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ARDEE INDUSTRIES LIMITED

August 04, 2026

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	**Energy**
Offer for sale (Shares)	19,975,000
Fresh Issue (Shares)	60,377,358
Net Offer to the Public	80,352,358
Issue Size (Rs. Cr.)	401-426
Price Band (Rs.)	50-53
Offer Date	5-Aug-26
Close Date	7-Aug-26
Face Value	2
Lot Size	281

Issue Composition

	In shares
Total Issue for Sale	80,352,358
QIB	40,176,179
NIB	12,052,854
Retail	28,123,325

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	91.48%	67.62%
QIB	8.52%	19.63%
NIB	0.00%	3.82%
Retail	0.00%	8.92%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding incremental working capital requirement of Company
2. Repayment and/or pre-payment, in full or in part, of certain borrowings availed by Company
3. General Corporate Purposes

Book Running Lead Manager

- Pantomath Capital Advisors Private Limited

Name of the registrar

- Kfin Technologies Limited

About the company

Founded in 1993, Ardee Industries Limited is one of India's leading circular economy companies, specialising in the sustainable recovery and recycling of end-of-life energy storage products and non-ferrous scrap. The company manufactures high-purity lead and customised lead alloys, including lead calcium, lead antimony, lead tin, lead silver and lead cadmium alloys, serving the energy storage, e-mobility, automotive, chemical and industrial sectors. Ardee operates a state-of-the-art manufacturing facility spread across 7.61 acres in Tirupati, Andhra Pradesh, with an installed recycling capacity of 104,025 MTPA. Equipped with advanced recycling infrastructure and industry certifications, the facility supports the company's commitment to quality, operational excellence and environmental sustainability. Recognised as one of the fastest-growing companies among its peers, Ardee recorded a revenue CAGR of 33.15% during FY22–FY25 (Source: F&S Report). The company serves more than 50 customers across domestic and international markets and exports to seven countries, including the US, Japan, South Korea and the UAE. Further strengthening its market position, Ardee has been recognised as a One Star Export House, has its 'Ardee' brand listed on the MCX platform and has applied for listing on the London Metal Exchange (LME). Through its focus on high-quality recycled lead products, the company continues to support India's resource security and sustainability goals while reinforcing its position as a trusted global supplier.

Strength

One of India's Leading Circular Economy Companies with a Proven Track Record and Demonstrated Operational Stability: Ardee Industries Limited is one of India's leading circular economy companies, specialising in the environmentally responsible recovery and recycling of end-of-life energy storage products and non-ferrous scrap. Following the acquisition by its current promoters in 2021, the company has significantly expanded its manufacturing footprint through sustained capital expenditure, increasing its installed recycling capacity from 54,750 MTPA in FY24 to 104,025 MTPA in FY26, and further to 156,950 MTPA as of the date of the Red Herring Prospectus. The company manufactures high-purity lead and customised lead alloys for a wide range of industrial applications while integrating sustainable practices across procurement, recycling and production to minimise environmental impact. Ardee operates in an industry characterised by high entry barriers due to stringent import licensing requirements and environmental regulations. Its established compliance track record, advanced low-emission technologies and oxygen-enriched manufacturing processes enhance operational efficiency while reducing carbon emissions. In addition, its strategically located manufacturing facility in Tirupati district, Andhra Pradesh, provides proximity to major battery manufacturers, including Amara Raja Energy & Mobility, and key ports such as Chennai, Kattupalli and Ennore, enabling efficient sourcing, exports and logistics while supporting uninterrupted operations and timely customer deliveries.

Robust Commodity Price Risk Management through Disciplined Hedging Practices: Ardee Industries has established a Board-approved commodity price risk management framework to mitigate the impact of fluctuations in lead prices on the London Metal Exchange (LME) and Multi Commodity Exchange (MCX). The company follows a back-to-back pricing model, whereby customer prices are linked to prevailing LME prices at the time of order confirmation, thereby protecting operating margins from commodity price volatility. The company further manages price risk by actively hedging its exposure through LME futures contracts, typically covering between 60% and 100% of its raw material and sales exposure based on comprehensive assessments of contractual commitments, inventory levels, delivery schedules and foreign exchange exposure. Supported by disciplined risk management policies and the deep liquidity of the LME, this framework helps stabilise profitability, protect margins from adverse price movements and strengthen long-term operational and financial resilience.

