Retail Research – IPO Note	05th August 2026
Sector: Auto Ancillary	Price Band (Rs): 829 – 871

Dhoot Transmission Ltd.

Company Overview:

Dhoot Transmission Ltd. (DTL) is one of India's leading electrical and electronics companies, manufacturing wiring harnesses, battery packs, sensors (ABS sensors and lean angle sensors), electronic controllers, and automotive switches for automotive applications. DTL is amongst the top two players in wiring harnesses segment for 2W and 3W in India and commanded a 41% market share (in value terms) during FY26. Further, it is a leader in wiring harnesses for the electric 2W and 3W segments, with a market share of ~70% in FY26. Apart from the 2W and 3W segments, the company's presence extends into commercial vehicles, off-highway vehicles, and farming & industrial equipment. Approximately 95% of its automotive product portfolio is either EV-focused or powertrain-neutral, enabling applicability across ICE, hybrid and battery-electric architectures. DTL operates 22 manufacturing facilities – 19 facilities in India and 3 facilities in the UK, Thailand & Slovakia – with an annual combined installed production capacity of ~42.1 mn units (as of Mar'26). The company is adding two new facilities that are expected to become operational in CY26 in (i) Hosur, Tamil Nadu for wiring harnesses and (ii) Chakan, Pune for battery manufacturing.

Key Highlights:

1. Leadership position underpinned by extensive product portfolio: DTL's leadership position is underpinned by an extensive product portfolio across model variants and OEM platforms, along with deep integration in customers' new product development cycles. Its extensive product portfolio has driven a sustained increase in kit value per vehicle, reflecting higher content from high-voltage cables, battery interconnects, power electronics interfaces, and advanced sensor/data links. The company maintains a strategic focus on premium 2W vehicles with ~57% of FY26 revenue derived from premium 2W and EV segments.

2. Industry tailwinds augment growth: Industry tailwinds including the implementation of stricter emission standards across the vehicles ecosystem such as BS-VI, Tractor Emission Norms Stage IV, BS CEV & CPCB IV+; electrification and premiumization augurs well for the company. As electric vehicle adoption accelerates and platform complexity increases, the company's extensive product portfolio along with well-established RFQ-to-order fulfilment process and backward integration in critical components positions it well to capitalize on industry tailwinds. Furthermore, DTL is expanding its portfolio and system integration to support new features, improve aesthetics & convenience (USB C-type chargers, LED flashers) and additional electronic safety components (lean-angle, ABS-related sensors/controllers), resulting in higher harness complexity and kit value per vehicle.

3. Marquee clientele: DTL benefits from long-standing relationship with a diverse customer base. Its OEM customers had a combined Indian 2W market share of ~69% in FY26, aligning the company's growth with core domestic industry demand. The average relationship with its top 5 customers stood at 13 years (as of Mar'26), driven by embedded engineering and supply chain and operational linkage that raise cost of changing suppliers.

Valuation: DTL is one of the leading auto component manufacturers in the 2W and 3W segments with ~95% of its automotive product portfolio focused on EV or powertrain-neutral architectures. This positions it well to capitalize on the long-term electrification trend of the automotive industry. Furthermore, the extensive product portfolio drives a sustained increase in kit value per vehicle reflecting benefits emanating from the presence in the premium 2W segment. At the upper price band, DTL is valued at an FY26 PE multiple of 42.7x and EV/EBITDA multiple of 22.7x. We believe, the company will be a key beneficiary in the coming years, as electric vehicle adoption accelerates and platform complexity increases, supporting durable growth in kit value and its share of the bills of material.

Issue Details	
Date of Opening	10th August 2026
Date of Closing	12th August 2026
Price Band (Rs)	829 – 871
Issue Size (Rs cr)	3,067 @UB
Fresh Issue (Rs cr)	1,400
Offer for sale (Rs cr)	1,667 @UB
Issue Size (No. of shares)	3,52,11,080 @ UB
Face Value (Rs)	2.0
Post Issue Market Cap (Rs cr)	17,024 – 17,816
BRLMs	Axis Capital Ltd., Jefferies India Pvt. Ltd., Kotak Mahindra Capital Company Ltd., Nomura Financial Advisory and Securities (India) Pvt. Ltd., SBI Capital Markets Ltd., 360 One WAM Ltd.
Registrar	KFin Technologies Ltd.
Bid Lot	17 shares and in multiples thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%
Employee Quota (Rs cr)	6
Employee Discount (Rs)	80

Objects of Issue

Particulars (Rs cr)	Estimated utilization from net proceeds
Repayment/ prepayment, in full or part, of certain borrowings availed by the company	464.8
Investment into certain subsidiaries	301.7
Setting up of new wiring harness manufacturing plants in Haryana and Hosur, Tamil Nadu	150.0
Funding inorganic growth through unidentified acquisitions and general corporate purposes*	-
Net proceeds from fresh issue*	-

