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IPO Note

Ardee Industries Limited

4 August 2026



About the Company

- Ardee Industries Limited, incorporated in 1993, is a leading Indian company engaged in the sustainable recovery and recycling of end-of-life energy storage products and non-ferrous scrap. With a strong focus on circular economy practices, the Company plays a vital role in supplying high-quality recycled lead products to industries that rely on advanced energy storage and metal solutions.
- The Company's product portfolio comprises high-purity lead and a range of specialized lead alloys, including lead calcium, lead antimony, lead tin, lead silver, and lead cadmium alloys. These products cater to diverse industries such as energy storage, e-mobility, automotive, and chemicals, supporting both conventional and emerging applications.
- As of March 31, 25, Ardee Industries had served more than 50 customers across domestic and international markets, primarily in the battery and metals industries. The Company has established an international presence through exports to seven countries, namely Singapore, Hong Kong, South Korea, Switzerland, the United Arab Emirates, Japan, and the United States of America.
- Ardee Industries owns and operates a state-of-the-art manufacturing facility spanning approximately 7.61 acres in the Tirupati district of Andhra Pradesh. The facility has an installed production capacity of 104,025 MTPA and is equipped with advanced lead recycling infrastructure, including rotary furnaces, refining kettles, casting systems, and comprehensive pollution control mechanisms. The Company's commitment to quality, environmental sustainability, and workplace safety is reflected in its certifications under ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), and ISO 45001:2018 (Occupational Health and Safety Management System).

Outlook

Over the years, the Company has developed integrated lead recycling capabilities encompassing waste battery collection, scrap processing, refining, alloy manufacturing, and quality control processes to enhance its product offerings. The Company leverages technologies such as oxygen enrichment in manufacturing processes and green fuel utilisation to improve production efficiency, optimise costs, and reduce environmental impact. These capabilities have strengthened its operational efficiency and enabled it to cater to diverse applications across battery and metal industries. From a valuation perspective, the Company is currently valued at a P/E multiple of 16.0x based on its FY26 earnings.

Issue Details:

Price Band (Rs)	Rs. 50-53
Issue Size	Rs. 4.26. bn (upper band)
Fresh Issue	Rs 3.20 bn
Offer for Sale	Rs 1.06
Lot Size	281
Market Cap	Rs.16.70bn
Issue Opens	Aug 05, 2026
Issue Closes	Aug 07, 2026
Lead Manager	Pantomath Capital advisor private limited
Registrar	Kfin Technologies
Tentative Listing Date	Aug 12, 2026
Listing on	BSE, NSE

Indicative Timetable

Finalization of Basis of allotment	Aug 10 , 2026
Refund/ Unblocking of ASBA	Aug 11 , 2026
Credit of Equity Shares to DP A/C	Aug 11, 2026

Issue Breakup

QIB	Not more than 50% of the Net Offer
RETAIL	Not less than 35% of the Net Offer
NII	Not less than 15% of the Net Offer
TOTAL	100%

Promotor Shareholding

Pre Issue Share Holding	91.48%
Post Issue Share Holding	67.62%

Objects of the Fresh Issue (₹ in million)

Particulars	Deployment in FY2027
Funding incremental working capital requirement of the Company	2,200.00
Repayment and/or pre-payment, in full or in part, of certain borrowings	200.00
General corporate purposes	800.00
Total	**3200.00**

Corporate Milestones

Year	Milestone
2021	Acquisition of the Company by the present Promoters and Promoter Group from the erstwhile promoters by way of transfer of 100% of the then issued and paid-up share capital
2021	Take-over of manufacturing operations of pure lead and lead alloys
2021	Receipt of ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System) for manufacture and supply of lead and lead alloy ingots
2021	Commencement of export of products
2023	Listing of the brand 'Ardee' on the MCX platform
2024	Receipt of ISO 45001:2018 (Occupational Health and Safety Management System)
2025	Achievement of turnover of ₹ 5,000 million
2025	Increase in installed capacity of the Manufacturing Facility from 54,750 MTPA to 1,04,025 MTPA
2025	Listing of the brand 'ARDEE LEAD 9997' on the London Metal Exchange platform
2026	Accreditation of the in-house testing laboratory under ISO/IEC 17025:2017 by NABL
2026	Increase in installed capacity of the Manufacturing Facility from 104,025 MTPA to 156,950 MTPA

Business Model and Revenue Generation

- The Company operates a secondary (recycled) lead business. It procures lead-bearing scrap — principally used lead-acid batteries, together with remelted lead ingots, remelted lead blocks, lead scrap in radio, relay and rope grades, and lead master metal — from domestic and international scrap and metal trading firms and dealers, processes that material at a single owned manufacturing facility in Andhra Pradesh, and sells pure lead and lead alloy ingots to customers in the battery and metal industries in India and overseas.
- Revenue from sales is booked upon change of control of products to customers, as per the terms of contracts or purchase orders.
- Order procurement begins with customer outreach through market research, inbound enquiries and industry events, followed by a detailed vendor onboarding process involving technical evaluation and quality and capability audits. Orders are placed only after successful completion of the vendor approval process, and the Manufacturing Facility is subject to periodic customer audits.
- Alongside product sales, the Company earns job work income by processing material for third parties — ₹ 913.28 million in FY2026, ₹ 520.01 million in FY25 and ₹ 371.52 million in FY2024, being 7.82%, 7.00% and 8.02% of revenue from operations.

Value Chain and Operating Model

- The F&S Report describes the recycled lead ingot value chain in India as comprising six stages: collection of spent or used lead-acid batteries and lead scrap by scrap dealers and battery collectors in both organised and unorganised sectors; battery crushing and breaking through a battery breaking and separation unit; feeding of separated lead scrap into secondary smelters; smelting in rotary or blast furnaces with spent acid collected for reclamation and plastic casing recycled; refining of crude lead through pyro-metallurgical operations with alloying elements added to customer requirement, followed by casting, in-house spectrometric testing and packing; and manufacture of new batteries and other lead products downstream, closing the loop.

- The Company positions itself as an integrated participant spanning the recycling and refining stages. The F&S Report describes Ardee Industries as an integrated company producing from raw scrap material through to refined lead ingots.
- The Company presents its own operating model as a six-pillar circular business: last-mile procurement of recyclable scrap sourced from over 50 countries; segregation, sorting and quality inspection; manufacture of sustainable products through smelting and refining; production of value-added lead alloys; quality check and timely delivery; and continuous customer engagement.

Products, Customer Segments and End-User Industries

- The product range comprises pure lead and five categories of lead alloy — lead calcium, lead antimony, lead tin, lead silver and lead cadmium. Pure lead is standardised with purity from 99.97% to 99.98%, while lead alloys are customised to customer requirements with respect to purity level and composition with other metal and non-metal elements.
- Products find application in energy storage, e-mobility, automotive and chemicals. Recycled lead ingots are used principally in lead-acid batteries supplied to automotive original equipment manufacturers and, beyond automotive, in inverters and UPS systems, power backup for data centres, telecom towers and energy storage for solar rooftop applications.
- As of March 31, 2026 the Company had served more than 50 customers, of which 44 were domestic and eight overseas. Domestic customers include Amara Raja Energy & Mobility Limited and international customers include Sebang Metal Trading Co. Ltd. Products were sold in twelve states in India and exported to eight countries — Singapore, Hong Kong, South Korea, Switzerland, the United Arab Emirates, Japan, Saudi Arabia and the United States of America.

Product Portfolio – Pure Lead

- The Company classifies output into two families: pure lead, which is standardised, and lead alloys, which are customised. Across both, purity levels range from 99.97% to 99.985% and conform to international standards; the F&S Report records the applicable specifications as IS 12699 and BS EN 12659.
- Pure lead is available in the form of soft lead and re-melted lead, characterised by a silver-grey metallic appearance, and is cast into standard ingots weighing approximately 23 to 30 kilograms each. It is supplied to battery manufacturers and also finds application in the cable sheathing industry.
- Because it is a standardised commodity product, pure lead is the grade on which the Company's exchange relationships operate: 'Ardee' is empanelled on MCX for pure lead and 'ARDEE LEAD 9997' is listed on the London Metal Exchange.

Lead Alloys – Composition and Applications

Alloy	Alloying content	Functional characteristics and applications
Lead calcium	Calcium 0.03% – 0.12%	Improves strength and corrosion resistance, helping batteries last longer with less maintenance. Used in automotive batteries, backup power systems and sealed or valve-regulated lead-acid (VRLA) batteries.
Lead antimony	Antimony 1.5% – 11%	Increases hardness and strength for applications requiring rigidity and wear resistance, with excellent castability. Used in battery grids, castings and ammunition, and in conventional lead-acid batteries subject to frequent deep discharging.
Lead tin	Tin 1% – 15%	Improves corrosion resistance and electrical conductivity; lower melting point aids joining and coating. Used for soldering materials, electrical connections, cable sheathing and protective metal coatings.
Lead silver	Silver 0.007% – 0.01%	Improves strength and corrosion resistance, extending battery life and reducing maintenance. Generally used in battery grids.
Lead cadmium	Cadmium 0.05% – 0.25%	Improves resistance to high-temperature degradation and mechanical wear. Used in high-performance batteries and engineering applications requiring durability and stability under thermal stress.

