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3rd September, 2026

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**BSE Scrip Code: 544860** **NSE: ARDEE**

**Dear Sir/Madam,**

**Subject: Transcript of Earnings Conference Call for Investors and Analyst Meet for the quarter ended 30th June, 2026**

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of Analysts/Investors conference call held on August 31st, 2026, on the Un-audited financial results of the Company for the quarter June 30, 2026. The said transcript is also available on the Company's website at https://ardeeindustries.com/investors

Please receive the above in order and acknowledge.

Thanking you,

For **Ardee Industries Limited**

MANISH KUMAR RAI
Digitally signed by MANISH KUMAR RAI
Date: 2026.09.03 11:30:47 +05'30'

**Manish Rai**
**Company Secretary & Compliance Officer**
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“Ardee Industries Limited

Q1 FY27 Earnings Conference Call”

August 31, 2026

**MANAGEMENT:** **MR. SANDEEP AGGARWAL – CHAIRMAN & MANAGING DIRECTOR**
**MR. NIKUNJ AGGARWAL – WHOLE-TIME DIRECTOR**
**MR. ARUN KUMAR MALLIK – CHIEF FINANCIAL OFFICER**

**MODERATOR:** **MS. AASHVI SHAH - ADFACTORS PR (INVESTOR RELATIONS)**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q1 FY27 Earnings Conference Call of Ardee Industries Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Ms. Aashvi Shah from Adfactors PR. Thank you, and over to you, Aashvi.

**Aashvi Shah:** Good evening, everyone. On behalf of Ardee Industries, I welcome you to the Earnings Conference Call for Q1 FY27. Joining us today from the management are Mr. Sandeep Aggarwal, Chairman and Managing Director; Mr. Nikunj Aggarwal, Whole-Time Director; and Mr. Arun Kumar Mallik, CFO.

The earnings presentation has been uploaded on the exchanges as well as the company website. You may refer to it as we walk you through the opening remarks and discussion during the call. We will begin today's call with opening remarks from the management, following which we will open the floor for Q&A.

Before we begin, I would like to remind everyone that certain statements made during this call may be forward-looking in nature. These statements are based on certain risks and uncertainties, and management is not compelled to give any undertaking basis these statements. With that, I would now like to hand over the call to Mr. Sandeep Aggarwal to share his opening remarks. Thank you, and over to you, sir.

**Sandeep Aggarwal:** Thank you for joining Ardee Industries Limited's first earnings call following our successful listing on the BSE and NSE. On behalf of the entire Ardee team, I would like to welcome all our shareholders, investors, analysts, and other stakeholders. The listing is an important milestone for us, but we see it more as the beginning of a new phase in our journey.

I would like to begin the call by giving an overview of the company. Ardee Industries has been in the secondary metal industry with a focus on recycling lead and manufacturing refined lead and specialized lead alloys. We have built our business around three principles: quality, reliability, long-term customer relationships.

Today, we are one of the leading players in the circular economy with a focus on recovering the recycling end-of-life storage-battery products and non-ferrous scrap. Our operations are built around an integrated recycling model where we source recyclable lead-based scrap and used lead acid batteries, process and refine these materials, and manufacture high-purity lead and customized lead alloys for a wide range of applications.

Our manufacturing capability has also expanded significantly. As of June 30, 2026, our installed capacities stood at 1,56,950 MTPA, expansion from 1,04,025 MTPA. The expansion became effective from May 29, 2026, and provides us with a substantially larger platform to support our future growth.

We believe the long-term opportunity for recycled lead remains attractive because the underlying demand is broad-based and structural. A significant portion of recycled lead is used in lead acid batteries, which have applications across automobiles, backup power, telecom, and renewable energy storage.

The circular nature of our business also provides an economic and environmental advantage. From perspective, this is not simply a commodity opportunity, it is an opportunity built around recurring end-market demand, availability of recycled raw material, and economic advantage of circular production model.

Our export revenue has grown significantly from approximately Rs. 81.6 crores in FY24 to Rs. 465 crores in FY26. We currently export to eight countries. Our recent empanelment of Ardee lead 99.97 brand with London Metal Exchange is an important step in this direction. The LME listing strengthens our global credibility, provides access to transparent international pricing benchmarks, and enhances our ability to engage with new international customers. We also have the Ardee brand listed on MCX in India, which further strengthens our domestic market presence. We see these platforms as important enablers as we continue to deepen our existing international relationships and expand our presence in global markets.