**The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	18,84,56,112	100.0
Public & Others	11,500	0.0
Total	**18,84,67,612**	**100.0**

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	16,93,18,510	82.8
Public & Others	3,52,22,581	17.2
Total	**20,45,41,091**	**100.0**

Source: RHP, SBICAP Securities Research

***Note:** SBI Capital Markets Ltd. is the BRLM to the issue and hence as per compliance led restrictions, SBI Securities Ltd. cannot assign any rating to the issue. IPO note can be used to understand the business model and decode the key operational and financial metrics.*

Key Financials

Particulars (Rs cr)	FY24	FY25	FY26
Revenue from Operations	2,798	3,445	4,525
EBITDA	513	597	713
Adj. PAT	299	354	417
EBITDA Margin (%)	18.3	17.3	15.8
Adj. PAT Margin (%)	10.7	10.3	9.2
RoE (%)	39.9	35.6	17.1
RoCE (%)	33.6	29.7	19.1
P/E (x)*	59.9	50.5	42.9
EV/EBITDA (x)*	35.9	31.2	24.7
Total Debt / Equity (x)*	0.7	0.8	0.3
P/BV (x)*	23.9	18.0	7.3

Source: RHP, SBICAP Securities Research
****Pre-issue based on upper price band***

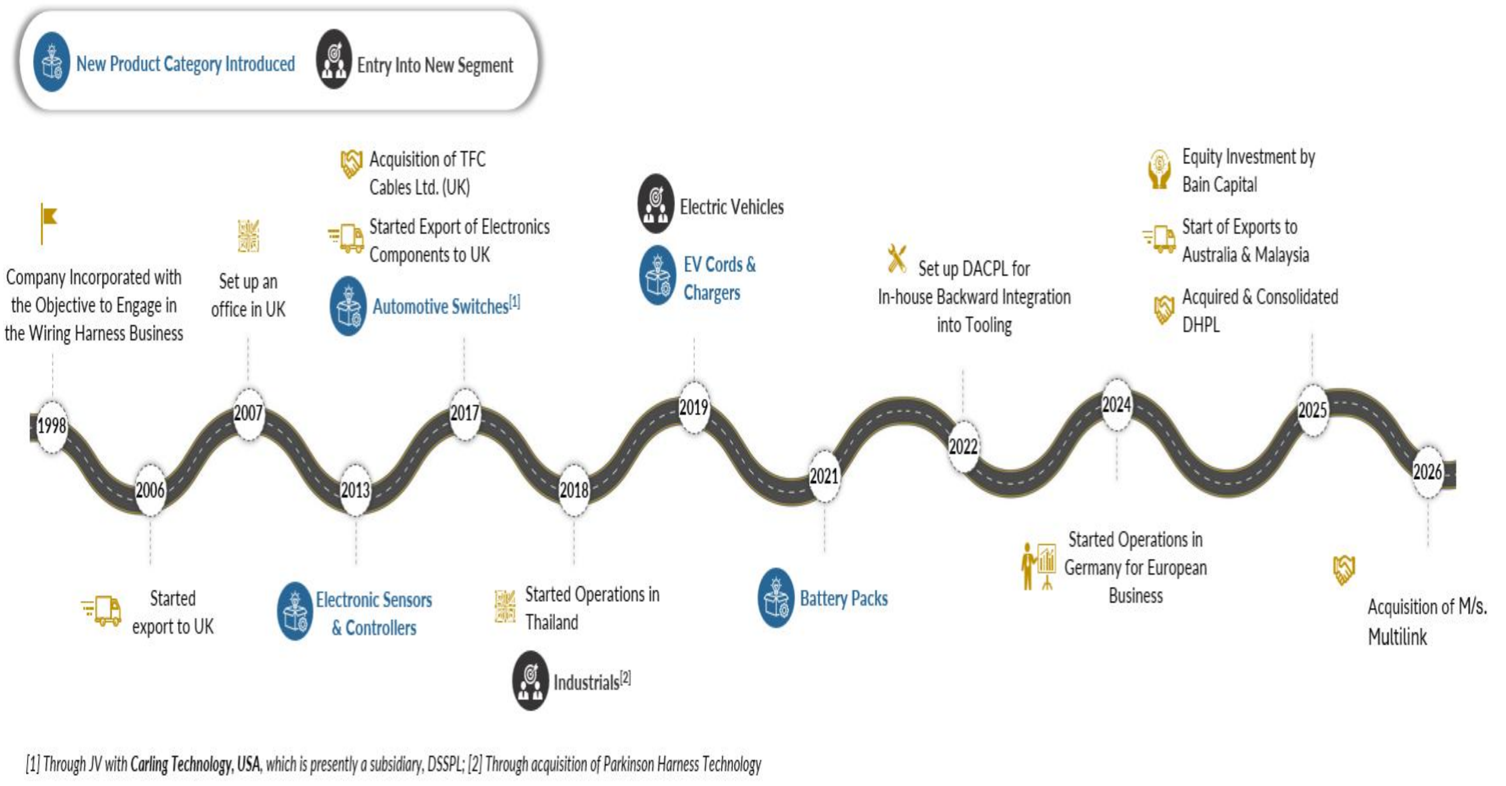
Risk Factors

- **Segmental concentration:** DTL derived ~77% of its revenue from the wiring harnesses segment in FY26. The company's business are sensitive to factors such as any reduction in OEM demand or pricing pressure; (ii) volatility in the price and availability of key raw materials and components used in wiring harnesses, such as copper, polymers, brass, connectors, terminals, cables, mouldings, and electronic components; and (iii) technological changes in the automotive industry. The occurrence of any of these factors could have an adverse impact on the business.
- **Customer concentration:** During FY26/FY25, the company derived ~71% of its revenue from top its 5 customers with Bajaj Auto being the largest customer in FY26, contributing ~32% of revenue. The loss of orders from top customers due to factors such as customers' market share loss, failure to negotiate acceptable terms, decline in customers' sales, etc, may adversely impact the business operations and profitability.
- **Pricing risk:** The company faces ongoing pricing pressure not only from direct price reduction demands but also from broader market dynamics such as competitive request for quote (RFQ) processes, expectations regarding changes in profit margins, and steps to reduce cost while keeping required performance, safety, quality, and compliance that seek continuous cost reductions through design and process changes. These dynamics, combined with the contractual and commercial ability (or inability) to pass through increases in input costs may adversely affect margins and profitability.

Growth Strategy

- Capitalize on trends toward electrification and premiumization to broaden its product portfolio across segments and technologies, drive greater content per vehicle and expand its customer base.
- Focus on its design, research and development and engineering capabilities to develop innovative systems and solutions, as well as improve the manufacturing efficiencies.
- Invest ahead of demand by expanding its manufacturing footprint and capabilities in anticipation of customer and platform requirements.
- Pursue selective inorganic expansion through acquisitions, joint ventures or technology partnerships to gain access to new technologies, customers, and global markets.