Product Differentiation, Lifecycle and Derivative Products

- Product differentiation rests principally on customisation and certification rather than proprietary technology. The Company states that its ability to deliver products meeting stringent customer-specific requirements in terms of purity levels and composition of metal and non-metal elements is a critical component of its value proposition. The F&S Report notes the Company's capability to customise alloy composition per client requirement.
- On product lifecycle, lead is among the most extensively recycled metals, capable of being re-melted numerous times while retaining its characteristics. Lead used in cable sheathing is described as entirely recyclable and as maintaining its properties post-recycling. The F&S Report records a stable replacement cycle of two to three years in telecom and three to five years for lead-acid batteries in data centres.
- Beyond lead, the Company has disclosed an intention to convert plastic scrap and chips into plastic granules and to undertake refining and recycling of tin and copper waste products. Land admeasuring 5.56 acres at Plot No. 9 (Block B), Menakur village, Naidupet, Tirupati district has been acquired towards this initiative. No timeline, capital outlay or capacity for these new product lines is disclosed in the RHP.

Revenue Stream

- A meaningful portion of reported revenue from operations arises outside product sales. Job work is the second-largest stream and has grown from ₹ 371.52 million in FY2024 to ₹ 913.28 million in FY2026. Contract assets include unbilled revenue on account of job work, which stood at ₹ 20.87 million as at March 31, 2026 against ₹ 163.21 million as at March 31, 2025.
- Export incentives including government grants rose from ₹ 5.59 million in FY2024 to ₹ 119.44 million in FY2026, tracking the expansion of export volumes. Net foreign exchange fluctuation, recognised within other operating revenue, contributed ₹ 429.33 million in FY2026 against ₹ 144.63 million in FY2025 and ₹ 62.48 million in FY2024; the accounting policy states that gains or losses arising on derivative contracts are presented under other operating revenue.

Revenue Stream Composition (₹ in million)

Particulars	FY26	FY25	FY24
Sale of products – finished goods	10,214.48	6,675.12	4,190.00
Sale of services – job work income	913.28	520.01	371.52
Export incentives incl. government grant and amortisation	119.44	87.59	5.59
Foreign exchange fluctuation (net)	429.33	144.63	62.48
Revenue from operations (net)	**11,676.53**	**7,427.35**	**4,629.59**

Business Segments

Particulars	FY26	% Rev.	FY25	% Rev.	FY24	% Rev.
Pure Lead	6,594.22	56.47	3,145.02	42.34	2,454.28	53.01
Lead Alloys	3,212.08	27.51	3,195.35	43.02	1,580.81	34.15
Scrap Sale	400.91	3.43	258.51	3.48	152.54	3.29
Others	7.27	0.06	76.24	1.03	2.37	0.05
Revenue from sale of products	**10,214.48**	**87.48**	**6,675.12**	**89.87**	**4,190.00**	**90.50**

₹ in million. Percentages are of revenue from operations.

- Pure lead is the larger product group in FY2026 at ₹ 6,594.22 million, having more than doubled from ₹ 3,145.02 million in FY25. Its share of revenue from operations moved from 53.01% in FY2024 to 42.34% in FY25 and back to 56.47% in FY2026.

- Lead alloys, at ₹ 3,212.08 million in FY2026, were broadly flat against ₹ 3,195.35 million in FY25 in absolute terms, with revenue share falling from 43.02% to 27.51% as pure lead volumes expanded. The Company describes lead alloys as value-added products and attributes part of the improvement in profitability across FY25 and FY2026 to a shift in product mix towards such higher-margin products alongside higher export realisations.

Revenue Mix – Domestic versus Export

Particulars	FY26	% Rev.	FY25	% Rev.	FY24	% Rev.
Domestic	6,477.22	55.47	4,444.50	59.84	3,745.22	80.90
Exports	4,650.54	39.83	2,750.63	37.03	816.30	17.63
Total	11,127.76	95.3	7,195.13	96.87	4561.52	98.53

₹ in million. Percentages are of revenue from operations.

- Export revenue has grown at a compound annual rate of 138.69% from FY2024 to FY2026, rising 236.96% from ₹ 816.30 million to ₹ 2,750.63 million in FY25 and a further 69.07% to ₹ 4,650.54 million in FY2026. The share of exports in revenue from operations increased from 17.63% to 39.83%, and export destinations expanded from four countries as at March 31, 2024 to eight as at March 31, 2026.
- Domestic revenue comprises both product sales and job work income. The disaggregated revenue note shows India revenue from contracts with customers of ₹ 6,477.22 million in FY2026, of which ₹ 913.28 million was job work and ₹ 5,563.94 million product sale. All job work revenue is domestic across the three fiscals.
- The Company attributes part of the improvement in profitability to the export shift, stating that higher export sales, particularly in markets offering better realisations, have positively affected margins. It also discloses that export transactions generally involve longer receivable cycles than domestic sales, one of the stated drivers of the incremental working capital requirement to be funded from the Net Proceeds.

Country-wise Export Revenue

Country	FY26	% exports	FY25	% exports	FY24	% exports
Singapore	1,975.57	42.48	1,233.15	44.83	641.97	78.64
Switzerland	1,883.16	40.49	323.07	11.75	–	–
South Korea	412.98	8.88	569.80	20.72	89.25	10.93
Japan	194.67	4.19	3.58	0.13	–	–
Hong Kong	146.23	3.14	604.41	21.97	–	–
United Arab Emirates	32.93	0.71	16.63	0.60	49.76	6.10
Saudi Arabia	4.99	0.11	–	–	–	–
United States of America	–	–	–	–	35.32	4.33
Total revenue from exports	**4,650.54**	**100.00**	**2,750.63**	**100.00**	**816.30**	**100.00**

- Export revenue remains concentrated: Singapore and Switzerland together accounted for 82.97% of export revenue in FY2026. Singapore has been the largest destination throughout, although its share fell from 78.64% in FY2024 to 42.48% in FY2026 as other markets were added. Switzerland moved from nil in FY2024 to the second-largest destination. Hong Kong and South Korea both declined in absolute terms in FY2026.
- The Company identifies concentration in Singapore, Switzerland and South Korea as a risk factor, noting these countries contributed between 17.63% and 39.83% of revenue from operations on an aggregate basis over the preceding three fiscals, and states it intends to mitigate this by strengthening its presence in Hong Kong, Switzerland and Japan.

State-wise Domestic Revenue

State / Union Territory	FY26	% Rev.	FY25	% Rev.	FY24	% Rev.
Andhra Pradesh	4,768.34	40.84	3,831.37	51.58	3,432.55	74.14
Tamil Nadu	1,361.29	11.66	415.15	5.59	119.71	2.59
Rajasthan	202.68	1.74	81.28	1.09	78.56	1.70
Karnataka	71.39	0.61	48.19	0.65	59.72	1.29
Delhi	67.24	0.58	–	–	–	–
Maharashtra	3.22	0.03	11.98	0.16	5.21	0.11
Gujarat	1.75	0.01	–	–	–	–
Uttar Pradesh	0.88	0.01	–	–	0.60	0.01
Haryana	0.44	0.00	0.68	0.01	2.27	0.05
West Bengal	–	–	53.03	0.71	39.18	0.85
Telangana	–	–	2.27	0.03	6.13	0.13
Madhya Pradesh	–	–	0.55	0.01	1.27	0.03
Total domestic sales	**6,477.22**	**55.47**	**4,444.50**	**59.84**	**3,745.22**	**80.90**

₹ in million. Percentages are of revenue from operations.

- Domestic revenue is concentrated in Andhra Pradesh, the state in which the Manufacturing Facility is located and in which the Company's largest customer operates. Andhra Pradesh contributed 40.84% of revenue from operations in FY2026, down from 74.14% in FY2024 — a reduction the Company attributes to deliberate expansion into Tamil Nadu, Rajasthan, Karnataka and Maharashtra.
- Tamil Nadu is the second-largest state at 11.66% in FY2026, having grown more than eleven-fold in absolute terms since FY2024. Revenue booked in Rajasthan corresponds in amount to sales to Pilot Industries Limited, a Group Company.
- Notwithstanding the reduction in concentration, the Company retains Andhra Pradesh concentration as a disclosed risk factor. Channel-wise revenue classification is not disclosed in the RHP, consistent with the Company selling directly to industrial customers rather than through distribution intermediaries.