Finally, we will continue to invest in sustainable recycling infrastructure and technology with a focus on improving recovery rates, scaling our operations, and maintaining the circular economy foundations of our business. Our objective is to build Ardee into a leading global player in the circular economy, while continuing to remain disciplined on quality, customer relationships, operational efficiency, and financial performance.

With that, I would like to hand over to our CFO, Mr. Arun Kumar Mallik, who will take you through our financial performance for the quarter in greater detail.

**Arun Kumar Mallik:** Thank you, sir. Good evening, everyone, and thank you for joining us. I will take you through Ardee Industries' financial performance for Q1 FY27, followed by key operational developments during the quarter.

Let me begin with the headline financial performance. For Q1 FY27, we reported revenue of Rs. 338.8 crores, representing YoY growth of 35.2% compared with Rs. 250.6 crores in Q1 FY26. The growth was supported by healthy demand across our product portfolio and a strong customer offtake. EBITDA for the quarter stood at Rs. 33.8 crores, compared with Rs. 33.9 crores in Q1 FY26. EBITDA margin was 10%. Profit before tax stood at Rs. 26.7 crores, registering growth of 5% YoY. Profit after tax was Rs. 19.9 crores. Growth is 6% YoY, with a PAT margin of 5.9%.

Sales volume during the quarter stood at 17,645 metric tons, compared with 15,529 metric tons in Q1 FY26. This reflects the continued growth in customer demand and our ability to service a wider market base. Our revenue mix remains well diversified between domestic and export markets. During Q1, approximately 61.3% of our revenue was derived from the domestic market, while exports accounted for 38.7%. Exports have remained an important growth driver for the company over the last few years. We continue to focus on expanding our international presence, while further strengthening our domestic customer franchise and long-term customer relationships.

A significant development during the quarter was the expansion of our installed capacity. Effective from May 29, 2026, our installed capacity increased by 50.9% from 1,04,025 MTPA to 1,56,950 MTPA. This capacity expansion materially enhances our operating platform. It positions us to participate in the expected growth in demand across our product categories and enables us to pursue additional business opportunities without being constrained by our earlier installed capacity.

We also completed the registration and handover of a 5.56 acre land parcel at Naidupeta, Andhra Pradesh. This land provides us with additional space and flexibility to support our prospective expansion initiative over the medium to long-term.

If we look at our performance over the last three financial years, the company has delivered a strong growth trajectory. Revenue increased from Rs. 463 crores in FY24 to Rs. 742.7 crores in FY25, and further to Rs. 1,167.7 crores in FY26. This represents a revenue CAGR of 58.8% over the FY24 to FY26 period.

During the same period, EBITDA increased from Rs. 28.1 crores in FY24 to Rs. 65.9 crores in FY25 and Rs. 147.1 crores in FY26. EBITDA margin improved meaningfully from 6.1% in FY24 to 12.6% in FY26. Similarly, PAT increased from Rs. 9 crores in FY24 to Rs. 33.3 crores in FY25 and Rs. 84.7 crores in FY26. PAT margin improved from 1.9% in FY24 to 7.3% in FY26. This performance reflects the operating leverage and profitability improvement achieved by the business as it has scaled over the last few years.

At the same time, we remain mindful that our business operates in a commodity-linked environment. Accordingly, our focus remains on maintaining strong operational discipline, managing spreads effectively and continuing to use our LME linked back-to-back hedging mechanism to mitigate commodity price risk.

Going forward, our financial priorities will remain closely aligned with our broader business strategy. We believe the company is entering its next phase of growth with a substantially enhanced capacity base, a growing export franchise, established customer relationships and a strong underlying market opportunity.

With this, I conclude my opening remarks and hand the call back to the moderator for the question-and-answer session. Thank you.

**Moderator:** Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Aniket Madhwani with Steptrade Capital. Please go ahead.

**Aniket Madhwani:** Yes. My first question is regarding to the volume. In Q1 FY27, the volume has declined sequentially. So, if you could just highlight the reason behind it. As you discussed, the new capacity has just commenced in May 2026, and with that, the volume has decreased.