Key Milestones

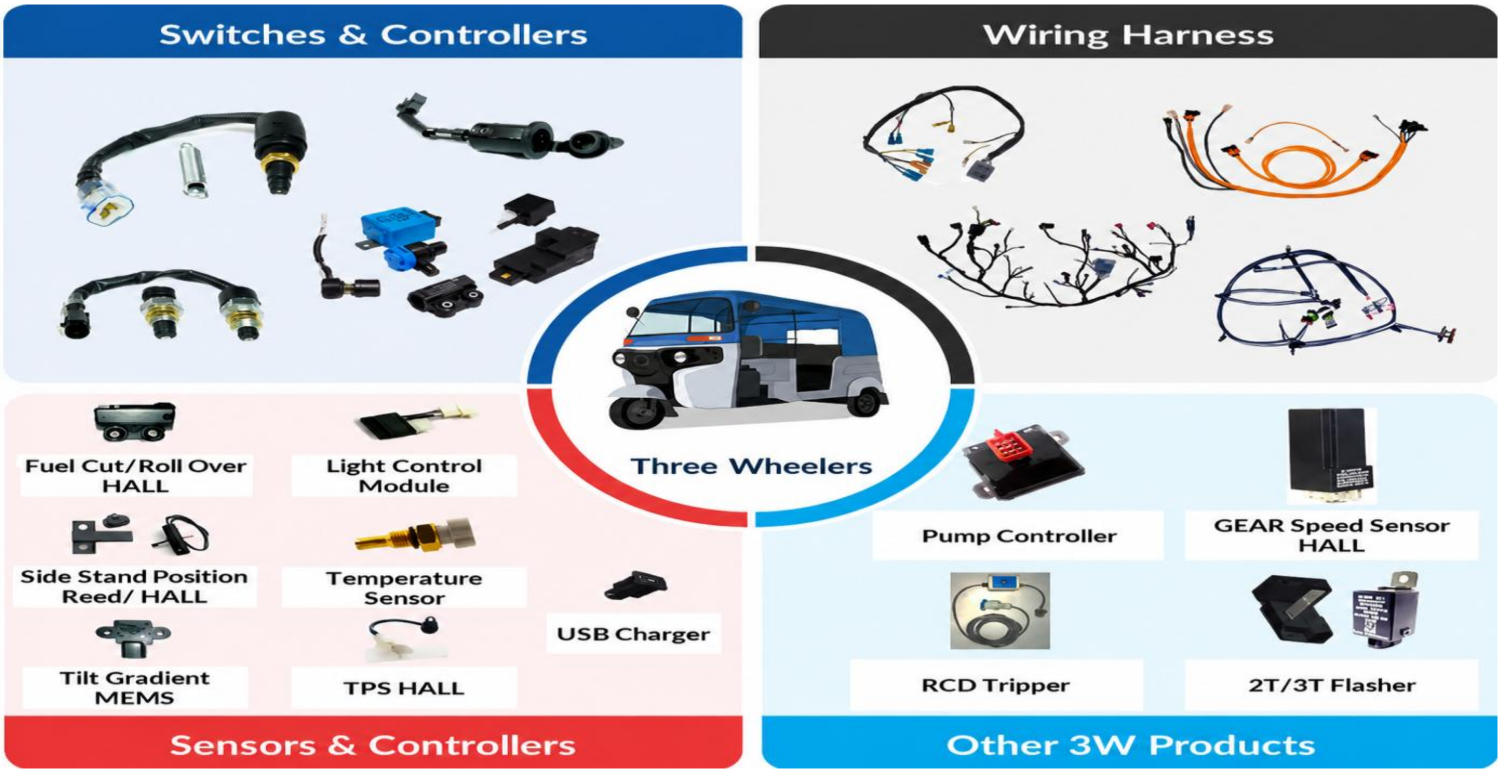


Source: RHP, SBICAP Securities Research

2W Product Portfolio

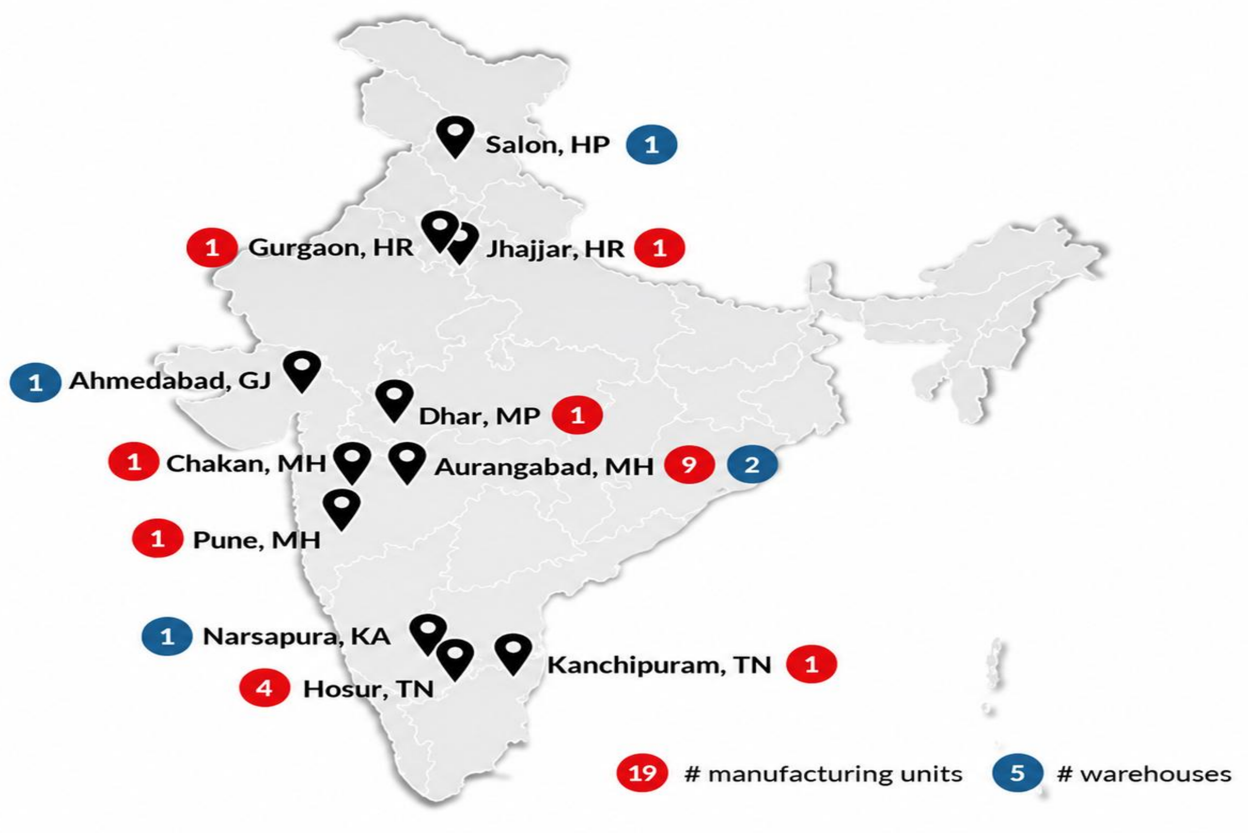
Source: RHP, SBICAP Securities Research

3W Product Portfolio



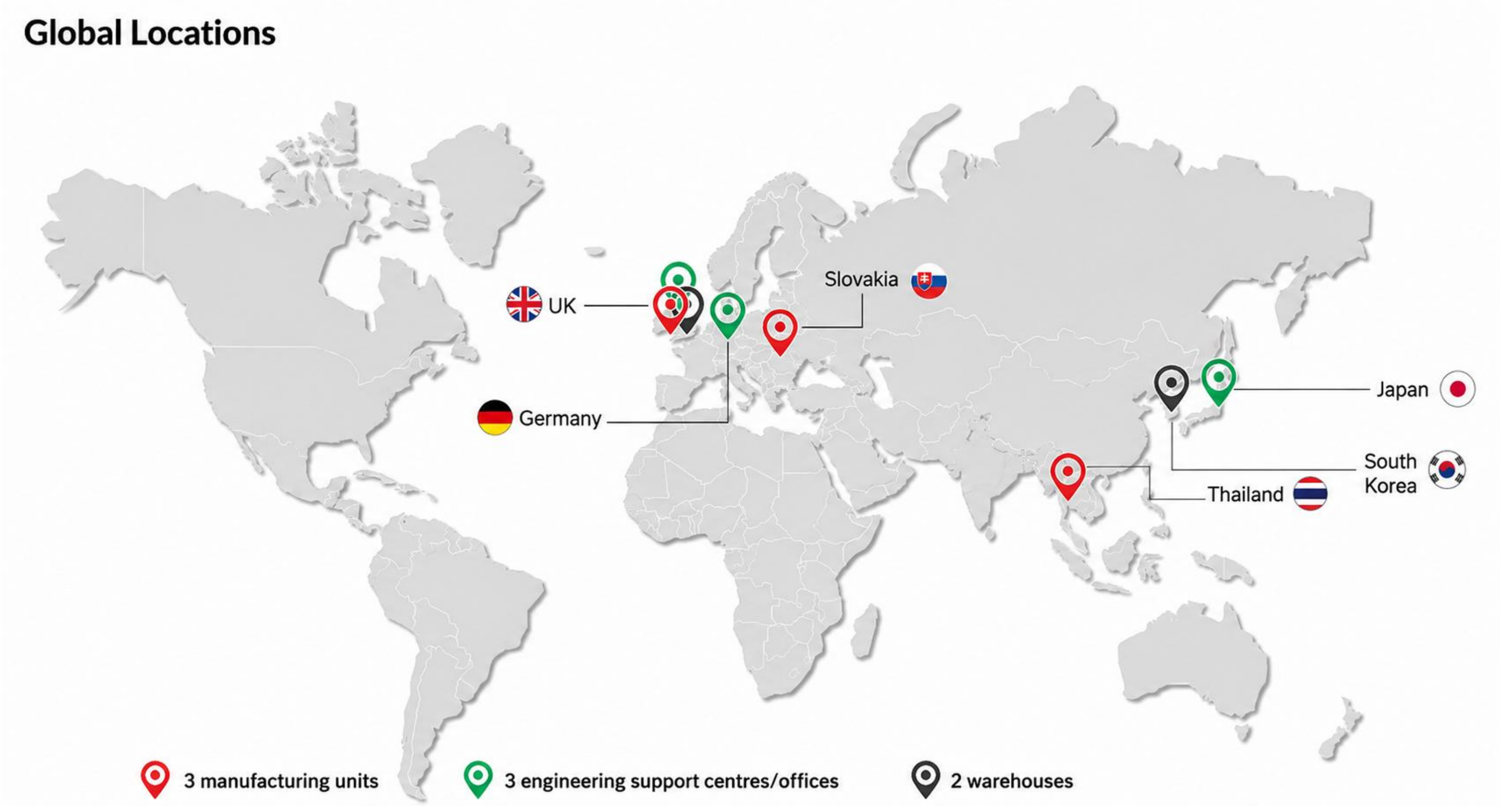
Source: RHP, SBICAP Securities Research

Manufacturing Presence - India



Source: RHP, SBICAP Securities Research

Manufacturing Presence - Global



Source: RHP, SBICAP Securities Research

Selling Shareholders (OFS)

Particulars	Classification	No. of Shares
BC Asia Investments XV Ltd.	Promoter	1,60,18,769
Mangalam Capital Pvt. Ltd.	Promoter	31,18,833
Total		**1,91,37,602**

Segment-wise Revenue Split

Particulars	FY24		FY25		FY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
Wiring Harness	2,292	81.9	2,687	78.0	3,488	77.1
Others^	506	18.1	758	22.0	1,037	22.9
Revenue from operations	**2,798**	**100.0**	**3,445**	**100.0**	**4,525**	**100.0**

Note: ^Others include battery packs, sensors and electronic controllers, automotive switches, autocomponents, moulds and dies, scrap, and other materials.