End-Use Industry Mix

End-use Industry	FY26	% Rev.	FY25	% Rev.	FY24	% Rev.
Battery	4,059.88	34.77	3,287.65	44.26	3,056.69	66.03
Metal	5,840.33	50.02	3,191.46	42.97	1,046.87	22.61
Others (including scrap sales)	314.27	2.69	196.01	2.64	86.44	1.87

₹ in million. Percentages are of revenue from operations.

- The end-use profile has altered materially over the three fiscals. The battery industry accounted for 66.03% of revenue from operations in FY2024 but 34.77% in FY2026, while the metal industry rose from 22.61% to 50.02% over the same period.
- In aggregate, 84.79%, 87.23% and 88.64% of revenue from operations in Fiscals 2026, 25 and 2024 respectively was attributable to the battery and metal industries, and the Company identifies dependence on these industries as a risk factor. The majority of revenue within the battery industry is derived from Amara Raja Energy & Mobility Limited, described in the RHP as one of the largest manufacturers of lead-acid batteries.
- The Company notes that the F&S Report projects the Indian lead-acid battery market to grow from ₹ 49,140 crore in FY2026 to ₹ 64,895 crore in FY2030 at a compound annual growth rate of 7.2%, while cautioning that a slowdown in the battery or metal industries, or substitution by alternative technologies such as lithium-ion, may reduce demand for its products.

Customer Analysis – Concentration

- The Company served 52, 54 and 54 customers in Fiscals 2026, 25 and 2024 respectively. As of March 31, 2026 it had more than 50 customers, of which 44 were domestic and eight overseas, spanning the battery and metal industries.

Particulars	FY26	% Rev.	FY25	% Rev.	FY24	% Rev.
Top customer	4,745.56	40.64	3,804.08	51.22	3,352.94	72.42
Top 5 customers	9,571.90	81.98	6,124.52	82.46	4,191.94	90.54
Top 10 customers	10,696.70	91.61	6,798.44	91.53	4,405.45	95.15

₹ in million. Percentages are of revenue from operations.

- Concentration has reduced but remains high in absolute terms. The single largest customer, Amara Raja Energy & Mobility Limited, accounted for 40.64% of revenue from operations in FY2026 against 72.42% in FY2024 – a fall in share achieved through revenue growth elsewhere rather than any reduction in absolute business with that customer, whose contribution rose from ₹ 3,352.94 million to ₹ 4,745.56 million.
- The top ten customers still accounted for 91.61% of revenue from operations in FY2026. The Company states it cannot assure that historic levels of business from these customers will be maintained or that client concentration will be significantly reduced in future, while confirming it has not lost any of its top customer, top five or top ten customers in the last three fiscals.

Domestic and Overseas Customer Concentration

Particulars	FY26	% Rev.	FY25	% Rev.	FY24	% Rev.
Top domestic customer	4,745.56	40.64	3,804.08	51.22	3,352.94	72.42
Top 5 domestic customers	6,154.08	52.70	4,136.87	55.70	3,606.52	77.90
Top overseas customer	1,883.16	16.13	773.30	10.41	624.60	13.49
Top 5 overseas customers	4,466.38	38.25	2,627.70	35.38	798.94	17.26

Repeat Business and Customer Additions

Particulars	FY26	FY25	FY24
Repeat customers (number)	36	34	29
Revenue from repeat customers (₹ in million)	10,025.60	6,215.09	4,296.24
Repeat customers as % of revenue from operations	85.86	83.68	92.80
New customers (number)	16	20	25
Revenue from new customers (₹ in million)	1,102.15	980.04	265.28
New customers as % of revenue from operations	9.44	13.20	5.73

Top Ten Customers – FY26

Name of customer	Domestic / Overseas	Amount	% of Revenue
Amara Raja Energy & Mobility Limited	Domestic	4,745.56	40.64
Customer 2 (name not disclosed)	Overseas	1,883.16	16.13
Customer 3 (name not disclosed)	Overseas	1,026.73	8.79
Customer 4 (name not disclosed)	Domestic	967.60	8.29
Customer 5 (name not disclosed)	Overseas	948.84	8.13
Sebang Metal Trading Co. Ltd	Overseas	412.98	3.54
Pilot Industries Limited	Domestic	202.68	1.74
Customer 8 (name not disclosed)	Overseas	194.67	1.67
Customer 9 (name not disclosed)	Domestic	168.24	1.44
Customer 10 (name not disclosed)	Overseas	146.23	1.25
Total		**10,696.69**	**91.61**

₹ in million. Names of certain customers are not included in the RHP due to non-receipt of consent. Except for Pilot Industries Limited, none of the top ten customers in any of the three fiscals is a related party or Promoter Group entity.

- In FY25 the same structure applied, with Amara Raja Energy & Mobility Limited at ₹ 3,804.08 million (51.22%), an undisclosed overseas customer at ₹ 773.30 million (10.41%), Sebang Metal Trading Co. Ltd at ₹ 482.89 million (6.50%) and Pilot Industries Limited at ₹ 81.28 million (1.09%), with the top ten aggregating ₹ 6,798.44 million or 91.53% of revenue from operations.
- In FY2024 concentration was more acute: Amara Raja Energy & Mobility Limited alone accounted for ₹ 3,352.94 million or 72.42%, and the top ten aggregated 95.15%.

Nature of Contracts and Customer Onboarding

- The Company does not enter into formal long-term agreements with customers and typically relies on blanket purchase orders issued from time to time setting out the price per unit of products to be supplied. Production cycles are based on customer demand forecasts and related orders placed.
- In the absence of formal agreements, if customers arbitrarily terminate work orders or fail to make payment, the Company may not be in a position to claim compensation, and that it may be reluctant to proceed against a customer and strain relations. It discloses that there have been instances in the past three fiscals in which the Company failed to renew arrangements with customers. Trade receivables are non-interest bearing and generally on terms of 30 to 60 days.
- Customer onboarding is a formal technical process. Contact is established through market research, inbound enquiries or industry events such as trade expositions and battery and metal industry conferences. Customers conduct vendor qualification review, quality audits and audits of technical capability. Orders are placed only upon successful completion of vendor approval, and facilities are regularly audited thereafter.

Raw Material Sourcing – Domestic versus Imported

- Key raw materials are recyclable lead-bearing scrap: battery scrap in the form of used lead-acid batteries, remelted lead ingots, remelted lead blocks, lead scrap in radio, relay and rope grades, and lead master metal. Cost of materials consumed was ₹ 9,342.23 million, ₹ 5,749.44 million and ₹ 3,669.70 million in Fiscals 2026, 25 and 2024, representing 80.01%, 77.41% and 79.27% of revenue from operations – by far the dominant cost line and the principal determinant of gross margin.

Particulars	FY26	% purch.	FY25	% purch.	FY24	% purch.
Domestic purchases	1,210.54	13.06	2,000.89	35.27	1,424.84	38.66
Import purchases	8,059.78	86.94	3,672.92	64.73	2,260.34	61.34
Total	**9,270.32**	**100.00**	**5,673.81**	**100.00**	**3,685.18**	**100.00**

- The sourcing mix has shifted decisively towards imports, which rose from 61.34% of total purchases in FY2024 to 86.94% in FY2026, while domestic purchases fell in absolute terms from ₹ 2,000.89 million in FY25 to ₹ 1,210.54 million in FY2026.
- The Company presents this shift as evidence of its regulatory standing, noting that lead scrap imports in India are subject to licensing and stringent compliance requirements from the Ministry of Environment, Forest and Climate Change – which the F&S Report identifies as creating high entry barriers – and stating that the increase in its import share reflects consistent flow of approvals leading to uninterrupted production and supply. The F&S Report separately records that quality limitations from domestic lead scrap supplies, and the dominance of the unorganised sector in domestic collection, are among the reasons Indian recyclers rely on imports.

Country-wise Import Sourcing

Country	FY26	% imports	FY25	% imports	FY24	% imports
United Arab Emirates	2,033.52	25.23	869.07	23.66	859.21	38.01
Singapore	1,332.06	16.53	223.93	6.10	333.20	14.74
United States of America	924.05	11.47	271.84	7.40	121.19	5.36
Kuwait	410.32	5.09	202.21	5.51	397.98	17.61
Malaysia	253.93	3.15	367.33	10.00	172.15	7.62
Bahrain	73.55	0.91	160.42	4.37	15.78	0.70
Dominican Republic	13.11	0.16	282.24	7.68	104.50	4.62
Madagascar	-	-	200.06	5.45	30.16	1.33
Namibia	-	-	118.50	3.23	-	0.00
Others	3,019.24	37.46	977.32	26.61	226.17	10.01
Total imports	**8,059.78**	**100.00**	**3,672.92**	**100.00**	**2,260.34**	**100.00**

- During Fiscals 2026, 25 and 2024 the Company imported raw materials from 58 countries. The F&S Report records that the sourcing network spans over 50 countries and states this enables consistent raw material availability while minimising reliance on any single source. The largest source country, the United Arab Emirates, accounted for 25.23% of imports in FY2026, down from 38.01% in FY2024, while the residual 'Others' category has grown to 37.46%.

