

ADROIT INDUSTRIES (INDIA) LIMITED



31st October, 2026

To
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
Symbol: **ADROITIND**

To
BSE Limited
Phiroze Jeejeebhoy Towers
25th floor, Dalal Street, Fort
Mumbai – 400 001
Scrip Code: **544950**

Sub: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015 – Transcripts of Earnings Conference Call for Q2FY27 Results

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Conference Call for **Q2FY27 Results** held on Wednesday, 28th October, 2026 is attached.

The same is also hosted on the Company's Website Link:

[Adroit Industries \(India\) Limited Q2 FY27 Concall Transcript](#)

We request you to kindly take the aforesaid information on record.

Yours faithfully,

For **Adroit Industries (India) Limited**

Saurabh Sangla
Digitally signed by
Saurabh Sangla
Date: 2026.10.31
10:18:42 +05'30'

Saurabh Sangla
Chairman & Managing Director
DIN: 00206069



Adroit Industries (India) Limited
Q2 FY27 Earnings Conference Call
28 October 2026



MANAGEMENT:

Mr. Saurabh Sangla – Managing Director

Mr. B.R. Patidar – Chief Financial Officer

Organized by: Moonwalk Capital

Adroit Industries (India) Limited

Q2 FY27 Earnings Conference Call Transcript

Moderator:

Good evening, everyone. Welcome to the earnings conference call of Adroit Industries (India) Limited for Q2 FY27. All participants will be in listen-only mode initially, and there will be an opportunity to ask questions following the management presentation.

This call may contain forward-looking statements based on the Company's current beliefs, opinions and expectations. Such statements are not guarantees of future performance and are subject to risks and uncertainties. The Company undertakes no obligation to update any forward-looking statement to reflect developments occurring after it is made.

I now hand the call over to Mr. Saurabh Sangla for his opening remarks.

Mr. Saurabh Sangla:

Thank you. Good evening, everyone. On behalf of Adroit Industries (India) Limited, I welcome you to our first earnings conference call following our IPO and listing. Thank you for joining us to discuss our Q2 FY27 performance, business priorities and the next phase of our growth.

I would like to begin by thanking our shareholders for their trust and support. Our listing is an important milestone in Adroit's journey, and we recognise the responsibility that comes with being a publicly listed company. We look forward to maintaining an ongoing dialogue with the investment community through transparent communication about our performance, capital allocation and execution.

Adroit began its journey in 1966. Over the years, we have developed an integrated manufacturing facility for propeller shafts and torque-transmission equipment, serving automotive and non-automotive applications.

In simple terms, Adroit manufactures propeller shafts and components that transfer rotational power from one part of a vehicle or machine to another. In a truck, for example, a propeller shaft transfers power from the gearbox to the axle, helping drive the wheels. Our products serve similar functions in construction, mining, firefighting, industrial, defence, locomotive, drilling and other applications. They must transmit

power reliably while withstanding heavy loads, vibration and demanding operating conditions.

We manufacture complete shaft assemblies as well as individual components, supplying distributors, Tier 1 suppliers and equipment manufacturers in India and overseas. Our integrated facility includes forging, precision machining, heat treatment, assembly and balancing, giving us control over key processes that determine product quality and performance.

We made progress in expanding our customer base during the quarter, adding approximately 13 new customers. At the same time, 87.4% of our product sales came from repeat customers, reflecting the strength of our established relationships. Our objective is to grow through deeper engagement with existing customers as well as new customer programmes.

We have also recently entered the industrial-shaft and defence segments. Entry into these businesses takes time, particularly for proprietary products such as propeller shafts, because customers require testing and validation. These new opportunities build on our existing capabilities in torque transmission, forging and precision manufacturing.

Our industrial-shaft opportunity extends our reach into areas such as steel and paper plants, where we previously had limited or no presence. We believe the Indian market offers opportunities in these applications, where competition is limited and industrial development is strong. Defence currently contributes a very small share of our revenue. We intend to develop this business progressively through technical qualification, customer approvals and reliable execution.

