AMBIT
Acumen at work
Institutional Equities

Dhoot Transmission

BUY

INITIATING COVERAGE	DHOOTTRA IN EQUITY	August 19, 2026

Wired for India's EV surge

DTL leads 2/3W wiring harness with 41% share, and ~70% in E-2/3W. Non-wiring harness portfolio of battery packs, sensors, controllers & chargers that posted 49% CAGR in FY23-26 allows DTL to capture widening E&E TAM. EVs form 24% of revenue; to reach 33% by FY29E as E-2W hit inflection point (+81% YoY in 4MFY27, 11% penetration in Jul'26). Higher WH content in E-2/3W vs ICE and rising electronics content provide long-term growth visibility. A structured apprentice recruitment machinery optimizes labour costs at 700-800bps below MSUMI. This along with backward integration into connectors, switches & sensors since FY23 sharpens cost edge, enabling market share gains and margin expansion. We see inorganic potential to tap into the 4W E&E space which can open up large TAM. Expect PAT CAGR of 31% over FY26-29. DCF-based TP of ₹1,598 implies 42x FY28E P/E; 6% above sector average given fuel-agnostic portfolio vs mixed exposure for sector, category leadership, cost edge and rising TAM.

Competitive position: STRONG — Changes to this position: POSITIVE

Structural beneficiary of 2/3W electrification and expanding E&E TAM

DTL has ~70% market share in E-2/3W with presence across BJAUT, TVS & ATHER among major OEMs. We believe the pace of electrification will be the fastest in 2W, leading to rapid expansion in overall TAM as CPV in E-2W is ~2x of that in ICE 2W. Value engineering by OEMs (like in Ather's upcoming EL platform) could limit CPV differential over time but 1.5x is the floor.

Backward integration and labour cost control give competitive advantage

Backward integration into wiring harness components like connectors, terminal cords, etc. via reverse engineering imports has aided margin expansion and increased localization. Also, DTL has put in place a machinery to recruit apprentices under various state/central programs, optimizing labour cost in a highly labour-intensive business of wiring harness, thereby gaining cost advantage over peers.

Competitive and CPV position better than peers like MSUMI

DTL has a leadership position in E-2/3W WH, which is witnessing the fastest pace of electrification and offers high CPV differential. This puts DTL in a sweet spot vs MSUMI which derives ~60% of revenue from PVs where electrification pace (hence TAM expansion) is slower, with APTIV being the dominant player in the HV wiring harness where CPV growth lies.

Potential to tap 4W TAM & fuel-agnostic portfolio deserve a premium

DTL's track record of organic product development and backward integration along with ability to develop OEM relationships in 2/3W create potential to address 4W E&E TAM organically or via M&A. TP-implied 42x FY28E P/E is 6% higher than auto ancillary universe as we believe the company offers a better growth profile with fuel-agnostic offerings. Sharp fall in CPV differential of EVs over ICE, dilution of Apprentices Act and slowdown in E-2/3W penetration are key risks to our BUY thesis.

Key Financials

Year to March (₹ mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	34,449	45,250	56,823	67,540	78,764
EBITDA margin	17.3%	15.8%	15.0%	16.4%	16.7%
EPS (diluted)	24	24	26	38	45
pre-tax RoCE	32.3%	22.9%	17.0%	18.5%	19.4%
P/E	54	54	51	35	29

Source: Company, Ambit Capital research

Auto Ancs

Recommendation

Mcap (bn):	₹267/US$2.8
6M ADV (mn):	-
CMP:	₹1306
TP (12 Mths):	₹1,598
Upside (%):	22

Flags

Accounting:	AMBER
Predictability:	AMBER
Earnings Momentum:	GREEN

Catalysts

- E-2W sales volume growth above 50% YoY in FY27E to drive revenue growth >26% in FY27E.
- EBITDAM >15% in FY27E.
- Opportunities to tap into 4W TAM for wiring harness and overall E&E.

Abbreviations: E&E – Electronics and Electrical, DTL – Dhoot Transmission Ltd., CPV – Content Per Vehicle, WH - Wiring Harness

Research Analysts

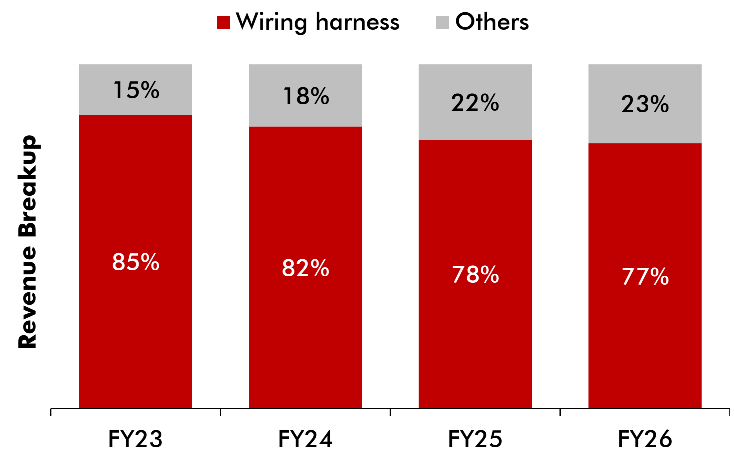
Viraj Sanghvi
+91 22 66233109
viraj.sanghvi@ambit.co

Amey Dargude
+91 22 66233225
amey.dargude@ambit.co

Raghvendra Goyal
+91 22 66233257
raghvendra.goyal@ambit.co

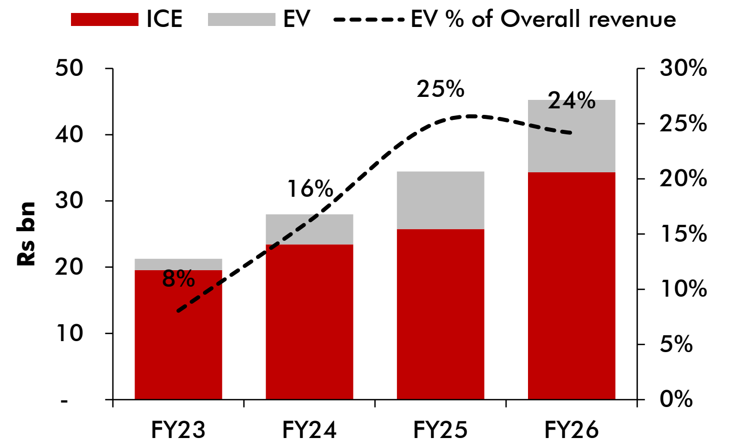
Narrative in charts

Exhibit 1: Non-wiring harness components' share in overall revenue has risen 8ppt over FY23-26



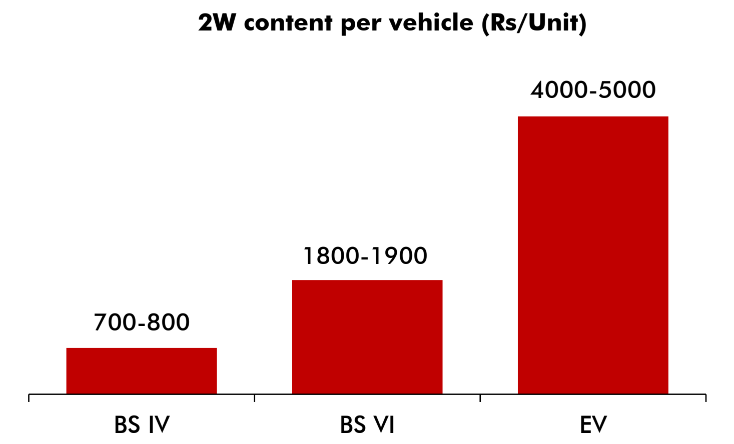
Source: Company, Ambit Capital research, Others – 2W Battery pack assembly, sensors, controllers, switches

Exhibit 2: Share of EV end use in its revenue has also risen sharply, led by EV penetration in 2/3W



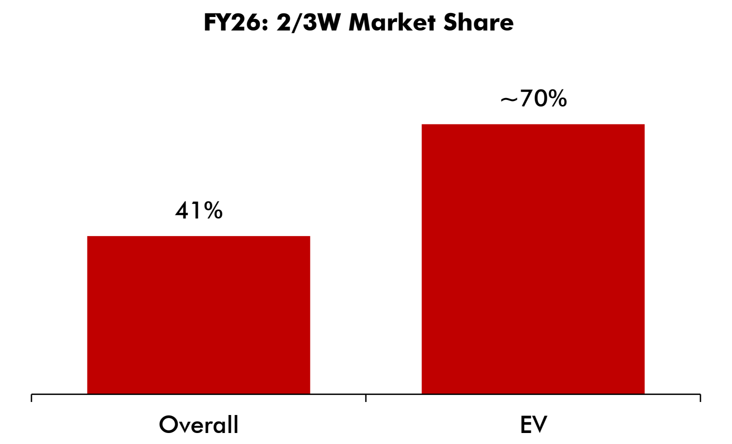
Source: Company, Ambit Capital research

Exhibit 3: Wiring harness content per vehicle has risen manifold from BS IV levels



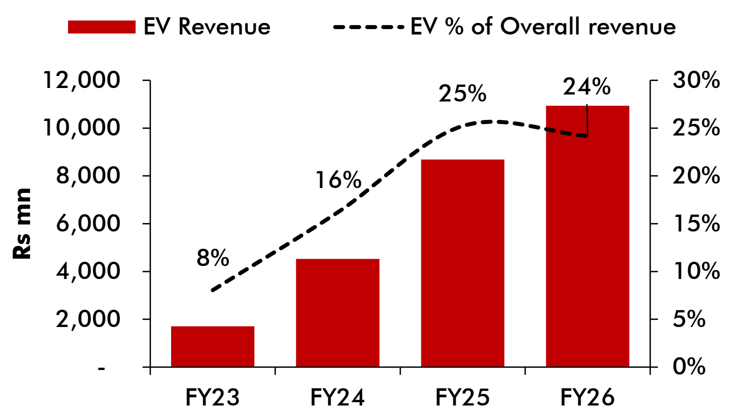
Source: Ambit Capital research

Exhibit 4: DTL has a dominating position in the E-2/3W industry with a higher share of business from leading OEMs



Source: Company, Ambit Capital research

Exhibit 5: DTL's EV end-use revenue has grown at 86% CAGR over FY23-26 as EV penetration in 2/3W picked up sharply

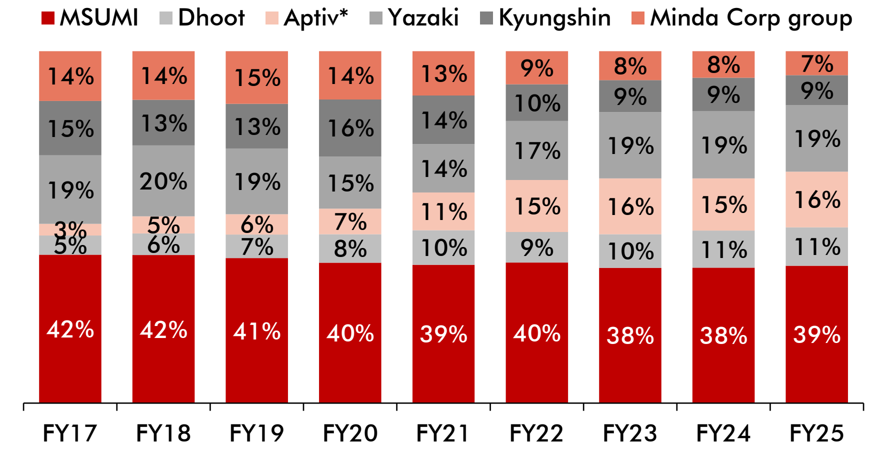


Source: Company, Ambit Capital research

Exhibit 6: DTL's clientele in E-2/3W comprise almost all major players in the space

Source: Ambit Capital research, Note: Acquisition of Multilink adds more OEM customers covered later in this note

Exhibit 7: Dhoot has gained ~500bps revenue market share in the overall wiring harness space over FY17-25 despite no presence in PVs



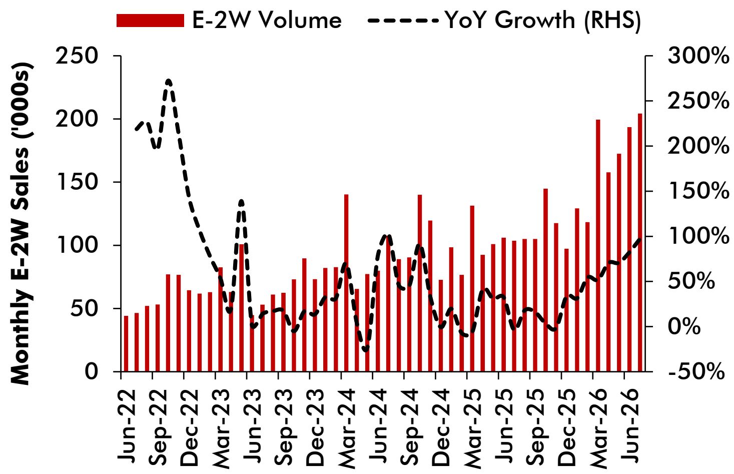
*Source: MCA Filings, Ambit Capital research, *Signal & Power distribution segment, Note: Minda Corp Group includes Minda Corp and Furukawa-Mind's wiring harness business*

Exhibit 8: Dhoot largely competes with MSUMI and Minda Corp in its 2/3W presence

Company	Customers
MSUMI	MSIL, TTMT, MM, Toyota, RE, HMSI, Suzuki, Yamaha
Yazaki	MSIL, TTMT, MM, Toyota, Honda Cars, Ashok Leyland
Kyungshin	HMIL, KIA
Minda Corp	HMCL, HMSI, BJAUT, TVS, Yamaha, RE. MSIL, Renault-Nissan, Honda Cars for Minda Furukawa
Dhoot	BJAUT, TVS, RE, HMSI, VECV, Hero Electric, Ather, Suzuki, KTM
Aptiv	TTMT, MM, VW, FCA

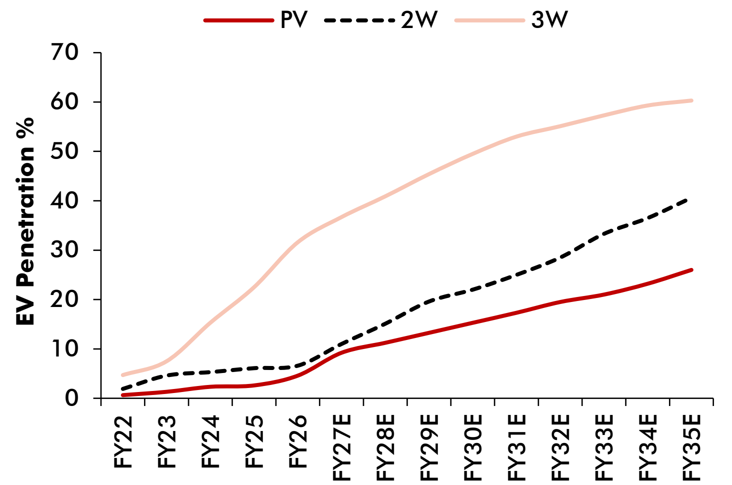
Source: Ambit Capital research

Exhibit 9: E-2W sales volumes have been rising rapidly, growing 81% YoY in 4MFY27