Diversified Customer Base Supported by Strong Raw Material Sourcing Capabilities: Ardee Industries has developed a diversified customer base and a robust raw material sourcing network that underpin its growth and operational resilience. As of March 31, 2026, the company had served more than 50 customers across domestic and international markets, including leading companies such as Amara Raja Energy & Mobility and Sebang Metal Trading Co. Ltd. The company exports to more than eight countries, including the US, Japan, Saudi Arabia, South Korea and the UAE, with export revenue recording a CAGR of 138.69% between FY24 and FY26. The company's long-standing customer relationships are supported by consistent product quality, reliable delivery schedules and the ability to provide customised product specifications, resulting in high repeat business, improved revenue visibility and enhanced operating efficiencies. On the procurement side, Ardee sources lead-bearing scrap through a diversified network of domestic and international suppliers using both direct procurement and auction platforms. With sourcing capabilities spanning 58 countries, the company is well positioned to secure quality raw materials at competitive prices, strengthen supply chain resilience, mitigate procurement risks and ensure a reliable supply for its recycling operations.

Consistent Financial Performance with a Strong Track Record of Profitable Growth: Ardee Industries has demonstrated consistent financial performance, supported by sustained growth in revenue, profitability and operating margins over the last three fiscals. According to the F&S Report, the company was among the fastest-growing players in its peer group, recording a revenue CAGR of 58.81% during FY24–FY26. Gross margin per tonne improved from Rs. 29,466.73 in FY24 to Rs. 38,297.06 in FY26, while EBITDA and profit after tax recorded CAGRs of 128.96% and 207.52%, respectively, over the same period. The company's continued focus on operational efficiency, productivity enhancement and cost optimisation has strengthened its financial profile, supported capacity expansion, enhanced customer confidence and positioned it for sustainable long-term growth.

Strategy

Expanding the Sustainable Product Portfolio through Capacity Expansion and Strategic Integration: Ardee Industries intends to expand its sustainably driven product portfolio through capacity expansion, strategic integration and increased value addition, further strengthening its circular economy business model. Supported by continued capital investments, the company has increased its installed lead recycling capacity from 54,750 MTPA in FY24 to 104,025 MTPA in FY26, which has further increased to 156,950 MTPA as of the date of the Red Herring Prospectus. The company also proposes to integrate the lead recycling operations of its group company, Pilot Industries Limited, with the objective of enhancing production capacity, improving operational efficiencies and strengthening corporate governance. In addition, Ardee plans to diversify into adjacent value-added recycling segments by processing plastic scrap into plastic granules and refining tin and copper waste, supported by the acquisition of a 5.56-acre land parcel in Andhra Pradesh. The company believes these initiatives will enable it to maximise capacity utilisation, realise economies of scale, diversify its revenue base and address the growing demand for sustainable recycled materials while supporting long-term growth.

Expanding Geographic Reach across Domestic and International Markets: Ardee Industries intends to further expand its geographic footprint by strengthening its presence across domestic and international markets, thereby broadening its customer base and diversifying revenue streams. The company has expanded its export footprint from four countries in FY24 to eight countries as of March 31, 2026, including Singapore, Hong Kong, South Korea, Switzerland, the UAE, Japan, Saudi Arabia and the US. Export revenue increased from Rs. 816.30 million in FY24 to Rs. 2,750.63 million in FY25 and further to Rs. 4,650.54 million in FY26, reflecting the growing acceptance of its products in overseas markets. Going forward, the company intends to deepen its presence in existing export markets by deploying additional working capital to support longer receivable cycles and enhance customer service capabilities. Leveraging its strategically located manufacturing facility near key ports on India's eastern coast, consistent product quality and long-standing customer relationships, Ardee believes it is well positioned to capitalise on increasing demand for recycled lead products across Southeast Asia, South Korea and other international markets while continuing to strengthen its domestic market presence.

