



Adroit Industries (India) Limited

22nd September, 2026

IPO Details

IPO Date	23 rd to 25 th Sep, 2026
Face Value	₹10 per share
Price Band	₹126 to ₹134
Lot Size	111 Shares
Sale Type	Fresh capital cum OFS
Total Issue Size	1,12,47,000 shares (agg. up to ₹151 Cr.)
Fresh Issue	98,97,000 shares (agg. up to ₹133 Cr.)
Offer for Sale	13,50,000 shares (agg. up to ₹18 Cr.)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	3,49,11,340 shares
Share Holding Post Issue	4,48,08,340 shares
QIB Shares Offered	Not more than 50% of the Net Offer
Retail Shares Offered	Not less than 35% of the Net Offer
NII (HNI) Shares Offered	Not less than 15% of the Net Offer
Retail (Min & Max) shares	111 Shares & 1,443 shares
Retail (Min & Max) application amount	₹14,874 & ₹1,93,362
S-HNI (Min shares & application amount)	1,554 shares & ₹2,08,236
S-HNI (Max shares & application amount)	7,437 shares & ₹9,96,558
B-HNI (Min shares & application amount)	7,548 shares & ₹10,11,432
Basis of Allotment	Mon, Sep 28, 2026
Initiation of Refunds	Tue, Sep 29, 2026
Credit of Shares to Demat	Tue, Sep 29, 2026
Listing Date	Wed, Sep 30, 2026
Cut-off time for UPI mandate confirmation	5 PM on Fri, Sep 25, 2026
Registrar	Bigshare Services Pvt. Ltd.

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Company Profile

Founded in 1966 as a partnership firm and incorporated as a company in 1995, Adroit Industries (India) Limited is a vertically integrated manufacturer and supplier of propeller shafts and related torque-transmission components, with in-house capabilities across forging, precision machining, heat treatment, assembly, balancing and testing. It offers over 5,000 SKUs (5,250 as of July 31, 2026) across automotive and non-automotive applications, and operates three facilities in Madhya Pradesh – Dewas (forging), Pithampur (machining and assembly, through subsidiary Adroit Driveshafts Private Limited) and Sanwer (finishing). The Company exported to over 32 countries in Fiscal 2026, with exports contributing 95.39% of revenue from sale of products, and 90.26% of revenue came from repeat customers. Its customers include OEMs, Tier-1 driveline suppliers and distributors, and it holds IATF 16949, ISO 9001, ISO 14001 and ISO 45001 certifications. It has 367 permanent employees as of July 31, 2026.

Objects of the Issue

- ❑ Capex for machinery & equipment at Dewas facility – ₹19.91 Cr.
- ❑ Investment in subsidiary for Pithampur facility capex – ₹43.96 Cr.
- ❑ Investment in subsidiary for repayment/prepayment of its borrowings – ₹24.12 Cr.
- ❑ General Corporate Purposes- up to ₹45.01 Cr.
- ❑ Offer for sale - up to ₹18 Cr.

Financial Details

Particulars (Amount in Crores)	FY26	FY25	FY24
Revenue from Operations	139.94	133.89	124.53
Other income	3.10	2.72	0.57
Total Income	143.04	136.61	125.10
Expenses			
- Cost of Materials Consumed	20.50	22.71	36.71
- Purchases of Stock-in-Trade	13.10	12.58	4.91
- Changes in Inventories	3.31	5.71	(16.02)
- Employee Benefit Expenses	28.27	23.51	26.77
- Other Expenses	36.06	38.38	42.47
Total expenses	101.24	102.88	94.84
EBITDA	38.71	31.02	29.69
EBITDA Margin (%)	27.66%	23.17%	23.84%
- Finance cost	4.66	6.46	8.21
- Depreciation and amortization	4.25	4.46	4.09
- Exceptional Items	-	-	-
Profit/(Loss) before tax	32.90	22.82	17.96
Tax expense/(credit)	6.75	4.68	3.43
Profit/(Loss) After Tax	26.16	18.14	14.53
PAT Margin (%)	18.69%	13.55%	11.67%
Basic EPS (in Rs.)	7.48	5.19	4.16

Key Metrics	FY26	FY25	FY24
Return on Capital Employed (%)	19.01%	15.76%	15.07%
Debt/Equity (x)	0.41	0.63	0.94
Repeat customers (% of total)	59.46	66.89	63.85
Capacity Utilisation - Dewas Forging (%)	87.87%	89.71%	87.29%
Installed Capacity - Dewas Forging (MT)	3,000	2,400	2,400
Inventory Days (in days)	135	137	131

