial Estate in Gummidipoondi, near Chennai in Tamil Nadu, which is one of South India's key industrial hubs.

Our facilities are situated along the Chennai-Kolkata highway, offering excellent connectivity to Chennai, Ennore, and Katupalli ports. The Chennai port, being one of the principal gateways to the east coast of India, serves as a crucial logistics channel for both imports and exports to and from China and other Southeast Asian countries, including Singapore, Taiwan, South Korea, and Japan. This strategic location offers multiple advantages.

It enables efficient sourcing of recyclable raw materials from global suppliers, while also facilitating cost-effective export of finished products to major international markets. Proximity to multiple ports significantly reduces transportation time and trade freight costs, providing a distinct competitive edge over peers operating in more inland and landlocked locations.

Moreover, the strong industrial ecosystem and logistics infrastructure around SIPCOT, Chennai, ensures seamless coordination between the production, port handling, and customer delivery. This helps us maintain a steady and reliable supply chain, optimize logistics, and support faster turnaround of shipments, all of which contribute to better cost efficiency and working capital management.

Each facility is equipped with recycling and refining capabilities designed to handle multiple non-ferrous metals. Facility 1 primarily handles copper scrap. Facility 2 processes predominantly lead scrap and also copper scrap. Facility 3 focuses on aluminum scrap and is managed through our subsidiary, Jain Green Technologies Private Limited, which we call JGTPL. JGTPL also operates a household segregation facility, cleaning contaminated aluminum chips mixed with iron through magnetic separation, ensuring high quality recovery.

As of October 30, 2025, our operations have demonstrated strong production performance while maintaining high standards of efficiency, quality, and sustainability. Our Chennai-based location thus plays a pivotal role in strengthening our export competitiveness, particularly across Southeast Asia, and reinforces our position as a cost efficient, globally connected recycling enterprise.

Coming to customers and market, we serve a diverse range of industries, including lead-acid batteries, electrical and electronics, pigments, and automotive. Our client portfolio comprises prominent domestic companies such as Vedanta Limited or Sterlite Copper, Amara Raja Batteries Limited, HBL Batteries, Luminous Power Technologies, and Yash Resources Recycling, Chloride Metals, as well as global customers including Trafigura, Toko Company Limited, Hodaka, Mitsubishi Corporation, RtM Japan, Nissan Trading Company, etcetera. Our customer base spans more than 20 countries with export contributions of over 63% in the first half of the financial year 2026.

Our top five markets, India, Singapore, China, and South Korea, account for nearly 94% of revenue. Customer count has significantly grown, supported by high retention rates, reflecting the strength of our long-term relationships. Revenue concentration remains healthy, with top 10 customers contributing 58% of total revenues.

As a customer-focused organization, we maintain stringent multi-stage quality controls, from raw material instruction to in-process checks, and final microstructure and spectrometer analysis. Notably, we are one of only two recycling companies in India to have our lead ingots registered as a brand by London Metal Exchange, reflecting global quality recognition.

Commodity Price Risk Management and Unique Propositions I would like to walk you through our approach to commodity price risk management and the hedging strategies that we employ to protect our financial performance.

Our business is inherently linked to the movement of base metal prices on London Metal Exchange. To mitigate this volatility, we deploy a robust hedging mechanism, covering both procurement of raw input and sales of finished products. For procurement, we typically take short positions in LME futures, while for finished products, we take corresponding long positions.

These contracts, generally aligned to a 90-day delivery cycle, enable us to lock in sales prices and protect margins. Our operational processes are engineered to extract the highest possible purity levels. The quality of our recycled products closely matches that of products produced directly from ore.

This enhances our product acceptance in global markets. Our branded-led products are LME-recognized, offering global visibility and the ability to deliver directly to LME-registered warehouses for seamless derivative settlements. This strategy ensures stable financial performance, real-time risk management, and strong resilience against fluctuations in global metal prices.

Looking ahead, our strategic focus is on forward integration and new recycling domains, underpinned by sustainability. We are planning to expand our horizon into copper cathode, copper wire rod, and copper busbar manufacturing, using finished products from our recycling facilities as feedstock, with electrolytic refining producing high-quality copper cathodes and wire rods.

The project is being executed through our wholly owned subsidiary, Jain Green Technologies Private Limited. To support this, we have acquired a 6.58-acre land parcel in SIPCOT Industrial Estate, Gummidipoondi for this development. The total capex for Phase I is estimated to be Rs95 crores, which will be entirely funded through internal accruals, with Rs45 crores already spent to date. As of September 2025, construction progress sustained at around 70%, and the project continues to advance as planned. We expect operations to commence in Q1 of FY '2027.

The plant will have a capacity of 9000 MT per annum, and all critical machinery has already been ordered, with deliveries expected to begin in the later half of Q3 FY '26. Additionally, the facility will include an in-house rooftop solar power plant, enabling us to produce green copper cathodes, further strengthening our commitment to sustainability and clean energy.

Additionally, we have entered into a joint venture agreement with Texas-based CNY Group Investment Incorporation, part of the renowned CNY Global Group, one of North America's largest exporters of non-ferrous metals, with an annual export volume of around 2.5 lakh tons and presence across 10 scrapyards in the United States.

The JV will establish a Rs60 crores copper scrap recycling plant in Ahmedabad, focusing on recycling end-of-life materials such as cables, motors, alternators, etcetera. Jain Resource Recycling will hold a 55% stake and manage operations, while C&Y Group, with a 45% stake, will source raw materials scrap from the United States.