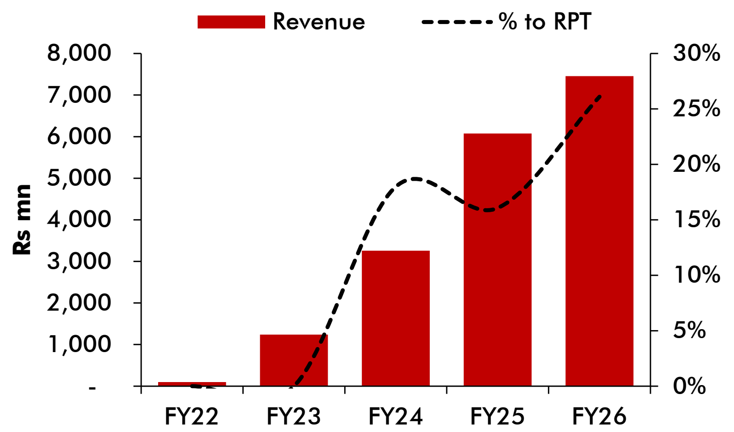
Source: FADA, Ambit Capital research

Exhibit 10: We expect EV penetration in 2W/3W to reach 25%/53% by FY31E, driving WH and overall E&E TAM



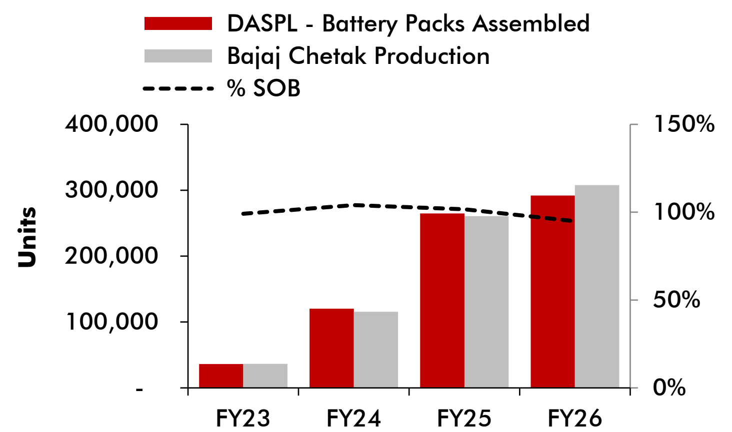
Source: SIAM, Ambit Capital research

Exhibit 11: DASPL (housing non-WH products) revenue has started ramping up sharply from FY23 onwards, with third-party sales being dominant



Source: Company, MCA Filings, Ambit Capital research

Exhibit 12: Battery pack assembly has mirrored BJAUT's E-2W production



Source: Company, SIAM, Ambit Capital research

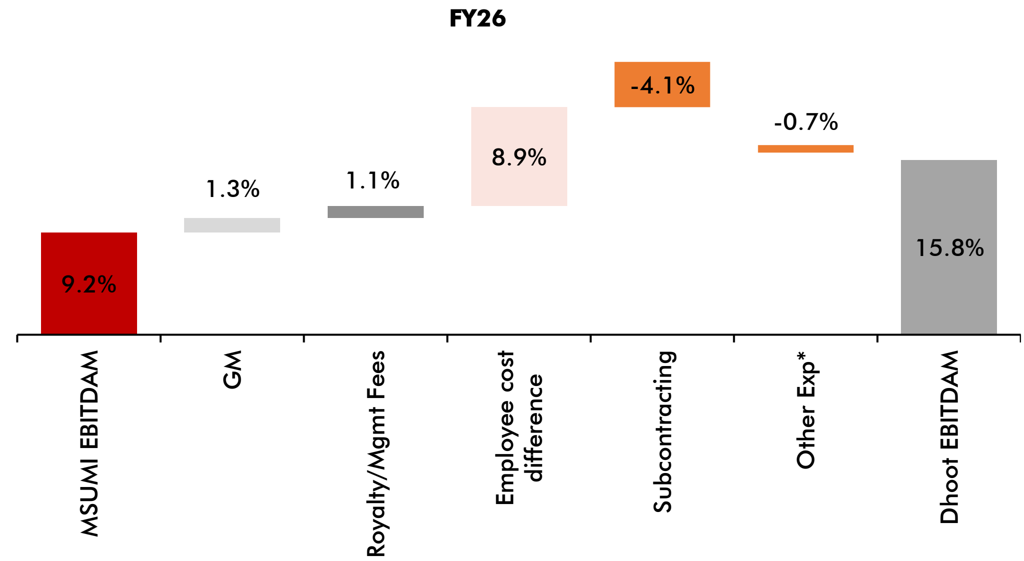
Exhibit 13: Multilink acquisition allows entry into HMCL and includes a marquee clientele

Source: Multilink BTA, Ambit Capital research

Exhibit 14: Multilink's acquisition adds fuel level sensors and relays to DTL's offerings while adding ~₹4.5bn in existing annual revenue run rate

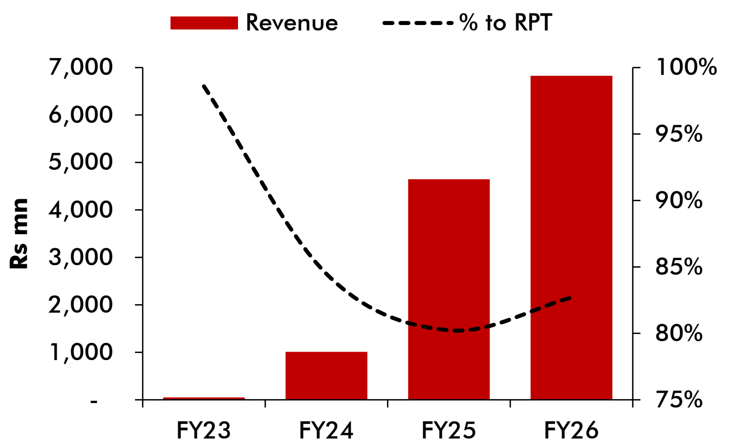
Source: Multilink BTA, Company, Ambit Capital research

Exhibit 15: Optimisation of employee cost via recruitment of apprentices provides a big cost advantage to DTL in addition to its backward integration efforts



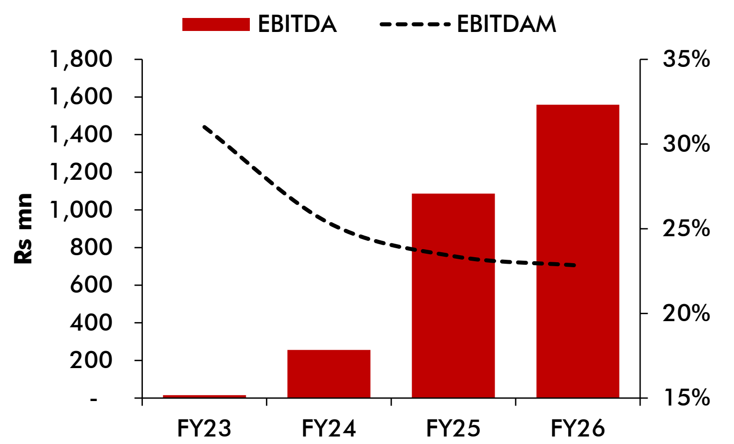
*Source: Company, Ambit Capital research, *Ex of Royalty/Mgmt Fees/Subcontracting*

Exhibit 16: DACPL, an entity that housed the backward integration products, saw a ramp-up from FY24



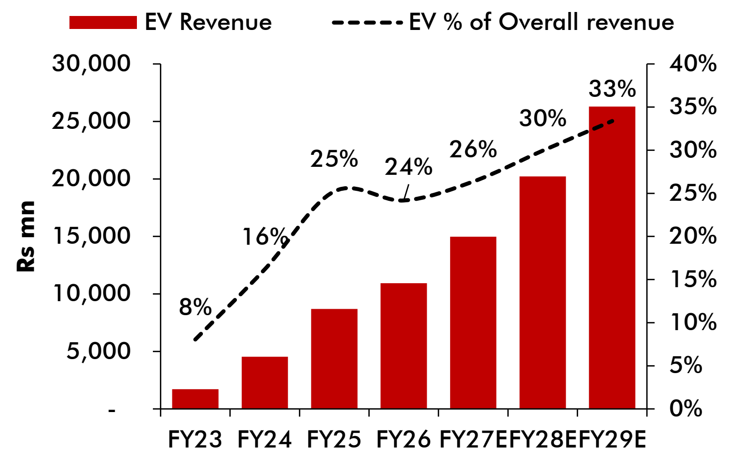
Source: Company, Ambit Capital research

Exhibit 17: EBITDAM at DACPL is sharply ahead of SA wiring harness margins of DTL, aiding consol margin expansion



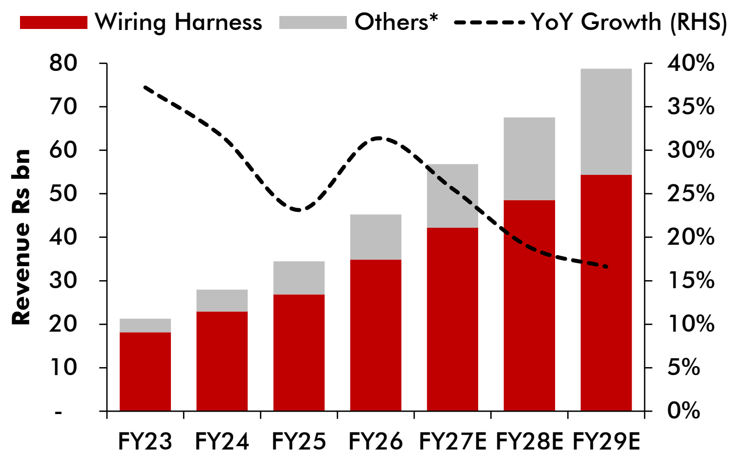
Source: Company, Ambit Capital research

Exhibit 18: We expect EV to contribute 1/3rd of revenue by FY29E on the back of volume and content growth



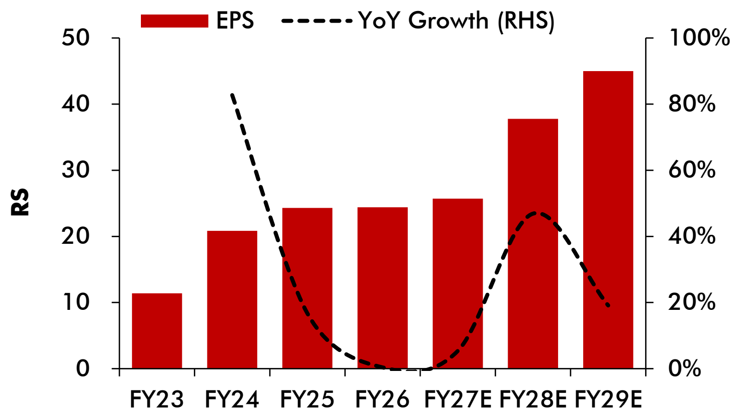
Source: Company, Ambit Capital research

Exhibit 19: We expect 20% consol. revenue CAGR over FY26-29E with 16%/33% CAGR for WH/Other products



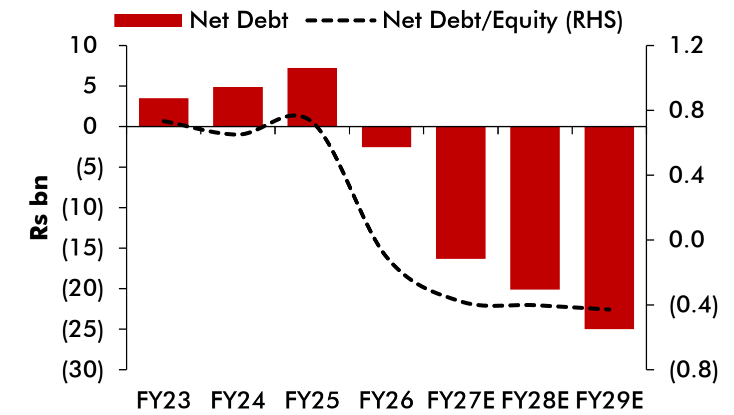
Source: Company, Ambit Capital research

Exhibit 20: We expect EPS CAGR of 23% over FY26-29E vs PAT CAGR of 30% due to dilution



Source: Company, Ambit Capital research

Exhibit 21: We do not build potential M&A currently, but net cash position allows room for EPS expansion via M&A



Source: Company, Ambit Capital research

Exhibit 22: At 40% MS in 2/3W and 15% assumed MS in PVs in FY45E, Wiring harness revenue from 2/3W and PVs itself would comprise 40% of our DCF implied FY45E revenue, while the rest 60% would comprise non-wiring harness components

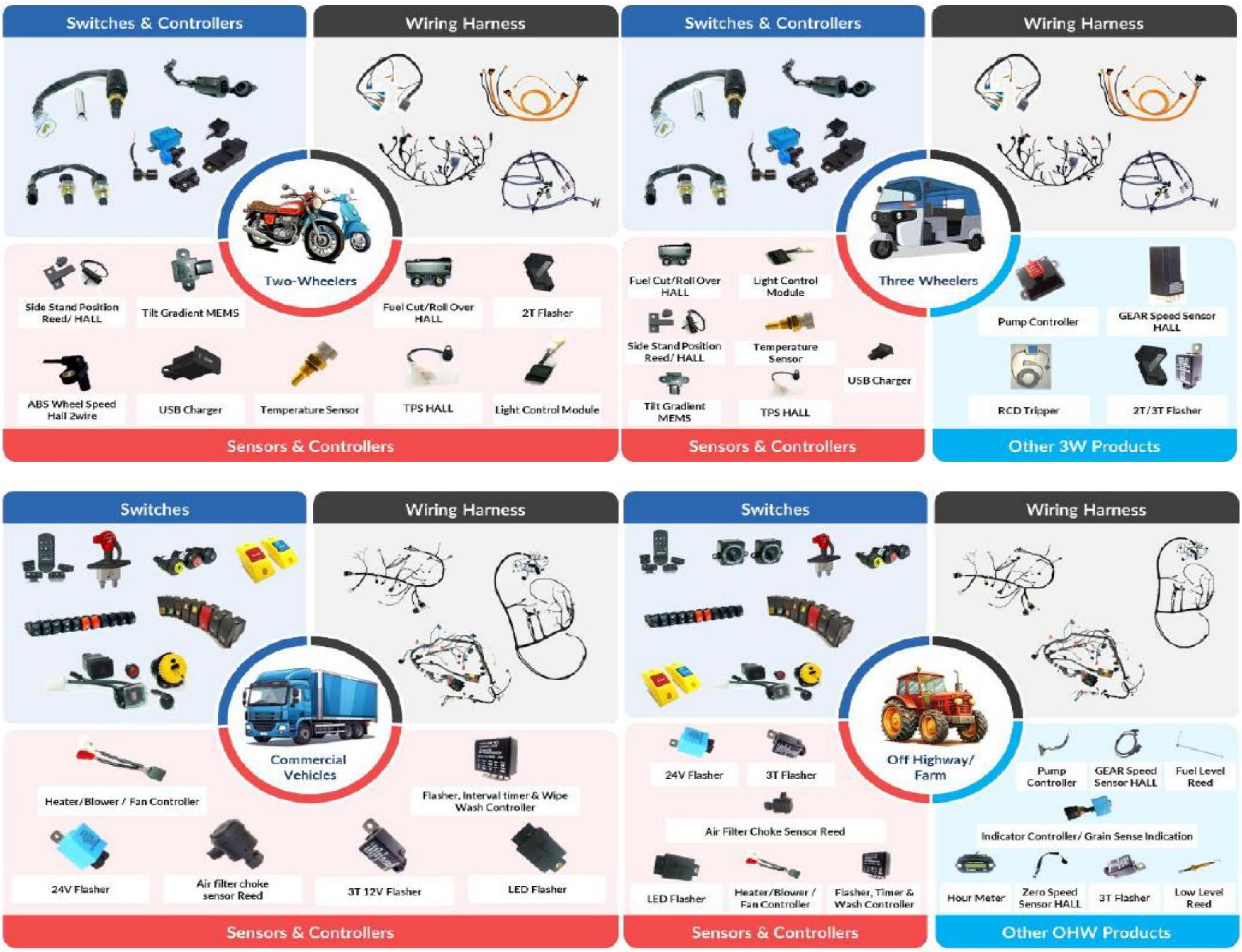
WH Market Size (₹ mn)	FY25	FY26	FY27E	FY28E	FY29E	FY30E	FY37E	FY40E	FY45E	CAGR FY26-37E	CAGR FY26-40E	CAGR FY26-45E
PV	**110,106**	**137,700**	**167,083**	**194,142**	**221,303**	**249,777**	**443,955**	**513,810**	**586,059**	**11.2%**	**9.9%**	**7.9%**
ICE	103,517	123,557	134,542	149,188	162,264	174,704	238,202	270,204	313,887	6.1%	5.7%	5.0%
EV	6,588	14,143	32,541	44,954	59,039	75,073	205,753	243,605	272,171	27.6%	22.5%	16.8%
2W	**48,439**	**54,422**	**66,303**	**78,950**	**92,481**	**106,168**	**223,583**	**276,135**	**330,678**	**13.7%**	**12.3%**	**10.0%**
ICE	42,611	47,374	52,613	57,442	61,115	66,613	79,897	93,895	112,211	4.9%	5.0%	4.6%
EV	5,828	7,048	13,690	21,508	31,366	39,554	143,686	182,240	218,467	31.5%	26.2%	19.8%
3W	**3,859**	**5,136**	**6,722**	**8,366**	**9,971**	**11,518**	**21,992**	**26,752**	**29,484**	**14.1%**	**12.5%**	**9.6%**
ICE	2,441	2,669	3,112	3,509	3,744	3,891	5,471	6,554	7,442	6.7%	6.6%	5.5%
EV	1,418	2,466	3,609	4,857	6,227	7,627	16,521	20,198	22,043	18.9%	16.2%	12.2%
2W+3W	**52,298**	**59,557**	**73,025**	**87,316**	**102,452**	**117,686**	**245,575**	**302,887**	**360,163**	**13.7%**	**12.3%**	**9.9%**
ICE	45,052	50,043	55,726	60,951	64,860	70,504	85,368	100,449	119,653	5.0%	5.1%	4.7%
EV	7,245	9,514	17,299	26,365	37,592	47,182	160,207	202,438	240,510	29.3%	24.4%	18.5%