**Nikunj Aggarwal:** The volume decrease is basically because of the ongoing disruptions of the war, basically. As you know, a lot of the raw material is imported for us. Because of that, we have strategically decided to not go very aggressive and be purposefully maintained. Also, at the same time, the disruptions were there, which caused this. In terms of the new capacity, it has come May 2026 right now, and in this year, we hope to utilize part of it.

**Aniket Madhwani:** What will be the revenue potential from the new facility?

**Nikunj Aggarwal:** This is not a new facility, it is the same facility only. Optimum utilization levels are at the range of 70% to 75%.

**Aniket Madhwani:** Okay. Currently, you are maintaining around 65% of the capacity?

**Nikunj Aggarwal:** Yes.

**Aniket Madhwani:** Okay. Going forward, what volume growth are you targeting?

**Nikunj Aggarwal:** Broadly, volume growth that we are targeting is a 10% to 20% range. But given the disruption and all, we are still seeing how things will pan out this year. We are more confident on H2, but still this is our target, 20%. But still, it all depends a lot on the overall scenario of the supply chain.

**Aniket Madhwani:** Okay. Generally, your H2 remains heavy, right? If you can just give a number or percentage sort of for FY27 and FY28 in terms of top line and bottom line?

**Nikunj Aggarwal:** There's no exact numbers that I can give but broadly these in terms of top line, 10% to 20% range for the growth.

**Aniket Madhwani:** Okay. Any plans to enter lithium-ion battery recycling?

**Nikunj Aggarwal:** Nothing is very concrete right now to really discuss. We are still evaluating various opportunities. Lithium is one of them but it is not that we are directly planning to enter anything right now. We're evaluating multiple opportunities.

**Aniket Madhwani:** Okay. Don't you think 10% to 20% top-line growth is too conservative, if we consider the revenue from the additional facility commenced this year?

**Nikunj Aggarwal:** Right now, the overall market scenario with the whole war and being into import and export, so it is better to be conservative this year rather than say a number. We would be happy to over-perform if that happens, but right now, I think this is what it is that we would like to guide.

**Moderator:** Our next question comes from the line of Sanyam with BFS Capital. Please go ahead.

**Sanyam:** Hello. I wanted to ask that how much of the current inventory build-up is temporary and expected to unwind over the next one or two quarters? What would be the approximate cash flow impact when it does?

**Nikunj Aggarwal:** Can you just rephrase your question for me a little bit?

**Sanyam:** Yes, I saw a number that inventory build-up in this quarter has increased. I think because of that, the EBITDA was a bit less and the EBITDA margin also got a bit less. So, I wanted to ask, is this a temporary issue or it can unwind over the next one or two quarters? What would be the cash flow impact when it does?

**Nikunj Aggarwal:** Broadly, it was temporary. Sometimes inventory builds up at the quarter-ending when the OEMs require the material in the next quarter or something based on their planning. Some quarters it can be low, some quarters it can be high depending on the customers that we hold the inventory.

**Sanyam:** Okay. So it's not like every year in this quarter it would be more. This can happen on a QoQ basis. Okay.

**Nikunj Aggarwal:** Yes, it's a QoQ basis, depending on the customer's need.

**Moderator:** Thank you. Our next question comes from the line of Vivek Jhala with Jhala Family Office. Please go ahead.

**Vivek Jhala:** Thanks for the opportunity. Your largest domestic customer accounted for a significant portion of revenue in FY26. Could you explain how this customer concentration is evolving? Over the next two to three years, do you expect the share to decline through new customer additions, or will growth continue to be led by the existing large relationship?

**Nikunj Aggarwal:** Broadly, in this business, we have few large clients. It is kind of an inherent part of this business. There are top four, five clients that we cater to and have been catering for many years. So, we feel that the share will keep revolving in those four, five clients. Sometimes somebody would be larger, somebody would be lesser. Over the years, it has reduced. The concentration of one customer has come down from 70% to around 40%, and I think eventually it will go down further as we grow. But then overall, it will never be that, I have more than very large customers. Top five customers will always cater to maximum business.

**Vivek Jhala:** Coming to working capital, around Rs. 220 crores of IPO proceeds has been earmarked for incremental requirements. Could you explain how this amount will be deployed across inventory and receivables, and at higher utilization, what would be the sustainable cash conversion cycle for the business?