Exports remain the largest part of our business. In H1 FY27, exports represented approximately 82.36% of revenue, with the United States accounting for 59.56% of export sales. In India, we are working to expand direct engagement with OEMs and develop opportunities in industrial, defence and other specialised applications. Over time, we intend to build a broader revenue base by growing the domestic business alongside our export operations.

We have two subsidiaries, one in Canada and one in the United States. The US subsidiary is relatively new, having been registered in April 2026. It has started supporting sales, and we are seeing strong interest from prospective customers. Our goal is to add 200 new customers over the next two to three

quarters. We expect this to support growth in both revenue and profitability.

A significant portion of the funds raised through the IPO is intended for capital expansion. The expansion will help us serve new customers and meet growing demand from existing customers globally. The programme is on track. Machinery worth Rs. 50 million has been purchased and commissioned, and orders have been placed for additional machinery worth approximately Rs. 300 million.

At the Pithampur plant, we plan to increase annual machining and assembly capacity from 900,000 units to 1,800,000 units. Most of the additional capacity is expected to become operational in Q4 FY27. At Dewas, annual forging capacity is planned to increase from 3,000 tonnes to 5,500 tonnes, with the additional capacity expected to become operational in Q1 FY28.

These investments will expand our ability to serve existing customers, support new programmes and broaden our product offerings. Our immediate focus is on equipment delivery, installation, commissioning and production readiness. Following commissioning, we are targeting a full ramp-up by Q4 FY28. At that scale, the expanded manufacturing platform could support peak annual revenue of approximately Rs. 2,500 million.

Our priorities are to execute the expansion on schedule, convert new customer additions into recurring business, develop industrial and defence applications, and broaden our domestic and international presence.

I now invite our Chief Financial Officer, Mr. B. R. Patidar, to take you through the financial performance for Q2 FY27.

Mr. B.R. Patidar: Good evening. I am pleased to present the Company's financial performance for the quarter ended September 2026 and the half year ended September 2026.

In Q2 FY27, revenue increased 25% sequentially to Rs. 426.73 million, supported by new customer additions and entry into new segments. EBITDA increased 13% QoQ to Rs. 119.56 million, while profit after tax increased 14% sequentially to Rs. 85.47 million.

For H1 FY27, revenue increased 11% YoY to Rs. 767.87 million, while EBITDA grew 48% to Rs. 225.07 million. EBITDA

margin expanded to 29.3%, compared with 22% in FY26. Profit after tax increased 51% to Rs. 160.36 million. Earnings per share were Rs. 3.58, compared with Rs. 2.37 in the corresponding period of the previous year.

Going forward, we aim to maintain an EBITDA margin of approximately 30%, plus or minus 2 percentage points, supported by disciplined procurement, manufacturing efficiency and appropriate pricing. Thank you for your support and for joining our first earnings call. We now welcome your questions.

Moderator: Thank you for the business overview and financial highlights. We will now take questions. Please limit each participant to two questions. The first question is from Mr. Naman Desai of Sunrise India Growth Fund.

Mr. Naman Desai: Congratulations to the management on the successful IPO and the strong Q2 performance. As the Company expands into industrial shafts and defence, could you explain how these opportunities are progressing and when they may begin contributing meaningfully to revenue?

Mr. Saurabh Sangla: Each new shaft requires substantial testing. The testing period can range from six months to one year. Many of our shafts are already under testing, and some have received approvals, including partial approvals, as several rounds of testing may be required.

As mentioned earlier, I expect revenue of approximately Rs. 250 crore in FY28. Across industrial, defence and automotive applications, a number of shafts are progressing through approval. I expect most shafts currently under testing to enter live production and begin sales to customers in the next financial year.

Mr. Naman Desai: Thank you, and congratulations again. I will return to the queue.

Mr. Saurabh Sangla:

Thank you for your trust and support.

Moderator:

The next question is from Mr. Prabir Adhikary of Fortune Asset Managers LLP.