Source: RHP, SBICAP Securities Research

End-market Segment Revenue Split

Particulars	FY24		FY25		FY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
2W	1,805	64.5	2,305	66.9	2,963	65.5
3W	328	11.7	431	12.5	582	12.9
Others^	665	23.8	709	20.6	980	21.7
Revenue from operations	**2,798**	**100.0**	**3,445**	**100.0**	**4,525**	**100.0**

Note: ^Others include CV, OHW, farming and industrial vehicles

Source: RHP, SBICAP Securities Research

Products-wise Installed Capacity

Core Products	Installed Capacity (no. of units)	Capacity utilisation (%)
Wiring harnesses	1,40,87,489*	81.3^^
Battery packs	3,90,000^	74.9
Sensors and electronic controllers	2,04,55,152^	83.0
Automotive switches	54,75,000	24.0

*Note: *Capacity is based on the generalized circuit count of a standard wiring harness used in producing a 2W vehicle by OEMs.*

^^Average of capacity utilization across plants producing the product.

^Common facility for battery packs and sensors and electronic controllers.

Source: RHP, SBICAP Securities Research

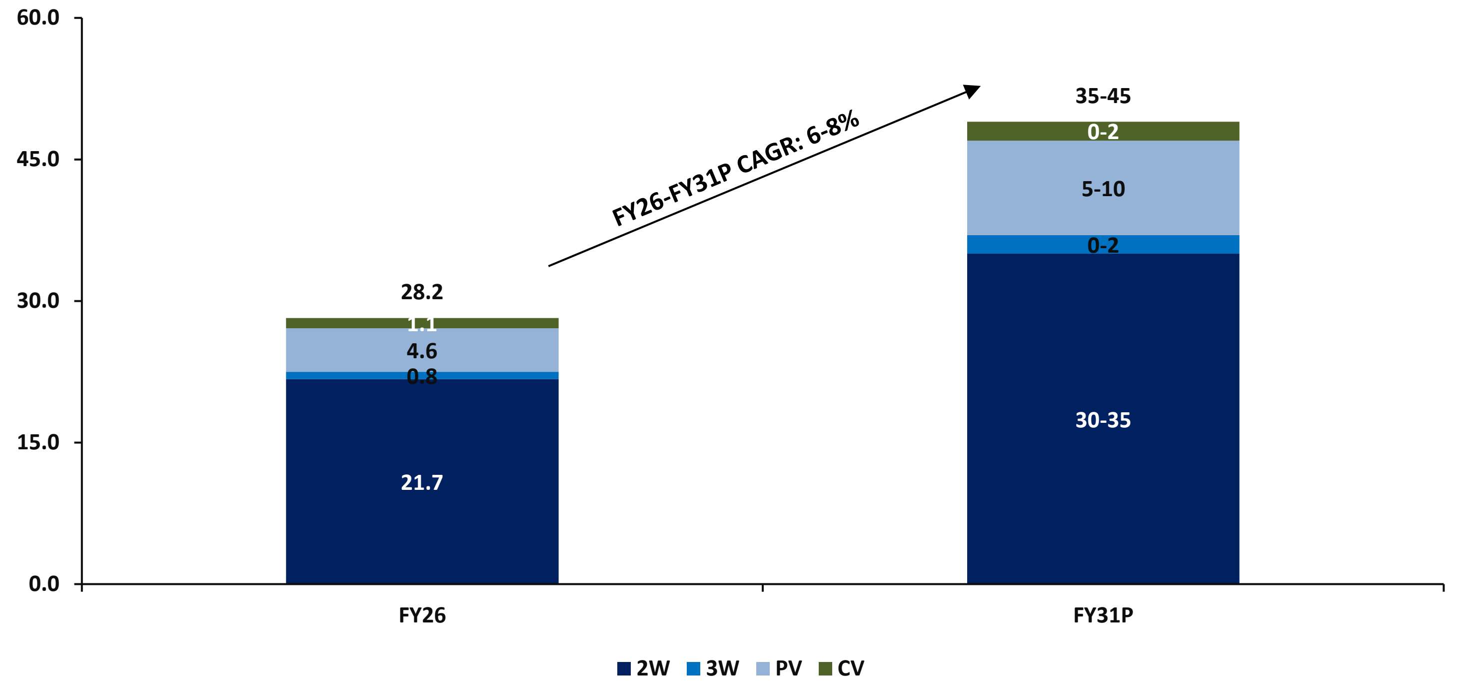
Top-5 Customer-wise Revenue Split

Particulars	FY24		FY25		FY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
Bajaj Auto	884	31.6	1,209	35.1	1,441	31.8
TVS Motor	446	16.0	606	17.6	888	19.6
Honda Motor	205	7.3	271	7.9	470	10.4
Customer 4	155	5.5	185	5.4	236	5.2
Royal Enfield (Eicher Motors)	161	5.8	182	5.3	203	4.5