**Nikunj Aggarwal:** In this whole year, we expect it to kind of get utilized, mostly in terms of scrap buying from various new sources that we are trying to develop in various parts of the world. So, it will mostly cater to that. Also, certain export origins we are trying to develop, which would require higher credit, and higher debt that would increase the debtors a little bit. So, we are basically working both imports and exports.

**Vivek Jhala:** Okay. I have two more follow-up questions. On the balance sheet, after deploying the IPO proceeds towards working capital and debt repayment, where do you expect net debt and finance costs to settle by FY27 end? Should investors expect a meaningful improvement in cash flow and leverage during the year?

On the return ratio, the company has historically delivered strong ROCE. However, with substantial capacity recently added, there could initially be some dilution. What incremental ROCE do you expect from the new capacity, and how long would it take to reach that level?

**Nikunj Aggarwal:** You'll see the impact on the balance sheet this year only, as the whole the money has come in, and it will eventually get deployed. In the cash flow and the liability side, both, you'll see the impact in a positive way this year. In terms of second question, historically, the capital was low, that's why the number always seemed high. Right now, once the new equity has come in, the return ratios will reduce. We believe we would be able to maintain 20-plus range in the coming years.

**Vivek Jhala:** Okay. That's all from my side. Thank you.

**Moderator:** Thank you. Our next question comes from the line of Anirudh Sharma from Ekaant Investments. Please go ahead.

**Anirudh Sharma:** I just had a few questions from my side. The company currently operates from a single manufacturing facility in Andhra Pradesh. So, how do you see the plant catering to customers across India as volumes scale up? Are the logistics and the freight costs a meaningful constraint, and would you eventually consider additional manufacturing or warehousing locations closer to your key customer markets?

**Nikunj Aggarwal:** Right now, we are focusing on the Southern market. We are able to cater like our capacity is enough to cater to the whole Southern market, plus, at the same time, our focus more than 40% remains towards exports. As of now, we don't have any plans to enter any new geography. Idea is to cater to either the export market, which is only 100 kilometers from either port, and the Southeast Asian, the whole market is available for me, and plus the Southern market. So, we feel comfortable in this region.

**Anirudh Sharma:** Understood. Your expanded capacity is close to 1,57,000 tons. Since the addition became effective only towards the end of May, what production run-rate should we realistically assume for FY27, and also where would you expect the utilization to reach by the fourth quarter?

**Nikunj Aggarwal:** Firstly, the capacity that we have enhanced is our refining capacity, which we have kept as a buffer in case ever we need to, which was done as debottlenecking of the existing unit only. It was a brownfield that we did in our facility. We were able to achieve it at a lower capex as compared to what 56,000 would cost, because it happened in the same facility. So, idea is to have a buffer capacity ready. Further, capacity utilization-wise, we expect to remain in the range only of what we have achieved in past also. It is not necessary for us to consider that this whole 56,000 will be immediately used up.

**Anirudh Sharma:** Okay, sir.

**Nikunj Aggarwal:** Because we still when we basically expanded, we still had buffer in the earlier 1,04,000 tons that we had. As a whole, 70% to 75% is optimum utilization level for the plant. You can expect in this range, basically. Not in the 70% to 75% range this year, lower than that a little bit, seeing the whole market scenario. But hopefully, in the next year, we would be able to achieve higher.

**Anirudh Sharma:** Okay, sir. Lastly, regarding your back-to-back hedging mechanism, could you explain how effectively it protected your margins during this quarter? Were there any timing gaps, basis risk, or quantities that remained temporarily unhedged and had an impact on reported profitability?

**Nikunj Aggarwal:** Back-to-back hedging works pretty efficiently for us. Procurement, sales, and hedging team work hand in hand all the time. There is no timing mismatch that we let any position go unhedged or anything. There's a daily hedge system, there's a daily audit system also in place that happens that three teams together take up. Firstly, there's nothing that remains unhedged, everything is hedged and because of that, there has been no impact on profitability by not hedging any material.