Supplier Base and Concentration

- The Company procured raw materials from 55, 56 and 57 domestic suppliers and 165, 103 and 58 overseas suppliers in Fiscals 2026, 25 and 2024 respectively. The near-tripling of the overseas supplier count over two years accompanies the shift towards imports.

Particulars	FY26	% purch.	FY25	% purch.	FY24	% purch.
Top 5 suppliers	2,473.60	26.68	2,431.41	42.85	1,328.85	36.06
Top 10 suppliers	3,567.50	38.48	3,047.48	53.71	1,881.67	51.06
Top 5 overseas suppliers	2,186.61	23.59	1,266.39	22.32	687.90	18.67
Top 10 overseas suppliers	3,122.11	33.68	1,716.27	30.25	1,064.78	28.89
Top 5 domestic suppliers	867.73	9.36	1,699.05	29.95	1,152.40	31.27
Top 10 domestic suppliers	1,014.71	10.95	1,830.75	32.27	1,276.61	34.64

- Supplier concentration has fallen materially. The top ten suppliers accounted for 38.48% of total purchases in FY2026 against 53.71% in FY25 and 51.06% in FY2024. In FY2026, nine of the top ten suppliers were overseas, with the largest at 7.47% of total purchases; the only named supplier for which consent was received is Bhatt International Inc., an overseas supplier at 3.59% of purchases.
- In FY25 and FY2024, Pilot Industries Limited featured among the top ten suppliers at 1.64% and 3.84% of purchases respectively; in FY2026, purchases from Pilot Industries Limited fell to ₹ 5.80 million.

Procurement Risks, Price Sensitivity and Inventory Management

- The absence of long-term supply contracts is disclosed as a specific procurement risk. Because pricing and volumes are negotiated for each purchase order, suppliers may refuse to sell at prices finalised prior to an escalation, potentially compelling the Company to purchase at higher cost which it may not be able to pass on. The lack of formal arrangements also limits recourse in the event of inadequate quantity or substandard quality.
- Additional disclosed procurement risks include seasonal or regional shortages, high competition among recyclers for procurement of used lead-acid batteries, changes in regulatory norms affecting scrap procurement, restrictions or embargoes on import jurisdictions and increases in import duties.
- Because a substantial portion of raw material is imported, the Company is exposed to foreign exchange rate fluctuation, identified as a separate risk factor. It enters into foreign exchange forward contracts with banks to mitigate currency risk on foreign currency exposures.
- Inventory is tracked at every stage from incoming scrap through to finished pure lead and lead alloys using Busy software, an ERP system monitoring raw material inflow, work-in-progress and finished goods. The Company follows the first-in, first-out method and conducts audits to reconcile physical inventory with records. Manufacturing operations are aligned to market requirement and demand forecast, based on production data, sales history and customer input. Inventory holding stood at 42, 28 and 47 days in Fiscals 2024, 2025 and 2026, calculated on cost of goods sold.

Manufacturing

- Manufacturing is concentrated at a single owned facility of approximately 7.61 acres in the APIIC Industrial Park at Naidupet, Tirupati district, Andhra Pradesh. Installed capacity was 104,025 MTPA as at March 31, 2026 and 156,950 MTPA as on the date of the RHP. The site houses rotary furnaces, refining kettles, ingot casting machines, pollution control equipment, spectrometers and battery breaking and segregation units, with dedicated storage areas for bulk handling.
- The Company does not disclose the use of distributors or dealers; sales are made directly to industrial customers on the basis of purchase orders. Finished goods are transported by road, rail, sea and air on CIF or FOB terms, using third-party transportation and logistics providers and customs house agents, with GPS-enabled vehicles for real-time tracking. A logistics team of 44 members as of June 30, 2026 manages end-to-end operations.
- Procurement is conducted on a purchase order basis and through auctions on various platforms. The Company does not usually enter into long-term supply contracts; pricing and volumes are negotiated for each purchase order and the purchase price of raw materials generally follows market prices.

Process

- **Collection and storage of raw material.** The process begins with systematic collection of used lead-acid batteries and other lead-containing scrap from suppliers. All materials are stored in a designated area to avoid leakage or contamination of soil or groundwater.
- **Battery breaking and separation.** Batteries and lead-containing scrap are fed into a hammer mill crusher via an inclined conveyor and crushed with continuous alkaline water flow, which reduces noise and facilitates movement of appropriately sized pieces. The mixture passes through hydro-mechanical separation units, mesh sieves and water sprays to separate lead paste, lead metal parts, plastics and separators.
- **Smelting.** Lead-rich materials, together with battery ash, dross and other lead-containing wastes, are charged into an oil-fired rotary furnace operating above 900°C for several hours, reducing lead compounds to molten lead. Cyclones, bag houses and wet scrubbers cleanse emissions of suspended particles before discharge. Non-recyclable slag is safely stored for disposal, and jumbo lead blocks are transferred to refining.

- **Refining and alloying.** Lead is further purified by removing residual impurities using agents such as sulphur, caustic soda, sodium nitrate and iron sulphide; impurities are skimmed and recycled in the furnace. Alloying metals — antimony, calcium, tin, selenium, cadmium or silver — are added in controlled quantities to produce the specific alloys required. All final products undergo multiple in-process tests before casting.
- **Casting and moulding.** Pure lead or lead alloy is cast into standard ingots using automated casting systems. Each ingot is weighed and stamped with batch number, grade and purity, and packed for dispatch. Secondary materials such as plastics and separators are sent to authorised recyclers.

Manufacturing Facilities – Location and Strategic Rationale

- The Company owns and operates a single manufacturing facility of approximately 7.61 acres at Plot Nos. 8A and 8B, Survey Nos. 35(P), 37(P), 38(P), 49(P) and 51(P) of Menakur Village, Naidupet Mandal, Tirupati district, Andhra Pradesh, within the APIIC Industrial Park at Naidupet. It additionally owns vacant land of 5.56 acres at Plot No. 9 (Block B), Menakur village, acquired towards planned diversification into plastic granules and tin and copper recycling.
- **Customer proximity.** The F&S Report records the presence of large battery manufacturers including Amara Raja Energy & Mobility in the vicinity. The Company states this proximity allows delivery in a short turnaround time with savings on logistical costs, making its products cost-competitive, and that this location has made well-known lead-acid battery manufacturers a key customer.
- **Port and transport connectivity.** Chennai port is 150 kilometres from the plant, while Kattupalli and Ennore ports are each 130 kilometres away. Naidupet lies along National Highway 16, part of the Golden Quadrilateral network, providing road access to Chennai, Vijayawada and Kolkata, and is situated on the Chennai–Vijayawada–Howrah railway line. Given that 86.94% of raw material purchases by value were imported in FY2026 and 39.83% of revenue derived from exports, port access is directly material to the operating cost structure.

Infrastructure and Machinery

Machinery / Equipment	Activity undertaken	Number installed
Rotary Furnace	Smelting of lead scrap	8
Refining Kettle	Refining and alloying	14
Ingot Casting Machine	Casting of finished products	7
Pollution Control Equipment	Gas scrubbing and filtration	10
Spectrometer	Metal analysis and testing	2
Battery Breaking and Segregation Unit (BBSU)	Breaking of scrap batteries	2
Air Compressor	Smooth operations of machines	7
Diesel Generator Set	Power back-up arrangement	3

- The facility includes dedicated storage areas for bulk handling of raw materials and finished products, and a dedicated area of 322.14 square metres for temporary storage of hazardous waste. Capital expenditure in manufacturing activities was ₹ 124.42 million, ₹ 252.98 million and ₹ 205.36 million in Fiscals 2026, 2025 and 2024. Net property, plant and equipment stood at ₹ 705.82 million as at March 31, 2026 against ₹ 666.07 million a year earlier, with capital work-in-progress of ₹ 17.09 million.

Capacity and Capacity Utilisation

- Installed capacity rose from 54,750 MTPA in FY2024 to 104,025 MTPA, with the extension effective from November 7, 2024, and further to 156,950 MTPA as on the date of the RHP. The F&S Report notes the increase in lead refining capacity to 156,950 MTPA took effect from May 29, 2026, and records smelting capacity of 104,390 MTPA and refining capacity of 104,025 MTPA as at March 31, 2026.

