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DHOOT TRANSMISSION LIMITED

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IPO Report

10th Aug 26

Snapshot

Company is one of India's leading electrical and electronics ("**E&E**") companies. Company design, engineer, manufacture and supply critical wiring harnesses that integrate electronic sensors and controllers, switches, terminals, connectors, junction boxes, high-voltage interconnection systems and data cables, delivering application-specific architectures across platforms. Company serve both automotive and non-automotive applications, supporting stringent performance, safety and reliability requirements for OEMs. In line with the industry's shift in powertrain, company cater to the spectrum of powertrain architectures across customer segments and end markets. Company manufacture wiring harnesses and electrical distribution systems for internal combustion engine ("**ICE**") vehicles and electric vehicles ("**EV**"). Company's offerings also include battery packs, switches, sensors (such as ABS sensors and lean angle sensors), controllers (such as USB chargers and light control modules) and power supply cords.

VALUATION

Company is bringing the issue at price band of Rs 829-871 per share at p/e multiple of 45x on post issue FY26 basis.
Company has established leadership position in India and scaled operations in 2W and 3W wiring harnesses, supported by an extensive and critical product portfolio. Company is positioned to capitalize on key industry trends, leveraging its differentiated capabilities to deliver sustained growth and value. Company has strong business foundation anchored by a marquee customer base and diversified business mix, enabling sustained growth with strong financial performance
Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	829-871
Opening date of the issue	10th Aug '2026
Closing Date of the issue	12th Aug '2026
No of shares pre issue	18,84,67,612 Eq Shares
Issue Size	Rs 2987-3067 Cr
Fresh Issue	Rs 1400 Cr
OFS	19,137,602 Eq Shares
Face Value (Rs/ share)	Rs 2/share
Bid Lot	17
Employee Discount	Rs 80/share
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 1,75,71,096 eq Shares)
Non-Institutional	15% of the offer (Approx 152,71,330 eq Shares)
Retail	35% of the offer (Approx 1,22,99,769 eq Shares)
Emp Reservation	Upto Rs 6 Cr
Lead managers	Axis Capital, Jefferies India, Kotak Mahindra Capital, Nomura Financial Advisory, SBI Capital Markets, 360 ONE WAM
Registrar to the issue	KFin Technologies Ltd

WHAT WE LIKE

Established leadership position in India and scaled operations in 2W and 3W wiring harnesses, supported by an extensive and critical product portfolio

Company is one of the largest manufacturers of wiring harnesses for the 2W and 3W segments, with market shares that reflect both its scale and its product-critical role in electrical automotive systems. Company's position is underpinned by an extensive product portfolio across model variants and OEM platforms and deep integration in customers' new product development cycles.

Company is positioned to capitalize on key industry trends, leveraging its differentiated capabilities to deliver sustained g rowth and value

Company's wiring harnesses, which incorporate high-voltage interconnections, sensors/controllers and data cables, are foundational to power distribution, signal integrity and control in electrified and software-defined vehicle architectures. The 2W segment was the largest automotive segment in India by volume in Fiscal 2025, and EV penetration in the 2W segment is forecasted to increase from 6.6% in Fiscal 2026 to 25-30% in Fiscal 2031.

Strong financial performance

Company's track record of growth, profitability and efficient use of capital positions company well for continued success and underscores company's commitment to delivering value to its stakeholders. Over the past three Fiscals, company increased profitability. Company's profit after tax for the year increased from ₹2,987.48 million in Fiscal 2024 to ₹3,968.42 million in Fiscal 2026, representing a CAGR of 32.84%. performance.

COMPANY BACKGROUND

Further, company is in the process of developing certain products such as side stand sensors and temperature sensors. Company is amongst the top two players in the wiring harnesses for two-wheelers ("**2W**") and three-wheelers ("**3W**") in India. Company's market share in Fiscal 2026 was 41% (in terms of value) in the 2W and 3W market in India . In India, company is also a leader in wiring harnesses for the electric 2W and 3W segments, with a market share close to 70% in Fiscal 2026 .
Company have a diversified presence across multiple end-markets, extending beyond 2W and 3W into commercial vehicles ("**CVs**"), off-highway vehicles ("**OHW**"), and farming and industrial equipment.
Approximately 95% of company's auto product portfolio is either EV-focused or powertrain-neutral, enabling applicability across ICE, hybrid and battery-electric architectures. This positions company's content to align with the long-term electrification trend of the automotive industry. Company's architecture-agnostic products support sustained demand through model cycles and regulatory developments. Company maintain a strategic emphasis on the premium 2W vehicle category (150 cc and above), which offers superior kit value per vehicle. By Fiscal 2031, the ICE premium motorcycle (150 cc and above) segment is forecasted to grow at a CAGR of 6-9% as compared to the ICE motorcycle industry, which is forecasted to grow at a CAGR of 4-6%. (*Source: CRISIL Report*).