Source: RHP, SBICAP Securities Research

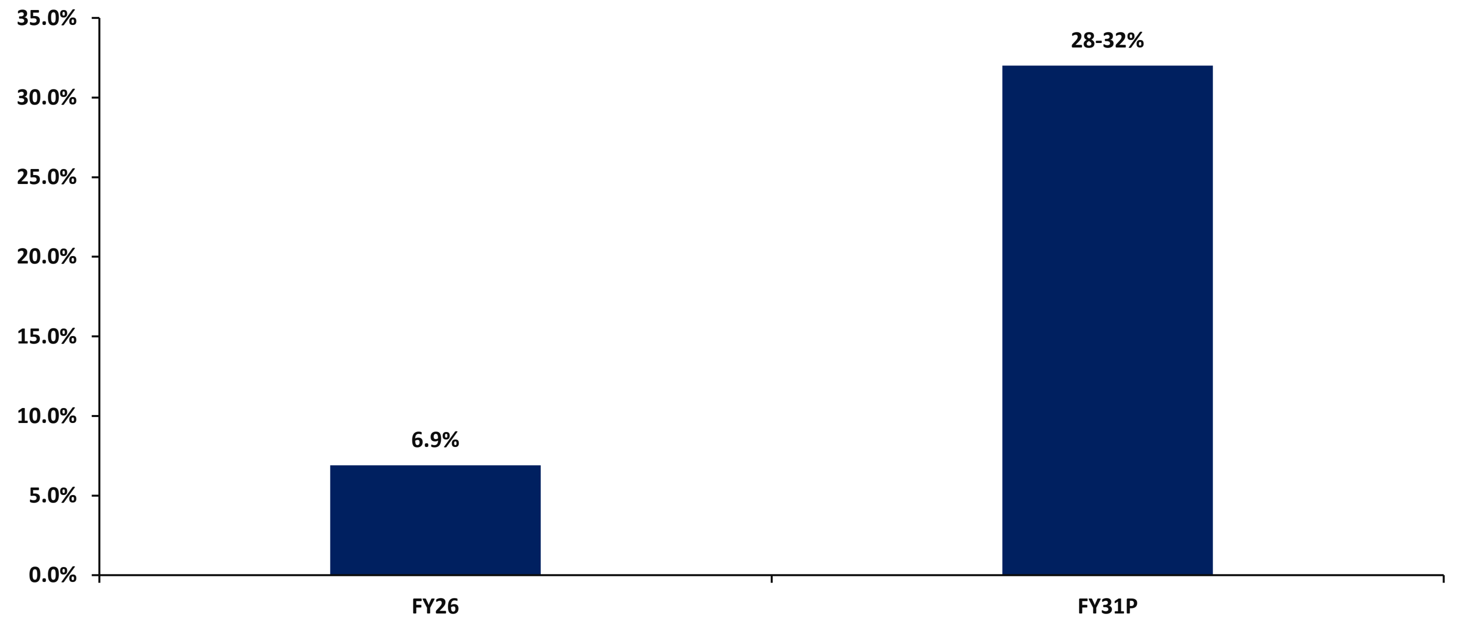
Industry Overview

Indian Automotive Industry, FY26-31P (in mn units)



Source: RHP, SBICAP Securities Research

EV Penetration outlook for Indian Automotive Industry, FY26-31P



Source: RHP, SBICAP Securities Research

Peer Comparison (FY26)

Particulars (Rs cr)	Dhoot Transmission Ltd.	Minda Corporation Ltd.	Uno Minda Ltd.	Motherson Sumi Wiring Ltd.	Sona BLW Precision Forgings Ltd.
CMP (Rs)	871	723	1,254	41	815
Mkt Cap.	17,816	17,285	72,414	27,177	50,798
Enterprise Value	16,161	18,350	74,593	27,118	50,796
Sales	4,525	6,185	19,658	11,478	4,124
EBITDA	713	722	2,251	1,060	1,041
Net Profit^	417	356	1,214	625	655
EBITDA Margin (%)	15.8	11.7	11.5	9.2	25.2
Net Profit Margin (%)	9.2	5.8	6.2	5.4	15.9
RoE (%)	17.1	13.5	17.8	28.9	11.2
RoCE (%)	19.1	13.0	19.5	39.0	14.7
P/E (x)	42.7	48.6	59.6	43.5	77.6
EV/EBITDA (x)	22.7	25.4	33.1	25.6	48.8
EV/Sales (x)	3.6	3.0	3.8	2.4	12.3

For Dhoot Transmission Ltd., the Market cap, P/E(x) is calculated on post-issue equity share capital based on the upper price band.

