

Ardee Industries IPO

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- The company is India's one of the leading players in recycling of lead and other metals.
- It posted remarkable growth in its top and bottom lines for the reported years.
- Its proximity to the user industry helps it earn higher margins on saving on logistics.
- Based on its recent financial data, the issue appears aggressively priced.
- Well-informed investors may park funds for medium to long term.

About the Company

Ardee Industries Ltd. (AIL) is one of India's leading players in circular economy, specializing in the environmentally responsible recovery and recycling of end-of-life energy storage products and non-ferrous scrap, while reclaiming critical resources from waste streams (Source: F&S Report). Its product portfolio comprises pure lead and lead alloys such as lead calcium alloys, lead antimony alloys, lead tin alloys, lead silver alloys and lead cadmium alloys which find applications in critical industries including energy storage, e-mobility, automotive, chemical, among others. Its products are customizable to the requirements of customers, with respect to the level of purity and/or composition with other metal and nonmetal elements with purity levels ranging from 99.97% to 99.985% that conform to international standards.

As per F&S Report, AIL is one of the fastest growing companies in terms of revenue amongst its peers with a Revenue CAGR of 58.81% in the last three Fiscals. By closing the loop across collection, recycling, and production, the company not only reduce India's dependence on imported critical metals but also strengthen domestic resource security while lowering the environmental footprint of industrial growth. With an installed recycling capacity of 156,950 MTPA and a track record of producing quality-compliant alloys, it is closely aligned with India's sustainability agenda and the global transition towards a circular, resource-efficient economy.

Pure lead is standardized with purity levels ranging from 99.97% to 99.98% while lead alloys are customized to the requirements of customers, with respect to the level of purity and/or composition with other metal and non-metal elements. Revenue is primarily derived from the sale of these recycled and refined non-ferrous metal products in domestic and international markets. Order procurement begins with customer outreach through market research, enquiries and industry events, followed by a detailed vendor onboarding process involving technical evaluation, quality and capability audits. Orders are placed only after successful vendor approval and ongoing compliance with customer specifications and industry standards, supported by periodic audits of its Manufacturing Facility.

As per its revenue model, revenue from its sales is booked upon change of control of products to its customers, as per the terms of contracts or purchase orders. Lead is among the most extensively recycled metals, capable of being re-melted numerous times while retaining its characteristics (Source: F&S Report). Over 80% of India's lead demand is met through secondary (recycled) lead primarily derived from used lead-acid batteries (ULABs). India's lead recycling ecosystem comprises of both organized and unorganized sector. India's recycled lead production in FY 2026 stood at ~1.51 million tonnes. India's Recycled Lead Ingot market was valued at ~INR 30,933 crores in FY 2026 mainly driven by the applications of lead acid battery in the automotive sector, Inverter and UPS, Telecom, data centres, energy storage applications in renewable energy sector such as solar power backups and other segments such as Cable Sheathing, PVC Stabilizers, pigments etc. (Source: F&S Report).

It has its brand 'Ardee' listed on the MCX platform which provides customers and commodity traders a platform to purchase and trade in product, pure lead. Listing on MCX establishes the Company's credibility and competitiveness, facilitates establishing transparent benchmark price for its products, pure lead, enables hedging against price risks and improved market visibility. Further, its brand 'ARDEE LEAD 9997' is also listed on the London Metal Exchange (LME) which further establishes AIL's credibility and competitiveness in the international markets, provide global price benchmarking of its products.

Pure lead and lead alloys play a vital role across industries owing to their unique physical and chemical properties. Recycled lead ingots are primarily used for the manufacturing of lead-acid batteries, which in turn are supplied to Original Equipment Manufacturers (OEMs) in the automotive sector. Beyond automotive applications, lead-acid batteries are also used in non-automotive sectors such as inverters and UPS systems, power backup solutions for data centres, telecom towers, and energy storage systems for solar rooftop applications. The company also manufactures lead alloys by combining lead with other metals such as calcium, antimony, tin, silver or cadmium in specific compositions tailored to meet the customer specific requirements which have diverse applications. As of June 30, 2026, it had 222 employees on its payroll, and additional 326 contract workers in various departments.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of approx. 80352358 equity shares worth Rs. 425.87 cr. at the upper band. The IPO consists of fresh equity shares worth Rs. 320.00 cr. (approx. 60377358 equity shares) and an Offer for Sale (OFS) of 19975000 equity shares (worth Rs. 105.87 cr. at the upper cap). The company has announced a price band of Rs. 50 – Rs. 53 per equity shares of Rs. 2 each. The issue opens for subscription on August 05, 2026, and will close on August 07, 2026. The minimum application to be made is for 281 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 25.49% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the

company will utilize Rs. 220.00 cr. for incremental working capital, Rs. 20.00 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The sole Book Running Lead Manager (BRLM) to this issue is Pantomath Capital Advisors Pvt. Ltd., while KFin Technologies Ltd. is the registrar to the issue. Asit C Mehta Investment Intermediates Ltd. is a syndicate member.

After issuing initial equity shares at par value, the company has issued further equity shares in the price range of Rs. 3.14, - Rs. 24.68 (on the basis of Rs. 2 FV) between November 2019, and May 2021. It has also issued bonus shares in the ratio of 1 for 1 in March 2018, and 15 for 1 in August 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NIL, and Rs. 1.12 per share.

Post-IPO, its current paid-up equity capital of Rs. 50.96 cr. will stand enhanced to Rs. 63.04 cr. Based on the upper cap of the price band, the company is looking for a market cap of Rs. 1670.57 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit of Rs. 463.39 cr. / Rs. 8.95 cr. (FY24), Rs. 743.53 cr. / Rs. 33.27 cr. (FY25), and Rs. 1168.88 cr. / Rs. 84.68 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods.

According to the management, surge in automobile segment as well as renewable power generation, uses of lead batteries has increased many folds, and AIL being one of the leading suppliers has reap the benefits, and considering bright prospects ahead, it is gearing to scale up its productions. The company generates around 60% from domestic and the rest from exports in its overall revenues. With its plans afoot, it will be turned debt free within two years. Its capacity utilization increased to 67.15% for FY26 from 45.16% of FY25 on an expanded capacity of 104025 MTPA.

Its contingent liabilities of Rs. 12.76 cr. as of March 31, 2026 raise alarm. Its total borrowing of Rs. 182.75 cr. as of March 31, 2026 also raise concern.

For the last three fiscals, the company has posted an average EPS of Rs. 2.16 and an average RoNW of 51.55 %. The issue is priced at a P/BV of 9.17 based on its NAV of Rs. 5.78 as of March 31, 2026, and at a P/BV of 5.79 based on its post-IPO NAV of Rs. 9.16 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 19.70. Based on FY25 earnings, the P/E stands at 50.00. The issue appears aggressively priced.

For the reported periods, the company has posted PAT margins of 1.93% (FY24), 4.48% (FY25), 7.25% (FY26), and RoCE margins of 12.83%, 25.17%, 44.26% respectively for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in July 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Gravita India, Pondy Oxides, Jain Resources, as its listed peers. They are currently trading at a P/E of 29.7, 28.8, and 33.6 (as of July 30, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

The sole BRLMs associated with this issue has handled 11 IPOs in the last three fiscals out of which 3 issues closed below the issue price on the listing date.

Conclusion / Investment Strategy

AIL is India's one of the leading players in recycling of lead and other metals. It posted remarkable growth in its top and bottom lines for the reported years. Its proximity to the user industry helps it earn higher margins on saving on logistics. Based on its recent financial data, the issue appears aggressively priced. Well-informed investors may park funds for medium to long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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