**Anirudh Sharma:** Okay, sir. Understood. That's it from my side, sir. Thank you for the opportunity.

**Nikunj Aggarwal:** Thanks.

**Moderator:** Thank you. Our next question comes from the line of Nishita with Sapphire Capital. Please go ahead.

**Nishita:** Yes. Just wanted to understand our margins. In FY26, we did EBITDA margins of around 13%, and in Q1, our margins were around 10% only. What sort of margin can we see for the full year FY27? Because you also mentioned that because of the geopolitical issues, we've been facing some problems. Do we expect the margins to stay in the 13% range, or are they going to be in the 10% range for the full year?

**Nikunj Aggarwal:** Basically, seeing the whole geopolitical scenario, which is not almost seeming to get over anytime soon, it would be better to for us to kind of say that 10% or 10% range would still be better for us to guide.

**Nishita:** Okay. Understood. My next question is on the capex. For this expanded capacity, because it was a brownfield expansion only, what sort of capex did we do if you can quantify the amount?

**Nikunj Aggarwal:** Broadly, we did around Rs. 15 crores.

**Nishita:** Okay. Understood. Do we have any further expansion in our plants?

**Nikunj Aggarwal:** No, not right now. We've just got a new plant we're exploring further opportunities, as to how to utilize it for further growth.

**Nishita:** Okay. Is that going to be in the lead battery recycling only, or are we going to explore other metal recycling as well?

**Nikunj Aggarwal:** It's going to be a mix of both, we feel. That's what we aim to do.

**Nishita:** Okay. Understood. Thank you so much.

**Moderator:** Thank you. Our next question comes from the line of Ritwik Sheth with One Up Financial Consultants Private Limited. Please go ahead.

**Ritwik Sheth:** Just one bookkeeping question. What is the net debt as of 31st August or after the IPO?

**Arun Kumar Mallik:** Yes. We had two types of debt, long-term and short-term. Long-term, that was around Rs. 20 crores, which have been created on 14th August and working capital limit utilization is also almost zero due to IPO proceeds.

**Ritwik Sheth:** Okay. Is there any cash on the books?

**Nikunj Aggarwal:** Yes. We have around Rs. 150 crores FDR in the books as entry and use of IPO funds.

**Ritwik Sheth:** Just one more question. What should be the working capital for us on a sustainable basis? Right now, I think because you mentioned because of the geopolitical issues and volatility of the market, working capital could be impacted. But on a sustainable basis, what do you think we should assume the working capital cycle?

**Arun Kumar Mallik:** Okay. As on date, our working capital is around 110 days. But currently, as the inventory has reduced somewhat due to purchases, as of today, our working capital is around 95 days. So, approximately, it will remain around this level. The gross working capital requirement that we are targeting for FY26- 27 will be around Rs. 400 crores plus. Out of this, the proceeds are around Rs. 220 crore. The utilisation of the limit is currently on the lower side, which we are adjusting at present.

**Ritwik Sheth:** Okay, it will remain around 100 days, in terms of working capital days?

**Nikunj Aggarwal:** It will remain around 90 to 100 days.

**Ritwik Sheth:** Okay. Got it, sir. Thank you and all the best.

**Moderator:** Thank you. Next question comes from the line of Arvind Arora with A Square Capital. Please go ahead.

**Arvind Arora:** Thank you for the opportunity. Sir, are you seeing any issue in the procurement part? That is why you are guiding for 10% to 20% guidance?

**Nikunj Aggarwal:** Yes. Basically, because of this whole war situation, the trade costs and all have gone up and there is certain blockage in the Middle East routes. Because of that procurement volume also and plus at the same time the cost also, both the things we feel could be an issue.

**Arvind Arora:** Are we planning to change our strategy from procurement perspective; so that we can diversify?

**Nikunj Aggarwal:** Yes. We are trying to develop sources in the domestic market, but it has its own challenges and at the same time looking at new geographies also. So, we are working on it. That is how we were able to kind of keep the volumes up even during this time.

**Arvind Arora:** But anything concrete as of now that you can tell us on the domestic procurement part that we can like diversify from, like we can also get supply from domestic side or something like that?

**Nikunj Aggarwal:** We have been working on it. We have started procuring already from domestic market that I can already say that we have already started participating in various, working with certain corporates, working with auctions, basically. That has already started.

**Arvind Arora:** Understood. Any discussion with, for the data center, things like any player, we are having any discussion for recycle products?