Source: Ambit Capital research

Business is in a sweet spot for growth

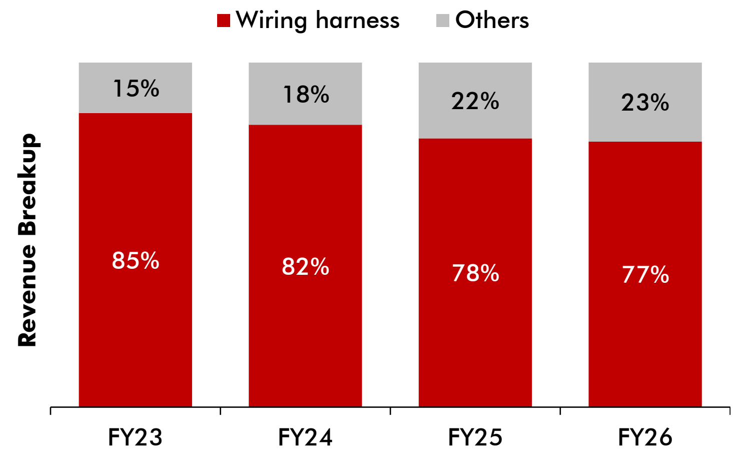
Dhoot Transmission (DTL) started off with the wiring harness business in 2000, growing primarily with BJAUT in its early years. Now its portfolio is complemented by new products in Electronics, Switches, Sensors, and products exclusively required for EV vehicles with non-wiring harness components comprising 23% of its FY26 revenue. The Group is also fully backward integrated for most of its requirements. In FY26, DTL reached a market share of 41% in 2/3W wiring harness and ~70% in E-2/3W. With EV penetration rising rapidly in 2/3W, DTL is well placed to capitalize on the rapid expansion of TAM as CPV increases by 1.5-2.5x in EVs over ICE. New acquisitions like Multilink provide access to vendor codes for HMCL and other relays, switches, chargers, sensors, and electronic products. DTL is well-placed to capture growth from underlying volumes, CPV expansion in existing products, and new product additions due to its OEM ties, backward integration, and adaptive product innovation capabilities.

Exhibit 23: DTL's offerings include sensors, switches, controllers, and battery pack assembly beyond its traditional wiring harness offering for all vehicle segments ex-PVs



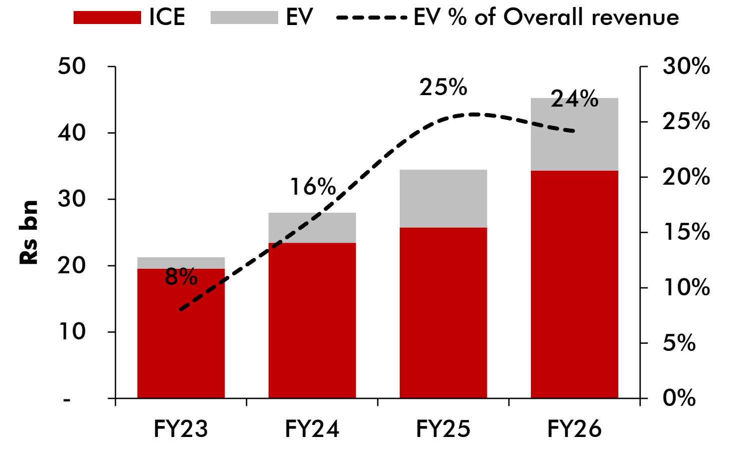
Source: Company, Ambit Capital research

Exhibit 24: Non-wiring harness components' share in the overall revenue has risen 8ppt over FY23-26



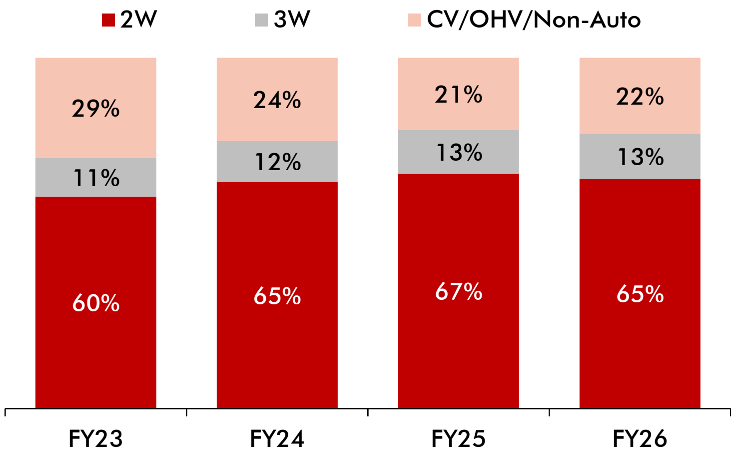
Source: Company, Ambit Capital research, Others – 2W Battery pack assembly, sensors, controllers, switches

Exhibit 25: Share of EV end use in its revenue has also risen sharply, led by EV penetration in 2/3W



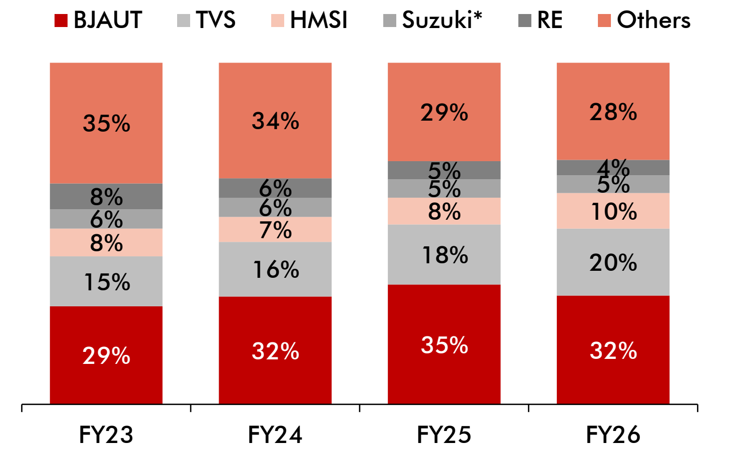
Source: Company, Ambit Capital research

Exhibit 26: Close to 80% of the business is with 2/3W OEMs, while the rest is CVs/OHVs and Non-autos



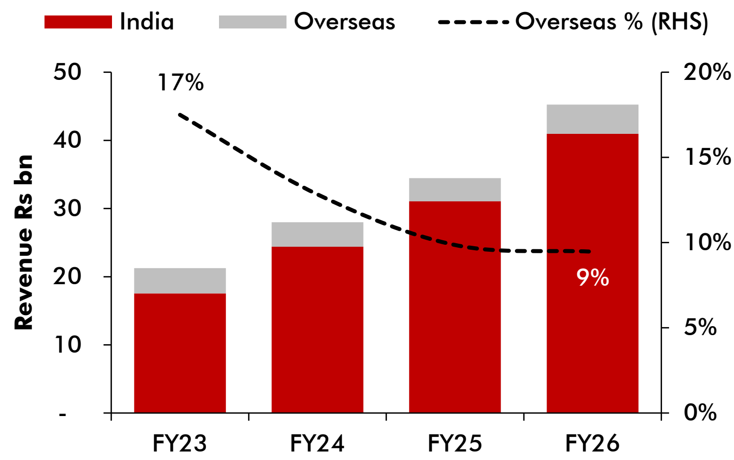
Source: Company, Ambit Capital research, No PV business currently, and aftermarket for wiring harness isn't meaningful

Exhibit 27: Successfully diversified away from dependence on BJAUT with TVS business growing fastest



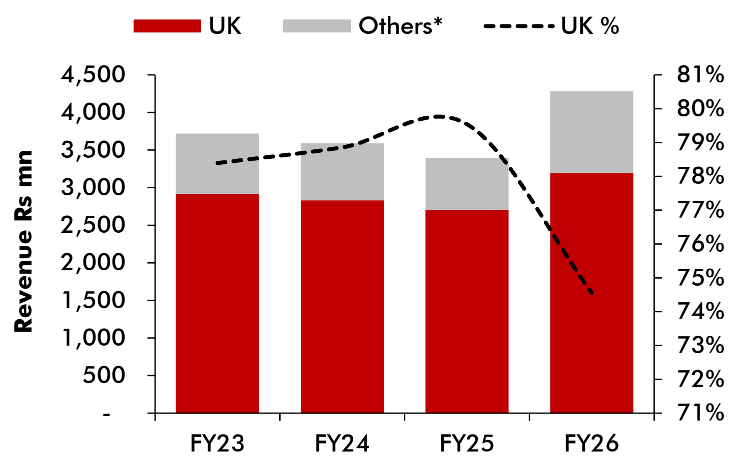
*Source: Company, Ambit Capital research, *Our assumption – company mentions 2W OEM*

Exhibit 28: Overseas revenue now at only 9% of overall sales



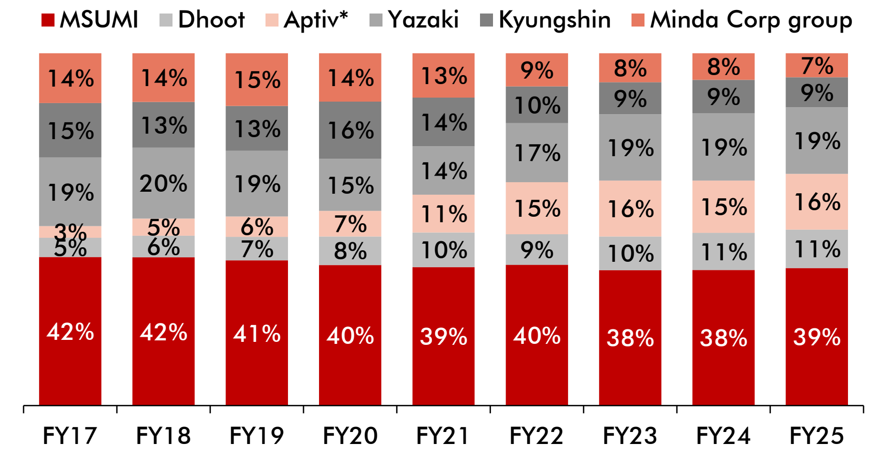
Source: Company, Ambit Capital research

Exhibit 29: UK comprises ~75% of overseas revenue for DTL



*Source: Company, Ambit Capital research, *Thailand, Korea, Vietnam, Germany*

Exhibit 30: Dhoot has gained ~500bps revenue market share in the overall wiring harness space over FY17-25 despite no presence in PVs



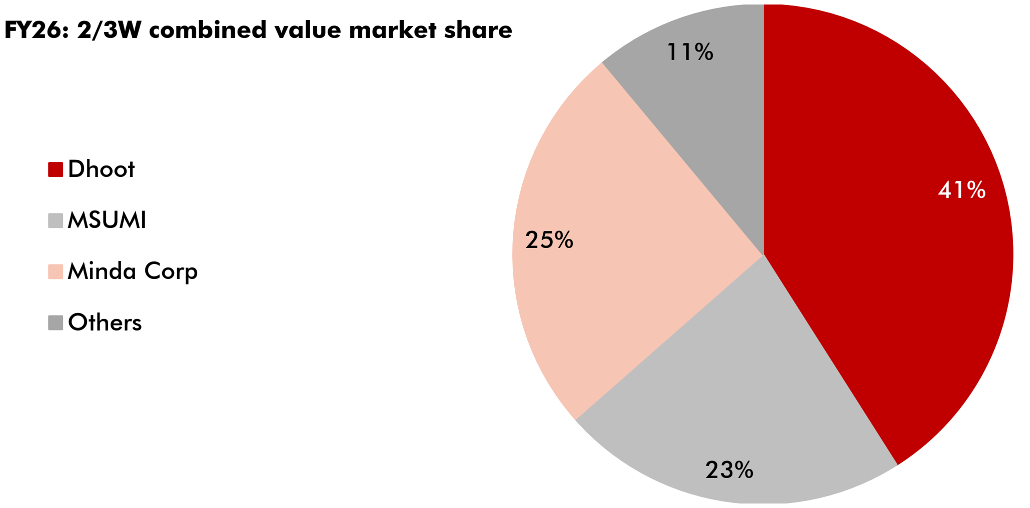
*Source: MCA Filings, Ambit Capital research, *Signal & Power distribution segment, Note: Minda Corp Group includes Minda Corp and Furukawa-Mind's wiring harness business*

Exhibit 31: Dhoot largely competes with MSUMI and Minda Corp in its 2/3W presence

Company	Customers
MSUMI	MSIL, TTMT, MM, Toyota, RE, HMSI, Suzuki, Yamaha
Yazaki	MSIL, TTMT, MM, Toyota, Honda Cars, Ashok Leyland
Kyungshin	HMIL, KIA
Minda Corp	HMCL, HMSI, BJAUT, TVS, Yamaha, RE. MSIL, Renault-Nissan, Honda Cars for Minda Furukawa
Dhoot	BJAUT, TVS, RE, HMSI, VECV, Hero Electric, Ather, Suzuki, KTM
Aptiv	TTMT, MM, VW, FCA

Source: Ambit Capital research

Exhibit 32: Dhoot Transmission holds a dominant 41% value market share in 2/3W wiring harness in India



Source: Company, MSUMI, Minda Corp, Ambit Capital research

Exhibit 33: While DTL has disclosed a 41% market share in wiring harness, its OEM-wise share of business is also high, indicating that entry into large OEMs can hold the potential to quickly gain market share

OEM Customer	FY26	FY26 - Production Units (SIAM)						
	Revenue~	2W	3W	Total	Avg. CPV (₹)*	Current TAM (₹ mn)	SOB	% of Mkt
BJAUT	14,408	4,362,638	801,892	5,164,530	4,000	20,658	70%	18%
TVS	8,877	5,574,307	219,802	5,794,109	2,500	14,485	61%	21%
HMSI	4,704	6,318,639	-	6,318,639	2,200	13,901	34%	23%
Suzuki^	2,362	1,442,817	-	1,442,817	2,000	2,886	82%	5%
RE	2,028	1,241,256	-	1,241,256	2,750	3,413	59%	4%
Others (Balancing)	3,065	7,755,895	279,111	8,035,006	1,800	14,463	21%	29%
Total	**35,445**	**26,695,552**	**1,300,805**	**27,996,357**	**2,493**	**69,806**	**46%**	**100%**

*Source: Company, Ambit Capital research, ~Includes Wiring harness and other components including battery pack, *our assumption based on 2W/3W mix, EV mix and number of components provided to the customer, ^Our assumption of 4th largest customer which RHP mentions as a Japanese 2W OEM*

Exhibit 34: Dhoot Transmission scores well on John Kay's IBAS structure

Category	Score	Comments
Innovation		Dhoot's product line has tracked the EV transition through the development of products such as sensors, switches, cords, chargers, and controllers, and the development of battery pack assemblies. However, it lacks a proprietary process or products to create a niche offering.
Brand		Reputation is entirely B2B — trust earned through OEM qualification and long-standing vendor status rather than any consumer-facing brand. This is genuinely valuable in a vendor-code-gated industry but isn't independently transferable outside existing OEM relationships.
Architecture		JIT/JIS plants co-located with OEMs and a multi-entity structure (DTL, DASPL, DACPL, DESPL) built around specialization create relational knowledge that's hard to replicate quickly. The company has also been able to put in place a system that gives it a cost advantage on the labour front over its peers.
Strategic Assets		Vendor codes for large OEMs and high market share/share of business with OEMs on growing platforms create strategic growth assets. Acquisition of Multilink further strengthens this argument.