Product	FY26 Installed	FY26 Utilised	FY26 %	FY25 Installed	FY25 Utilised	FY25 %	FY24 Installed	FY24 Utilised	FY24 %
Pure lead	1,04,025	52,477	50.45	1,04,025	31,286	30.07	54,750	23,756	43.39
Lead alloys	(combined)	17,378	16.71	(combined)	15,694	15.09	(combined)	8,812	16.09
Total	**1,04,025**	**69,855**	**67.15**	**1,04,025**	**46,980**	**45.16**	**54,750**	**32,567**	**59.48**

MTPA. Installed capacity represents the quantity the Company is authorised to produce at the end of the relevant financial year as per the Consent to Operate, and is stated on a combined basis for pure lead and lead alloys. Production quantity is based on three shifts of eight hours each. As certified by Birender Prasad Singh, Independent Chartered Engineer, by certificate dated July 24, 2026.

Capacity Commentary and Expansion Pipeline

- Total production rose from 32,567 MT in FY2024 to 46,980 MT in FY2025, an increase of 44.26%, and further to 69,855 MT in FY2026. Aggregate utilisation fell from 59.48% in FY2024 to 45.16% in FY2025 as the capacity base almost doubled part-way through the year, then recovered to 67.15% in FY2026. Pure lead utilisation improved from 30.07% to 50.45% between FY2025 and FY2026, while lead alloy utilisation moved from 15.09% to 16.71%.
- On the enlarged 156,950 MTPA base now in place, FY2026 production of 69,855 MT would represent utilisation of approximately 44.5%. The Company states that it plans to maximise utilisation of installed capacity to meet growing demand, and identifies adequate working capital support as critical to ensuring uninterrupted raw material availability, timely production and smooth execution of sales — the principal stated rationale for the working capital component of the Objects of the Offer.
- The Company discloses under-utilisation as a risk factor, noting that any under-utilisation of manufacturing capacity over extended periods, or significant under-utilisation in the short term, could increase cost of production and operating costs. It further cautions that installed capacity and capacity utilisation information may not be computed on the basis of any standard methodology applicable across the industry and may therefore not be comparable to figures presented by other companies, and that actual levels of lead manufactured may differ significantly from installed or historical capacity information depending on the mix between pure lead and lead alloys.
- **Planned capacity additions.** The first initiative is the proposed consolidation of the lead recycling business carried on through the Bhiwadi, Rajasthan facility of Group Company Pilot Industries Limited, contemplated through the formation of a subsidiary and/or a merger, including by way of a scheme of arrangement or amalgamation, subject to receipt of requisite approvals. The Company states that this integration would augment existing lead recycling operations through the addition of an operational manufacturing business and support expansion of manufacturing capacity. The capacity, financial parameters and timeline of that facility are not disclosed in the RHP.
- **Product diversification.** The second initiative is diversification into plastic granules and tin and copper recycling on the 5.56-acre plot acquired at Menakur; capacity for these lines is not disclosed in the RHP. Specific operating bottlenecks are not disclosed in the RHP.

Business Strategy

- **Expanding the product portfolio through capacity expansion and strategic integration.** The first limb is organic capacity growth: installed capacity raised from 54,750 MTPA in FY2024 to 156,950 MTPA as at the date of the RHP, with investment in upgrading recycling infrastructure and implementing advanced technologies to enhance recovery rates, improve efficiency and scale operations sustainably. The Company intends to maximise utilisation of installed capacity, which it states will enhance operating efficiency and economies of scale, with adequate working capital support identified as critical.
- The second limb is inorganic: consolidation of the lead recycling business carried on through Pilot Industries Limited's facility at Bhiwadi, Rajasthan, contemplated through formation of a subsidiary and/or a merger, including by way of a scheme of arrangement or amalgamation, subject to approvals. The Promoter has furnished an undertaking to consolidate that business so as to avoid potential future conflict. The Company states the integration would augment operations, support capacity expansion, enable adherence to higher standards of corporate governance and enhance shareholder value creation. No consideration, timeline, capacity or financial parameter is disclosed in the RHP.
- The third limb is product diversification into adjacent recycled materials — converting plastic scrap and chips into plastic granules and undertaking refining and recycling of tin and copper waste products, alongside expansion of capacities for existing products. Land of 5.56 acres at Menakur, Naidupet has been acquired. Capital expenditure for this diversification does not form part of the Objects of the Offer.
- **Expanding geographical footprint across export and domestic markets.** The Company intends to strengthen its presence in Hong Kong, Switzerland and Japan, driven by offering existing products to new and existing customers rather than new product development, with the objective of broadening the customer base and diversifying revenue sources. It notes that export transactions involve longer receivable cycles and states it intends to bridge the gap between shipment dispatch and payment realisation by deploying additional working capital — directly linking this strategy to the Objects of the Offer.
- The rationale draws on both track record and market opportunity: export revenue grew 236.96% between FY2024 and FY2025 and a further 69.07% to FY2026, with the footprint doubling from four to eight countries; and the F&S Report values the Southeast Asian and South Korean market at $1.92 billion in calendar year 2025, projected to reach $2.75 billion by calendar year 2030. Domestically, the Company has expanded from concentration in Andhra Pradesh into Tamil Nadu, Rajasthan, Karnataka and Maharashtra.
- **Leveraging the LME listing to expand global presence.** The Company intends to use its LME listing of the 'ARDEE LEAD 9997' brand to strengthen its presence in international markets and enhance credibility among global customers, anticipating improved visibility within the global lead recycling and metals industry, facilitation of access to new international customers and business opportunities, and reinforcement of its reputation as a quality-focused and compliant manufacturer. The complementary MCX listing of the 'Ardee' brand serves the domestic commodity market.
- **Improving the debt profile.** As of June 30, 2026 total sanctioned borrowing was ₹ 3,249.60 million with outstanding borrowings of ₹ 1,820.65 million. The debt-to-equity ratio has fallen from 4.87 times at FY2024 to 2.65 times at FY2025 and 1.25 times at FY2026, attributed primarily to the increase in shareholders' equity driven by improved profitability and revenue growth.

Particulars	FY26	FY25	FY24
Debt-equity ratio (times)	1.25	2.65	4.87
Debt service coverage ratio (times)	4.28	2.93	1.50
Return on capital employed (%)	44.26	25.17	12.83

Working Capital Composition (₹ in million)

Particulars	FY24	FY25	FY26	FY27 (Proj.)
Inventories	418.58	449.52	1,161.23	1,096.06
Trade receivables	396.92	599.45	247.88	1,688.48
Advance to supplier	407.20	410.50	845.84	1,943.83
Other financial and current assets	62.67	349.79	312.33	328.32
Total current assets (excl. cash)	**1,285.37**	**1,809.26**	**2,567.27**	**5,056.69**
Trade payables	94.27	227.40	138.02	146.14
Other financial and current liabilities	130.40	47.53	85.85	86.51
Provisions	14.38	52.57	81.48	75.19
Total current liabilities (excl. borrowings)	**239.05**	**327.50**	**305.35**	**307.84**
Net working capital requirement	**1,046.32**	**1,481.76**	**2,261.93**	**4,748.85**

Working Capital Holding Levels (days)

Particulars	FY 2024	FY 25	FY 2026	FY 2027 (Est.)
Inventory	42	28	47	30
Trade receivables	32	30	8	37
Advance to suppliers	40	26	34	53
Trade payables	9	14	6	4

- Net working capital rose from ₹ 1,046.32 million in FY2024 to ₹ 2,261.93 million in FY2026, consistent with revenue growth from ₹ 4,629.59 million to ₹ 11,676.53 million. Working capital as a percentage of revenue from operations was 22.60%, 19.95% and 19.37% across the three fiscals. Funding was provided by borrowings of ₹ 1,003.64 million, ₹ 1,302.52 million and ₹ 1,597.89 million and by internal accruals of ₹ 42.68 million, ₹ 179.24 million and ₹ 664.04 million respectively.
- The composition has shifted materially. Inventory more than doubled in FY2026 to ₹ 1,161.23 million, with holding days rising from 28 to 47, attributed to the need to maintain higher raw material and finished goods levels to service longer lead times, larger order sizes and export logistics. Advances to suppliers rose from ₹ 410.50 million to ₹ 845.84 million, driven by advance payments to secure critical raw materials. Trade receivables fell sharply from ₹ 599.45 million to ₹ 247.88 million, reducing receivable days from 30 to 8.
- The projected FY2027 position reverses several of these movements, assuming receivable days of 37 and advance-to-supplier days of 53 while reducing inventory days to 30 — consistent with the stated shift from a cash-against-documents to a free-on-board procurement model and with continued export growth. Incremental working capital requirement for FY2027 is estimated at ₹ 2,486.92 million, of which ₹ 2,200.00 million is to be funded from Net Proceeds and ₹ 286.92 million from borrowings and internal accruals.