Company's 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. Company believe this has enhanced company's presence across multiple vehicle platforms and architectures, improving value realization and deepening integration with its OEM customers.

As electric vehicle adoption accelerates and platform complexity increases, company expect company's kit value per vehicle to remain aligned with premium, feature-rich configurations, supporting durable growth in kit value and share of bills of material.
As on March 31, 2026, company had 22 operational manufacturing facilities, three engineering and design support centers and seven warehouses across India and key international locations, providing access to major automotive clusters in India and globally. As on date of this Red Herring Prospectus, company have 23 operational manufacturing units across India and outside India. Further, as on date of this Red Herring Prospectus, company have 2 under construction plants in India, for which company have either applied for relevant license or will be applying for relevant licenses and approvals at the appropriate stage.

OBJECTS OF OFFER

The Offer comprises a Fresh Issue of Equity Shares of face value of ₹2 each, aggregating up to ₹14,000.00 million by Company and an Offer for Sale of up to 19,137,602 Equity Shares of face value of ₹2 each, by the Selling Shareholders.
Fresh Issue
The net proceeds of the Offer, i.e., gross proceeds of the Fresh Issue less the Offer related expenses to be borne by the Company in relation to the Fresh Issue ("Net Proceeds") are proposed to be utilised in the following manner:

1. Repayment/prepayment, in full or in part, of all or certain outstanding borrowings availed by Company;
2. Investment in certain of company's Subsidiaries, namely, Dhoot Autocomponents Private Limited, Dhoot Automotive Systems Private Limited and Dhoot Transmission UK Limited, for repayment/prepayment, in full or part, of all or certain of the outstanding borrowings availed by Dhoot Autocomponents Private Limited, Dhoot Automotive Systems Private Limited and Dhoot Transmission UK Limited.
3. Setting up of a new wiring harness manufacturing plant by Company at (i) Sector 11, Jhajjar, Haryana, India ("Jhajjar Wiring Harness Plant"), and (ii) Shoolagiri, Hosur, Tamil Nadu, India ("Hosur Wiring Harness Plant")
4. Funding inorganic growth through acquisitions and general corporate purposes.

RISKS

Company derived a significant portion of its revenue from operations (₹29,626.97 million, ₹23,049.09 million and ₹18,052.79 million, i.e. 65.47%, 66.91% and 64.53%, in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively) from the two-wheeler ("2W") automotive sector in India, and ₹5,817.77 million, ₹4,305.00 million and ₹3,275.70 million, i.e. 12.86%, 12.50% and 11.71%, in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively, from the three-wheeler ("3W") automotive sector in India, in each case primarily through the sale of wiring harnesses, which constituted 77.08%, 78.00% and 81.93% of its revenue from operations in Fiscals 2026, 2025 and 2024, respectively. Any adverse changes in these sectors in India, or in demand for, pricing of or technology relating to wiring harnesses, could adversely impact company's business, results of operations, cash flows and financial condition.

Source:RHP

Consolidated Financials (Rs in Mn)

Financials	FY24	FY25	FY26
Total Revenue (A)	27977.26	34448.63	45249.55
Total Expenditure (B)	22853.25	28539.1	38139.66
EBIDTA	5124.01	5909.53	7109.89
EBIDTA Margin	18.31	17.15	15.71
Other Income	15.89	273.73	387.45
Depreciation	763.85	932.77	1225.44
EBIT	4376.05	5250.49	6271.90
Interest	494.71	674.65	912.44
PBT	3881.34	4575.84	5359.46
Share of profit in Asso	0.95	0.00	0.00
PBIT	3880.39	4575.84	5359.46
Exceptional	0.00	0.00	-202.59
PBT	3880.39	4575.84	5156.87
Tax	894.78	1037.07	1188.45
PAT	2985.61	3538.77	3968.42
NPM	10.67	10.27	8.77
ROE%	40.32	36.18	16.55
EPS	20.83	24.31	24.40
Eq Cap	172.11	175.86	376.91
Net Worth	7,482.56	9,935.68	24,343.42

(Source: RHP)

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