Friday, 31 July 2026

CM RATING **47 /100**

Ardee Industries

Leading player in lead recycling

Expanding capacity and recycling capabilities

Ardee Industries 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.

Revenue is primarily generated from the sale of recycled and refined non-ferrous metal products in domestic and export markets. Lead is one of the world's most recyclable metals, as it can be reused multiple times without losing its properties.

The product range includes high-purity lead and specialized lead alloys such as lead calcium, lead antimony, lead tin, lead silver, and lead cadmium alloys. These products are widely used across key sectors, including energy storage, e-mobility, automotive, and chemicals.

Its products are customizable to the requirements of the customers, with respect to the level of purity and/or composition with other metal and non metal elements. Pure lead is standardized at 99.97%–99.98% purity, while lead alloys are manufactured to meet customer-specific purity and composition requirements.

Pure lead and lead alloys are primarily used in the manufacturing of lead-acid batteries, which are supplied to automotive OEMs and serve applications such as inverters, UPS systems, telecom towers, data centres and renewable energy storage. Lead alloys are customized using metals such as calcium, antimony and tin to meet customer-specific requirements for battery, industrial and electrical applications. Key raw materials include recyclable lead scrap, battery scrap and remelted lead products, supporting a circular manufacturing process.

In FY26, Pure Lead contributed 56.47% to sales, Lead Alloys 27.51%, and Scrap Sale 3.43%.

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.

The 'Ardee' brand is listed on the Multi Commodity Exchange (MCX), enabling customers and commodity traders to buy and trade its pure lead products. Additionally, its 'ARDEE LEAD 9997' brand is listed on the London Metal Exchange (LME), enhancing its credibility and competitiveness in international markets.

As of March 31, 2025, served over 50 customers across diverse industries including battery and metal, both in the domestic and international markets. Its domestic customers include Amara Raja Energy & Mobility and international customers include Sebang Metal Trading Co. Ltd, among others.

The Company has exported its products to eight countries, including Singapore, Hong Kong, South Korea, Switzerland, United Arab Emirates, Japan, Saudi Arabia and United States of America.

In FY26, exports contributed 39.83% of total revenue, while domestic sales contributed 55.45%. Singapore and Switzerland together accounted for nearly 83% of total export revenue.

Owns and operates a manufacturing facility spread across approximately 7.61 acres in Tirupati district, Andhra Pradesh, with an installed capacity of 156,950 MTPA. The facility is equipped with advanced lead recycling infrastructure, including rotary furnaces, refining kettles, casting systems, and comprehensive pollution control mechanisms. It is certified under ISO 9001:2015 for quality management, ISO 14001:2015 for environmental management, and ISO 45001:2018 for occupational health and safety.

Plans to expand its lead recycling capacity through the proposed integration of its group company, Pilot Industries‘ manufacturing facility in Rajasthan, subject to regulatory approvals. It also intends to diversify into plastic, tin and copper recycling to strengthen its circular economy business model.

The manufacturing process incorporates cleaner fuels and energy-efficient practices, reducing dependence on conventional fuels while improving operational efficiency and cost optimization. Its Gross Margin per Ton stood at Rs 38,297.06 in FY26.

Plans to expand geographical footprint to capture larger customer base across exports and domestic markets.

Offer and its objects

The IPO comprises fresh issue of equity shares worth up to Rs 320 crore and an offer for sale of 1,99,75,000 equity shares aggregating up to Rs 105.87 crore by existing shareholders namely Sandeep Aggarwal and Nikunj Aggarwal.

Price band for the IPO is Rs 50 to Rs 53 per equity share of face value Rs 2 each.

The objectives for the fresh issue include Rs 220 crore for funding working capital requirement, Rs 20 crore for Repayment/pre-payment of certain borrowings, and remaining amount for general corporate purpose.

The promoters are Sandeep Aggarwal, Nikunj Aggarwal and Esha Gupta. The promoters and promoter group hold an aggregate of 23,31,25,700 equity shares, aggregating to 91.48% of the pre-offer issued and paid-up equity share capital. Their post IPO shareholding is expected to be around 67.62%.

The issue, through the book-building process, will open on 5 Aug 2026 and will close on 7 Aug 2026.

Strengths

Strong and expanding customer base, with repeat customers contributing 85.86% to revenue in FY26.

