

Company Overview

Adroit Industries (India) Limited is a vertically integrated manufacturer and supplier of propeller shafts and torque-transmission components, with over four decades of operating experience. The company has in-house capabilities across forging, heat treatment, precision machining, assembly, balancing and testing, enabling greater control over the manufacturing value chain. As of July 2026, its portfolio comprised over 5,250 SKUs across propeller shaft assemblies, yoke components, shaft components, flanges, universal joints and other driveline components. The company operates three manufacturing facilities in Madhya Pradesh, with the Dewas facility primarily undertaking upstream activities such as die-making, forging, heat treatment and shot blasting, while the Pithampur facility focuses on downstream machining, assembly, balancing and testing. The Sanwer facility supports select finishing operations. This vertically integrated manufacturing structure enables the company to manufacture critical components in-house and supports product customization based on customer-specific technical requirements. The company serves distributors, Tier-1 driveline component suppliers and OEMs across automotive and non-automotive applications. Its products are primarily used in commercial vehicles, with a smaller presence in passenger vehicles, particularly SUVs, while non-automotive applications include defence, emergency services, heavy equipment, off-highway machinery and industrial equipment. The company has also built a strong export-oriented business, with exports accounting for 95.4% of product revenue in FY26. It supplied products to more than 32 countries, with the US, Colombia, Canada and Australia among the key export markets.

Objects of the issue

The net proceeds from the fresh issue will be used towards the following purposes:

- ⇒ The Company proposes to utilize the funds towards capital expenditure for procuring machinery and equipment to enhance operations at its Dewas facility;
- ⇒ Investment in subsidiaries through equity infusion to fund capital expenditure for machinery and equipment to enhance operations;
- ⇒ General corporate purposes.

Investment Rationale

Diversified product portfolio and integrated manufacturing capabilities support higher value addition

Adroit has developed a diversified portfolio of 5,000+ SKUs across torque-transmission components and assemblies, catering to a broad range of automotive and non-automotive applications. The portfolio spans propeller shafts, yoke and shaft components, flanges, universal joints and other driveline components, with products supplied as finished assemblies, sub-assemblies or individual components based on customer-specific requirements. The breadth of the portfolio enables the company to address multiple applications and customer platforms while reducing dependence on a single product category. The company's vertically integrated manufacturing capabilities across forging, machining, heat treatment, assembly and balancing provide greater control over the manufacturing process and support the development of application-specific products. This integrated platform allows Adroit to customize components in line with customer technical specifications and expand its SKU portfolio in response to evolving requirements. The steady increase in SKUs also reflects the company's ability to develop and commercialize new products, creating opportunities for greater value addition within the manufacturing chain. Going forward, continued expansion of the product portfolio, supported by its integrated manufacturing capabilities, could strengthen company's position across driveline applications and provide a platform for incremental growth.

Strong export presence and diversified international customer base

Adroit has established a strong export-oriented business model, with its products supplied across 32+ countries spanning North America, Europe, Latin America, the Middle East, Africa and Asia-Pacific. The company serves international customers through distributors, Tier-1 driveline component suppliers and direct OEM relationships, providing access to multiple channels across the global driveline component value chain. Its presence across diverse geographies enables the company to participate in international supply chains and reduces dependence on a single domestic market. The company has also strengthened its North American customer servicing capabilities through its Canadian subsidiary, Adroit Driveshafts Canada Limited, established in 2022. The subsidiary supports customer engagement, coordination and after-sales services across Canada and other North American markets. Combined with Adroit's ability to manufacture products to customer-specific technical specifications and delivery requirements, its established international footprint provides a platform to deepen relationships with global customers and support further penetration across overseas markets.

Issue Details

Offer Period	23 rd Sept, 2026 - 25 th Sept, 2026
Price Band	Rs. 126 to Rs. 134
Bid Lot	111
Listing	BSE, NSE
Issue Size (no. of shares in Crs)	1.12
Issue Size (Rs. in bn)	1.51
Face Value (Rs.)	10

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	Equirus Capital Ltd.
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Registrar	Bigshare Services Private Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	96.10	71.86
Public	3.90	28.14
Total	100.00	100.00

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Adroit Industries (India) Ltd.