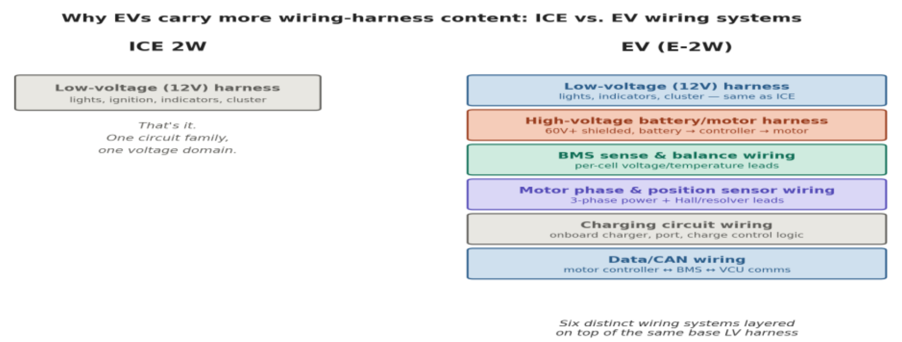
Source: Company, Ambit Capital research, - Indicates strong positioning; - Indicates above-average positioning; - Indicates average positioning; - Indicates weak positioning.

Structural beneficiary of 2/3W electrification

2/3W segment is witnessing the highest pace of EV penetration in the Indian automotive space. Policy support, lower total cost of ownership compared to ICE parallels, narrowing acquisition cost gap, lower maintenance, new-age advanced features, and an expanding EV portfolio among industry participants are driving penetration. Extension of the PM E-drive subsidy till Mar'28 removes any hurdles to continuing this momentum. In DTL's context, E-2/3W have ~2x the wiring harness content compared to ICE 2/3W due to High-Voltage requirements stemming from battery, motor, inverter, BMS, and charging applications, along with added features in EVs, in addition to traditional low-voltage applications in ICE. Hence, TAM for WH is growing the fastest in the 2/3W space, with a long runway for expansion, as we expect EV penetration to rise from 6.6%/31.6% in FY26 to 22%/49.5% by FY30E for 2/3W. Further penetration scope is after FY30E, and, along with added electronics, safety content, and premium features, will drive E&E TAM expansion. DTL's product innovation track record will allow it to capitalize on this long-term E&E TAM expansion runway.

Dhoot Transmission holds a dominant market share of ~70% in the E-2/3W segment and holds a significant share of business with TVS, BJAUT, Ather, and others for their EV offerings. A change in vehicle architecture and bunching of components have the potential to bring the differential content down from the current 2x, but the presence of the Motor, controller, battery, and BMS in EVs sets a structural floor at ~1.5x vs ICE. In our estimates, we expect the CPV differential for wiring harness assembly in EVs over ICE vehicles to settle at ~1.5x by FY45E, as value engineering efforts are offset to some extent by rising features, electronics, and safety content.

Exhibit 35: EVs carry more and complex wiring harness content compared to ICE due to battery, motor, controller, BMS, charging, etc



Source: Company, Ambit Capital research

Exhibit 36: Applications rise considerably in EVs, necessitating higher and more complex wiring harness requirements

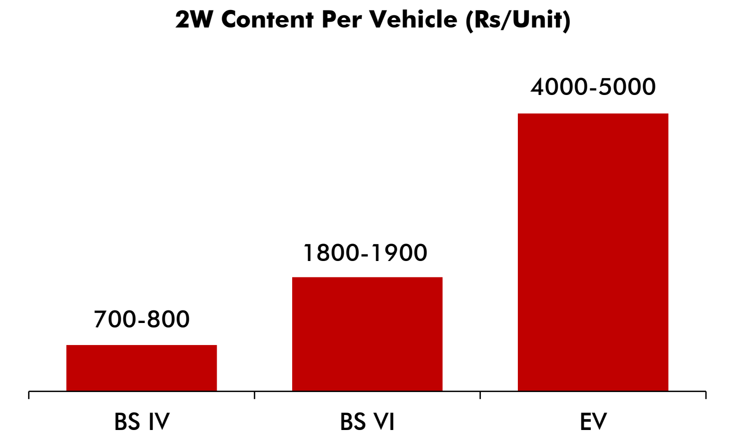
Wiring system	Why it exists in EV but not ICE
HV segregation (battery/motor)	ICE runs everything off a single 12V loop. EVs need a fully separate high-voltage loop (typically 48V-96V+) connecting the battery, controller, and motor, in addition to the standard 12V LV harness for lights/indicators/cluster - effectively two parallel wiring systems instead of one.
BMS sense & balance wiring	The battery pack is monitored cell-by-cell (or module-by-module) for voltage and temperature. Each cell group needs sense wires running back to the BMS, plus balancing leads—dozens of individual connections with no ICE equivalent (ICE has one battery terminal pair).
Motor phase & position sensor wiring	The motor needs three-phase power wiring plus Hall-effect/resolver sensor wiring for rotor position feedback. ICE's "motor" (the engine) needs no electrical position sensing to run.
More ECUs talking to each other	A motor controller, VCU, BMS, and often a separate DC-DC converter all need to communicate over CAN or similar data lines. ICE mostly has just an ECU handling fuel injection/ignition with far fewer nodes on the network.
Charging circuit wiring	Dedicated wiring for the onboard charger, charging port, and charge-control logic - nothing analogous exists on ICE (a fuel cap needs no wiring).
Thermal management sensors	Battery and motor temperature sensors (sometimes liquid-cooling sensors) add further runs not present at comparable density on ICE.
Safety interlocks (HVIL)	High-voltage systems require interlock loops that disable the pack if a connector is unplugged or a crash is detected—a requirement unique to HV systems.

Source: Ambit Capital research

Wiring harness content rising sharply in recent times, even before EVs

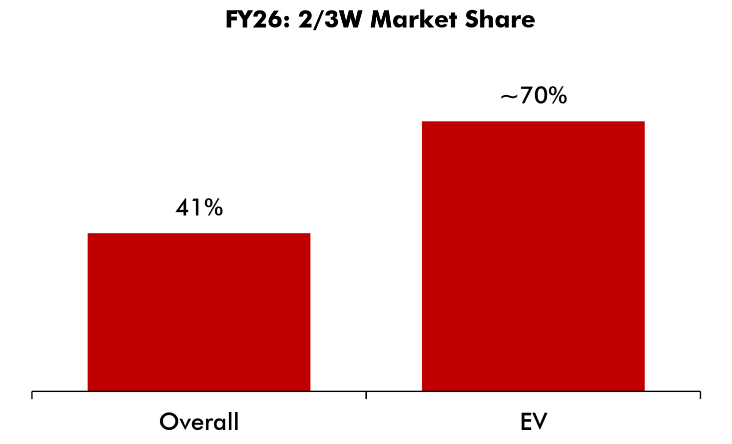
The shift from BS-IV to BS-VI in 2020 was the initial catalyst, necessitating the replacement of mechanical carburettors with electronic Fuel Injection (FI) systems, which instantly added a complex network of sensors (O2, throttle position, temperature) and Electronic Control Units (ECUs) requiring intricate, data-transmitting engine harnesses. Simultaneously, the rapid adoption of EVs introduced entirely new high-voltage wiring architectures and Battery Management Systems (BMS) that require heavier-gauge, heat-resistant cables distinct from those in traditional Internal Combustion Engine (ICE) setups. Furthermore, the mass-market democratization of premium features such as Bluetooth connectivity, digital instrument clusters, LED lighting, and safety mandates like ABS/CBS has multiplied the number of circuits and connectors required, effectively transforming the humble wiring harness from a simple power conduit into a high-value, complex nervous system that now commands a larger share of the vehicle's bill of materials. As a result, wiring harness content per 2/3W EVs is approximately 1.5x-2.5x that of an ICE 2/3W, with further upside from integrated battery assemblies, off-board/on-board chargers, and DC-DC converters.

Exhibit 37: Wiring harness content per vehicle has risen manifold from BS IV levels



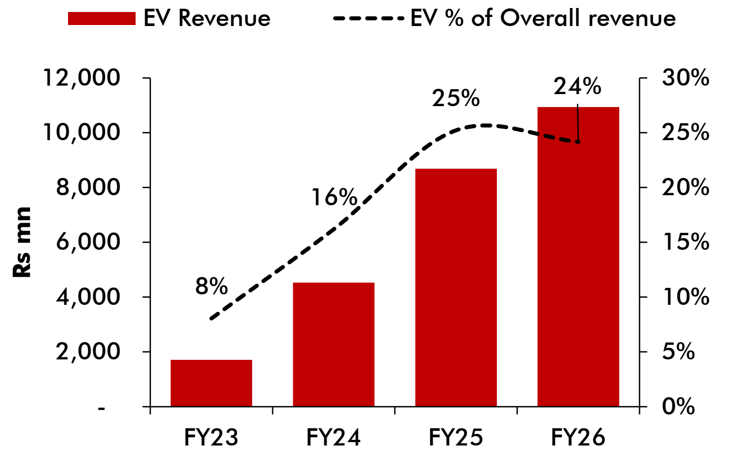
Source: Ambit Capital research

Exhibit 38: DTL has a dominating position in the E-2/3W industry with a higher share of business from leading OEMs



Source: Company, Ambit Capital research

Exhibit 39: DTL's EV end-use revenue has grown at 86% CAGR over FY23-26 as EV penetration in 2/3W picked up sharply



Source: Company, Ambit Capital research

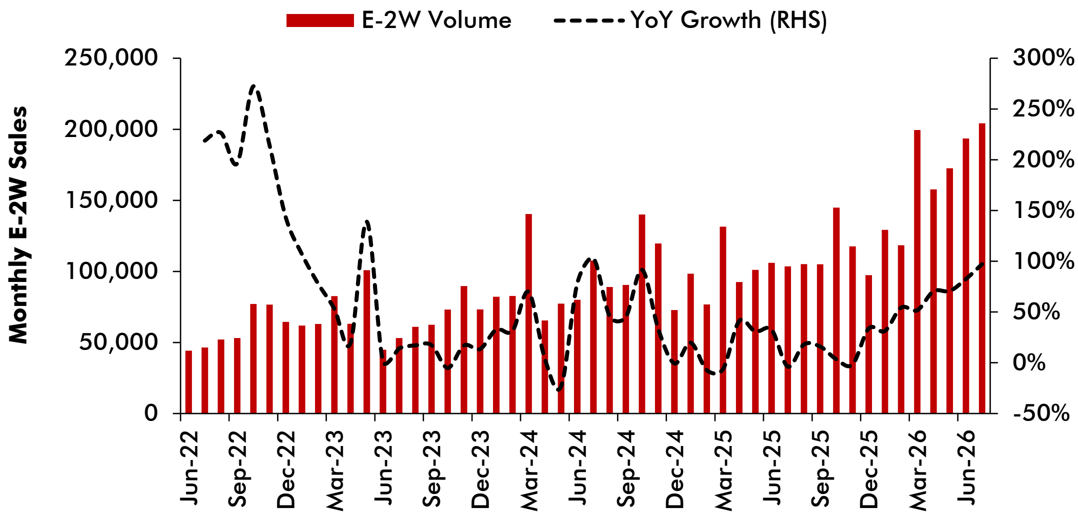
Exhibit 40: DTL's clientele in E-2/3W comprise almost all major players in the space

Source: Ambit Capital research, Note: Acquisition of Multilink adds more OEM customers covered later in this note

E-2/3W sales gaining momentum, which is expected to continue

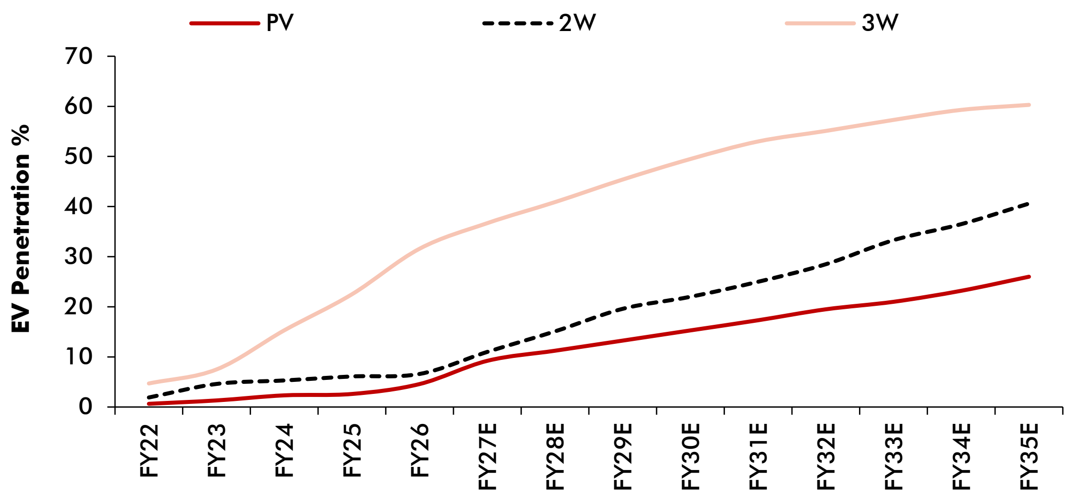
EV sales in the 2/3W segment have grown, especially post-pandemic, aided by the rising awareness and dealership network, government support, lower total cost of ownership of EVs compared to their ICE counterparts, narrowing gap between acquisition cost of EV and ICE parallels, lower maintenance, new-age advanced features, and expanding EV portfolio of the industry. Policy (like the New Delhi EV policy and extension of the PM E-Drive subsidy of ₹2,500/kWh until Mar'28, subject to budgeted outlay), Cost, and changing customer preferences are expected to continue aiding a sharp uptick in E-2/3W sales. Even beyond FY28, when the subsidies end, the major differential arising from insurance and RTO costs is expected to continue to drive the on-road price differential compared with a similar ex-showroom-priced ICE vehicle. E-2W reached penetration of ~7%/11% in FY26/1QFY27, which we expect to rise to ~25% by FY31, while E-3W reached ~32% penetration in FY26, which is expected to rise to at least 53% by FY31.