This partnership marks another important step in our journey to build a global integrated recycling ecosystem in India. Our growth strategy emphasizes expanding recycling capacity and diversifying operations through new recycling verticals, including joint ventures, international scrapyard acquisition, automotive tire recycling, e-waste processing, and solar panel recycling.

With a diversified product portfolio, strong customer relationships, and strategic initiatives in forward integration and niche recycling, we are well positioned to capture emerging domestic and international opportunities.

Coming to sustainability and ESG, I would like to touch upon a few important pillars of our business, which are sustainability and ESG principles. At Jain Resource Recycling, we continue to invest in advanced technologies and systems that help us optimize our recycling processes and minimize waste. Our focus remains on reducing our environmental footprint while creating a positive and lasting impact within the communities we serve.

The reality is that as long as the human race exists, waste will continue to be generated in one form or the other. What truly matters is how responsibly we choose to deal with it. Someone must take ownership of converting this inevitable waste into a resource. At Jain Resource

Recycling, we have embraced that responsibility through sustainable, compliant, and future-ready recycling practices.

We strictly comply with the environmental regulations, ensuring safe handling and disposal of hazardous materials through specialized third-party services. We also remain deeply committed to contributing to a broader societal goal of promoting equity and long-term economic well-being through responsible recycling practices and inclusive growth.

In alignment with India's evolving policy framework, the government has introduced mandates on the rate of recycled content for key non-ferrous metals, a policy development that strongly reinforces our business model and the importance of organized recycling. In copper, minimum recycled content has been mandated to be 5% from 2021, increasing to 10% in 2029 and further to 20% by 2031.

Similarly, in aluminum, the mandated minimum recycled content is 5% starting from 2028, rising to 10% in 2029, and continuing to 2031. Additionally, under the extended producer responsibility regime, imports of non-ferrous metals, the domestic sourcing of non-ferrous metals will be eligible for EPR points starting from 1st April 2026, further incentivizing compliant recycling operations.

Together, the EPR and RRT mandates are expected to accelerate formal recycling in India, improve material recovery rates, and open up significant growth opportunities for organized recyclers like us. In conclusion, our unwavering commitment to ESG principles, operational excellence, and innovation continues to drive our journey, ensuring sustainable value creation for all stakeholders while contributing positively to society and the environment.

With that, I would like to conclude my remarks and hand over the proceedings to my colleague Mr. Hemant Jain, Executive Director and CFO, who will take you through the detailed financial performance. Over to you, Hemant.

Moderator:

So, Hemant's line has dropped from the call. I am now reconnecting him. Ladies and gentlemen, we have Hemant Jain connected with us. Hemant sir, please proceed.

Hemant Jain:

Yes. Thank you, Mayank sir, and sorry for this call got disconnected abruptly. So, good afternoon to everyone, and I'll quickly walk you through the key numbers, after which we'll open the floor for your questions. I'm pleased to share that our company has concluded the first half of FY '26 with robust growth, delivering strong performance across the key business segments and financial metrics. We have reported a healthy growth in terms of revenue, EBITDA margin, and the PAT margin, underscoring the strength of our operations and the resilience of our business model.

So, now I'll come to the consolidated financial performance for the Q2 of financial year '26. The top revenue from the operation stood at around INR2114 crores compared to INR1392 crores in Q2 of FY '25, which reflects a strong 52% growth on year-on-year basis, while the EBITDA stood at around INR160 crores compared to INR88 crores in Q2 of FY '25, reflecting a strong 82% year-on-year growth, while the EBITDA margin stood at around 7.6%.

Profit for the period stood at around INR99 crores compared to INR53 crores in Q2 of FY '25, reflecting an 88% on year-on-year growth, while the PAT margin stood at around 4.7%. Now, I'll just give you the brief with respect to the consolidated financial performance of first half for the financial year '26, where the top revenue from operations stood at around INR3663 crores compared to INR2889 crores in H1 of FY '25, reflecting a healthy 27% growth on year-on-year basis.

The revenue from the repeat customer is around 88% and the EBITDA stood at around INR250 crores compared to INR182 crores of H1 FY '25, reflecting a strong performance of around 37% on year-on-year growth, while the EBITDA margin stood at around 6.8%. The profit for the period stood at around INR155 crores compared to INR112 crores in H1 financial year '25, which also reflects around 38% year-on-year growth, while the PAT margin stood at around 4.2%.

Now, I'll take through you the segmental performance and the revenue mix for the first half of financial year '26, where the copper and copper alloy ingots contributes around 46% of the total revenue, and the lead products contribute around 48% of the total revenue, while the aluminum and aluminum products contribute around 4%, while the other segments contribute 2% of the total revenue. The first half of FY '26 revenue mix between domestic and export markets stood at around 37% comes out from domestic, and the 63% comes from the exports, respectively.

With that, I would like to conclude my remarks and hand over the proceedings to Mr. Kamlesh Jain, the Chairman and the Managing Director, who will share his closing thoughts before we open the floor for the questions. Over to you, Kamlesh sir.

Kamlesh Jain:

Thank you, Hemant. To summarize, the first half of FY '26 has been a milestone period for Jain Resource Recycling Limited, marked by our successful listing and strong operational performance and continued progress across all the business verticals. Our financial results clearly reflect the strength of our integrated recycling model, discipline, execution, and focus on value creation.

We remain steadfast in our strategy of expanding capacities, deepening our presence across non-ferrous recycling segments, advancing our journey of forward integration into copper cathodes, wire rods, and busbars. Alongside, we continue to explore our new avenues such as acquiring strategic scrapyards, tire recycling, e-waste processing, and solar panel recycling, each aligned with our vision of building a circular and sustainable future.

