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IPO Note
4th August, 2026

Ardee Industries Ltd

Subscribe

Rating: Subscribe

Issue Offer

Total issue size:
Fresh Issue - INR 3200 Mn (60.38 Mn shares)
Offer for Sale – INR 1059 Mn (19.98 Mn shares)

Issue Summary	
Price Band (INR)	50-53
Face Value (INR)	2
Implied Market Cap (INR mn)	16,705.7
Market Lot	281
Issue Opens on	5th August, 2026
Issue Close on	7th August, 2026
No. of share pre-issue	25,48,24,000
No. of share post issue	31,52,01,358
Listing	NSE, BSE

Issue Break-up (% of Total Issue)	
QIB Portion	50
Retail Portion	35
NII Portion	15

Book Running Lead Managers
Pantomath Capital Advisors Private Limited

Registrar
KFin Technologies Limited

Shareholding Pattern	Pre-Issue	Post-Issue
Promoters	91.48%	67.62%
Public & Others	8.52%	32.38%

Objects of the Issue	
Funding incremental working capital requirement by our Company	2,200
Repayment/ prepayment, in full or part, of all or certain outstanding borrowings availed by our Company	200
General Corporate Purposes	-

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Ardee Industries Limited is one of India's leading companies in the secondary lead recycling industry, engaged in the environmentally responsible recovery and recycling of end-of-life energy storage products and non-ferrous scrap. The company manufactures high-purity refined lead and value-added lead alloys, including lead calcium, antimony, tin, silver and cadmium alloys, catering to diverse end-markets such as energy storage, e-mobility, automotive and chemicals. Ardee operates a fully integrated manufacturing facility in Tirupati, Andhra Pradesh, strategically located near major ports to efficiently serve domestic and international customers. Its 'Ardee Lead 9997' brand is approved by the London Metal Exchange, reflecting adherence to global quality standards, while its products offer purity levels ranging from 99.97% to 99.985%. As per the Frost & Sullivan report, Ardee Industries is among the fastest-growing companies in its peer group, recording a 33.15% revenue CAGR over the last three fiscals.

Investment Rationale:

Scale-Up with Operating Leverage: Installed capacity expanded nearly threefold from 54,750 MTPA in FY24 to 104,025 MPTA in FY26 (156,950 MTPA as of the RHP date), while utilisation improved to 67.15% in FY26 from 45.16% in FY25, leaving meaningful headroom for volume growth on an existing asset base without immediate large-scale capex.

Strong Financial Performance: Revenue from Operations grew from INR 4.63 Bn in FY24 to INR 11.68 Bn in FY26, a CAGR of approximately 58.8%, while EBITDA margin improved from 6.06% to 12.60% and PAT rose from INR 0.09 Bn to INR 0.85 Bn. Return ratios strengthened correspondingly, with RoCE of 44.26% in FY26.

Growing Export Franchise: Export contribution rose to 39.83% of FY26 revenue from 17.63% in FY24, with the overseas footprint expanding from four to eight countries, including the United States, Japan, South Korea and Singapore, progressively diversifying the revenue base.

Risk Management & Balance Sheet Strengthening: Commodity price volatility is managed through a board-approved hedging framework benchmarked to the LME, supported by presence on both LME and MCX platforms. IPO proceeds of INR 2,200 Mn towards working capital and INR 220 Mn towards debt repayment should reduce the debt-equity ratio from 1.25x and lower finance costs.

Regulatory Moat & Industry Tailwinds: A licence-intensive, compliance-heavy industry, with the Company's CPCB-compliant and ISO-certified facility creating entry barriers over unorganised operators. Tightening Battery Waste Management and EPR norms are shifting volumes to organised recyclers, while resilient lead demand from automotive batteries, telecom, renewable energy storage and e-mobility supports long-term growth.

Valuation & Outlook:

Ardee Industries is positioned to benefit from the structural formalisation of India's secondary lead recycling industry, supported by an integrated recycling and alloy manufacturing model and an expanding export franchise. The principal concern, however, is the concentration embedded across the business. A single customer accounted for 40.64% of FY26 revenue and the top ten for 91.61%, procurement is 86.94% import-dependent, and all production is routed through one facility in Tirupati, Andhra Pradesh, leaving limited internal offset should any of these links be disrupted. The FY26 margin doubling that underpins the valuation is also yet to be tested across a full lead price cycle. At the upper band of INR 53, the issue is valued at a P/E ratio of 19.73x, based on annualized EPS of INR 2.69. Considering the headroom available from existing capacity and a favourable long-term industry outlook, balanced against these concentration and margin risks, **we recommend a “Subscribe" rating** for the issue.

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	4629.59	7427.35	11676.53
Growth (% YoY)		*60.43%*	*57.21%*
EBITDA	280.58	659.34	1470.2
Margins	*6.06%*	*8.88%*	*12.59%*
PAT	89.54	332.71	846.81
Margins	*1.93%*	*4.48%*	*7.25%*

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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