Exhibit 41: E-2W sales have been gaining momentum, being up 81% YoY in 4MFY27 with E-2W penetration reaching 11.2% in Jul'26



Source: FADA, Ambit Capital research

Exhibit 42: We expect EV penetration in 2W/3W to reach 25%/53% by FY31, driving WH and overall E&E TAM expansion in the segment



Source: Ambit Capital research

Exhibit 43: Lower RTO and insurance costs form a bigger part of the reason for E-2W being cheaper on-road vs ICE than PM E-Drive Subsidy, providing growth runway after Mar'28

Mumbai (₹)	Ather Rizta Z Duo (159km)	Honda NX 200	Difference
Ex-Showroom	**159,180**	**157,728**	**1,452**
Road Tax (0% EV, 11% >99cc<299cc 2W	0	17,350	(17,350)
Registration		200	(200)
Smart Card		300	(300)
HSRP Number plate	270	531	(261)
Total RTO/Road Tax	**270**	**18,381**	**(18,111)**
Insurance	**6,899**	**11,342**	**(4,443)**
PM E-Drive Subsidy	**(5,000)**	**-**	**(5,000)**
On-Road Price	**161,349**	**187,451**	**(26,102)**
Total Gap			**(27,554)**
PM E-Drive % of Total Difference			**18%**

Source: Ambit Capital research

Exhibit 44: Leading OEMs in E-2/3W have been announcing plans to increase capacity sharply to meet rising demand

Company	E-2W Capacity	E-3W Capacity	Timeline / Comments
Ather Energy (1QFY27)	Factory 3.0 (AURIC) **to add 1mn units** annual capacity (Phase-1: 0.5mn units) primarily for the new EL platform. Current demand is supply-constrained.	NA	Phase-1 commissioning expected by 3Q FY27 / before end-CY26, with production contribution beginning before FY27-end. Full 42k/month to be operationalised by end FY27
TVS Motor (1QFY27)	**Monthly EV scooter capacity increasing from 40,000 → 50,000+ units**, with further step-wise expansion under review.	Monthly 3W capacity increased from 20,000 → 30,000 units, with a significant proportion allocated to EVs. Management indicated further expansion can be added in 3–4 months as demand requires.	Expansion is demand-led. Management highlighted continued investment behind EV capacity as penetration accelerates.
Bajaj Auto (1QFY27)	**Current EV scooter capacity 50,000 units/month, immediately increasing to 60,000 units/month** through productivity improvements. Further expansion is planned as part of a broader capacity programme. The store network for Chetak is targeted to grow from 530-550 to ~1,000 stores in a couple of years.	No separate number disclosed. Management confirmed capacity expansion for both ICE and EV three-wheelers, particularly wide-body EVs (7012), driven by strong domestic and export demand.	Capacity is the key bottleneck. Expansion aimed at supporting domestic growth and exports.

Source: Investor calls of Ather, BJAUT, and TVS Motor, Ambit Capital research

The only question that remains is whether the higher CPV in E-2/3Ws stays

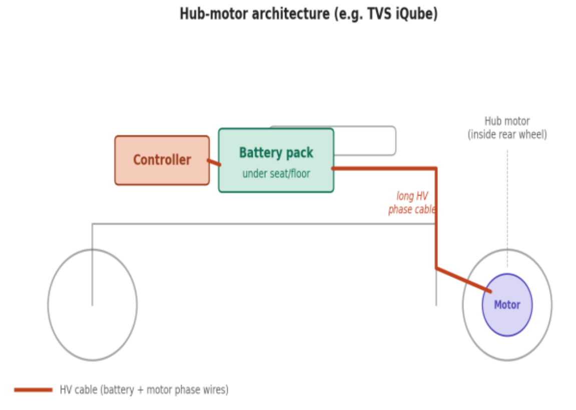
The wiring harness content in E-2/3W depends heavily on the EV architecture deployed by the OEM. TVS currently deploys Hub Motor architecture in iQube and Orbiter, which have longer HV cable runs as they carry power electrically to the hub motor at the wheel. Bajaj Chetak and Ather deploy a mid-mounted architecture, where the HV cable run is shorter because the drive is carried mechanically via a swingarm/belt to the wheel. Based on the plans of these leading OEMs, we believe all kinds of EV architecture could coexist. Value engineering efforts will reduce some copper content (like in the upcoming EL platform of Ather, by consolidating the charger and controller in the same setup), but the overall E&E opportunity per vehicle will continue to increase on the back of rising feature offerings by OEMs to differentiate vs competitors.

Exhibit 45: The HV content depends upon the vehicle architecture deployed by the OEM

OEM / model	Motor location	Drive to wheel	Battery placement	HV cable implication
TVS iQube/ Orbiter	Rear-wheel hub (Sona Comstar BLDC)	Direct - no chain/belt/gearbox	Split into 3 packs, biased front for balance	Long controller-to-motor phase cable runs the length of the frame
Bajaj Chetak (current)	Mid-mounted, swingarm	Set-down gearbox in swingarm	Low, under floorboard	Motor sits near battery/controller; long run is mechanical (gearbox), not electrical
Ather 450 series	Mid-mounted (frame)	Belt drive in swingarm	Low, under floorboard/seat	Motor co-located with battery/controller; short HV run, belt carries drive to wheel

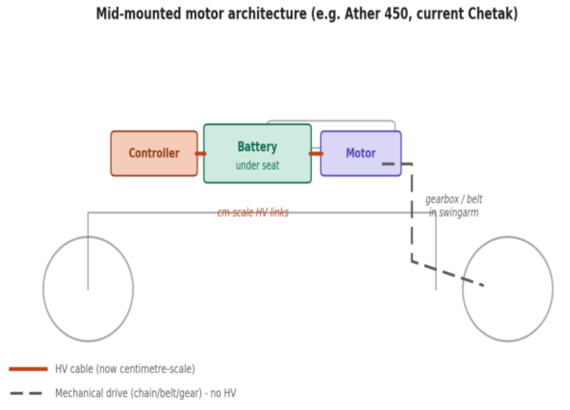
Source: Ambit Capital research

Exhibit 46: HV wiring harness content is higher in Hub motor architecture, like that in TVS iQube/Orbiter



Source: Ambit Capital research

Exhibit 47: In mid-mounted motor architecture, additional mechanical content replaces HV wiring, which becomes smaller



Source: Ambit Capital research

Exhibit 48: Hub motor effect on separate components of BOM

Dimension	Effects
Wiring/harness cost	Higher - long shielded HV cable, more copper, EMI shielding for a run that passes near other electronics
Mechanical BOM	Lowest - no chain, belt, gearbox, or their wear/maintenance items
Serviceability	Simple - fewer moving parts to service, but a motor fault means pulling the wheel
Unsprung mass	Higher - motor sits in the wheel, affecting ride quality and suspension tuning
Power ceiling	Limited - struggles above ~5kW without a heavier, larger hub motor
Who picks this, and why	TVS inherited this at the mass-market tier from its first-gen design; Bajaj is deliberately adding it on a budget trim specifically to remove gearbox cost. Both land here for cost reasons, but via different paths (legacy vs. new choice)

Source: Company, Ambit Capital research

Exhibit 49: Mid-mount architecture effect on separate components' content per vehicle

Dimension	Effects
Wiring/harness cost	Lower - HV runs are centimetre-scale between co-located battery, controller, and motor
Mechanical BOM	Higher - belt/chain/gearbox in the swingarm adds parts, tensioners, seals and wear items
Serviceability	More complex - belt/gear wear, periodic maintenance intervals reappear
Unsprung mass	Lower - wheel stays light, better ride/handling, especially at higher power
Power ceiling	Higher - suits performance variants and higher-torque applications
Who picks this, and why	Ather uses it across its full range, including the mass-market EL platform; TVS is adding it specifically to reach beyond the iQube's power ceiling.

Source: Company, Ambit Capital research

What each leading OEM is planning next

TVS — moving toward mid-mount for higher power

TVS has patented a new mid-mounted motor design that sends drive to the rear wheel via a chain or belt in the swingarm, explicitly because the iQube's current hub motor isn't well suited for outputs above roughly 5kW. This mirrors the layout already used on the Ather 450X and Ola S1 Pro. The move is driven by a power ceiling, not by cost or by a deliberate harness-reduction strategy — TVS inherited the hub motor at its mass-market tier from its first-gen design and is now building mid-mount specifically to clear that ceiling for higher-performance variants.

Bajaj — a cheaper hub-motor variant alongside the existing mid-mount

Bajaj is developing a lower-cost Chetak variant that replaces the existing mid-mounted motor and set-down gearbox with a hub motor (PMS architecture) in a new double-sided swingarm. This is the opposite move of TVS — trading the mechanical gearbox for a longer HV cable run — aimed specifically at reducing costs on an entry trim, while the mainstream Chetak keeps its mid-mounted layout. For Bajaj, removing moving parts (gearbox, chain, seals, wear items) is worth more than the extra copper on that specific price-sensitive product.

Ather — the upcoming EL platform indicates risk to copper content

Ather's upcoming EL platform is a ground-up redesign aimed at mass-market cost points (roughly ₹100k to ₹125k), and it stays mid-mounted throughout (does not move to a hub motor). **Risk at Ather:** The new EL platform (lower-cost, less aluminium/copper-dependent) is central to both margin expansion and capacity scale-up, targeting commercialisation before the end of FY27. "Our understanding is that the mass segment of INR1 to INR1.25 lakh is the largest chunk of the EV market today, the electric two-wheeler market today. And with EL, we are particularly targeting this segment. In fact, EL will play a dual role in our expectations. It will give us the opportunity to expand margins with **less dependence on really expensive commodities like Aluminium, even reduced copper**, and considerable cost reduction fundamentally with how we've designed this platform." - Ather 4QFY26 investor call.

Exhibit 50: What are Ather's plans for reducing cost entail for different components?

Lever	Mechanism	What it actually reduces
Ather Charge Drive Controller	Merges the onboard charger and the motor controller into a single unit	Removes a separate charger transformer/winding and the wiring that used to run between two standalone devices - copper reduction via component consolidation, not cable length
Motor winding design (VAVE)	Ongoing value-engineering of stator winding copper mass	Reduces copper in the motor itself - a separate copper pool from harness wiring, often the single largest copper consumer in an EV
Rare-earth reduction	Dysprosium and terbium have already been eliminated from the motor	Reduces exposure to constrained magnet supply chains (a motor-design lever, adjacent to the copper story)
Unibody steel frame	Replaces the cast-aluminium frame used on the 450 series	This is an aluminium lever, not copper—though company commentary often bundles both under "commodity cost reduction". Delivers 15% faster assembly and fewer frame parts
Gear-driven transmission	Replaces the belt drive used on the 450 platform	Motor stays mid-mounted and co-located with battery/controller - the short-HV-cable characteristic is fully retained; only the mechanical drive element changes from belt to gears
Cell-to-pack battery (LFP)	Simplifies the pack, removes module-level interconnects	Trims intra-pack busbar/interconnect content, a battery-side copper saving distinct from the harness

Source: Ambit Capital research

Motor placement mainly governs HV cable length; overall copper content is governed by a separate set of choices—component integration, winding design, system voltage—that any OEM can pursue independently of whether the motor sits in the wheel or mid-frame. So the component consolidation, like the one Ather envisages at its upcoming EL platform, does pose some risk to the increase in content per vehicle for wiring harnesses that DTL has enjoyed for the past 2-3 years. However, a major part of the increase in content (floor) comes from the requirements for HV cables and their complexity, along with multiple communication points with an EV.

Will the ~2x harness content increase persist, or can OEMs reduce it significantly?

2W EV harness content runs 1.5x to 2.5x ICE (per CRISIL, RHP) with further upside from integrated battery assemblies, on-board chargers, and DC-DC converters. Whether that multiple compresses over time depends on separating two independent levers:

- The floor is structural, not architectural. Even in the best-case mid-mounted, co-located layout, an E2W still needs a segregated HV loop, BMS sense/balance wiring, motor phase and sensor wiring, and a charging circuit — none of which exist on ICE. Co-location shrinks cable length, not cable count or complexity. Some multiple above ICE harness content is unavoidable regardless of architecture.
- Lever 1: motor placement (hub vs. mid-mount), which governs HV cable length, is decided mainly by platform lineage and switching cost, not by price tier. TVS inherited a hub motor for its mass-market tier and is now building mid-mounts to clear a power ceiling; Bajaj is deliberately adding a hub-motor variant on a budget trim to strip out gearbox costs; Ather has never used a hub motor and isn't starting now, even on its cheapest platform. There is no clean rule here, only path dependency and product-specific engineering intent.

- Lever 2: copper/harness content within whichever architecture an OEM keeps, governed by component integration (Ather's Charge Drive Controller), motor winding design and rare-earth reduction, system voltage (higher voltage → thinner gauge for the same power), and battery pack design (cell-to-pack LFP). This lever operates completely independently of motor placement, and it's the one every OEM can pull regardless of their hub/mid-mount legacy.
- As HV harness manufacturing scales up and standardises the way LV did, unit costs and possibly the physical multiple should compress even without any architecture change.
- Other considerations beyond BOM cost: EMI/regulatory compliance is easier with shorter HV runs; unsprung mass and ride quality favour mid-mount at higher power; warranty/insurance risk profiles differ (a wheel-integrated motor is a single failure point tied to crash damage, a frame-mounted motor is more isolated); and India-specific supply chain policy (PLI incentives, localisation of copper windings vs. imported gearbox components) can tip individual OEM economics independent of the general trade-off.

The 1.5–2.5x harness content premium in EVs over ICE seems a durable structural floor and won't disappear—EVs will always need the HV/BMS/motor-sensor/charging systems that ICE doesn't. But the multiple isn't fixed either. It will keep compressing toward that floor across the industry as OEMs pull Lever 2 (component integration, winding design, voltage, and industry-wide HV harness maturity/localisation catching up to LV levels) — a trend already visible at Ather. Lever 1 (hub vs. mid-mount) will continue to vary from OEM to OEM and product to product, driven by platform legacy and product-specific constraints such as power ceiling or mechanical BOM cost. We believe value engineering efforts at OEMs will be met with the same at the vendors' end, along with compensation from higher E&E content elsewhere, which will ensure this risk is well-managed over time.

We believe an increase in electronics and safety content—sensors, controllers, ABS/CBS mandates, digital clusters, connectivity, and premiumization features (ADAS, power windows, climate control, keyless entry)— will keep overall (ICE and EV) CPV rising.