Mr. Prabir Adhikary:

Could you explain the propeller shafts intended for defence applications, including their length and the applications for which they are used? What is the maximum shaft length the Company can manufacture?

Mr. Saurabh Sangla:

Shaft length is a consideration, but it does not by itself determine whether a shaft is suitable for defence applications. Torque capacity and the intended application are important. We already manufacture certain parts for tankers and have contracts with a couple of defence companies, including for truck shafts.

Based on our current capabilities, we can manufacture shafts up to three metres long. A three-metre shaft is not generally used in military applications. Longer vehicles may use multiple shaft sections because the chassis moves during operation. Depending on the application, a shaft may have two, three or four sections. Our current capability extends to torque of up to 47,000 newton-metres.

Mr. Prabir Adhikary:

You mentioned that several shafts are under development and may be introduced over the next two years. Could you provide more detail on their applications? Also, who are the competitors in India across defence, construction and mining along with Competitive Landscape?

Mr. Saurabh Sangla:

Research and development is ongoing, and many shafts are being tested in automotive and defence applications. Customers that have placed orders are conducting field tests. Defence testing is rigorous and may take six months because vehicles operate across difficult terrain.

We expect to launch some industrial shafts in the next financial year. Design and development work is ongoing, and new equipment has been purchased and ordered to support these

products. This equipment will allow us to add higher-torque shafts to our portfolio.

A number of critical shafts are still imported into India. We see opportunities arising from the Make in India initiative as customers look for domestically manufactured alternatives. We have developed several shafts for specialised high-torque requirements. At the global level, competitors include Dana Spicer, Cummins/Arvin Meritor and Neapco. We export to more than 35 countries and are looking to expand into additional markets. Our objective is to approach customers currently importing products that we have the technology to manufacture.

**Mr. Prabir
Adhikary:**

Thank you. I will return to the queue.

Moderator:

The next question is from Mr. Vignesh Iyer of Sequent Investments.

Mr. Vignesh Iyer: What should be considered a steady-state net working capital cycle for the business? Also, if the Company reaches peak revenue of Rs. 250 crore, how much working capital might be required to support that growth?

**Mr. Saurabh
Sangla:**

We have one of the world's broadest ranges of propeller-shaft products, with more than 5,250 different part numbers. A customer in the US may require hundreds of different part numbers on a single shipment. We therefore need to hold inventory for some products, while other products may be in transit by sea for extended periods. These factors increase the working capital cycle.

A broad range of SKUs also supports profitability because some products are manufactured by only a few companies globally. Certain products may sell only around 200 units a year but can deliver margins of approximately 50%. Inventory is held at different stages of our integrated process, including steel, forging, heat treatment, machining, balancing, packing, stock and goods in transit.

We have also started stocking products in Canada and the US. With local teams and inventory, products can be sold at substantially higher margins than when shipped directly, potentially 1.5 to 1.7 times the previous margin level. We believe this additional working capital can support the Company's profitability.

Our current working capital cycle, including inventory, is approximately 248-249 days. We intend to grow our Indian OEM business, where payment cycles are typically 45-60 days. Customers such as BEML and Volvo have requested increased production capacity, including dedicated lines. As the domestic business grows, we expect the overall cycle to improve, although we expect it to remain in the range of 200-230 days.

Mr. Vignesh Iyer: My question is more specifically about the amount of working capital needed to reach Rs. 250 crore in revenue, and whether the Company might need another fundraising round to maintain its debt-to-equity position.

Mr. Saurabh Sangla: I understand the question. I believe we should be able to manage the growth without raising additional funds.

Mr. Vignesh Iyer: Thank you. That is all from my side.

Moderator: The next question is from Mr. Prithvi Bhatt of Abakkus Investment Managers.

Mr. Prithvi Bhatt: Could you provide the current revenue split between finished propeller-shaft assemblies and torque-transmission components, the expected mix going forward, and the margin profile of the two businesses?