Competitive Positioning and Business Ecosystem

- Key competitors identified are Gravita India Limited, Pondy Oxides and Chemicals Limited and Jain Resource Recycling Limited. The F&S Report places the Company sixth by revenue share in the Indian recycled lead ingot market in FY2026 at 2.09%.
- The brand 'Ardee' is listed on the Multi Commodity Exchange, which the Company states makes it one of the few companies with a registered brand on MCX. The brand 'ARDEE LEAD 9997' is listed on the London Metal Exchange, recorded by the F&S Report as having occurred in December 25.
- The Company is a member of the India Lead Zinc Development Association, the Recycled Materials Association and the Material Recycling Association of India; the F&S Report additionally records membership of the Bureau of International Recycling.

Competitive Landscape – FY26

Manufacturer	Plant locations	Revenue (₹ bn)	Market share
Chloride Metals Ltd	Malur (Karnataka), Markal (Maharashtra), Hadia (West Bengal), Supa Ahmednagar (Maharashtra)	60.58	19.6%
Jain Resource Recycling Limited	Gummidipoondi (Chennai)	36.26	11.7%
Gravita India Limited	J&K, Jaipur (Rajasthan), Mundra Kutch (Gujarat), Chittor (Andhra Pradesh)	29,85	9.7%
Nile Limited	Tirupati, Choutuppal	10,30	3.3%
Pondy Oxides & Chemicals	Kancheepuram (Tamil Nadu), Chittor (Andhra Pradesh)	10.05	3.2%
Ardee Industries	Naidupet (Andhra Pradesh)	6.47	2.09%
Bindal Smelting	Karol Bagh (New Delhi), Greater Noida	1.50	0.5%
Other organised recyclers (~660)	—	51.54	16.7%
Unorganised (highly fragmented)	—	64.75	20.9%
Imports	—	37.99	12.3%
Total		**30.93**	**100%**

- The market remains fragmented, with the unorganised sector at 20.9% share exceeding the largest single organised participant. Ardee Industries ranks sixth among named organised manufacturers at 2.09%. The F&S Report identifies Jain Resource Recycling Limited, Gravita India Limited and Pondy Oxides and Chemicals as key and direct competitors, and expressly excludes Nile Limited on the basis that it focuses largely on domestic sales with revenue concentrated among few customers such as Amara Raja Energy and Mobility Limited.

KPI – Ardee Industries

Particulars	Units	FY24	FY25	FY26
Revenue from Operations	₹ million	4,629.59	7,427.35	11,676.53
Revenue CAGR	%	-	-	58.81
EBITDA	₹ million	280.57	659.34	1,470.82
EBITDA Margin	%	6.06	8.88	12.60
EBITDA CAGR	%	-	-	128.96
Profit After Tax (PAT)	₹ million	89.54	332.71	846.81
PAT Margin	%	1.93	4.48	7.25
PAT CAGR	%	-	-	207.52
Total Borrowings	₹ million	1,423.60	1,657.66	1,827.48
Net Worth	₹ million	292.49	626.01	1,473.80
Return on Net Worth (RONW)	%	30.61	53.15	57.46
Return on Capital Employed (ROCE)	%	12.83	25.17	44.26
Fixed Assets Turnover Ratio	Times	10.22	11.15	16.54
Export Revenue	%	17.63	37.03	39.83
Gross Margin per Ton	₹	29,466.73	33,642.16	38,297.06
Production Capacity	MTPA	54,750	104,025	104,025

Industry Overview – Structure of the Indian Recycled Lead Industry

- The industry information below is drawn exclusively from the F&S Report as reproduced in the RHP. The Company discloses as a risk factor that this industry disclosure has been derived from a report it commissioned and purchased, and that reliance on such information for making an investment decision is subject to inherent risks.
- Lead is among the most extensively recycled metals, capable of being re-melted numerous times while retaining its characteristics. In India, approximately 85% to 90% of lead production is derived from recycling, and over 80% of lead consumed is used in battery manufacturing. Because of the health hazards associated with lead, the Central Pollution Control Board grants licences to lead reprocessors to ensure compliance with environmental standards.
- The industry is classified into four clusters — north, south, east and west — with approximately 672 registered lead recycling units and installed capacity of approximately 3.53 million tonnes per annum. The north has 291 units, or 43% of registered units, but only 30% of installed capacity at 1.05 mtpa. Southern India has the highest installed capacity at 1.44 mtpa, or 41%, from 112 registered units. Western India comprises 191 units, or 28%, with 0.86 mtpa, or 24%, of capacity, and eastern India comprises 78 units, or 12%, with 0.18 mtpa, or 5%.
- India's recycled lead production in FY2026 stood at approximately 1.51 million tonnes. The ecosystem comprises both organised and unorganised sectors.

Market Size and Growth

- The Indian recycled lead ingot market was valued at approximately ₹ 30,933 crore in FY2026 and is projected to reach ₹ 39,200 crore by FY2030, a compound annual growth rate of 6.1%.
- Total lead ingot demand, primary and recycled combined, was 1.51 million tonnes in FY2026 against 1.21 million tonnes in FY2019, and is projected at 1.65 million tonnes by FY2030; the recycled share of that demand has risen from 81% in FY2019 to 85% in FY2026 and is projected at 86% by FY2030.

Demand Structure by End-Use

- Demand splits between automotive and non-automotive applications. In FY2026 the split was 68% automotive, at ₹ 21,034 crore, and 32% non-automotive, at ₹ 9,899 crore; in FY2019 it was 64% and 36% respectively, and by FY2030 it is projected at 69% and 31%. Automotive demand is projected to grow at a compound annual rate of 6.5% and non-automotive at 5.3% between FY2026 and FY2030.

End-use segment	FY 2026	Share	FY 2030 (proj.)	CAGR FY26–30
Lead-acid battery (automotive)	21,035	68%	26,852	6.3%
Inverter and UPS	4,021	13%	5,214	6.7%
Renewable energy	2,011	7%	2,352	4.0%
Telecom	1,701	6%	2,156	6.1%
Data centres	1,237	4%	1,646	7.4%
Others (cable sheathing, PVC stabilisers, pigments)	928	3%	980	1.4%
Total	**30,933**	**100%**	**39,200**	**6.1%**

₹ in crore. Source: F&S Report as reproduced in the RHP.

- **Automotive.** Demand rests on the role of lead-acid batteries in starting, lighting and ignition systems, and on both original equipment and replacement markets. The F&S Report notes lead-acid batteries remain the most popular option in India because of cost-effectiveness, dependability and performance across weather conditions, and that their lower price relative to lithium-ion makes them more accessible in a cost-sensitive market.
- **Inverter and UPS.** Driven by power outages, rising electricity demand, an expanding middle class and urbanisation.
- **Telecom.** India has over approximately 800,000 towers as of FY25, with lead-acid batteries accounting for 70% to 75% of battery-based power backup demand in the sector, supported by 5G densification, rural expansion through BharatNet and USOF, and a stable replacement cycle of two to three years.
- **Data centres.** Capacity expected to surpass 4,500 MW by 2030 with investment of ₹ 2,14,600 crore over the next five to six years, and a lead-acid battery replacement cycle of three to five years.
- **Renewable energy.** Total installed renewable capacity of approximately 274.68 GW as of March 2026, up from 205.52 GW, with a record annual addition of 62.18 GW in FY25–26 including 44.61 GW of solar, and government initiatives such as the PM-KUSUM scheme targeting 3.5 million solar pumps in which lead-acid batteries are used.

Raw Material and Supply Dynamics

- Lead scrap is the primary raw material for India's recycled lead industry. Domestic sources are used lead-acid batteries, contributing approximately 85% to 90% of total scrap availability with typical lead content of 60% to 70% of battery weight, and industrial lead scrap generated through cable sheathing, radiation shielding from hospitals and laboratories, lead sheets, pipes and solder waste.
- India generates lead scrap in the range of approximately 750,000 to 850,000 tonnes domestically each year. A significant proportion of domestic used lead-acid battery supply comes from the unorganised sector, and quality of such material is identified as a major sourcing challenge.
- India is described as one of the world's largest importers of lead scrap. Imports grew from ₹ 1,439 crore in FY2019 to ₹ 3,791 crore in FY25, a compound annual growth rate of 18%, equating to approximately 203,469 tonnes in FY25. Source countries in FY25 were the United States at 28.7%, the United Kingdom at 12.7%, Australia at 9.7%, Brazil at 4.7%, Spain at 3.8%, the Netherlands at 3.4%, Canada at 3.2%, Italy at 2.8%, Malaysia at 2.7% and the rest of the world at 28.3%.
- Import of lead scrap carries restrictions and requires a government licence; an applicant must hold a recycling facility conforming to the standard operating procedure issued by the CPCB and the MoEF&CC, and recyclers or importers must first secure registration from the relevant State Pollution Control Board or Pollution Control Committee before applying for import permission.