Exhibit 51: We expect Wiring harness content per vehicle to grow at 4%/5%/4% CAGR in PVs/2W/3W over FY26-45E on current RM prices on the back of increasing electronic and safety content, digital clusters, connectivity, and premium features

CPV (₹)	FY25	FY26	FY27E	FY28E	FY29E	FY30E	FY37E	FY40E	FY45E	CAGR FY26-37E	CAGR FY26-40E	CAGR FY26-45E
PV	**21,755**	**25,010**	**27,841**	**29,954**	**32,211**	**34,625**	**47,679**	**50,499**	**52,686**	**6.0%**	**5.1%**	**4.0%**
ICE	21,000	23,520	24,696	25,931	27,227	28,589	36,546	39,935	44,091	4.1%	3.9%	3.4%
EV	50,000	56,000	58,800	61,740	64,827	68,068	73,657	71,470	67,967	2.5%	1.8%	1.0%
2W	**2,028**	**2,039**	**2,238**	**2,444**	**2,676**	**2,871**	**4,380**	**4,809**	**5,016**	**7.2%**	**6.3%**	**4.9%**
ICE	1,900	1,900	1,995	2,095	2,199	2,309	3,010	3,337	3,869	4.3%	4.1%	3.8%
EV	4,000	4,000	4,200	4,410	4,631	4,862	5,864	6,223	5,918	3.5%	3.2%	2.1%
3W	**3,675**	**3,948**	**4,306**	**4,660**	**5,050**	**5,452**	**7,260**	**7,851**	**7,837**	**5.7%**	**5.0%**	**3.7%**
ICE	3,000	3,000	3,150	3,308	3,473	3,647	4,753	5,269	5,818	4.3%	4.1%	3.5%
EV	6,000	6,000	6,300	6,615	6,946	7,293	8,796	9,335	8,877	3.5%	3.2%	2.1%

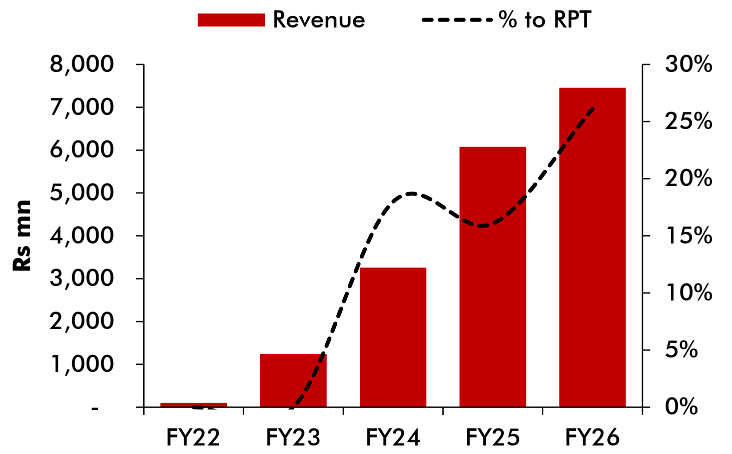
Source: Ambit Capital research, CPV – Content Per Vehicle

Controllers, battery pack assembly, other components add E&E per vehicle

DTL has evolved from a pure wiring harness player to a more comprehensive E&E solutions provider, specifically from FY22 onwards. It has added components such as electronic controllers, sensors, battery pack assemblies, chargers, connectors, switches, and EV cords to its portfolio of offerings to third parties, as well as for backward integration of its wiring harness business. This has expanded its overall E&E kit value, deepened OEM ties, and reflected higher content from high-voltage cables, battery interconnects, power electronics interfaces, and advanced sensor/data links. This has enhanced presence across multiple vehicle platforms and architectures, improving value realization and deepening integration with OEM customers. As electric vehicle adoption accelerates and platform complexity increases, the kit value per vehicle is expected to rise, with premium, feature-rich configurations supporting durable growth in kit value and share of the bill of materials.

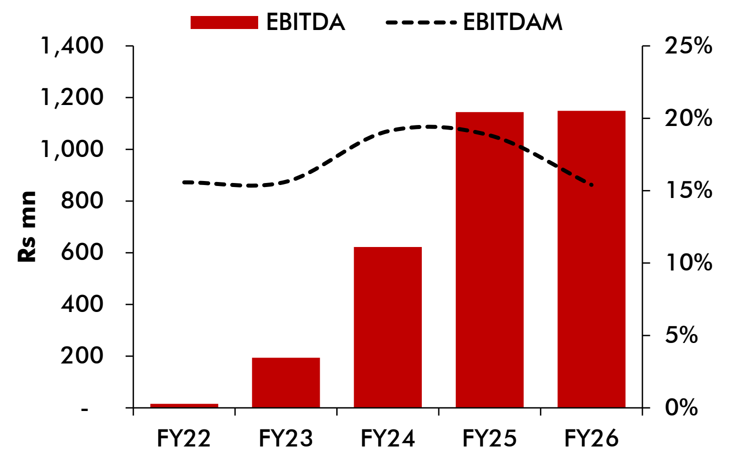
Hence, while near-term growth will be driven by expansion of customer volumes, long-term growth will be driven by expanding CPV with OEMs through cross-selling existing E&E offerings and overall expansion of the E&E TAM, given the rising number of features for which DTL has demonstrated the ability to develop product offerings and secure customer acceptance.

Exhibit 52: DASPL's revenue has started ramping up from FY23 onwards, with third-party sales being dominant



Source: Company, MCA Filings, Ambit Capital research

Exhibit 53: EBITDAM profile of the subsidiary is also sharply higher than the SA wiring harness margins of DTL



Source: Company, MCA Filings, Ambit Capital research

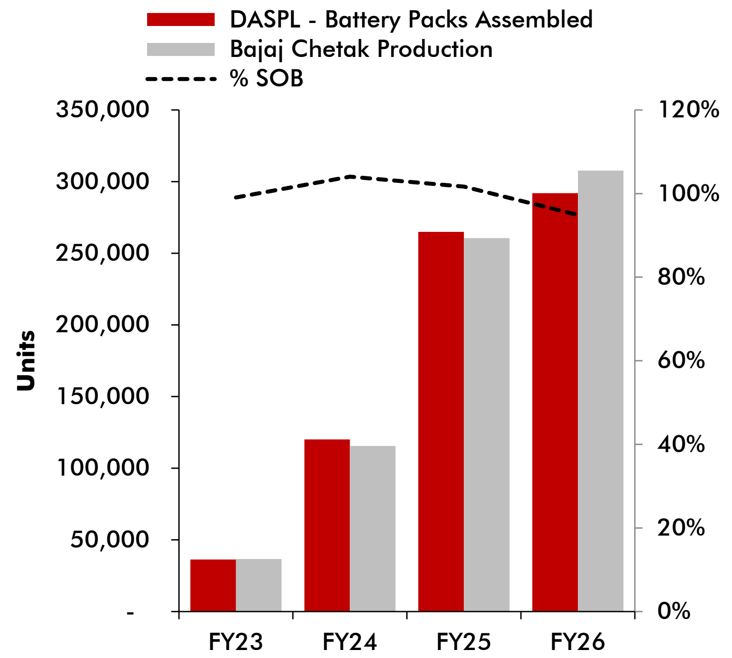
Battery pack assembly operations are scaling quickly

Dhoot provides Li-ion battery packs for 2W/3W EVs, 48V EV applications, and 12V auxiliary systems with capabilities spanning cell selection, sorting, resistance/laser welding, pack assembly, and end-of-line testing. It positions these as an integrated EV architecture combining the battery, control, and charging systems, with production compliant with ISO 9001 and IATF 16949 standards. The battery pack assembly business has grown in line with BJAUT's production levels, with a full share of business and 1QFY27 sales growth of 81%/25% YoY/QoQ, indicating continued momentum in this business for DASPL. While current growth in this segment stems from growth in volumes for the existing customer, as EV volumes are scaling up rapidly, there is potential to add customers in this space for the company, which can drive further growth.

Exhibit 54: DASPL expanded DTL's offerings in EVs by adding battery pack assembly from FY22

Source: Ambit Capital research

Exhibit 55: Battery pack assembly business has been scaling quickly with a sharp increase in BJAUT's E-2W volumes



Source: SIAM, Company, Ambit Capital research

Acquisition of Multilink opens new doors and expands E&E offerings

DASPL acquired the business undertaking of M/s Multilink, a Bangalore-based partnership firm that manufactures auto-electrical/electronic components for 2W/3W vehicles, via a slump sale agreed at ₹4,720mn on April 6, 2026, and revised down to ₹4,350mn under a June 9, 2026, amendment. It will first appear in the FY27 consolidation. Multilink's products, such as switches, relays, chargers, and sensors, complement DTL's existing wiring harness and E&E offerings. The acquisition added relays and fuel level sensors to DTL's overall portfolio of products in the E&E space. The acquisition also deepens the existing relationship, as DASPL was already listed as an existing customer of Multilink. The customer list includes new companies like HMCL (GPC, Neemrana), Ola Electric, River Mobility, and Greaves Electric, among other marquee 2/3W OEMs and Tier-1 suppliers, where DTL can concentrate its cross-selling efforts to expand market share across its portfolio.

The growth runway for Multilink is clear with very few risks

Also, HMCL has recently started developing (foundation stone laid in Jul'26) a second Global Parts Centre (GPC) in Tirupati (to be commissioned by the end of 2027), suggesting that the GPC model is being expanded to support its growing domestic, export and EV/VIDA parts requirements, which would be a natural extension of existing business with the company for Multilink. Additionally, Multilink has considerable exposure to e-mobility OEMs, where volume growth is picking up sharply, which would aid revenue growth. The existing partners also agree to a 7-year non-compete as part of the BTA. The only risk we can perceive here is that the vendor list of Multilink includes a) Macurex Sensors, which is an entity owned by Multilink's selling partners, and b) Motherson Sumi Wiring, which is a competitor of DTL in the wiring harness business. Although the extent of dependence on these two entities is unknown, they are 2 out of 257 listed vendors of Multilink.

At the estimated 4QFY26 revenue run-rate of ₹1,132.5mn as per the BTA, consolidation of Multilink itself can add ~₹4.5bn to DASPL's revenue on an annual basis. At an estimated 20% EBITDA margin, akin to the product category in a steady state, it could potentially add ₹900mn to DASPL's EBITDA at the existing revenue run rate.

Exhibit 56: Multilink acquisition allows entry into HMCL and includes a marquee clientele

Source: Multilink BTA, Ambit Capital research

Exhibit 57: Multilink's acquisition adds fuel level sensors and relays to DTL's offerings

Source: Company, Ambit Capital research

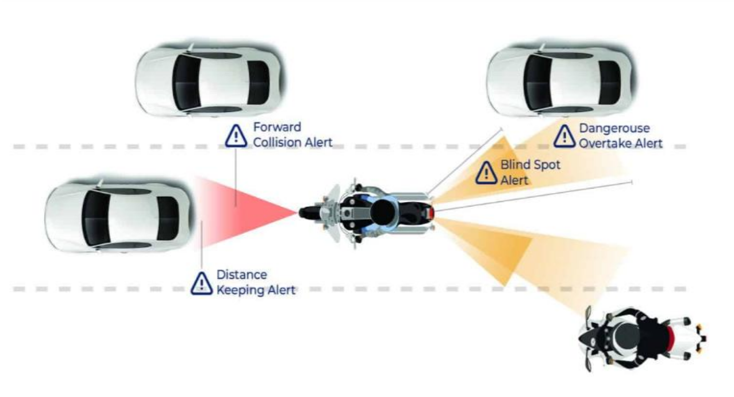
JV with Ride Vision can enhance long-term growth potential

The Ride Vision JV is a longer-term growth opportunity for Dhoot, helping it move beyond its traditional wiring-harness business into higher-value automotive electronics and ADAS. Ride Vision brings AI-based, camera-enabled collision-avoidance technology, while Dhoot can leverage its OEM relationships, localisation and manufacturing capabilities to integrate and scale these solutions for the Indian market. Over time, this could enable Dhoot to capture a larger share of the electronics and intelligent-safety content per vehicle, including cameras, ADAS electronics, software-enabled safety systems, and sensor integration, while creating an avenue to expand from 2Ws into 3Ws and other vehicle segments. We believe this opportunity is likely to be more gradual than its core wiring/E&E businesses, but could become an important long-term growth pillar as advanced safety features gain adoption and regulatory support.

Exhibit 58: Future-ready offerings like dangerous overtake alert get added via planned JV with Ride Vision

Source: Ride Vision, Ambit Capital research

Exhibit 59: Along with other features which can witness increased adoption over time due to safety considerations



Source: Ride Vision, Ambit Capital research

Cost control aids competitive advantage

19% of the employee and subcontracting cost for DTL is in the form of a stipend paid to apprentices. DTL has a unique system of recruiting freshers under the Apprentices Act, 1961. National Apprenticeship Promotion Scheme (NAPS) and the Maharashtra Apprenticeship Promotion Scheme (MAPS) further promote the hiring of these apprentices. This allows it to employ freshers for a short period of time at low cost. DTL has a well-laid-out recruitment process to ensure a continuous inflow of these apprentices based on production demand. This allows DTL to keep its employee cost at 8-9% of revenue, which is 700-900bps lower than MSUMI during FY23-26. Also, DTL has backward-integrated into switches, sensors, controllers, and connectors via DACPL from FY22 onwards, aiding margin expansion and increased localization. Despite a ~17ppt higher share of EV revenue compared to MSUMI, DTL has ~400bps higher localization, giving it a margin and cost advantage that eventually allows the company to gain/maintain market share.

Unique recruitment style optimizes the highest cost in the wiring harness business - labour

DTPL runs its apprenticeship intake under the Apprentices Act, 1961, and reports it as a distinct P&L line ("Stipend to Apprentices") alongside a separate line for apprentices sourced through subcontractors. ~19% of DTPL's entire reported employee and subcontracting cost goes toward apprentice stipends, indicating that this isn't a small internship program, but a core part of how the company staffs its shop floor. Wiring harness assembly is a highly labour-intensive business, and DTL's establishment of machinery that ensures a continuous inflow and outflow of apprentices optimises this highest cost in the business. DTL's employee cost has averaged 700-900bps lower than MSUMI (although MSUMI has a higher PV dominance compared to DTL's 2/3W focus). Various National laws and rules, combined with state-specific amendments, allow and encourage DTL to deploy this policy.

Exhibit 60: Multiple national and state laws allow, encourage and govern the practice of hiring apprentices

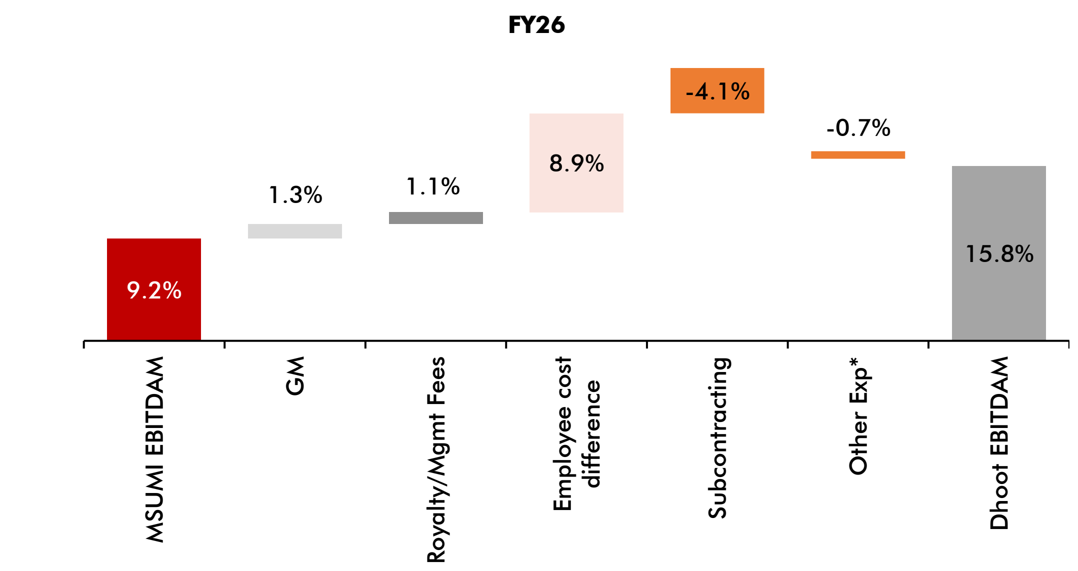
Layer	What it sets	How it applies to DTL and its Subsidiaries
Apprentices Act, 1961 (Central)	Framework: obligations, trainee status, ratio requirement, stipend principle ("not less than prescribed minimum")	Nationally — all Dhoot entities/states
Apprenticeship Rules, 1992 (as amended in 2025)	Default minimum stipend (₹6,800–₹12,300 by qualification, +10%/+15% by year), default training duration (6–36 months by trade)	Binding floor everywhere Dhoot operates, unless a state amendment sets a higher rate
Maharashtra state amendment (Apprentices Act)	Minimum Stipend can be 70%/80%/90% of state semi-skilled minimum wage by training year; ratio cap of 2.5%–25% of total establishment strength; training period for "other" apprentices set by State Apprenticeship Council	Governs DTL, DASPL, DACPL units at Paithan/Farola, Aurangabad
Maharashtra Minimum Wages Notification	The actual rupee base the above % is applied to — Engineering Industry, Zone I, semi-skilled ≈ ₹17,500–17,700/month, subject to revisions	Feeds directly into the Maharashtra stipend formula
NAPS (central scheme)	Reimburses employer 25% of stipend paid, or ₹1,500/month, whichever is **lower**, per apprentice (not during basic training)	Available nationally to Dhoot, including Tamil Nadu (Hosur) operations. Unsure whether DTL utilizes this
MAPS (Maharashtra state scheme)	Reimburses 75% of stipend or ₹5,000/month, whichever is lower (not during basic training)	Available only at Maharashtra facilities. Unsure whether DTL utilizes this

