

Ardee Industries Ltd – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
5 August 2026	7 August 2026	₹50-53	Subscribe

Investment Summary

Ardee Industries Limited is engaged in the recycling of used lead-acid batteries and the manufacture of refined lead, lead alloys and other value-added lead products, primarily catering to the lead-acid battery industry. The company operates an integrated manufacturing facility at Tirupati, Andhra Pradesh, with an installed production capacity of **156,950 MTPA** and supplies products across India while exporting to eight countries, including Singapore, South Korea, Switzerland, Japan, UAE and the United States. Over the last three years, the company has significantly expanded its manufacturing capacity and strengthened its presence in both domestic and export markets. In FY26, the company reported revenue from operations of **₹1,167.65 Cr** and profit after tax of **₹84.68 Cr**. The IPO comprises a **fresh issue aggregating up to ₹320 crore** and an **Offer for Sale (OFS) of up to 1,99,75,000 equity shares** by the promoter selling shareholders. The net proceeds from the fresh issue are proposed to be utilized towards funding incremental working capital requirements, repayment/prepayment of certain borrowings, and general corporate purposes, while the proceeds from the OFS will be received by the selling shareholders. The company's growth strategy is centered on expanding production capacity, increasing exports, strengthening procurement of recyclable raw materials, and capitalizing on the long-term growth in the lead recycling and battery manufacturing industries. The company is expected to benefit from increasing demand for recycled lead driven by automotive, industrial and energy storage applications. However, volatility in lead prices, dependence on the lead-acid battery industry, raw material availability, environmental compliance requirements, and working capital intensity remain key monitorable.

Company Overview

Ardee Industries Limited was originally incorporated as 'Ardee Industries Private Limited' and was subsequently converted into a public limited company pursuant to a special resolution passed by its shareholders. The company is engaged in the recycling of used lead-acid batteries and the manufacture of refined lead, lead alloys and other value-added lead products, primarily catering to the lead-acid battery industry. It operates an integrated manufacturing facility at Tirupati, Andhra Pradesh, with an installed production capacity of 156,950 MTPA as of March 31, 2026, making it one of the larger organized players in India's secondary lead recycling industry. The company manufactures a diversified portfolio comprising refined lead, lead alloys, lead oxides and other lead-based products, which are supplied to leading battery manufacturers across domestic and international markets. As of March 31, 2026, Ardee exported its products to eight countries, including Singapore, South Korea, Switzerland, Japan, the UAE and the United States, while continuing to strengthen its domestic customer base. The company has significantly expanded its manufacturing capacity over the past three fiscal years through phased capacity additions and operational improvements. The company is promoted by **P. Srinivasa Rao, P. Sravan Kumar** and **members of the promoter group**, and is supported by an experienced management team with extensive expertise in lead recycling, non-ferrous metals manufacturing and operational management. Leveraging its integrated recycling operations, established sourcing network and long-standing customer relationships, the company is well positioned to capitalize on the growing demand for recycled lead driven by the automotive, industrial and energy storage sectors.

Business Model

Ardee Industries Limited operates an integrated secondary lead manufacturing business, wherein it procures used lead-acid batteries, lead scrap and other lead-bearing materials, which are processed into refined metals and alloy products through its manufacturing facility at Tirupati, Andhra Pradesh. The company's products primarily cater to the lead-acid battery industry, serving automotive, industrial, telecom, UPS and energy storage applications across domestic and international markets. Its operations encompass the entire value chain, including raw material procurement, battery breaking, smelting, refining and alloy manufacturing, enabling quality control, operational efficiency and a reliable supply of customized products. As of March 31, 2026, the company had an installed production capacity of 156,950

MTPA and exported its products to eight countries, while maintaining an established customer base in India. Revenue is primarily derived from the sale of refined lead, lead alloys and allied products, supported by long-term customer relationships and an established procurement network. Going forward, the company intends to enhance capacity utilization, expand its export footprint, strengthen raw material sourcing and improve operating efficiencies to capitalize on the growing demand for recycled metals and sustainable resource recovery.

Investment Rationale

Integrated Lead Recycling Business with Established Manufacturing Capabilities: Ardee operates an integrated manufacturing facility with an installed production capacity of 156,950 MTPA as of March 31, 2026, enabling it to undertake battery breaking, smelting, refining and alloy manufacturing under a single platform. The integrated operating model supports quality control, operational efficiency and a diversified product portfolio.

Capacity Expansion and Growing Export Presence: The company has significantly expanded its manufacturing capacity over the last three fiscal years and exports its products to eight countries, including Singapore, South Korea, Switzerland, Japan, the UAE and the United States. The increased production capacity and expanding export footprint provide opportunities to enhance volumes and strengthen its market presence.

Established Customer Relationships and Diversified Product Portfolio: The company manufactures refined lead, lead alloys, lead oxides and other lead-based products, catering primarily to the lead-acid battery industry. Its diversified product portfolio, supported by long-standing customer relationships and an established sourcing network, enables it to serve a broad range of domestic and international customers.