Peer Analysis

FY26					
Particulars	Units	Ardee Industries	Gravita India	Pondy Oxides and Chemicals	Jain Resource Recycling
Revenue from Operations	₹ million	11,676.5	42,652.7	29,583.6	95,431.1
Revenue CAGR	%	58.8	16.2	38.6	46.8
EBITDA	₹ million	1,470.8	4,349.3	2,096.4	5,579.9
EBITDA Margin	%	12.6	10.2	7.1	5.9
EBITDA CAGR	%	129.0	23.9	72.7	56.7
Profit After Tax (PAT)	₹ million	846.8	3,783.3	1,318.7	3,474.0
PAT Margin	%	7.3	8.9	4.5	3.6
PAT CAGR	%	207.5	25.0	103.4	45.6
Total Borrowings	₹ million	1,827.5	7,323.2	1,521.1	12,714.9
Net Worth	₹ million	1,473.8	24,516.3	7,883.9	15,612.5
Return on Net Worth (RONW)	%	57.5	15.4	16.7	22.3
Return on Capital Employed (ROCE)	%	44.3	13.3	19.9	21.0
Fixed Assets Turnover Ratio	Times	16.5	5.6	12.3	103.1
Export Revenue	%	39.8	NA	66.0	62.0
Gross Margin per Ton	₹	38,297.1	42,708.1	32,634.2	NA
Production Capacity	MTPA	1,04,025.0	3,01,359.0	2,04,000.0	NA

FY25					
Particulars	Units	Ardee Industries	Gravita India	Pondy Oxides and Chemicals	Jain Resource Recycling
Revenue from Operations	₹ million	7,427.4	38,687.7	20,569.1	71,257.7
Revenue CAGR	%	Not Applicable	Not Applicable	Not Applicable	Not Applicable
EBITDA	₹ million	659.3	3,240.8	1,048.6	3,685.8
EBITDA Margin	%	8.9	8.4	5.1	5.2
EBITDA CAGR	%	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Profit After Tax (PAT)	₹ million	332.7	3,129.0	580.6	2,232.9
PAT Margin	%	4.5	8.1	2.8	3.1
PAT CAGR	%	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Total Borrowings	₹ million	1,657.7	2,823.3	1,119.7	9,199.2
Net Worth	₹ million	626.0	20,699.1	5,929.1	7,260.7
Return on Net Worth (RONW)	%	53.2	15.1	9.8	30.8
Return on Capital Employed (ROCE)	%	25.2	15.2	13.3	25.3
Fixed Assets Turnover Ratio	Times	11.2	9.2	12.6	99.5
Export Revenue	%	37.0	43.8	64.5	60.3
Gross Margin per Ton	₹	33,642.2	40,819.4	22,880.2	43,985.5
Production Capacity	MTPA	1,04,025.0	2,36,559.0	1,32,000.0	1,41,000.0

FY24					
Particulars	Units	Ardee Industries	Gravita India	Pondy Oxides and Chemicals	Jain Resource Recycling
Revenue from Operations	₹ million	4,629.6	31,607.5	15,406.0	44,284.2
Revenue CAGR	%	Not Applicable	Not Applicable	Not Applicable	Not Applicable
EBITDA	₹ million	280.6	2,835.5	702.7	2,272.2
EBITDA Margin	%	6.1	9.0	4.6	5.1
EBITDA CAGR	%	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Profit After Tax (PAT)	₹ million	89.5	2,422.8	318.7	1,638.3
PAT Margin	%	1.9	7.7	2.1	3.7
PAT CAGR	%	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Total Borrowings	₹ million	1,423.6	5,451.3	1,005.9	9,093.8
Net Worth	₹ million	292.5	8,374.0	3,572.4	3,691.6
Return on Net Worth (RONW)	%	30.6	28.9	8.9	44.4
Return on Capital Employed (ROCE)	%	12.8	19.1	13.3	21.6
Fixed Assets Turnover Ratio	Times	10.2	9.2	10.1	68.4
Export Revenue	%	17.6	38.2	56.4	52.4
Gross Margin per Ton	₹	29,466.7	40,374.1	23,759.8	41,496.5
Production Capacity	MTPA	54,750.0	2,36,559.0	1,32,000.0	1,41,000.0

Management

Name	Designation	Profile
Sandeep Aggarwal	Chairman & Managing Director	Has over 30 years of experience in the pure lead and lead alloys industry. He has been a Director since April 26, 2021, and is responsible for strategic leadership, corporate governance, operational excellence, financial stewardship, stakeholder management, innovation, and business transformation. He has completed his higher secondary education from the Central Board of Secondary Education.
Nikunj Aggarwal	Whole-time Director	Has over 8 years of experience in the pure lead and lead alloys industry. He has been a Director since April 26, 2021. He holds a Bachelor of Business Administration (Entrepreneurship) from Swiss Business School and a Post Graduate Programme in Management for Family Business from the Indian School of Business. He oversees manufacturing strategy, production and operations, business development, customer engagement, financial oversight, and compliance.
Esha Gupta	Whole-time Director	Has over 4 years of experience in human resource management. She has been a Director since March 8, 25. She holds a Bachelor of Arts (Honours) from the University of Delhi. She is responsible for strategic HR planning, policy formulation, compliance, performance management, employee development, and organizational culture.
Archana Jain	Independent Director	A practising Chartered Accountant since 2011 with over 14 years of experience in financial and taxation advisory. She has been a Director since June 30, 25. She holds a B.Com (Hons.) from the University of Delhi and an LL.B. from Chaudhary Charan Singh University, Meerut. She is the proprietor of M/s. Archana Jain & Co., Chartered Accountants.
Anand Tandon	Independent Director	Has over 15 years of experience in the financial services industry. He has been a Director since July 18, 25. He holds a Bachelor of Commerce from the University of Delhi and an Executive Master's in International Business from the Indian Institute of Foreign Trade (IIFT). He has previously worked with IndusInd Bank, ICICI Bank, India Cements Capital & Finance, and Mecklai Financial & Commercial Services, and is currently a Director at Myforexeye Fintech Private Limited and Sekeron Technologies Private Limited.
Vivek Sarbhai	Independent Director	Has over 10 years of experience in supply chain management. He has been a Director since July 18, 25. He holds a B.Tech. (Chemical Engineering) from Kanpur University and a Post Graduate Diploma in Industrial Engineering from the National Institute for Training in Industrial Engineering. He has previously held leadership roles at Mondelez International and Thermo Fisher Scientific India Pvt. Ltd., specializing in supply chain management.

Market Opportunity

- Industry & Market Opportunities: Domestic recycled lead ingot market is expected to grow at a 6.1% CAGR during FY26–FY30, driven by battery demand, raw material availability, cost advantages over primary lead, infrastructure growth, and sector formalisation.
- Export Opportunities: Recycled lead ingot exports are supported by rising demand in Southeast Asia and South Korea, with India's exports growing at a 14.2% CAGR during CY19–CY25.
- Capacity-led Opportunities: Installed capacity of 156,950 MTPA provides growth headroom through higher utilisation, operating leverage, and potential consolidation of Pilot Industries' Bhiwadi facility.
- Product & Technology Opportunities: Expansion into plastic, tin, and copper recycling along with process improvements through oxygen enrichment and green fuel usage supports diversification and efficiency.
- Customer & Operational Opportunities: Strong customer relationships, geographic expansion, and shift towards FOB-based procurement are expected to improve operational efficiency and supplier management.

Key Risk

- Customer Risks: High customer concentration risk, with the top five and top ten customers contributing 81.98% and 91.61% of FY26 revenue, along with dependence on repeat customers and absence of long-term contracts.
- Industry & Demand Risks: Business remains dependent on battery and metal industries, with potential demand impact from technology shifts such as increasing adoption of lithium-ion batteries, competition, and changes in industry dynamics.
- Commodity Price & Financial Market Risks: Volatility in lead prices, foreign exchange movements, and interest rates may impact profitability despite pricing mechanisms and hedging measures.
- Supplier & Supply Chain Risks: Dependence on third-party suppliers without long-term contracts exposes the Company to raw material availability, pricing fluctuations, regulatory changes, and logistics disruptions.
- Manufacturing & Operational Risks: Concentration of manufacturing operations at a single facility exposes the Company to operational disruptions, capacity utilisation risks, safety hazards, utility shortages, and quality-related issues.