**Nikunj Aggarwal:** You mean in what sense?

**Arvind Arora:** Are we having any active discussion with data center player so that we can sell our product to them?

**Nikunj Aggarwal:** I think so. Basically, we sell all our products to battery companies. They further then sell to various industries like data center or automotive or solar, basically. Our customers will always remain the battery companies.

**Arvind Arora:** Understood, sir. Yes. Thank you and all the best, sir.

**Moderator:** Thank you. Our next question comes from the line of Dhairya Trivedi with DJT Corporation and Investments. Please go ahead.

**Dhairya Trivedi:** Hi. Thanks for taking my question. In Q1, despite all the geopolitical troubles, we have seen a revenue growth of almost 35% YoY. So, now when you say that the guidance is about 10% to 20% of top line growth, are you seeing further troubles on the geopolitical front, which is why you are giving this sort of a very muted guidance?

**Nikunj Aggarwal:** I do not see any further impact. It is just that I have just been a little conservative when I say 20% growth will be there.

**Dhairya Trivedi:** Okay. What kind of volumes are we expecting for FY27?

**Nikunj Aggarwal:** Basically, the whole 20% growth will come from the volume growth only as compared to last year. There will be no metal price related growth that will be there.

**Dhairya Trivedi:** Okay. So, I think we have done 70,000 tons in FY26. Are we saying we will roughly do about 85,000 tons in FY27?

**Nikunj Aggarwal:** Broadly.

**Dhairya Trivedi:** Okay. What would be the approximate realization per ton?

**Nikunj Aggarwal:** More or less the Q1 levels only that we did 70,000 tons, 70,600 tons in this quarter. So, broadly in line with Q1.

**Dhairya Trivedi:** Okay. The Q1 number is roughly 1,92,000 per ton, right? If I have my calculation, right?

**Nikunj Aggarwal:** You are asking per ton realization?

**Dhairya Trivedi:** Per ton upon Q1.

**Nikunj Aggarwal:** Per ton realization can change by the end of the year basically. That would depend on metal prices.

**Dhairya Trivedi:** Okay. No, but what was the realization per ton for Q1?

**Arun Kumar Mallik:** Actually, realization for finished goods sales is around Rs. 2,09,000 per metric ton.

**Dhairya Trivedi:** Okay. Even if I just annualize these numbers at 84,000 tons per annum and roughly Rs. 2 lakh realization per ton, we would be inclined to do roughly say Rs. 1,600 crores, Rs. 1,700 crores of sales for FY27?

**Nikunj Aggarwal:** You could say that is the number basically.

**Dhairya Trivedi:** Okay. Just one last question. If we kind of just, if the problems on the geopolitical front subside, could we be looking at higher EBITDA margins for the rest of the financial year?

**Nikunj Aggarwal:** If things improve, then yes.

**Moderator:** Thank you. Our next question comes from the line of Shruti Sharma with Sharda Family Office. Please go ahead.

**Shruti Sharma:** Hello. Thank you for the opportunity. I have a couple of questions and first one is on the LME listing. Could you give us some tangible indicators of the progress made so far? For instance, have you received inquiries, completed customer trials or secured any orders from new international customers?

**Nikunj Aggarwal :** Yes. We have received more export inquiries and we have also like some and all that we have seen in the last quarter also and this quarter also is basically because of the LME registration.

**Shruti Sharma:** On the export business, could you help us understand the broader strategy? Like are exports mainly being increased to absorb additional capacity, diversify customers or earn better margins? Also, how do export margins compare with domestic sales after considering freight and working capital cost?

**Nikunj Aggarwal :** Broadly, it is a mix of all the three that we mentioned, product mix or as a strategy we are doing all three when we are selling outside India. In terms of margin also, there are certain benefits that we get when we export also. So, in terms of drawbacks or government incentives also, so as a whole you can say broadly it is better to export margin wise. Working capital wise, it is the same.

**Shruti Sharma:** Okay. On raw material sourcing, could you share the domestic versus imported scrap mix during Q1 and how different are the landed cost, credit terms and recovery yields across these sources? Which sourcing mix would you ideally prefer as a volume scaler?

**Nikunj Aggarwal :** For sourcing mix, we foresee to see remain similar levels as last year, import and domestic. If that everything remains the same, the geopolitical situation improves. If it does not improve, we might see a little bit decline in the import side and be covered up by some domestic volumes.

