IPO Note – Adroit Industries (India) Ltd (22nd September 2026)

Company Overview

- Adroit Industries, with over four decades of operating history, is a vertically integrated manufacturer of propeller shafts (drive/cardan shafts) and related torque-transmission components, with in-house forging, precision machining, heat treatment, assembly, balancing and testing. It offered 5,250 SKUs as of July 31, 2026, up from 3,821 in FY24.
- Manufacturing runs across three facilities in Madhya Pradesh: Dewas (die-making, forging and heat treatment), Pithampur (machining, assembly and balancing, via subsidiary Adroit Driveshafts Pvt Ltd) and Sanwer (finishing). Its quality systems are certified under IATF 16949, ISO 9001, ISO 14001 and ISO 45001.
- The business is export-led, with exports forming 95.39% of FY26 revenue from sale of products across 32+ countries. The US contributed 53.76% of FY26 export sales (66.68% in FY25), while subsidiaries in Canada and the USA support customer engagement in North America.
- Products are sold through distributors, Tier-1 driveline suppliers and directly to OEMs, largely for commercial vehicles, with applications in SUVs, defence, mining, off-highway and industrial equipment. Customers include Godrej & Boyce, BEML, VE Commercial Vehicles and Sandvik; the top 10 customers contributed 60.86% of FY26 revenue.

Sector Outlook

- The global propeller shaft market expanded from US$22 bn in 2020 to an estimated US$32 bn in 2026 and is forecast to reach US$39 bn by 2030, implying ~6% CAGR over 2020–30, with Asia Pacific accounting for ~42% of the market in 2025.
- The Indian propeller shaft market grew from US$1.6 bn in 2020 to US$2.3 bn in 2025 and is projected to reach US$3.3 bn by 2030, supported by rising vehicle production, commercial vehicle demand (domestic CV sales of 10.8 lakh units in FY26) and growing defence, off-highway and industrial applications.

Adroit Industries (India) Ltd

₹ 126 – 134 **Price Band**	**₹ 150.71 Cr** Issue Size
23rd September – 25th September Subscription Days	**30th September 2026** Listing date

SUBSCRIBE

Particulars	IPO Details
No of Shares under IPO (Cr.)	1.1247
Post Issue MCap (Cr.)	**₹ 600.43**
QIB (Cr.)	0.5624
NIB (Cr.)	0.1687
Retail (Cr.)	**0.3936**

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoter & Promoter Group	96.10%	71.86%
Public	3.90%	28.14%
Total	**100%**	**100%**

IPO Note – Adroit Industries (India) Ltd

Company Outlook

- Revenue from operations grew at a 6.01% CAGR over FY24–FY26 to ₹139.94 crore, with FY26 growth moderating to 4.52% as US sales declined to ₹65.18 crore from ₹77.80 crore amid Section 232 tariffs, partly offset by other export markets. EBITDA rose 24.80% to ₹38.71 crore (margin 27.66% vs 23.17%) and PAT rose 44.17% to ₹26.16 crore, a 34.19% CAGR over FY24–FY26.

- The balance sheet has strengthened, with debt-to-equity falling to 0.41x from 0.94x in FY24, RoNW at 22.51% and RoCE at 19.01%. However, operations remain working-capital intensive, with net working capital days of 237.

- Adroit is coming with an IPO of ₹150.71 crore, comprising a fresh issue of 98.97 lakh shares (₹132.62 crore) and an OFS of 13.50 lakh shares (₹18.09 crore) by Mukesh Sangla HUF. Net proceeds will fund ₹19.91 crore of capex at Dewas, ₹43.96 crore investment in the subsidiary for Pithampur capex, ₹24.12 crore of subsidiary debt repayment and general corporate purposes.

- At the upper price band of ₹134, the post-issue market cap is ₹600.43 crore, implying a P/E of 22.9x on FY26 post-issue EPS, compared with the peer average of 15.8x (range 10.7x–20.9x). The premium is supported by significantly higher EBITDA margins (27.66% vs 11–16% for peers), healthy return ratios, falling leverage and IPO-funded capacity expansion in forging and machining. We recommend Subscribe for the IPO with a long-term perspective.

Key Risks

- The US contributed 53.76% of FY26 product sales and attracts an additional 25% Section 232 tariff, while the top 10 customers account for 60.86% of revenue. Elevated working capital (237 days) and volatility in steel prices could pressure cash flows and margins.

Particulars (₹ Cr)	FY24	FY25	FY26
Revenue	**124.53**	**133.89**	**139.94**
Revenue Growth %	-	*7.52%*	*4.52%*
EBITDA	**29.69**	**31.02**	**38.71**
EBITDA Growth %	-	*4.49%*	*24.80%*
EBITDA Margin %	**23.84%**	**23.17%**	**27.66%**
PAT	14.53	18.14	26.16
ROCE (%)	**15.07%**	**15.76%**	**19.01%**

Metric FY26	Adroit	Hindustan Hardy Ltd	Talbros Engineering Ltd	GNA Axles Ltd
Revenue (₹ Cr)	139.94	108.79	535.74	1,478.42
EBITDA Margin (%)	27.66%	11.08%	11.28%	16.09%
PAT (₹ Cr)	26.16	8.38	29.16	116.95
PAT Margin (%)	18.69%	7.70%	5.44%	7.91%
RoNW (%)	22.51%	25.00%	17.32%	12.28%
RoCE (%)	19.01%	22.43%	14.63%	14.13%
Debt / Equity (x)	0.41	0.25	0.81	0.18
NWC Days	237	72	78	164
Debtor Days	111	82	54	154
Inventory Days	135	36	48	54
P/E (x)	22.95x	12.98x	10.70x	20.85x

Adroit P/E on post-issue EPS at upper band; peer P/E as on August 20, 2026. Source: Company RHP, Angel One Research

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