Source: Relevant Acts and amendments, Ambit Capital research

What current job postings show (2025-2026 recruitment activity): DTPL is running large, ongoing apprenticeship recruitment drives, primarily at its IMT Manesar, Gurugram facility, and also at Jhajjar, Haryana**:**

- **Schemes used**: postings explicitly reference NAPS (National Apprenticeship Promotion Scheme), NATS (National Apprenticeship Training Scheme), and D.Voc/B.Voc (Diploma/Bachelor of Vocation) programs run alongside the job.
- **Eligibility**: 10th pass, 12th pass, ITI, or Diploma holders, typically aged 18-30/35.
- **Gender focus**: several 2026 drives are explicitly for female candidates only, qualification 10th/12th/ITI/Diploma pass, age 18-30 years, with direct interview and final selection, and marketed as job-plus-free-education offers.
- **Compensation structure**: stipends scale by qualification, e.g. 10th/12th pass gets ₹13,500 plus ₹1,500 attendance incentive and overtime, ITI gets ₹14,700 plus incentive and overtime, and Diploma gets ₹15,700 plus incentive and overtime. A separate Jhajjar posting under the "D.Voc/B.Voc/NAPS/NATS" profile lists 10th/12th at ₹13,250 plus a ₹1,000 attendance award, ITI at ₹14,250 plus award, and Diploma at ₹15,250 plus award, all for an 8-hour shift, with a government certificate on completion of training.
- **Additional perks**: PF & ESIC coverage, breakfast/lunch, and bus transport are commonly listed alongside these apprentice/trainee roles.
- **Scale**: One 2025 posting alone described hiring 500 female candidates for full-time trainee roles with a salary up to ₹16,966 per month, including overtime and attendance bonus, and separately, the company mentions 100+ openings for freshers and experienced candidates across other drives.
    - Note: The above information is from third-party job-aggregator sites, not from DTL directly. They're not audited disclosures, and the exact figures (salary bands, headcounts) shift across postings and should be treated as indicative rather than authoritative.

Exhibit 61: Employee expenses - biggest differential between EBITDAM of DTL vs MSUMI



*Source: Company, Ambit Capital research, *Ex of Royalty/Mgmt Fees/Subcontracting*

The arrangement seems beneficial to all parties involved in that DTL gets to hire apprentices, which keeps overall employee costs low; freshers get experience and a stipend immediately after college or university; and colleges get immediate recruitment and placement, along with training and certification for their students.

Exhibit 62: Stipend to apprentices is ~19% of overall employee and subcontracting cost

Employee cost breakup – Dhoot Transmission (₹ mn)	FY23	FY24	FY25	FY26
Salaries, Wages & Bonus	1,190	1,431	1,718	2,114
Stipend to Apprentices	484	615	701	882
Contribution to Provident & other Funds	72	114	96	144
Staff Welfare Expenses	261	339	419	525
Employees stock option expense	-	-	-	26
Gratuity expense	17	22	19	42
Total Employee Cost	**2,024**	**2,522**	**2,953**	**3,734**
% of Revenue	9.5%	9.0%	8.6%	8.3%
In other expenses				
Subcontracting Charges	614	847	1,090	1,677
Sub-contracting – Stipend to Apprentice	104	94	110	176
Total Subcontracting	**717**	**941**	**1,199**	**1,853**
% of Revenue	3.4%	3.4%	3.5%	4.1%
Total Emp cost + Subcontracting	**2,742**	**3,462**	**4,152**	**5,587**
% of Revenue	12.9%	12.4%	12.1%	12.3%
KMP Remuneration	**96**	**130**	**130**	**94**
KMP % of Emp Cost	4.7%	5.2%	4.4%	2.5%

Source: Company, Ambit Capital research

Exhibit 63: MSUMI has a sharply higher wage structure as employee cost % is higher despite lower KMP remuneration as a part of employee cost

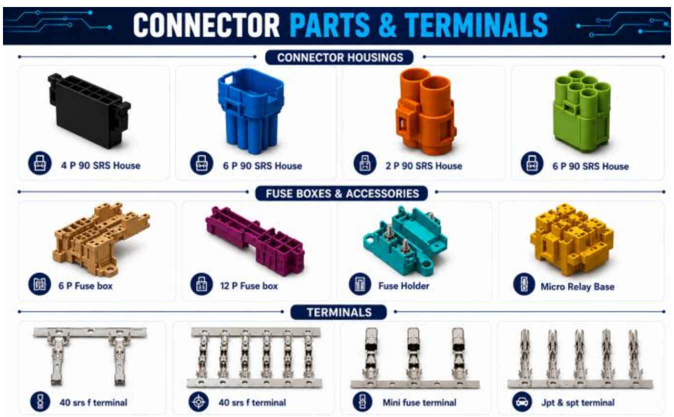
Employee cost breakup – MSUMI	FY23	FY24	FY25	FY26
Salaries, wages & bonus	10,028	11,607	13,797	17,037
Contribution to provident & Other funds	531	620	694	774
Gratuity	99	124	214	221
State welfare expenses	1,173	1,200	1,328	1,686
Total Employee Cost	**11,831**	**13,551**	**16,033**	**19,718**
% of Revenue	16.7%	16.3%	17.2%	17.2%
KMP Remuneration	111	81	75	82
KMP % of Emp Cost	0.9%	0.6%	0.5%	0.4%

Source: Company, Ambit Capital research

Backward integration - the real driver of profitability

While employee costs were always 8-9% of sales for DTL, sharply lower than that for its peers. EBITDA margins picked up from FY23 onwards, around the time DACPL, the entity housing the backward integration products, started operations, along with DASPL (new products) discussed earlier. The EBITDAM of DACPL has been above 20%, with ~80% of its revenue coming from sales to related parties within the Dhoot Transmission group (largely DTL), while we believe the rest is also sold to third parties, including some competitors.

Exhibit 64: DTL undertook backward integration into connectors & terminals…



Source: Ambit Capital research

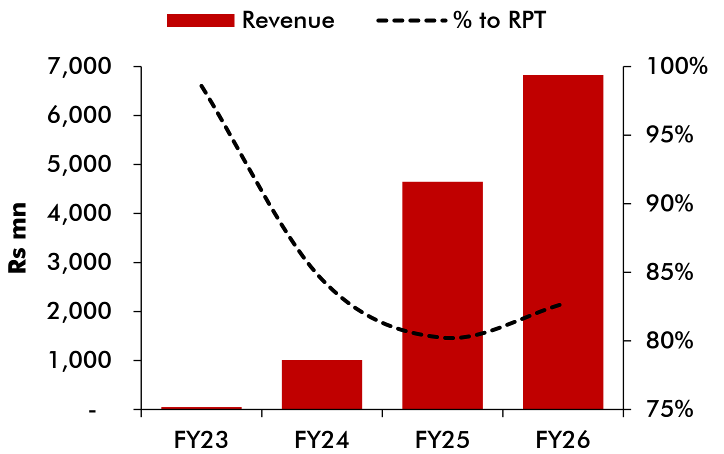
Exhibit 65: …along with sensors and power cords

Source: Ambit Capital research

Exhibit 66: Automotive switches offerings also expanded

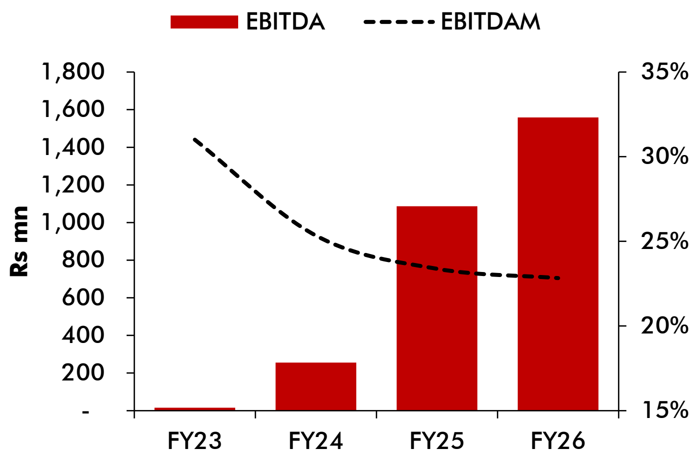
Source: Ambit Capital research

Exhibit 67: DACPL, an entity that housed the backward integration, saw a ramp-up from FY24



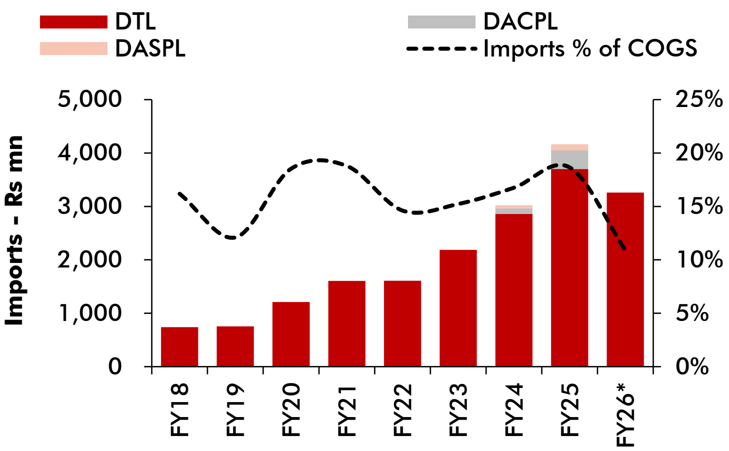
Source: Company, Ambit Capital research

Exhibit 68: EBITDAM at DACPL is sharply ahead of SA wiring harness margins of DTL, aiding consol margin expansion



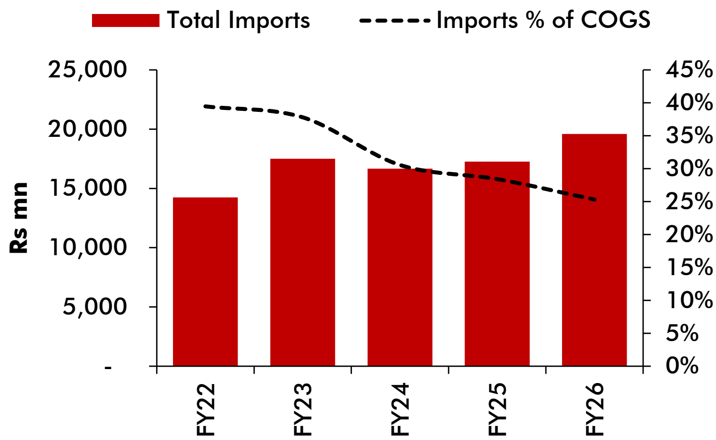
Source: Company, Ambit Capital research

Exhibit 69: While localisation levels improved as DACPL ramped up, they have been rising due to high EV revenue



*Source: MCA Filings, Ambit Capital research, *DACPL and DASPL RM imports/ Forex outgo for FY26 not available*

Exhibit 70: MSUMI's import dependence has also been declining on the back of backward integration



Source: MSUMI, Ambit Capital research

Exhibit 71: The combined profitability of all subsidiaries improved sharply from FY23 onwards when DASPL and DACPL started ramping up

Cons-SA P&L	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Revenue	382	1,782	1,839	2,120	3,360	3,795	5,249	8,521	10,389
Gross Profit	199	680	765	797	946	2,092	3,386	5,450	7,240
GM	52.2%	38.1%	41.6%	37.6%	28.2%	55.1%	64.5%	64.0%	69.7%
EBITDA	97	180	135	136	227	910	1,739	2,922	3,612
EBITDAM	25.4%	10.1%	7.3%	6.4%	6.8%	24.0%	33.1%	34.3%	34.8%
PAT	47	106	17	57	98	632	1,089	1,975	2,330
PATM	12.2%	5.9%	0.9%	2.7%	2.9%	16.7%	20.7%	23.2%	22.4%

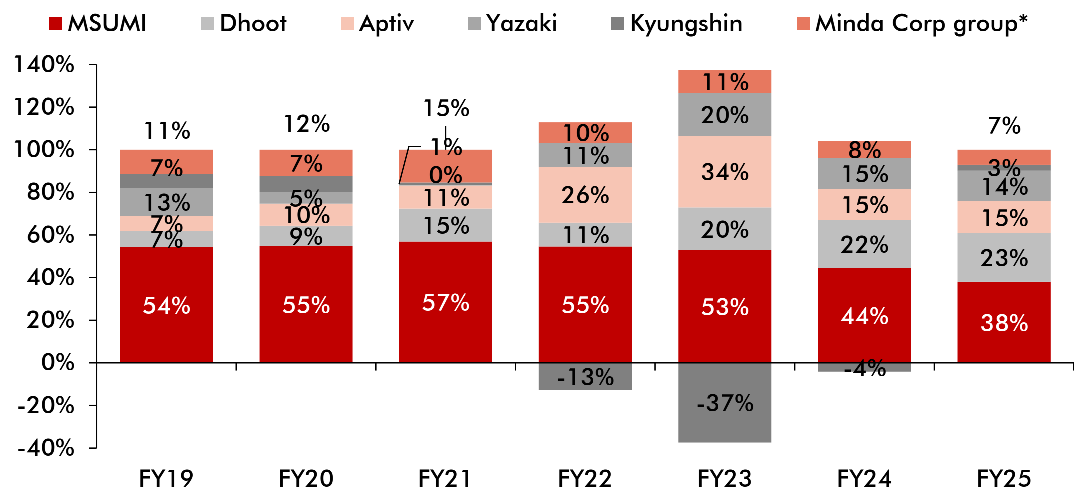
Source: Company, Ambit Capital research

Exhibit 72: All this culminates in DTL delivering industry-leading EBITDA while WH industry has been reporting ~11% EBITDAM in the past (albeit some of MSUMI's EBITDAM gets captured in MOTHERSO) and while other MNCs would also have royalty payments

EBITDA	FY19	FY20	FY21	FY22	FY23	FY24	FY25
MSUMI	7,399	5,294	4,490	7,303	7,920	10,132	9,971
Dhoot	1,010	916	1,216	1,502	2,987	5,125	5,970
Aptiv*	959	997	854	3,504	5,021	3,331	3,921
Yazaki	1,776	520	11	1,489	3,013	3,339	3,773
Kyungshin	910	718	100	(1,720)	(5,594)	(937)	725
Minda Corp Group	1,539	1,205	1,215	1,303	1,615	1,800	1,844
Total	**13,593**	**9,650**	**7,886**	**13,381**	**14,962**	**22,791**	**26,205**
Industry EBITDAM	12.5%	9.8%	7.5%	9.6%	8.2%	10.6%	11.0%

*Source: Company, Ambit Capital research, *Assumed FY25 EBITDAM to be flat YoY in absence of data, ^assumed on basis of company-level EBITDAM in absence of segmental profitability*

Exhibit 73: This allows DTL to command an EBITDA market share of ~20% despite a revenue market share of ~10%