With regard, during the quarter, we entered into a strategic joint venture with C&Y Group Investments Incorporation, USA, established a copper scrap recycling plant in Ahmedabad. This partnership brings together JRR's operational expertise and C&Y's strong global sourcing capabilities, further strengthening our leadership in the non-ferrous recycling space and reinforcing our global integration strategies.

Our emphasis on technology, compliance, and ESG principles continue to drive operational excellence and long-term competitiveness. As India advanced towards greater formalization of the recycling sector through initiatives like Extended Producer Responsibility (EPR), and

mandated recycling content norms, we believe the environment is increasingly favorable for organized and compliant players like us.

With our diversified portfolio, strong customer relationship, and future-ready business model, we are confident of sustaining our growth momentum and delivering continuous value to all the stakeholders. With that, we would be happy to take your questions.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Amit Lahoti from Emkay Global Financial Services Limited. Please go ahead.

Amit Lahoti: Thanks for the opportunity and congratulations on the successful listing. So my first question is on operating performance for Q2 where we have 36% growth in revenue from the last quarter. So if you could quantify how much of it came from volume growth, how much from prices, and if there is any inventory liquidation as well?

Kamlesh Jain: So partly I will answer this here. Most of the sales are coming from volume growth. We have a hedging mechanism back-to-back. So the LME price goes up and down, there is not much effect. But I would like Hemant to address this question. Hemant, can you reply to this?

Hemant Jain: Yes. So with respect to the -- can you repeat again the same question, please?

Amit Lahoti: Yes. So if you could quantify how much of the revenue growth of 36% sequentially came from volume growth, how much from prices, and if there is any inventory liquidation?

Hemant Jain: Okay. So coming to one by one, with respect to the prices, as already Kamlesh sir has explained, we are completely hedged and all the metals we work on are hedging mechanism. So there is no such volume growth from the price movement.

Secondly, from the quantity perspective, as you can see, the lead performance has grown around 47%, while the copper has grown by around 14% to 15%. So this growth has come from that. And with respect to the inventory liquidation, we have actually -- the working capital cycle has gone up in this quarter as compared to the last year. So there is no such revenue coming up from the inventory liquidation.

Amit Lahoti: Okay. And there's a big movement in working capital. If I look at all the key items, inventory, receivables, and payables, they've all gone up in this quarter. So any specific reason for this or we expect this to unwind in the coming quarters, if that is the expectation?

Hemant Jain: Yes, I agree. The working capital cycle has gone up from 38 days to around 52, majorly because of the high inventory days. And as you know, our major source of purchase is through imports. So globally, there are a lot of disturbance like supply chain disturbance in the shipping line. Then there was an investigation of copper imports by US, which was done in Feb 2025. Because of that, the inventory -- number of inventory days has gone up in this quarter.

Even the debtors has increased, but we have tried to manage the same by -- if you can see my working capital cycle where we have increased our creditors' days also. And we expect this

normalization starting from the end of December. And we'll again come back to the old level of inventory days, working capital cycle of around 40, 42 days by the end of the last, maybe in the middle of the last quarter of FY '26, somewhere in the Feb of '26.

Kamlesh Jain:

Basically, Hemant is saying that the shipment of the metal has come together. So the quarter one, there was a slow shipment from the US, but quarter two was a large shipment that started arriving from the US. And that's why the inflow of the metal started in the bulk. But now it will get settled down, and it will normalize in the next few days.

Amit Lahoti:

Okay. And then my second question is, if you could provide guidance for volumes and margins by segment, what is the sustainable level? And what is the level that we are looking for, say, FY '26 by segment?

Kamlesh Jain:

Hemant, you would like to -- actually, in this case, the copper is the segment which I definitely expect copper to lead higher than any other commodity in our manufacturing business. And already the copper cathode plant and the wire rod plant is going to start from the next year, beginning of the next year, around February. So copper will lead this segment wise, and it will grow faster than the other commodities.

Amit Lahoti:

Okay. But in terms of EBITDA per ton for lead, we have done INR18,920 per ton. And for copper, we have done INR51,000. So can we expect them to sustain? Or is there going to be some variability in these?

Kamlesh Jain:

No, it will definitely sustain also. And in the copper case, the EBITDA per ton will go up also because of the new plant. The new plant, what we are going to manufacture, copper cathode, wire rod, basically, value addition plant, and it is not adding top line, it is adding more bottom line. And that's why EBITDA per ton in the copper will go up. I expect it to go up from next year.

Amit Lahoti:

Okay. Okay. Thanks a lot.

Kamlesh Jain:

I can't give exact number, but I expect it to go up.

Amit Lahoti:

Okay. Thank you.

Moderator:

Thank you. We take the next question from the line of Vivek Gautam from GS Investment. Please go ahead.

Vivek Gautam:

So, congratulations on good set of numbers and good listing, sir. So basically, I just wanted to understand about this. We have been going at the rate of 40% for the last few years. Are these growth rates sustainable? And so and what is the opportunity size for us in the future? And what are our differentiating factors versus competition? Is the sourcing capabilities one of our differentiating factors or USP worldwide? And lastly, on C&Y, tie up which you have done, if you can highlight your point. Thank you.

Kamlesh Jain:

So, as I said in the earlier interview also, that recycling is not a choice, it is a compulsion, and we have to recycle to live this life on this planet. So, the recycling will keep growing and there

will be more and more recycling as human race exists in this world, as Mayank said earlier. This will keep coming and India has unique strength and USPs in recycling.

Compared to all the countries in the world, India is far, far ahead in recycling. That's why Indian companies will grow in recycling as you have seen the performance of other companies also. So, I don't think any problem will come and what we are growing 40% CAGR in last so many years. I expect the growth momentum to continue also and as the data is last first half, you must have noticed that the growth is more than that.