In terms of payment terms and also, we procure scrap from various sources and there are many, many grades of scrap that we buy. So, yield on average is very difficult to quantify as that would not be justifiable because QoQ it changes what kind of scrap we are importing as there are many grades of scrap. In terms of payment terms, broadly we pay when the goods arrive at the Chennai port, we have to pay them to our suppliers.

**Shruti Sharma:** Okay. That is all from my side, sir. Thank you so much.

**Moderator:** Thank you. Next question comes from the line of Vishesh Dhoka with Emkay Global Financial Services Ltd. Please go ahead.

**Vishesh Dhoka:** Yes. You highlighted that there are certain challenges you face when you source your raw materials from domestic markets. Can you just explain that point and what the challenges are?

**Nikunj Aggarwal:** In terms of the challenges are availability, price or even certain GST related issues are there when we are procuring in the domestic market because of the prevalent unorganized sectors over there.

**Vishesh Dhoka:** So, typically is it that the prices in the domestic markets are higher than the imports or imports are usually higher?

**Management:** Domestic is higher.

**Vishesh Dhoka:** Okay. Thanks. That's it.

**Moderator:** Thank you. Our next question comes from the line of Ankur Gulati with Genuity Capital. Please go ahead.

**Ankur Gulati:** Your volume data of Q1 and gross profit and EBITDA, gross profit per ton Rs. 34,500, which was Rs. 38,000 in Q4 and Rs. 36,000 in the last Q1. So, any specific reason that this dip of 4%, 5% came on gross profit per ton or EBITDA per ton?

**Sandeep Aggarwal :** The main reason for this dip is that the raw material that we domestically procured and all the petroleum products that were used in our bomb items, the cost of all that increased and this impact came.

**Ankur Gulati:** If the raw material cost remains where it is now, then EBITDA per ton Rs. 19,000 is a fair assessment from this point onwards and you people feel that it can go back to Rs. 20,000, Rs. 21,000?

**Sandeep Aggarwal :** As the market scenario becomes a little positive, which I am assuming that it should be 100%, then all this will improve as it was before.

**Ankur Gulati:** Can you give some guidance about the new plant before IPO that how will it ramp up utilization?

**Sandeep Aggarwal:** We have not made any separate investment for the new plant, we have only purchased a land which has been re-stripped under the name of Ardee Industries and the capacity that we have increased is the refining capacity in the existing plant.

**Ankur Gulati:** This 1,56,950 which is going to start now, this financial year or at the end of the last financial year?

**Nikunj Aggarwal:** We had a capacity of 1,00,000 tons, this 50,000 tons of brownfield has been achieved by de-bottlenecking in the existing unit.

**Ankur Gulati:** Perfect. So, this ramp up, its utilization, I think you said 75% to 80% is optimum utilization, correct, for 156,950?

**Nikunj Aggarwal :** 70% to 75%.

**Ankur Gulati:** Is it possible to hit this 70% to 75% in this financial year or will this spill over to F28?

**Nikunj Aggarwal :** It will go to F28.

**Ankur Gulati:** The last raw material that you are sourcing, especially the import one, is the freight cost on you or was it on the vendors?

**Nikunj Aggarwal :** It is different in different deals basically. Sometimes it is on the vendors, sometimes it is on us. The impact of the freight cost due to geopolitical, due to that only the major cost has increased plus due to supply chain disruption, the time to come has also increased plus freight cost has increased. So, these three things have a joint impact in this.

**Ankur Gulati:** Lastly, I think there is a small business which is doing nickel alloy, anything on that sort? Sorry, lead alloys, not nickel alloys. Any growth on the alloys part or not?

**Nikunj Aggarwal :** It is running at around 30%-35%. We are focusing on doing more alloys but it takes time to do the alloys. There are a lot of things like OEM approvals etcetera. So, gradually the ramp-up is there. It is of this business. If I can make an alloy in the capacity of 1 lakh or I can make pure lead, then gradually the ramp-up is there.

**Ankur Gulati:** Okay. Thanks. All the best.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

**Nikunj Aggarwal:** Yes. Thanks a lot, everyone, for joining the call.

**Moderator:** Thank you so much. Ladies and gentlemen, on behalf of Ardee Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

*This Transcript has been slightly edited at few places for clarity and accuracy and may contain transcription errors. The Company or the sender takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.*