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Competitive Strengths

- **Diversified Portfolio of 5,000+ SKUs** – The Company offers 5,250 SKUs of torque-transmission components and assemblies as of July 31, 2026, up from 3,821 in Fiscal 2024, with 798 SKUs added in Fiscal 2026. The range spans propeller shafts, yokes, shaft, flange and joint components for automotive and non-automotive applications.
- **Vertically Integrated Manufacturing Operations** – In-house forging, heat treatment, machining, assembly and balancing across three facilities in Madhya Pradesh provide end-to-end process control. Dewas forging and Pithampur machining operated at 87.87% and 74.70% capacity utilisation in Fiscal 2026, with vacant land available for expansion at all three sites.
- **Strong Export Presence and Repeat Customer Base** – The Company supplied to over 32 countries, with exports contributing 95.39% of Fiscal 2026 revenue from sale of products. Repeat customers contributed 90.26% of revenue, supported by stringent vendor validation and IATF 16949 certification that create entry barriers.
- **High Entry Barriers** – The propeller shaft manufacturing industry has high entry barriers due to stringent OEM and Tier-1 supplier qualification requirements, extensive validation cycles of 12–18 months or longer, significant capital investment and technically complex manufacturing processes. These requirements, along with established supplier relationships, quality certifications and advanced engineering capabilities, make it difficult for new entrants to compete effectively.

Key Risk Factors

- **Export and Currency Concentration Risk** – Revenue from outside India was 95.39%, 96.27% and 94.56% of revenue from sale of products in Fiscals 2026, 2025 and 2024, with a significant share concentrated in the United States. Tariff or trade-policy changes and rupee volatility, with no hedging policy in place, could materially affect results.
- **Customer Concentration Risk** – The top customer contributed 20.92%, the top five 48.91% and the top ten 60.86% of Fiscal 2026 revenue from sale of products. The Company has no long-term agreements with customers and sales are largely purchase order-based, so loss of a key customer could hurt revenue.
- **Automotive Dependence and Supplier Concentration Risk** – Automotive applications contributed 74.54% of Fiscal 2026 revenue from sale of products (63.37% in Fiscal 2024). The top ten suppliers accounted for 75.97% of purchases, with key inputs such as steel bars, billets, UJ crosses and tubes sourced from a limited set of domestic suppliers.
- **Regulatory Compliance Risk** – The Company has experienced multiple instances of delayed statutory filings and non-compliances, including delays of up to 3,771 days, reflecting gaps in its compliance monitoring and internal control processes. Such delays and non-compliances may expose the Company to regulatory actions, penalties and reputational risk.

Comparison with Listed Peers

Name of the Companies	Market Price*	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Adroit Industries (India) Limited	NA	10.00	22.95*	5.84**	5.84**	22.51%	36.84
Peers:							
Hindustan Hardy Limited	726.00	10.00	12.98	55.92	55.92	25.00%	250.24
Talbro Engineering Limited	613.80	10.00	10.70	57.34	57.34	17.32%	359.20
GNA Axles Limited	567.85	10.00	20.85	27.24	27.24	12.28%	233.89

*P/E calculated based on upper band price.

**EPS calculated including fresh issue shares.

The global propeller shaft market is estimated to have grown from USD 22 bn in 2020 to around USD 32 bn in 2026E and is projected to reach USD 39 bn by 2030, while the Indian market is expected to expand from USD 2.3 bn in 2025 to USD 3.3 bn by 2030, supported by demand from commercial and passenger vehicles, off-highway machinery, defence and industrial equipment. Propeller shafts are safety-critical components with stringent validation requirements, which favours established, certified manufacturers.

The Company's revenue from operations increased from **₹124.53 Cr in Fiscal 2024 to ₹139.94 Cr in Fiscal 2026, registering a CAGR of ~6.0%**, reflecting relatively moderate topline growth. The business remains predominantly automotive-led, with automotive applications contributing **74.54% of Fiscal 2026 product sales**, up from 63.37% in Fiscal 2024, while non-automotive applications contributed 25.46%. By customer channel, distributors accounted for **62.45% of product sales**, followed by Tier-1 driveline suppliers at 32.86% and OEMs at 4.68%. While the business remains export-oriented and geographically concentrated, diversification has improved, with the **US share of export revenue declining to 53.76% in Fiscal 2026 from 71.93% in Fiscal 2024**.

The Company proposes to utilise the Net Proceeds towards **capacity expansion and de-bottlenecking at its Dewas and Pithampur facilities**, along with repayment/prepayment of subsidiary borrowings. At Dewas, the proposed installation of a new forging press line is expected to **increase forging capacity from ~3,000 MT to ~5,500 MT, an increase of ~83%**, addressing constraints at a facility that operated at 87.87% utilisation in Fiscal 2026. Investments at Pithampur in CNC machining, grinding, balancing and automation should further enhance production capabilities and operating efficiency. This incremental capacity, coupled with **deeper penetration of export markets, increasing direct engagement with OEMs, continued product additions and expansion into newer offerings such as aluminium driveline components**, should remain the key levers for future growth.

The Company's integrated manufacturing capabilities, extensive product portfolio and established customer relationships support its competitive position. However, exports account for **95.39% of product sales**, with significant exposure to the US, while the top ten customers contributed **60.86% of revenue**. The absence of a forex hedging policy and sustainability of the current elevated margin profile remain key risks to monitor.

Considering the Company's **superior profitability, improving leverage profile and growth potential from incremental capacity and customer and product expansion**, we recommend investors **"Subscribe"** to the issue from a long-term perspective.

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