There is no problem. But C&Y, yes, C&Y is one of the largest exporters in USA in North America and they have global sourcing capabilities and they have been supplying to us also. Now, they join us for putting plant near the Mundra port, which is where this venture is going to take place. And we expect next year the production to go online and it will be a good addition in our copper revenue. Right now, I cannot disclose more than that, but I am sure that you will see the stunning results in next year.

Vivek Gautam:

Sir, our margins are slightly on the lower side versus competition. What could be the reason for that and can we hope for the higher margin in time next few months?

Kamlesh Jain:

Different companies have different models and different geography conditions. You cannot compare like apple to apple. If you compare apple to apple, then our peers, there are some peers out of India and they have different models and some peers -- and since we are in copper recycling and we don't have any peers in copper, our 70% sale is different from the peers.

That circumstances, we cannot be compared with the other peers and our models and our margins are sustainable long term and it is going to definitely go up in the future because of the expansion and diversification and the value-added product what we are going to manufacture. So, right now, what you are seeing, it will definitely sustain and it will go up only.

Vivek Gautam:

And lastly, there was some news about the US government and the recyclers in the US, especially in aluminium, asking the US government to place a ban on export of aluminium scrap. How big is the threat to us and how big is the US as a sourcing destination for us foreign different materials?

Kamlesh Jain:

Even I also read that article, but basically, US do not have sufficient capacities to recycle. So much of tonnage of aluminum, which is generating the US, they have to export. And second point is we are buying globally from 120 countries. So, we are not like -- depending on US, of course, US is one of the biggest supplier to us, but we buy globally and I do not see any threat for our raw metal requirement.

And aluminium is a very minor sale for us, overall to sell the copper and lead is the main metals and there are other markets for us to source the scrap and recycle material. So, I do not think much said and this is only just an initial talk, but US do not have that much of capabilities to recycle so much of aluminium and they have to export only.

Vivek Gautam:

No such restriction on copper and lead from US?

- Mayank Pareek:** Then I would like to add here. The proposal is to ban the export of UBC, although it is at a very primitive stage, but that is for Used Beverage Cans, which we do not use. Our products do not use this scrap.
- Vivek Gautam:** And no such restriction on copper and lead, sir?
- Kamlesh Jain:** Nothing, so far nothing.
- Vivek Gautam:** Thank you, sir.
- Moderator:** Thank you. The next question comes from the line of Dheeraj Ram from B&K Securities. Please go ahead. Dheeraj, please unmute your line and proceed with your question. Since there is no response, we will move on to the next question, which is from the line of Naman Parmar from Niveshaay Investments. Please go ahead.
- Naman Parmar:** Yes, good afternoon, sir, and wish you a very warm and prosperous Diwali and Happy New Year. So firstly, on the lead side, I just wanted to understand, currently you have done around 9.6% of margin. Right, so what is the percentage of the value-added products and which value-added products are mostly going to other than the lead-acid battery requirements?
- Kamlesh Jain:** So we basically made, we make only lead ingot in the lead segment and we do not make any value-added product in the lead side. So, our base finished goods is 99.97% lead ingots, which are base raw material for the battery manufacturers. And we also recycle the battery box and plastic granules and we make the compound and we supply the plastic granules for the plastic box manufacturers. So that is what we do in lead and there is not much value-added product in the lead side.
- Naman Parmar:** Okay, so then how we are able to make a very high margin on the lead side compared to the competitors and all? How sustainable can we do this particular margin in the going forward?
- Kamlesh Jain:** There was an earlier question, the other gentleman asked me that why such a low margin in the business? And now it is good to hear that you are saying high margins. It is not a point of high margin or low margin. It is a point of the margins are at par with the peers in the market and this is for who are doing recycling in India. And I do not find that these margins are sustainable.
- These are already rock-bottom margins and it is a scalable business. So in the business of recycling, as when we more and more recycle, more and more we do production, the cost of production goes down because the variable expenses are also linked to the production. And that is why when the cost goes down, the margin sustains. And we are expanding every year 30%-40% capacities. In that circumstances, the margin will sustain and the scale of production will benefit us in getting the better margin.
- Naman Parmar:** Okay, so has the industries now, if you see on the batteries side, the technology is shifting very fastly from lead to lithium and lithium to sodium. So, what is your outlook for the lead in the future? Like there will be a very good requirement for the lead recycling for next 2-3 years or you see to come to any new technology for the recycling like lithium or anything else?

Kamlesh Jain:

First of all, lead acid battery is not going to go anywhere. The lead acid battery will remain, will be used by all the cars, motorbikes or other automobiles because every lithium car company requires a lead acid battery also to start the car for headlights and for inside all the lights they require only lead acid battery. Lithium battery is used only to replace the typical engine of the petrol and diesel. So it is not that the lead acid battery is going to go anywhere. They will remain in the automobiles; they will not go anywhere. This is first.

Second, for lithium recycling, lithium recycling plant, we do have a strategy in the future, but right now the raw material is not sufficient enough to start a plant and because the life of lithium recycling is very long, eight years sometimes and reuse more than recycle. So right now because of scarcity of raw material, we are not planning, but we may plan in the future.

Naman Parmar:

Okay, understood. Secondly, on the copper side, if we compare this with the other segment, it has currently a low margin of 4.5% to 5%. But as you mentioned that as value-added products will kick in, you are expecting a very good margin. But if you can elaborate how maximum the margin can flow from step 1 to copper cathode to busbar, so it will be very helpful.