Mr. Saurabh Sangla: Propeller shafts and their components are closely linked because the components are assembled and balanced to make a complete shaft. Approximately 64% – 65% of the business comes from components, with the balance from propeller-shaft

assemblies. We expect the mix to remain broadly similar, with a variation of around five percentage points.

Finished propeller shafts generate higher margins because they include additional value addition. Margins on finished shafts can be approximately 5% – 10% higher than on components. The Company currently procures tubing and universal joints. Tubing will continue to be procured, while the Company is working to obtain the technology to manufacture universal joints in-house. Management's target was to complete this by the end of November 2026, which would further improve margins in the propeller-shaft business.

Mr. Prithvi Bhatt: Could you provide the current order book and its split between export and domestic customers?

Mr. Saurabh Sangla: The current order book is approximately Rs. 68 – 70 crore, of which around 78% is export orders and 22% is domestic orders.

Moderator: The next question is from Mr. Sahil Shinde of Vaya Research

Mr. Sahil Shinde: Adroit has a presence across more than 35 countries. Which international markets offer the strongest growth opportunities, and how is the Company approaching customer acquisition?

Mr. Saurabh Sangla: We continue to see strong opportunities in the US and South America, excluding Brazil. Our wholly owned US subsidiary has recently started operations, and we hold inventory in Memphis, which is a major distribution point in the US. Our US team has extensive experience in the driveline business and established industry relationships. We have begun to see encouraging traction over the past two to three months.

We are targeting customers in the US, Canada, Colombia, Ecuador, Peru, Chile and Venezuela, as well as Central American markets such as Mexico, Nicaragua, Honduras and Panama. These markets will remain a focus over the next two quarters. Depending on performance in these countries, we may consider another warehouse in South America and further expansion into Europe in the next financial year.

The Company has technology for products required by European customers that is available from only four or five manufacturers globally. The technology was procured before the IPO, product seeding has been completed, and products have received acceptance from customers in several European countries. The next step is to scale up and add customers, with a greater focus on Europe in the next financial year.

Mr. Sahil Shinde: Thank you, and all the best

Moderator: The next question is from Mr. Prakshal Jain of Axiom Research

Mr. Prakshal Jain: Could you explain the current capacity and utilisation at both plants?

Mr. Saurabh Sangla: Capacity utilisation at the forging plant is approximately 93% – 94%. The Company is expanding annual forging capacity from 3,000 tonnes to 5,500 tonnes, and equipment orders for the Dewas unit have been released. At Pithampur, the plant is currently operating at around 81% capacity, and machining and assembly capacity is expected to double in Q4 FY27. The additional capacity should help improve revenue and profitability, including through lower fixed costs per unit.

Mr. Prakshal Jain: Given current utilisation, what revenue growth is achievable in FY27? What is the longer-term growth ambition once the new capacity comes online?

Mr. Saurabh Sangla: I would be pleased if we could exceed Rs. 180 crore in FY27. The new capacity will only come on stream in Q4. The Company recorded revenue of approximately Rs. 142 crore last financial year, so revenue close to Rs. 180 crore would be a good achievement given the current capacity constraints. Our mid-term vision is to take the Company to revenue of approximately Rs. 475 – 500 crore by FY31. We have a larger ambition beyond that, but our immediate focus is to deliver

performance year by year and achieve our targets. We believe there is substantial scope to grow the business.

Mr. Prakshal Jain:

Thank you. It was helpful to understand the Company's vision.

Mr. Saurabh Sangla:

Thank you.

Moderator:

Thank you, everyone. Mr. Sangla, would you like to share any closing remarks?

Mr. Saurabh Sangla:

Thank you, everyone, for joining our first earnings call. Your participation is important. It helps keep us on track and gives us an opportunity to explain the developments taking place within the Company. We are grateful for your support and for your investments in Adroit. As a team, we will work hard to meet your expectations. Thank you very much.

Moderator:

Thank you, everyone, for joining the call. If you have further questions, please contact Moonwalk Capital using the details provided in the presentation. Thank you.