****CMP is closing price as of 05th Aug'26.***

^Adj. PAT for Dhoot Transmission Ltd.

Source: RHP, SBICAP Securities Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Revenue from Operations	**2,798**	**3,445**	**4,525**
YoY growth (%)	-	***23.1%***	***31.4%***
COGS (incl Stock Adj)	**1,805**	**2,233**	**2,993**
Gross Profit	**993**	**1,211**	**1,532**
Gross margins (%)	***35.5%***	***35.2%***	***33.9%***
Employee Cost	252	295	373
Other Operating Expenses	229	319	445
EBITDA	**513**	**597**	**713**
EBITDA margins (%)	***18.3%***	***17.3%***	***15.8%***
Other Income	2	27	39
Interest Exp.	49	67	91
Depreciation	76	99	125
PBT	**388**	**458**	**536**
Exceptional item	-	-	(20)
Tax	89	104	119
Share of profit of associates and JVs	0	-	-
Minority Interest	-	-	-
PAT	**299**	**354**	**397**
PAT margin (%)	***10.7%***	***10.3%***	***8.8%***
EPS (Rs)	**14.5**	**17.2**	**19.3**
Adj. PAT	**299**	**354**	**417**
Adj. PAT margin (%)	***10.7%***	***10.3%***	***9.2%***
Adj. EPS	**14.5**	**17.2**	**20.3**

BALANCE SHEET			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Assets			
Net Block	618	797	1,235
Capital WIP	40	188	18
Intangible Assets	4	3	5
Goodwill	13	13	15
Right of use assets	46	79	128
Other Non-current Assets	110	115	94
Current Assets			
Current Investment	0	0	0
Inventories	334	425	639
Trade receivables	421	600	794
Cash and Bank Balances	67	53	1,096
Other Current Assets	58	62	91
Total Current Assets	**880**	**1,141**	**2,620**
Current Liabilities & Provisions			
Trade payables	307	420	602
Other current liabilities	50	77	129
Short-term provisions	3	7	7
Total Current Liabilities	**361**	**504**	**739**
Net Current Assets	**520**	**637**	**1,881**
Total Assets	**1,351**	**1,833**	**3,376**
Liabilities			
Share Capital	17	18	38
Reserves and Surplus	731	976	2,397
Total Shareholders' Funds	**748**	**994**	**2,434**
Minority Interest	1	0	1
Total Debt	555	776	841
Long Term Provisions	6	10	14
Lease Liabilities	21	39	77
Net Deferred Tax Liability	20	13	9
Total Liabilities	**1,351**	**1,833**	**3,376**

Cash Flow Statement (Rs cr)	FY24	FY25	FY26
Cash flow from Operating Activities	241	320	348
Cash flow from Investing Activities	(311)	(443)	(1,262)
Cash flow from Financing Activities	63	138	1,912
Free Cash Flow	(47)	(87)	(2)

RATIOS			
Particulars	**FY24**	**FY25**	**FY26**
Profitability			
Return on Assets	17.5%	15.1%	10.1%
Return on Capital Employed	33.6%	29.7%	19.1%
Return on Equity	39.9%	35.6%	17.1%
Margin Analysis			
Gross Margin	35.5%	35.2%	33.9%
EBITDA Margin	18.3%	17.3%	15.8%
Adj. Net Profit Margin	10.7%	10.3%	9.2%
Short-Term Liquidity			
Current Ratio (x)	1.2	1.1	2.0
Quick Ratio (x)	0.8	0.7	1.5
Avg. Days Sales Outstanding	55	64	64
Avg. Days Inventory Outstanding	68	69	78
Avg. Days Payables	49	54	58
Fixed asset turnover (x)	4.5	4.3	3.7
Debt-service coverage (x)	0.7	0.6	0.7
Long-Term Solvency			
Total Debt / Equity (x)	0.7	0.8	0.3
Interest Coverage Ratio (x)	8.8	7.8	6.9
Valuation Ratios*			
EV/EBITDA (x)	35.9	31.2	24.7
P/E (x)	59.9	50.5	42.9
EV/Sales (x)	6.6	5.4	3.9
P/Sales (x)	6.4	5.2	4.0

Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SBICAP Securities Research

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