Kamlesh Jain:

So we are going to value-add the product of copper and that's from the copper cathodes and then we are making copper wire rods and then we are making copper busbar and then we are going to do some plating. So, every stage of this product will add at least 0.75% to 1.5% margin on different products with different applications.

I cannot give exact number, but I of course expect the EBITDA margin to go up by at least 3% to 4% in copper segment alone and that will have the complete chain and will have an impact on EBITDA in a positive manner in a big way next year.

Naman Parmar:

Means from 5% to maximum it can go to 8%, right? It's around the range.

Kamlesh Jain:

So actually now what we are seeing is the overall margin of all the metals including copper, lead, tin, plastic and all. Copper segment alone will add up in this, but it will not impact lead and other metals, it will impact only copper.

Naman Parmar:

Okay. And lastly on how maximum the capacity utilization you can reach and how you are expecting to utilize optimum utilization in the next couple of years?

Kamlesh Jain:

Right now we are doing more than 100%. Right now, it is, like, quotation is very high and we are doing very big...

Naman Parmar:

Okay.

Kamlesh Jain:

Because every year we always keep some grace capacity in our production planning. So we are right now utilizing more than 100% and I don't think any problem will come for full capacity utilization in the months to come and we are always expanding and to our present capacity also. So it will have this -- without any problem I don't think any problem should come for capacity utilization.

Naman Parmar:

Okay. And any volume growth guidance you can provide?

Moderator: Naman, I would request you to please join back the call.

Naman Parmar: Okay. Yes. I will join back. Yes. Thank you so much. Yes. Okay.

Moderator: We take the next question from the line of Praful Kumar from Dymonasia.

Praful Kumar: Hi, sir. Many congratulations on very strong earnings. Sir, broadly two things I want to understand. In terms of sustainability, you have a significant edge in sourcing. So broadly, how the pipeline looks from the sourcing side for the next, say, two quarters to four quarters? Is the Q2 performance more sustainable in terms of growth? And second would be on capex. Post the IPO and the new projects you are working on? What kind of capex and asset turn are you looking at in the business?

Kamlesh Jain: The first part I will apply here. Our sourcing -- we are increasing our sourcing country by country. And as we have told earlier also, we are 120 plus country now. And every year we add some countries and deep sourcing capabilities and domestic sourcing also increase a lot now. And our domestic sourcing actually gone up very high in this current year and we got a better compliance of GST and the industry is very organized now.

Can you put your mute actually? Okay. So, can you put your mute yourself, because a lot of disturbance. Yes, so I was saying that, our domestic sourcing has gone up very high and I expect to go more and more domestic sourcing. And that circumstances, we do not have any shortage of raw material for next year. At least I am very sure about that. Coming back to the point of the capex, I would like Mr. Mayank Pareek to take this question.

Mayank Pareek: So on the capex, one thing is about continuous expansion in the existing business. Because as a strategy, whenever we exceed the capacity utilization above 80%, we add new capacities in the existing verticals so that we keep a healthy gap between the capacity installed and capacity utilized.

On that account, we expect year-on-year capital expenditure of INR20 crores per annum to INR30 crores per annum. Then we are working on the project of value-added products for copper. And the Phase 1 consists of a plant with a capacity of 9,000 tons per annum, which has a capital expenditure of INR95 crores. And once this is done, then with a time lag of two months, three months after it is commissioned, we will go in for a replica of this project to double the capacity and the capex would be another INR50 crores.

Then Ahmedabad, the JV was announced. And here we will be spending some INR30 crores from JRR side. Then we are working on many projects, the tire recycling and solar panel recycling, EVS recycling and other things. The studies are at an advanced stage and if they materialize, then maybe over the next two years, three years, subject to the concluding and putting up these projects, capital -- another capital expenditure of INR100 crores could be estimated. So, that's a summary of the capex -- estimated capex.

Moderator: Praful, does that answer all your questions?

Praful Kumar: Yes. Yes. So, just last thing on margins. Did you guide over the next, say, 12 months, 18 months, how the margin profile will look, given the new projects coming up?

Kamlesh Jain: We have already discussed this earlier also about the future margins.

Praful Kumar: Okay.

Kamlesh Jain: And I've already explained in the previous questions about the guidance and the future. So, I think we have to talk about...

Praful Kumar: Okay, sir. I'll go through the transcript. Yes.

Kamlesh Jain: Yes. Yes.

Moderator: We take the next question from the line of Deepthi Rajulapati from Axis AMC.

Deepthi Rajulapati: Hi, sir. Thank you for the opportunity. I just wanted to check...

Moderator: Deepthi, I do apologize to interrupt you. Your audio is not coming through clearly.

Deepthi Rajulapati: I just wanted to check on the timelines of this JV. When will the planned commission and the capex includes land costs? Yes.

Kamlesh Jain: Mayank, would you take this question?

Moderator: Sir, Mayank sir line has been disconnected.

Kamlesh Jain: Okay. I will reply.

Moderator: Give me one second, I'll join you.

Kamlesh Jain: I will reply. So, your question was the timeframe. So, timeline is -- we have just finalized the place and now, and maybe after licenses and the machine installation, six months to nine months, we'll start the production there. And the plan will get stabilized, maximum nine months to 12 months and six months to nine months, the commission will come. And the -- what was the second part of the question?

Deepthi Rajulapati: The land cost, is it included in the capex that you...

Kamlesh Jain: No. We did not -- we are asset light here and we did not bought any land, plant, sorry, machine, everything. What we're buying right now on rental models. So, the land, shed, the buildings, we are taking on rent, and we are not going to be owning assets, so we are asset light.

Deepthi Rajulapati: Okay. What's the thought process behind going in a JV route rather than putting up a plant on your own?