Competitive Strength

- Position in Circular Economy with Operational Stability: The Company has established itself as a recycler of end-of-life energy storage products and non-ferrous scrap, supported by capacity expansion from 54,750 MTPA in FY24 to 156,950 MTPA, diversified alloy portfolio, integrated recycling capabilities, regulatory compliance, and strategic location advantages.
- Commodity Price Risk Management through Hedging: The Company mitigates lead price volatility through a back-to-back pricing model and LME-based hedging framework, supported by board-approved risk policies and exposure management practices.
- Customer Base and Raw Material Sourcing Capabilities: The Company has developed a diversified customer base across domestic and export markets, supported by repeat customers, global sourcing network across 58 countries, and established supplier relationships ensuring raw material availability.

Threats

- Industry-level Threats: The lead recycling industry faces challenges from dominance of the unorganised sector, increasing environmental regulations, compliance costs, and the need for technology upgrades to improve recovery efficiency and reduce emissions.
- Raw Material & Input Threats: Availability of used lead-acid batteries, rising energy costs, and logistics constraints may impact raw material sourcing, production costs, and operational efficiency.
- Price & Competitive Threats: Lead price volatility, competition from primary lead during favourable pricing periods, and increasing competition from domestic and imported recycled lead producers may pressure margins and market share.
- Demand-side & Technology Substitution Threats: Increasing adoption of lithium-ion batteries may reduce long-term demand for lead-acid batteries, impacting availability of recyclable material and demand for recycled lead products.

Shareholding

Prior to the IPO, the Promoter and Promoter Group collectively held a 91.48% stake in the company. Pursuant to the Offer for Sale (OFS) of 19,975,000 equity shares by the Promoter and Promoter Group, their aggregate shareholding is expected to decline to 67.62% on a post-issue basis. The Promoter and Promoter Group, existing shareholders Sandeep Agarwal and Nikunj Aggarwal are participating in the OFS, each offering 9,987,500 equity shares, aggregating to 19,975,000 equity shares.

Particulars	Pre Issue		IPO		Post Issue	
	No. of Shares	% Holding	Fresh Issue	OFS	No. of Shares	% Holding
Promoter						
Sandeep Aggarwal	11,65,30,850	45.73%		99,87,500	10,65,43,350	33.80%
Nikunj Aggarwal	11,57,62,850	45.43%		99,87,500	10,57,75,350	33.56%
Esha Gupta	8,000	0.00%			8,000	0.00%
Total Promoter (I)	**23,23,01,700**	**91.16%**		**1,99,75,000**	**21,23,26,700**	**67.36%**
Promoter Group						
Jaishree Aggarwal	8,000	0.00%			8,000	0.00%
Ridhima Agarwal	8,000	0.00%			8,000	0.00%
Sandeep Aggarwal HUF	8,000	0.00%			8,000	0.00%
D.P. Auto Industries Limited	8,00,000	0.31%			8,00,000	0.25%
Total Promoter Group (II)	**8,24,000**	**0.32%**			**8,24,000**	**0.26%**
Total Promoter & Promoter Group (I+II)	**23,31,25,700**	**91.48%**		**1,99,75,000**	**21,31,50,700**	**67.62%**
Public	**2,16,98,300**	**8.52%**	**6,03,77,358**	**1,99,75,000**	**10,20,50,658**	**32.38%**
Total	**25,48,24,000**	**100.00%**	**6,03,77,358**	**1,99,75,000**	**31,52,01,358**	**100.00%**

Financials

Income Statement			(Rs in Mn)
Particulars	**FY24**	**FY25**	**FY26**
Revenue from Operation	**4,629.6**	**7,427.4**	**11,676.5**
COGS	3,670.0	5,846.8	9,001.3
% Sales	*79.3*	*78.7*	*77.1*
Gross Profit	**959.6**	**1,580.5**	**2,675.2**
Gross margin	*20.7*	*21.3*	*22.9*
Employee Benefit Exp	208.7	219.0	323.2
Other exp inlcuding hospital fees	470.3	702.2	881.2
EBITDA	**280.6**	**659.3**	**1,470.8**
EBITDA Margins	*6.1*	*8.9*	*12.6*
Other Income	4.3	7.9	12.3
Depreciation	63.6	86.7	113.7
EBIT	**221.3**	**580.6**	**1,369.5**
EBIT Margins	*4.8*	*7.8*	*11.7*
Finance Cost	103.5	134.1	240.0
Profit before tax	**117.9**	**446.5**	**1,129.4**
Exceptional Items			
Tax	28.3	113.8	282.6
Profit after tax	**89.5**	**332.7**	**846.8**
PAT Margins	*1.9*	*4.4*	*7.3*
Basic EPS	***0.35***	***1.31***	***3.32***

Balance Sheet			(Rs in Mn)
Particulars	**FY24**	**FY25**	**FY26**
ASSETS			
Fixed Assets	453.1	666.1	705.8
Capital WIP	97.3	51.0	17.1
Goodwill and other intangible assets	0.1	0.1	1.3
Right to Use Assets	0.9	0.0	11.1
Trade Receivables	396.9	599.5	247.9
Cash	18.9	2.1	140.9
Financal Assets	65.5	115.0	42.5
Other Assets	928.5	1,187.0	2,466.7
Total Assets	**1,961.2**	**2,620.6**	**3,633.3**
EQUITY			
Equity Share Capital	31.9	31.9	509.7
Other Equity	260.6	594.2	964.2
Total Equity	**292.5**	**626.0**	**1,473.8**
Lease Liability	0.9	0.0	11.7
Provisions	18.1	58.6	94.0
Trade Payables	94.3	227.4	138.0
Other Liabilities	1,555.4	1,708.6	1,915.8
Total Liabilities	**1,668.7**	**1,994.6**	**2,159.5**
Total Equity and Liabilities	**1,961.2**	**2,620.6**	**3,633.3**

Cash Flow Statement			(Rs in Mn)
Particulars	**FY24**	**FY25**	**FY26**
Cash Flow from operating activities			
PBT	117.9	446.5	1,129.4
Depriciation	62.8	85.8	111.3
Operating Profit before WC change	252.6	626.6	1,365.3
Changes in Assets and liability	(483.8)	(467.5)	(795.4)
Cash used in Operations	(231.2)	159.1	569.9
Tax	(21.4)	(80.7)	(271.6)
Net Cash from Operating	**(252.6)**	**78.4**	**298.3**
Cash Flow from investing activities			
Capex	(205.4)	(253.0)	(124.4)
Net Cash from Investing	**(272.0)**	**(228.7)**	**(197.7)**
Cash Flow from financing activities			
Proceeds from Borrowing	572.6	228.6	251.7
Payment of lease liabilities	(0.9)	(0.9)	(1.6)
Interest Payment	(71.9)	(99.7)	(129.8)
Interest on lease liability	-	-	-
Net Cash from Financing	**541.7**	**133.4**	**38.4**
Net increase/(decrease) in Cash	17.0	(16.8)	138.9
Cash at the beginning of the year	0.0	18.9	2.1
Cash at the end of the year	**17.0**	**2.1**	**140.9**

Ratio Analysis			
Particulars	**FY24**	**FY25**	**FY26**
Growth (%)			
Revenue	-	*60.4*	*57.2*
Gross Profit	-	*64.7*	*69.3*
EBITDA	-	*135.0*	*123.1*
EBIT	-	*162.3*	*135.9*
PAT	-	*271.6*	*154.5*
% Of Revenue			
Employee Cost	*4.5*	*2.9*	*2.8*
EBITDA	*6.1*	*8.9*	*12.6*
EBIT	*4.8*	*7.8*	*11.7*
PAT	*1.9*	*4.5*	*7.3*
Return Ratios (%)			
ROCE	12.8	25.2	44.3
ROE	30.6	53.2	57.5
Valuation (x)			
P/E	151.4	40.5	16.0
P/B	57.1	26.7	11.3
EV/EBITDA	64.8	27.9	12.5
EV/ Sales	3.9	2.5	1.6
DEBT/EQUITY	4.9	2.3	1.0

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Date: 2026.08.04 09:41:19 +05'30'

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For more queries reach out to : **Name** - Bajaj Broking Research Team | **Email Id** - researchdesk@bajajbroking.in

Research Analysts :

Sumit Singhania (Research Head)
Pradeep Kasat (Sr VP Technical Analysis)
Anand Shendge (DVP Derivative Analyst)
Pabitro Mukherjee (DVP Technical Analyst)
Vikas Vyas (Derivative Analyst)
Nisarg Shah (Fundamental Analyst)
Shashwat Singh (Fundamental Analyst)
Pushkar Shinde (Fundamental Research)
Keshav Pareek (Derivative Analyst)