Leveraging MCX and LME Listings to Strengthen Global Market Presence: Ardee Industries intends to leverage the listings of its products on the Multi Commodity Exchange (MCX) and the London Metal Exchange (LME) to enhance its global competitiveness and expand its international presence. The company's 'Ardee' brand is listed on the MCX, enabling transparent benchmark pricing, greater market visibility and effective commodity price risk management for domestic customers and market participants. In addition, its 'ARDEE LEAD 9997' brand is listed on the LME, providing globally recognised price benchmarking, enhancing credibility in international markets and facilitating hedging for customers and traders worldwide. The company believes its presence on these exchanges will strengthen its brand recognition, deepen relationships with existing international customers, attract new business opportunities and support the continued expansion of its export business and integration into the global metals value chain.

Strengthening the Capital Structure through Debt Reduction: Ardee Industries intends to further strengthen its financial position by reducing leverage and improving capital efficiency through the repayment of borrowings. As of June 30, 2026, the company had sanctioned borrowings of Rs. 324.96 Crore , of which Rs. 182.07 Crore was outstanding. Over the past three fiscals, its financial profile has improved significantly, with the debt-to-equity ratio declining from 4.87x in FY24 to 2.65x in FY25 and further to 1.25x in FY26, driven by higher profitability and growth in shareholders' equity. During the same period, the debt service coverage ratio improved from 1.50x to 4.28x, while return on capital employed (ROCE) increased from 12.83% to 44.26%. The company proposes to utilise up to Rs. 200 million from the net proceeds of the IPO towards the repayment or prepayment of borrowings, which is expected to reduce finance costs, enhance financial flexibility, improve returns and strengthen its capacity to fund future growth initiatives.

Risk factor

- Limited operating history may affect future growth and financial performance.
- Dependence on contract labour may disrupt manufacturing operations.
- Manufacturing operations involve health and safety risks.
- Foreign exchange fluctuations may adversely affect financial performance.
- Historical negative cash flows may impact liquidity.
- Absence of long-term customer contracts may affect revenue visibility.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Pondy Oxides	2958.36	131.88	17.37	31.66	5.32	103.36	2	550.00	4195.30
Gravita India	4700.39	391.93	53.10	31.32	5.01	332.16	2	1663.05	12274.71
Jain Resource	10718.32	360.28	10.21	34.31	7.74	45.24	2	350.35	12090.08
Ardee Industries Limited	**1167.65**	**84.68**	**2.69**	**19.73**	**3.57**	**14.83**	**2**	**53.00**	**1670.57**

*Peer companies financials are TTM based
***Ardee Industries Ltd. are based on FY26

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.53, the stock is priced at pre issue P/E of 15.95x on annualized FY2026 EPS of Rs.3.32. Post issue, the stock is priced at a P/E of 19.73x on its EPS of Rs. 2.69. Looking at the P/B ratio at Rs.53 pre issue, book value of Rs.5.78 of P/Bvx 9.16x. Post issue, book value of Rs.14.83 of P/Bvx 3.57x.

Considering the P/E valuation, on the lower end of the price band of Rs.50, the stock is priced at pre issue P/E of 15.05x on annualized FY2026 EPS of Rs.3.32. Post issue, the stock is priced at a P/E of 18.61x on its EPS of Rs. 2.69. Looking at the P/B ratio at Rs.50 pre issue, book value of Rs.5.78 of P/Bvx 8.65x. Post issue, book value of Rs.14.83 of P/Bvx 3.37x.