Kamlesh Jain: So, it's a good question. You must understand in the business of recycling, sourcing is very, very important. As much as you source, you can recycle, you can sell. There is nothing called order book, fake book order here. All is a purchase order book. How much you can source, you can

recycle and you can sell. There is no problem. And you can even manufacture also by increasing capacity.

To secure and to avoid competition, two big giants of -- in the recycling space in the world, in the copper, is C&Y and Jain. So, we joined together and since we have global sourcing and C&Y is only US-based sourcing, so we come to competition and this item is also new. This is electric motor scrap and they have more strength in this. So, to strategic partnership reason, we have joined together.

Moderator:

We take the next question from the line of Sucrit D Patil from Eyesight Fintrade Private Limited.

Sucrit D Patil:

Good afternoon to the Jain team. I have two questions. I'll just combine them into one and ask. As you have already laid out the growth plan for Jain Recycling, but when it comes to actual scaling this model, especially with supply chain gaps, compliance hurdles and technological integration, how would you be navigating through these challenges and what kind of internal strength are you building?

And my second question is, with regards to the input cost, swinging and compliance costs that are arising, how would you be planning to keep the margins steady? What are the plans that Jain is going to put into action that will keep the profitability in line? Yes.

Kamlesh Jain:

The first question was a little confused question. What exactly you want to say about the compliance and cost? I don't understand your question. What was the question, the first question?

Sucrit D Patil:

My question was, as you have laid out the plans, but to -- I believe to put the plans in action, you will have to deal with a lot of supply chain gaps or compliance hurdles. How would you mean navigating through this?

Kamlesh Jain:

What do you mean by compliance hurdles? Supply side, I already explained many times that we have deep sourcing capabilities. Just now we have joined hand with C&Y, one of the global giants in recycling in the US. And there are many proposals such that we can join and we have deep 120 country plus sourcing. So, supply chain is not at all challenge because that is why we are growing.

We are growing 40% CAGR year-on-year. And this year also we have shown more than our projected. So, there is no supply chain challenges. Of course, it's one of the key point in manufacturing these commodities. But supply chain challenge, that's what we are continuing and we're growing. What is the compliance issue here, you're talking about that? Which compliance issue? Can you explain to me?

Moderator:

Sir, the participant has left the question queue. We will move on to the next question, which is from the line of Parikshit Kabra from Pkeday Investment Office. Please go ahead.

Parikshit Kabra:

Hi. Thank you for the opportunity and congratulations on your results as well as your listing. I want to understand, you're giving your capex plans for the next year or so across most of your segments. But you didn't mention anything about lead and aluminum.

And I want to focus more on lead because, basis whatever numbers I could pull out from the DRHP, it seems that you're already at about 80% capacity utilization there, or that's what I could figure out. So, could you just give us some guidance on how you're seeing that segment going to evolve over the next year or 18 months?

Kamlesh Jain:

You're asking about the lead growth?

Parikshit Kabra:

Yes, lead. I'm asking about lead. Because I think your capacity utilization in lead is upwards of 80%. And you didn't mention any capex on lead.

Kamlesh Jain:

So, what we do generally is that every year we keep 20% capacity extra. We do not -- as this business is on sourcing side more, so we keep our capacity extra. And when this capacity gets full, we again additionally build this capacity. Now what happened last year, we built 80% and 20% extra. We kept what we made ready.

Now this year, that 20% has been fulfilled. That is where the lead sale has gone up on this current first half, if you see. The lead sale has gone up by, I think, almost 30%-40%, which Hemant can clarify more. But the lead sale has gone up hugely. And again, now we are running 100% capacity full of lead. We are going to additionally build 20% capacity.

So, basically our base infrastructure, which includes the furnace and the laboratories and the battery breaking machines, all are having high capacities. We will put more refining furnace to additionally build and increase the production. So, that is where the small investment in the capacities will build the large production. And that -- so that way, every year our average growth of 30%-40% will be having in the lead also.

Parikshit Kabra:

Got it, sir. Sir, just one quick question on this. One of your peers mentions a strategic advantage being a geographically diverse footprint. Allows him to source and supply to his customers with a cheaper logistics cost.

While you have mentioned about how your location and concentration near the ports is a strategic advantage from an import and export perspective. Are you also thinking about diversifying your geographical footprint so that your sourcing is closer to your factories and your suppliers, etcetera, etcetera

Kamlesh Jain:

So it depends on the business model and where you are selling your product and where you are importing your raw material. Now, in our business, our model is very simple that we want to centralize one location to reduce the cost of production instead of managing so many units in different places. It is a challenge for us and the bandwidth requires a big way.

So, we have centralized one place and larger capacities. And that way, we reduce the cost. And we also have an advantage of Southeast Asia because we export our 70% to 80%, 90% lead for export market. And we are not selling much in India. And we are selling more on -- abroad in Korea, Japan, and Singapore, and Malaysia. So, we don't have local -- more customers local than export.

So that way, we are different from others. And we don't need a geographical location to run the plant. So one centralized location helps us to reduce the cost and the bandwidth. And export market is as a state advantage from Chennai to Southeast Asia. It's huge and we have almost zero freight. That will help us to export more and more.

Parikshit Kabra:

Got it, sir. Thank you so much for your time and the opportunity.

Moderator:

Thank you. The next question comes from the line of Ankit Babel from Subhkam Ventures. Please go ahead.

Ankit Babel:

Good afternoon, sir. Sir, sorry, I missed the growth part, the growth guidance which you gave. So, considering your H1 performance and the upcoming capacities, what kind of revenue growth do you see in FY '26 and '27 for the company as a whole? And also, what are your sustainable operating margins for 2 years? Again, for the company as a whole.