Well-established export business, with export revenue increasing from Rs 81.6 crore in FY24 to Rs 465 crore in FY26.

Sustainable recycling-based business model supports India‘s circular economy and reduces dependence on imported critical metals.

Strategically located manufacturing facility near the port and major battery manufacturers, including Amara Raja Energy & Mobility, supports faster deliveries, lower logistics costs and enhanced cost competitiveness.

Well-defined risk management framework reduces exposure to lead price volatility.

Well positioned to benefit from growing demand for recycled lead, driven by automotive batteries, telecom infrastructure, data centres, UPS systems and renewable energy storage.

Diversified global sourcing network across 58 countries ensures reliable and cost-effective raw material procurement.

Extensive experience of promoters and senior management personnel.

Weaknesses

High customer concentration, with the largest customer contributing 40.64% of FY26 revenue.

The business is exposed to foreign exchange fluctuations and geopolitical events, with exports contributing 39.83% of FY26 revenue.

Profitability remains sensitive to fluctuations in lead prices despite the company‘s hedging framework.

High working capital requirements to support raw material procurement and operations.

Lead scrap imports are subject to licensing and stringent regulatory compliance. With imports accounting for 86.94% of total purchases in FY26, any disruption could affect raw material availability and procurement costs.

There have been certain instances of delays in the payment of statutory dues by the company in the past.

Experienced negative operating cash flows in the past and may continue to do so in the future.

Valuation

Net sales increased 57% to Rs 1,167.65 crore in FY26 as compared with FY25. The OPM improved 372 bps to 12.6%, leading to 123% increase in OP to Rs 147.08 crore. OI increased 55% to Rs 1.23 crore. Interest cost rose 79% to Rs 24 crore. Depreciation cost went up 31% to Rs 11.37 crore. PBT surged 153% to Rs 112.95 crore. Tax expenses were Rs 28.26 crore as compared with Rs 11.38 crore. PAT soared 155% to Rs 84.68 crore.

The FY26 EPS on post-issue equity works out to Rs 2.7. At the upper price band of Rs 53, P/E is 20.

Listed peers such as Gravita India traded at FY26 P/E of 31, Pondy Oxides and Chemicals trades at FY26 P/E of 30, and Jain Resource Recycling at FY26 P/E of 34 as on 31 July 2026. The OPM and ROE stood at 12.6% and 80.65% respectively, in FY 2026. These were 10.2% and 16.76% for Gravita India, 7.12% and 19.11% for Pondy Oxides and Chemicals, and 5.86% and 30.36% for Jain Resource Recycling, respectively.

Ardee Industries: Issue Highlights	
For Fresh Issue Offer size (in no of shares)	
- On lower price band	6,40,00,000
- On upper price band	6,03,77,358
Offer size (in Rs crore)	320
For Offer for Sale Offer size (in Rs crore)	
- On lower price band	99.88
- On upper price band	105.87
Offer size (in no of shares)	1,99,75,000
Price band (Rs)	50-53
Minimum Bid Lot (in no. of shares)	281
Post issue capital (Rs crore)	
- On lower price band	63.76
- On upper price band	63.04
Post-issue promoter & Group shareholding (%)	67.62
Issue open date	05-08-2026
Issue closed date	07-08-2026
Listing	BSE, NSE
Rating	**47/100**

Ardee Industries: Restated Financials

	2403 (12)	2503 (12)	2603 (12)
Sales	462.96	742.74	1,167.65
OPM (%)	6.06%	8.88%	12.60%
OP	28.06	65.94	147.08
Other inc.	0.43	0.79	1.23
PBIDT	28.49	66.73	148.31
Interest	10.35	13.41	24.00
PBDT	18.15	53.31	124.31
Dep.	6.36	8.67	11.37
PBT	11.79	44.65	112.95
Share of Profit/(Loss) from Associates/JV	-	-	-
PBT before EO	11.79	44.65	112.95
Exceptional items	-	-	-
PBT after EO	11.79	44.65	112.95
Taxation	2.83	11.38	28.26
PAT	8.95	33.27	84.68
EPS (Rs)*	0.3	1.1	2.7
* EPS is annualized on post issue equity capital of Rs 63.04 crore of face value of Rs 2 each			
# EPS is not annualised due to seasonality of business			
EO: Extraordinary items. EPS is calculated after excluding EO and relevant tax			
Figures in Rs crore			
Source: Capitaline Corporate Database			