Industry Overview

The Indian recycled lead industry is expected to witness steady growth, driven by increasing demand from the automotive, energy storage, telecom, data centre, renewable energy and industrial sectors. The recycled lead ingot market, estimated at approximately Rs. 30,933 crore in FY26, is projected to grow to around Rs. 39,200 crore by FY30, reflecting a CAGR of 6.1%, supported by replacement demand for lead-acid batteries and rising deployment of inverters, UPS systems and solar backup solutions. India currently meets more than 80% of its lead requirement through recycled lead, with lead-acid batteries accounting for nearly 88% of recycled lead consumption. Regulatory initiatives, including the Battery Waste Management Rules, 2022 and Extended Producer Responsibility (EPR) framework, are expected to drive greater formalisation of the recycling ecosystem, improve traceability and strengthen the organised recycling sector. Although domestic scrap availability remains limited, continued imports of lead-bearing scrap and stringent import licensing and environmental compliance requirements create high entry barriers, favouring established recyclers with proven sourcing capabilities and regulatory approvals. Over the long term, industry growth is expected to be supported by increasing demand from the automotive sector, renewable energy storage and data centres, although the gradual adoption of lithium-ion batteries in electric vehicles and grid-scale storage may moderate demand growth for certain lead-acid battery applications.

Outlook

Ardee Industries is well positioned to benefit from the growing demand for recycled lead, supported by significant capacity expansion, a diversified customer base, robust sourcing capabilities and disciplined commodity price risk management. Its planned expansion into adjacent recycling segments, increasing export presence and proposed debt reduction are expected to strengthen long-term growth and profitability. While risks relating to contract labour, foreign exchange fluctuations and customer concentration remain, the company's improving financial performance and strategic initiatives support a positive long-term growth outlook.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Wed, Aug 5, 2026
IPO Close Date	Fri, Aug 7, 2026
Tentative Allotment	Mon, Aug 10, 2026
Initiation of Refunds	Tue, Aug 11, 2026
Credit of Shares to Demat	Tue, Aug 11, 2026
Tentative Listing Date	Wed, Aug 12, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	1167.65	742.74	462.96
Total expenditure	1020.57	676.80	434.90
Operating Profit	**147.08**	**65.93**	**28.06**
OPM%	12.60	8.88	6.06
Other Income	1.23	0.79	0.43
Total Net Income	**148.31**	**66.73**	**28.49**
Interest	24.00	13.41	10.35
PBDT	**124.31**	**53.31**	**18.15**
Depreciation	11.37	8.67	6.36
PBT	**112.94**	**44.65**	**11.79**
Tax	28.26	11.38	2.83
Profit & Loss	**84.68**	**33.27**	**8.95**

Balance sheet is on next page

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Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-26	As on 31-Mar-25	As on 31-Mar-24
Non-current Assets			
Property, plant and equipments	70.582	66.607	45.31
Right-of-use assets	1.108	0	0.086
Capital work-in-progress	1.709	5.097	9.734
Intangible assets	0.134	0.005	0.008
Financial assets			
Other financial assets	1.879	7.461	5.997
Other non current assets	6.036	0.628	3.78
Deferred tax asset (net)	1.683	0.461	0.172
Total non-current assets	**83.13**	**80.26**	**65.09**
Current assets			
Financial Assets			
Investments	116.123	44.952	41.858
Trade receivables	24.788	59.945	39.692
Cash and cash equivalents	14.093	0.206	1.889
Bank Balance other than cash and cash equivalents	9.381	0.669	0.606
Other Financial assets	2.371	4.036	0.557
Other current assets	113.446	71.993	46.43
Total current assets	**280.20**	**181.80**	**131.03**
Total Assets	**363.33**	**262.06**	**196.12**
LIABILITIES			
Non-current liabilities			
Borrowings	14.906	23.094	22.55
Lease liabilities	0.993	0	0
Other financial liabilities	0.429	0.343	0.235
Provisions	1.248	0.6	0.37
Total non-current liabilities	**17.58**	**24.04**	**23.16**
Current liabilities			
Financial liabilities			
Borrowings	167.842	142.672	119.81
Lease liabilities	0.18	0	0.091
Trade payables - MSME	2.758	1.335	0.956
Trade payables - Other than MSME	11.044	21.405	8.471
Other financial liabilities	3.393	1.707	6.463
Other current liabilities	5.012	3.046	6.486
Provisions	8.148	5.257	1.438
Total current liabilities	**198.38**	**175.42**	**143.72**
Total liabilities	**215.95**	**199.46**	**166.87**
Net worth represented by:			
Equity share capital	50.965	3.185	3.185
Other equity	96.415	59.416	26.064
Total Equity	**147.38**	**62.60**	**29.25**

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