Kamlesh Jain:

So, Mr. Mayank, are you there? Can you reply this? You want to take this?

Mayank Pareek:

The growth projections cannot help what the growth projections suggest.

Kamlesh Jain:

Mayank, we can't -- we're not able to hear you. Mayank, what you said.

Mayank Pareek:

The question was about the growth perspective in FY '26 and 27.

Ankit Babel:

Yes, revenue growth for the company as a whole.

Mayank Pareek:

Yes, so I'd rather invite Hemant because he had brought the...

Kamlesh Jain:

Okay, okay. Mayank is actually traveling abroad, so his lines are not clear. Hemant, would you like to take this question?

Hemant Jain:

Yes, sure. So, with respect to the revenue growth, so presently you can see our H1 performance as compared to the last year, we have shown a growth of around 27% in the revenue. And with the present capacity utilization and the capex plan, what we have, we estimate that this growth of around 20%-25%, which we have already performed in the last 4 to 5 years, this growth will still continue on the present portfolio of the products. And can you come up with the second question, Ankit?

Ankit Babel:

Sustainable operating margins for the company as a whole.

Hemant Jain:

Yes. So, with respect to the operating margin, already Kamlesh sir has explained in his opening remarks, and with respect to the margins with the segment wise, I think lead, we are almost at par and par with other peers.

And with respect to the copper and which has grown from around 33,000 per ton to presently at around 50,000. This will be sustainable because of our capacity of deep sourcing and the duty structure which got scrapped within this budget for the current financial year.

So, with this -- with all these factors, we estimate that this EBITDA margins and, in each segment, will get sustained. And this has been proven in the past records of the company for the last 3 to 4 years.

Kamlesh Jain:

I would like to add, as Hemant said that in this budget, last year budget in February, the duty structure, lead and copper become zero. And the main commodity for us has become zero. We are getting the export advantage now in a much better way, and that also increasing the EBITDA margin in a bigger way. And that impact, you must have noticed in the first half result of the year, where our EBITDA and PAT margin has gone up because of the duties also become zero.

Ankit Babel:

Okay. And one small question, what would be your finance cost in FY '26 and FY '27, considering the revenue growth and the working capital requirement and also the fact that you have repaid part of your debt through IPO proceeds? So, finance cost would be how much?

Kamlesh Jain:

Basically -- yes, Ankit -- basically, Ankit, what we do is that mainly we import on non-fund LC limits. So, our rotation of the money happens on the LC limits when we import the material and we open SBLC to suppliers and that is around 5% to 6% total cost which includes SOFR plus some basis point. And that is our finance cost for importing the raw material, working capital cycle because most of the -- our imports are happening through this.

And as far as your -- the overall finance cost will not -- will go proportionately because of the working capital requirement and as the production goes up also, on the percentage of the turnover, the finance cost may go down and the IPO money of INR500 crores will be also utilized to repay the bank debt, which will reduce the finance cost in a much, much significant way. And I think next year we will see less number in proportion to the sales of the company.

Ankit Babel:

Any number, sir, are against INR85 crores? Last year it was INR85 crores approx. So, what number you are looking at for this year?

Kamlesh Jain:

Hemant, you will take this? Hemant, are you there?

Hemant Jain:

Yes, yes, I am there.

Kamlesh Jain:

Can you reply this?

Hemant Jain:

Yes, Ankit, can you just give INR85 crores means you mean to say the finance cost?

Ankit Babel:

Finance cost last year was approximately INR84.7 crores. So, this year you are looking at what and next year also if you can guide.

Hemant Jain:

With this primary inclusion of INR500 crores where we have used around INR375 crores to repay the debt. So, basically we will save around INR24 crores to INR25 crores on the finance cost because of the repayment, but as you see the volume growth has happened around 27% on year-end basis. So, that will again actually being funded from the internal accruals. So, we estimate this finance cost will come down to the extent of around INR20 crores to INR22 crores on an annual basis.

Ankit Babel:

On an annualized basis.

- Hemant Jain:** Yes.
- Ankit Babel:** Okay. So, at best it will remain at INR85 crores. It will not increase. Okay. Thank you so much, sir.
- Moderator:** Thank you. We take the next question from the line of Pallavi from Sameeksha Capital. Please go ahead.
- Pallavi:** Yes, sir. Thank you for taking my question. This was regarding this, the inventory. You mentioned about the imports seeing more investigation. But if I look at the raw material sourced from domestic, it's gone up this year to 39% versus last year average of 25%. Sir, I just wanted to understand this point better?
- Kamlesh Jain:** You mean to say the raw material cost of production gone up, you're asking?
- Pallavi:** No, not cost of production. The raw material sourced domestically is up. It's gone up to 39%. As per RHP, it was 25%, 23%. So, we sourced more domestically, yet our working capital our inventory days has gone up. So, I'm not able to reconcile those two things?
- Kamlesh Jain:** So, the raw material sourcing of domestic has gone up for sure because we are focusing more and more now Indian market compared to previous because Indian recycling market is also getting organized now. And there are organized companies which are coming to for selling because of all the compliance of GSTs and other issues.
- So, and we are also buying semi-crude material also to make it into pure refine and make it into a proper branded product. So, there are many local factors which are supporting the domestic sourcing of the raw materials. Coming back to a point of the alignment of the, I mean, the cost of the fund, you are saying the cost of interest gone up. So, see what happened is that...
- Pallavi:** No, I'm saying about the, sorry sir, inventory days.
- Kamlesh Jain:** Inventory days. Okay.
- Pallavi:** If you are sourcing domestically, it should actually help to bring down that?
- Kamlesh Jain:** Yes, you're right. But what happened is that subsequently our direct sourcing also gone up very highly. So, when we source domestically the cycle is done faster, no doubt in that, but we also increase our direct sourcing. In the direct sourcing, we used to buy earlier CIF, Chennai port and we used to make payment on the arrival.
- But when you source directly to scrap from the scrapyards and those scrap dismantling companies, then we have to make the payment and take the materials from the US and other places where we make advance payment and take the material to have better margin and better security of raw materials. So, those also gone up.
- Overall, because of direct sourcing gone up, the cycle of the payment rotation also got more. If you want a segment wise break up also, we can give later to you that why it has been going on, but the main reason is direct sourcing gone up. That is why our cycle is going up.

