Arihant Capital
Generating Wealth

IPO Note
10th August, 2026

Dhoot Transmission Ltd

Neutral

Rating: Neutral

Issue Offer

Total issue size:
Fresh - INR 14,006 Mn (16.08 Mn shares)
OFS – INR 16,669 Mn (19.14 Mn shares)

Issue Summary	
Price Band (INR)	829-871
Face Value (INR)	2
Implied Market Cap (INR Mn)	1,78,161.36
Market Lot	17
Issue Opens on	10th August, 26
Issue Close on	12th August, 26
No. of share pre-issue	18,84,67,612
No. of share post issue	20,45,48,057
Listing	NSE, BSE

Issue Break-up (% of Total Issue)	
QIB Portion	50
Retail Portion	35
NII Portion	15

Book Running Lead Managers
Axis Capital Limited
Jefferies India Private Limited
Kotak Mahindra Capital Company Limited
Nomura Financial Advisory and Securities (India) Private Limited
SBI Capital Markets Limited
360 ONE WAM Limited

Registrar
Kfin Technologies Limited

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	91.48%	67.62%
Public & Others	8.52%	32.38%

Objects of the Issue	
Repayment/ prepayment, in full or part, of all or certain outstanding borrowings availed by our Company	4,648.02
Investment in certain of our Subsidiaries, namely, Dhoot Autocomponents Private Ltd, Dhoot Automotive Systems Pvt Ltd and Dhoot Transmission UK Ltd, for repayment/prepayment, in full or part, of all or certain of the outstanding borrowings availed by these Subsidiaries.	3,017.73
Setting up of a new wiring harness manufacturing plant of our Company at (i) Sector 11, Jhajjar, Haryana, India; and (ii) Shoolagiri, Hosur, Tamil Nadu, India	1,500

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Dhoot Transmission Limited is a leading Indian automotive electrical and electronics component manufacturer, engaged in the design, engineering and production of wiring harnesses, electrical distribution systems, battery packs, sensors, switches and electronic components for two-wheelers, three-wheelers, passenger vehicles, commercial vehicles and EVs. The Company is among the top two players in India's combined 2W and 3W wiring-harness market, with a 41.03% market share by value in FY26, and is the market leader in EV 2W and 3W wiring harnesses with a ~70% market share, according to the CRISIL report commissioned for the IPO. It supplies leading OEMs including Bajaj Auto, TVS Motor, Honda Motorcycle & Scooter India and Royal Enfield, and has expanded its manufacturing footprint across India and international markets. With EV revenue contributing 24.17% of FY26 revenue, Dhoot is well positioned to benefit from rising vehicle electrification and increasing electronic content per vehicle, supported by planned capacity expansion to cater to future OEM and EV demand.

Investment Rationale:

EV-Led Growth Opportunity: EV revenue increased to 24.17% of FY26 revenue from 16.19% in FY24, highlighting the Company's growing exposure to vehicle electrification. Its ~70% share of the EV 2W/3W wiring-harness market provides a strong base to capture faster EV-specific growth.

Strong Financial Growth: Revenue grew from INR 27,977.26 million in FY24 to INR 45,249.55 million in FY26, while PAT increased from INR 2,987.48 million to INR 3,968.42 million, a PAT CAGR of 32.84%. Capacity utilisation also improved to 74.26% in FY26, supporting further volume growth.

Diversified Product & Geographic Footprint: The Company has expanded beyond wiring harnesses into sensors, electronic controllers, switches and other automotive electrical components, while operating across multiple geographies. Its 22 manufacturing facilities and 495 customers in FY26 provide scale across vehicle categories and markets.

Structural Tailwinds with Key Concentration Risks: Rising electrification, connectivity and electronic content per vehicle should support long-term demand for Dhoot's products. However, the top 10 customers contributed 80.93% of FY26 revenue, with Bajaj Auto alone accounting for 31.84%, while 2W and wiring harnesses contributed 65.47% and 77.08%, respectively, creating meaningful customer and product concentration risks.

Valuation & Outlook:

Dhoot Transmission is positioned to benefit from rising EV adoption and higher electronic content per vehicle, supported by established OEM relationships and a planned ₹225 crore expansion in Haryana and Tamil Nadu that will increase wiring-harness capacity by approximately 23%. The key concerns are execution risk in commissioning these facilities and margin sensitivity to rising copper prices, which contributed to material costs reaching 67.82% of FY26 revenue and reduced EBITDA margins to 15.71. At the upper band of INR 871, the issue is valued at a P/E ratio of 44.89x, based on annualized EPS of INR 19.40. Considering the Company's EV opportunity and planned capacity expansion, balanced against input-cost volatility, execution risk and premium valuation, **we assign a "Neutral" rating.**

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	27977.26	34448.63	45249.55
Growth (% YoY)		*23.13%*	*31.35%*
EBITDA	5125.01	5970.2	7134.7
Margins	*18.32%*	*17.33%*	*15.77%*
PAT	2987.48	3538.87	3968.42
Margins	*10.68%*	*10.27%*	*8.77%*

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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