Valuation

Adroit Industries is an integrated manufacturer of propeller shafts and torque-transmission components, with capabilities across forging, machining, heat treatment, assembly, balancing and testing, supported by 5,000+ SKUs and a presence across 32+ countries. With exports contributing more than 95% of FY26 product revenue, the company has established a presence across global driveline markets, while its exposure to automotive, commercial vehicles, off-highway, defence and industrial applications provides end-market diversification. Its growth strategy is centered on capacity expansion and automation through investments in forging, machining, heat treatment, material handling and testing capabilities, alongside new customer additions, deeper OEM engagement and product diversification. The Indian propeller shaft market is projected to grow from ~US\$2.3bn in 2025 to ~US\$3.3bn by 2030, providing a supportive demand environment, while global demand is expected to expand at a mid-single-digit rate. The company on the financial front has also improved, with revenue, EBITDA and PAT registering ~6%, ~14% and ~34% CAGR, respectively, during FY24-FY26, while EBITDA margin increased from 23.8% to 27.7% and improved return ratios. Going forward, earnings growth will depend on higher capacity utilization, execution of the planned capex, new customer additions and sustainability of the improved margins. High export dependence, customer concentration, with the top 10 customers contributing ~61% of product revenue, and elevated working-capital intensity remain key monitorables. At the upper price band of Rs. 134/share, the issue commands an implied P/E valuation of over 17.9x FY26 earnings, reflecting the company's improved profitability profile and growth prospects. **Considering the company's sustained margin performance, improving capacity utilization and successful execution of its planned expansion strategy, we recommend a "SUBSCRIBE" rating.**

Key Risks

- ⇒ Exports contributed 95.4% of product revenue in FY26, with the US accounting for 53.8% of export sales, exposing the company to US trade policies, tariffs, demand fluctuations, geopolitical risks and freight costs.
- ⇒ The top 10 customers contributed 60.9% of product revenue in FY26, with the largest customer accounting for 20.9%. Loss, reduction or delay in orders from key customers could materially impact revenue and earnings.
- ⇒ All three manufacturing facilities are located in Madhya Pradesh, increasing exposure to region-specific operational disruptions, including power shortages, labour issues, equipment failures, natural calamities and logistics constraints.

Adroit Industries (India) Ltd.

Income Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Revenue			
Revenue from operations	125	134	140
Total revenue	125	134	140
Expenses			
Cost of Material Consumed	37	23	21
Purchase of Stock in Trade	5	13	13
Changes in the inventories	-16	6	3
Employee benefits expense	27	24	28
Other Expenses	42	38	36
Total operating expenses	95	103	101
EBITDA	30	31	39
Depreciation and amortization expense	4	4	4
EBIT	26	27	34
Finance costs	8	6	5
Other Income	1	3	3
Profit before exceptional items and tax	18	23	33
Exceptional items			
PBT	18	23	33
Tax Expense	3	5	7
Net Profit	15	18	26
Diluted EPS	4.2	5.2	7.5

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	20	20	29
Cash flow from investing activities	0	3	-12
Cash flow from financing activities	-20	-24	-17
Net increase/(decrease) in cash and cash equivalents	0	0	0
Cash and cash equivalents at the beginning of the period	1	1	1
Cash and cash equivalents at the end of the period	1	1	2

Source: RHP, BP Equities Research

Adroit Industries (India) Ltd.

Balance Sheet (Rs. in crores)

Particulars	FY24	FY25	FY26
Assets			
Non-Current Assets			
Property, plant and equipment	59	55	50
Capital Work in progress			
Rights of Use Assets	4	4	4
Intangible assets	0	0	0
Intangible Assets Under Development			
Financial assets			
(i) Investments	25	22	21
(ii) Loans	2	1	10
(iii) Other financial assets	1	1	1
Other Non-Current Assets	0	0	5
Total Non-Current Assets	91	83	93
Current Assets			
Inventories	53	48	55
Financial Assets			
(i) Trade receivables	32	40	45
(ii) Cash and cash equivalents	1	1	2
(iii) Bank Balances other than (ii) above			
(iv) Other Financial Assets	0	0	0
Other current assets	22	15	18
Total Current Assets	109	104	120
Total Assets	199	187	213
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	17	35
Other equity	70	86	94
Total Equity	88	103	129
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	16	8	2
Lease Liabilities	0	0	0
Deferred Tax Liabilities (Net)	2	2	2
Provisions	1	1	2
Total Non-Current Liabilities	19	11	6
Current Liabilities			
Financial liabilities			
(i) Borrowings	66	56	51
(ii) lease liabilities	0	0	0
(ii) Trade payables	16	11	21
Other Financial Liabilities	3	2	3
Other current liabilities	6	1	1
Provisions	0	0	1
Current Tax liabilities (net)	2	1	2
Total Current Liabilities	92	72	78
Total Liabilities	112	84	84
Total Equity and Liabilities	199	187	213

Source: RHP, BP Equities Research

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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