- Pallavi:** What is the share of direct sourcing in the total raw materials?
- Kamlesh Jain:** I will give you segment wise. I do not have data right now with me. I will give you the segment wise. You drop me an email. I will reply back to you with the segment wise.
- Pallavi:** And sir my second question was with regard to the related party transactions we have seen at the RHP. So, some factory is leased from the promoter. So, the new opportunity also coming up will be on lease from promoter or are we going to see a reduction in the related party transaction?
- Kamlesh Jain:** Basically, what we are saying is that I think the merger of company has drastically reduced the related by transaction. They still will have some one plant or other plant. So, recycling are getting interconnected. Now, what happened is that, but right now as we come down because of the two major companies, copper and lead got merged. So, it will come down for sure.
- But we will still have some transaction because of Jain Green Technology which is expanding into copper and already aluminium recycling company is expanding to copper also. So, there will be inter supply of the raw materials from one plant to other plant. Let us say for example, when we recycle aluminum cables, we also get copper content in that.
- And that copper content we have supplied to the main company which is called JRR. So, there will be always a related party transaction and there will be supplies side and the two exchange raw material because different companies got different strength and has to be compensated with each other's raw material requirement.
- Hemant Jain:** One more thing, ma'am, I would like to add here is that the interrelated inter-party transactions what you are referring to. So, both the Jain Green Technologies are 100% subsidiary of JRR. And as already Kamlesh sir has explained, when we import the scrap, we get the scrap of aluminum also along with sometime in the cables and other things.
- So, which we sell to the 100% subsidiary at an arm's length prices. And all the prices are being driven by LME. So, hopefully that will not get much impacted in any of the profitability of any of the company because both the companies get the profitability gets merged and the transactions get nullified.
- Pallavi:** Right sir. My last question was this on the financials in the other financial liabilities, they have increased from INR50 crores to INR800 crores. We just wanted to understand what this is?
- Hemant Jain:** Sorry, the other?
- Pallavi:** In the balance sheet, the other financial liabilities?
- Hemant Jain:** Okay.
- Pallavi:** That is increased from INR50 crores to 800 crores. So, what item is this?
- Hemant Jain:** So, what happened, we have got this IPO money on the last day of this first half of the financial year. Okay. So, we need to account for the liability payable to the selling shareholder because all the money which has been got for INR1,250 crores into the company's account and which

was paid to the selling shareholder on the first of October. So, that INR818 crores what you are seeing as another financial liability is consist of INR750 crores payable to the selling shareholders.

Pallavi:

Yes. Okay. And sir, lastly in China, what is the size of these recyclers there in terms of competitiveness versus the Chinese manufacturers if you could share some insight on and is there any listed company in China in the same business?

Kamlesh Jain:

China has got certain rules and regulations. Most of the Chinese are doing in Thailand and Malaysia recycling. And first of all, as I told you India has got some unique USPs in recycling, which China and other countries are not having. That is why the C&Y also came to India to join because of India's three USPs. The first is the cheap labor supply and the mass labor supply.

So, the cheap labor supply and the mass supply will not be available in many countries of the world. That is why India is ruling in the recycling. Number two is the plastic ecosystem. What India has having this plastic ecosystem to make cheaper plastic products from this plastic waste, which is generated from cables and the batteries is not available to other countries because, for example, who wears your Hawaii sleeper. In India, poor people wear it, villages wear it.

Similarly, you will see that in India, the cheap yoga mats and car mats are used in India. People do not wear them. Shoes are made from it, tissues are made from it. All this is not available outside. So, this is the reason why India could use USPs. And the third USP India has got is the government tier guidelines and rules and regulations and the license quota system.

Where the government is promoting recycling, government wants to making of recycling like they are promoting recycling theme park. They are promoting the incentive. You must have read the two days back, where the critical mineral recycling policy also came for the various non-ferrous metals. So, government is promoting recycling in a big way.

So, these are the USPs and export advantages what we have from India to other countries is not available in so many countries. So, that is why India is big in recycling and India is growing in recycling. So, comparatively, we do not have any serious competition from these countries.

Pallavi:

Thank you, sir.

Moderator:

Thank you. Ladies and gentlemen, due to time constraint, we take that as the last question and we conclude the question and answer session. I now hand the conference over to Mr. Kamlesh Jain for his closing comments.

Kamlesh Jain:

So, that was last question?

Moderator:

Yes, sir.

Kamlesh Jain:

Okay. So, thank you for the opportunity given to us and we appreciate your participation in our earnings call today and we must trust that we have addressed all your queries. Should you have any further question, please feel free to reach out to Strategic Growth Advisors, our Investor



Jain Resource Recycling Limited
October 23, 2025

Relation Advisors. And thank you once again. I am wishing you all a very happy Diwali and a prosperous New Year.

Moderator:

Thank you. On behalf of ICICI Securities Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.