Strong Financial Performance: The company reported revenue from operations of ₹1,167.65 Cr and PAT of ₹84.68 Cr in FY26, reflecting consistent growth in operations over the last three fiscal years. Capacity expansion, operational efficiencies and higher sales volumes have supported the company's financial performance.

Favorable Industry Outlook: The long-term demand for recycled lead is expected to remain supported by the continued growth of the automotive, industrial, telecom, UPS and energy storage sectors. Increasing emphasis on resource recycling, environmental sustainability and the circular economy is expected to provide structural growth opportunities for organized secondary lead manufacturers such as Ardee.

Key Risk Factors

Dependence on Availability of Used Lead-Acid Batteries: The company's operations rely on the continuous procurement of used lead-acid batteries and other lead-bearing scrap. Any disruption in raw material availability, pricing volatility, or sourcing constraints may adversely impact production and profitability.

Exposure to Lead Price Volatility: The company is exposed to fluctuations in international lead prices, which directly influence raw material costs and realization from finished products. Significant price movements may impact margins and working capital requirements.

Environmental and Regulatory Compliance Risk: Lead recycling is subject to stringent environmental, pollution control and hazardous waste regulations. Any failure to comply with applicable laws, delays in regulatory approvals, or changes in environmental norms could adversely affect operations.

Customer Concentration Risk: A significant portion of the company's revenue is derived from customers operating in the lead-acid battery industry. Any reduction in demand, loss of key customers, or slowdown in the battery manufacturing sector may affect business performance.

Working Capital Intensive Operations: The business requires substantial working capital to procure raw materials, maintain inventories and support operations. Any constraints in funding or adverse movements in receivable and inventory cycles could impact liquidity and operational efficiency.

Operational Risks Associated with Manufacturing Facilities: The company's manufacturing operations are exposed to risks such as equipment breakdowns, power disruptions, industrial accidents and production interruptions. Any prolonged disruption could affect production schedules, deliveries and financial performance.

Financial Snapshot

Metric	FY24	FY25	FY26
Revenue from Operations	462.9	742.7	1167.6
EBITDA	28.1	65.9	147.1
EBITDA Margin	6.06%	8.88%	12.60%
Profit After Tax (PAT)	8.95	33.27	84.68
PAT Margin	1.93%	4.48%	7.25%
Basic EPS (₹)	0.35	1.31	3.32

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Ardee Industries Limited
IPO Issue Size	8,03,52,358 shares (agg. up to ₹426 Cr) Fresh Issue 6,03,77,358 shares (agg. up to ₹320 Cr) Offer for sale 1,99,75,000 shares of ₹2 (agg. up to ₹106 Cr)
Price Band	₹50 – ₹53 per share
Face Value	₹2 per share
IPO Opening Date	5 August 2026
IPO Closing Date	7 August 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: ~91.48% → Post-IPO: ~67.62%
Book Running Lead Managers	Pantomath Capital Advisors Private Limited
Use of Proceeds	₹220 Cr towards funding incremental working capital requirements; ₹20 Cr towards repayment/prepayment of certain borrowings; balance towards general corporate purposes. The company will not receive any proceeds from the OFS, which will go to the selling promoters.

Valuation and Outlook

At the upper price band of ₹53, Ardee Industries is valued at a **P/E of 15.96x** based on its **FY26 EPS of ₹3.32**, implying a post-issue **market capitalization** of approximately **₹1,671 Cr**. The valuation is at a significant discount to listed peers such as Gravita India (35.37x), Pondy Oxides & Chemicals (31.94x), and Jain Resource Recycling (33.57x). Considering its expanding manufacturing capacity, improving profitability, and the relatively attractive valuation compared with peers, we recommend a **Subscribe** stance on the IPO for investors with a **medium- to long-term investment horizon**, while monitoring raw material price volatility, working capital requirements, and customer concentration risks.

Disclaimer

This information/document has been prepared by Mangal Keshav Financial Services LLP (MANGAL KESHAV) and is intended for use only by the person or entity to which it is addressed. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/document is subject to changes without prior notice.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. MANGAL KESHAV will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and MANGAL KESHAV has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavor to update the information herein on a reasonable basis, MANGAL KESHAV, its subsidiaries, and associated companies, their directors and employees ("MANGAL KESHAV and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent MANGAL KESHAV and affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information.

Clients should read the Risk Disclosure Document issued by SEBI and relevant exchanges, and the Terms & Conditions on the Mangal Keshav website.

Registration and Contact Details: Name of Research Analyst - Mangal Keshav Financial Services LLP, Research Analyst
Registration No.: INH000018319.

LLPIN: AAM-3358

Registered Office: 501, Heritage Plaza, JP Road, Opp Indian Oil Colony, Andheri West, Mumbai 400053.
Correspondence/Administrative Office Address - 501, Heritage Plaza, JP Road, Opp Indian Oil Colony, Andheri West, Mumbai 400053.

TEL: 022 61907900