*Source: Company, MCA Filings, Ambit Capital research, *assumed on company level EBITDAM since not separately reported, Note – Dhoot's EBITDA also includes a fraction from overseas operations and battery pack assembly*

Exhibit 74: Capacity utilisation has further scope for improvement in non-wiring harness components, which can cushion EBITDAM against commodity price pressure in the near term

Segment	FY23		FY24		FY25		FY26	
	IC	Utilization %	IC	Utilization %	IC	Utilization %	IC	Utilization %
Wiring harness*	9,170,901	70%	10,441,455	72%	11,300,478	70%	14,087,489	81%
Automotive switches	4,860,000	10%	5,310,000	10%	5,310,000	15%	5,475,000	24%
EV Cord set	240,000	16%	240,000	39%	1,680,000	13%	1,680,000	35%
Sensors	8,120,580	64%	5,215,032	87%	5,498,844	84%	8,698,608	83%
Controllers	8,014,980	61%	7,631,076	71%	8,473,992	76%	11,756,544	83%
Battery Packs	44,400	82%	150,000	80%	360,000	74%	390,000	75%

*Source: Company, Ambit Capital research, *Capacity is based on the generalised circuit count of a standard wiring harness used in producing a 2W vehicle by OEMs. Note: IC – Installed capacity*

Near- and long-term growth drivers in place

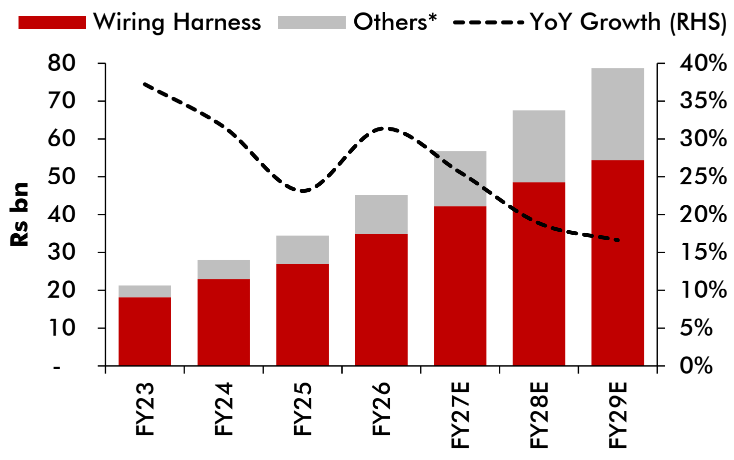
We expect consol revenue to grow at a CAGR of 20% over FY26-29E on the back of an expectation of ~35% CAGR in E-2/3W volumes, from which 24% of DTL's consolidated revenue comes. Also, the consolidation of Multilink should add ~₹4.5bn to its consolidated results. Revenue while our underlying 2/3W industry growth assumption over FY26-29E is at 7% CAGR. EBITDAM is expected to moderate in FY27E due to elevated input and logistics costs (especially copper and polymer) and the consolidation of Multilink, which would have lower margins initially, before normalizing in FY28E to around 16-17%, which we believe is sustainable, given employee cost controls and backward integration benefits. Other income is expected to rise on the back of cash infusion from Bain and OFS, along with internal accruals. While a portion of OFS is set aside for potential M&A, we build cash yield on the same until an opportunity is crystallized. Repaying borrowings post-IPO leads to lower financing costs. Expect PAT/EPS to grow at a CAGR of 31%/23% over FY26-29E.

Exhibit 75: We expect Revenue/EBITDA/PAT/EPS CAGR of 20%/23%/31%/23% over FY26-29E without building any potential M&A activity and only taking cash yield on the net cash position

Consol. P&L (₹ mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E	CAGR FY24-26	CAGR FY26-29E	Comments
Revenue	**27,977**	**34,449**	**45,250**	**56,823**	**67,540**	**78,764**	**27%**	**20%**	Revenue CAGR of 20% to be aided by ~40% CAGR over FY26-29E in E-2/3W volumes comprising 24% of revenue, consolidation of multilink adding ~₹4.5bn, and 2/3W industry growth of 8%.
YoY Growth	32%	23%	31%	26%	19%	17%			
COGS	18,046	22,334	29,930	37,503	43,766	50,803			
Gross Profit	**9,932**	**12,114**	**15,320**	**19,320**	**23,774**	**27,961**	**24%**	**22%**	
GPM %	**35.5%**	**35.2%**	**33.9%**	**34.0%**	**35.2%**	**35.5%**			Expect gross margin to be flat in FY27 on the back of elevated copper prices but improve from FY28E as passed on with a lag
Employee Cost	2,522	2,953	3,734	5,228	6,169	7,156			Expect a 40% increase in employee costs in FY27 on the back of a minimum wage hike and multilink consolidation
% of Revenue	9.0%	8.6%	8.3%	9.2%	9.1%	9.1%			
Other Expenses	2,285	3,191	4,451	5,590	6,551	7,640			Expect other expenses to rise due to fuel and logistics cost inflation
% of Revenue	8.2%	9.3%	9.8%	9.8%	9.7%	9.7%			
EBITDA	**5,125**	**5,970**	**7,135**	**8,503**	**11,054**	**13,166**	**18%**	**23%**	
EBITDAM %	**18.3%**	**17.3%**	**15.8%**	**15.0%**	**16.4%**	**16.7%**			EBITDAM to decline in FY27E on the back of higher input costs and consolidation of Multilink, which we believe would be at lower margins. Margins should normalise from FY28E onwards.
Depreciation	764	933	1,225	1,686	1,978	2,322			
EBIT	**4,361**	**5,037**	**5,909**	**6,816**	**9,076**	**10,844**			
Other Income	16	274	387	645	1,187	1,315			While the company has allocated a portion of the fresh issue towards inorganic opportunities, until they are crystalized, we continue to account only for the cash yield on the balances
Finance Costs	496	735	937	627	166	53			Interest costs to decline as borrowings are repaid from fresh issue proceeds
PBT before EO	**3,881**	**4,576**	**5,359**	**6,834**	**10,097**	**12,106**			
Exceptional items	0	0	(203)	0	0	0			
PBT	**3,881**	**4,576**	**5,157**	**6,834**	**10,097**	**12,106**	**15%**	**33%**	
Tax Expense	895	1,037	1,188	1,575	2,373	2,905			
Tax Rate	23.1%	22.7%	23.0%	23.0%	23.5%	24.0%			Tax rate to rise as the low tax rate benefit period in the SEZ entity (DESPL) fades
Reported PAT	**2,987**	**3,539**	**3,968**	**5,259**	**7,724**	**9,201**	**15%**	**32%**	
Adj. PAT	**2,987**	**3,539**	**4,124**	**5,259**	**7,724**	**9,201**	**18%**	**31%**	
PATM	**10.7%**	**10.3%**	**9.1%**	**9.3%**	**11.4%**	**11.7%**			PATM increases FY28E onwards in our est. due to higher other income and low finance costs, however, potential M&A would reduce other income and increase Revenue & EBITDA
EPS	**20.8**	**24.3**	**24.4**	**25.7**	**37.8**	**45.0**	**8%**	**23%**	EPS growth is lower than PAT due to dilution

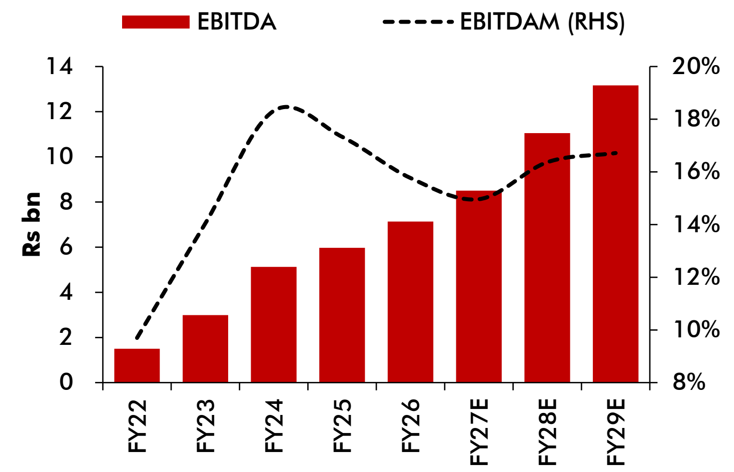
Source: Company, Ambit Capital research

Exhibit 76: We expect 20% consol. revenue CAGR over FY26-29E with 16%/33% CAGR for WH/Other products



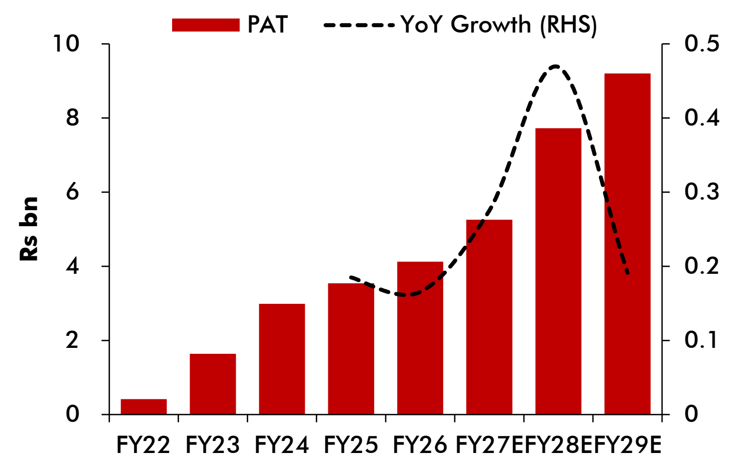
Source: Company, Ambit Capital research

Exhibit 77: EBITDAM to moderate in FY27E due to high input costs and wage hikes before normalizing FY28E onwards



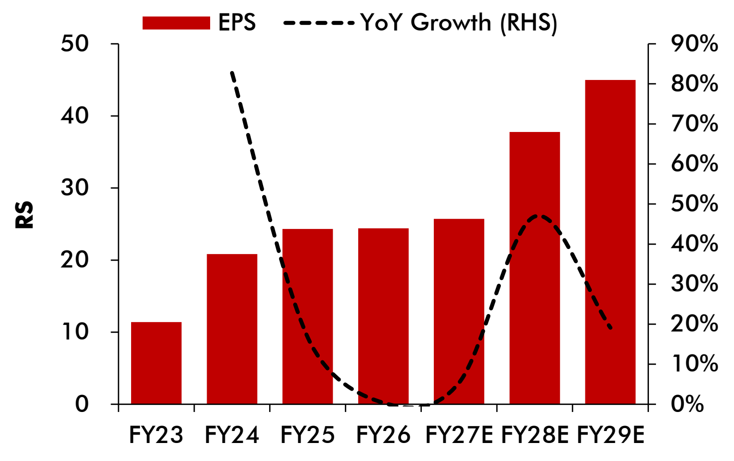
Source: Company, Ambit Capital research

Exhibit 78: We expect Adj. PAT to grow at a CAGR of 31% over FY26-29E...



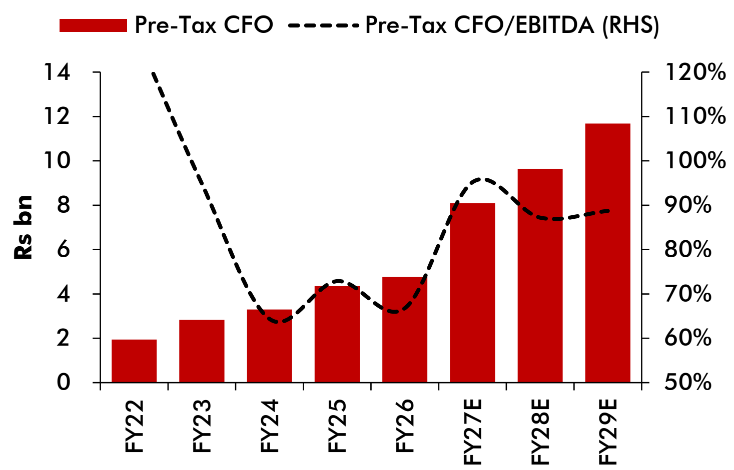
Source: Company, Ambit Capital research

Exhibit 79: ...and EPS CAGR of 23% over FY26-29E due to dilution



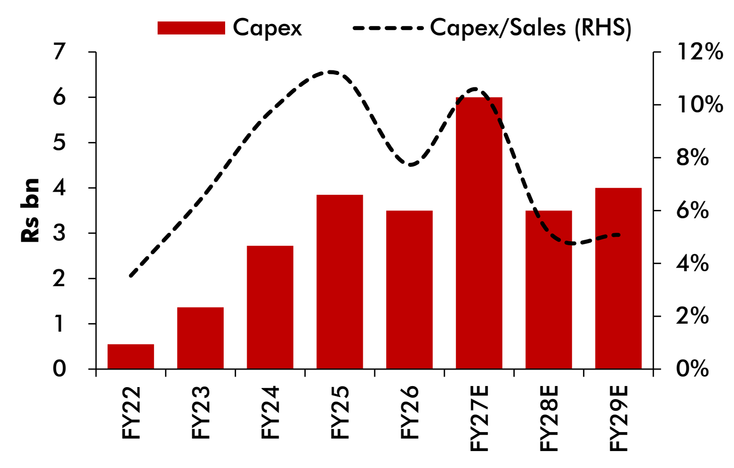
Source: Company, Ambit Capital research

Exhibit 80: Operating cash generation has weakened off-late due to a high growth phase, which is expected to normalise



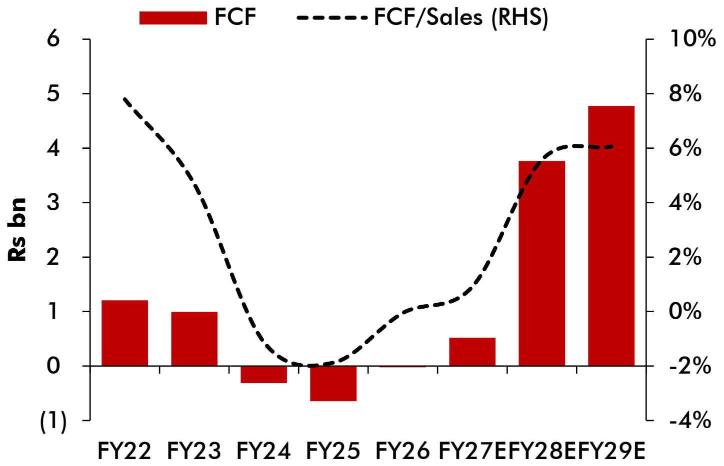
Source: Company, Ambit Capital research

Exhibit 81: We expect capex to be elevated in the near term at ~7% of sales over FY26-29E



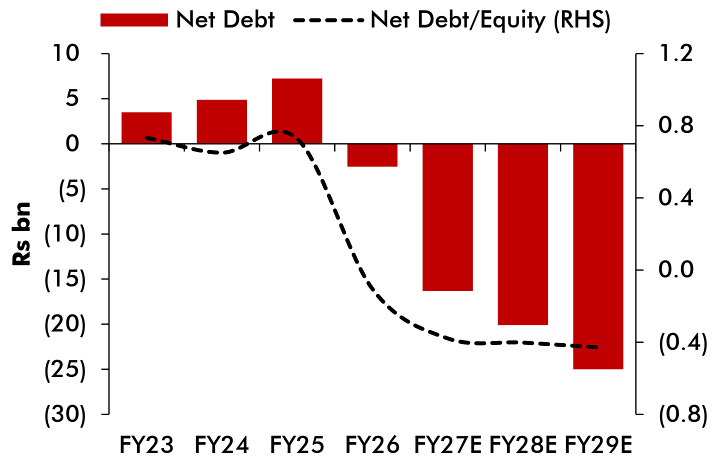
Source: Company, Ambit Capital research

Exhibit 82: FCF generation has remained weak due to high capex, expect FCF/sales of >6% by FY29E



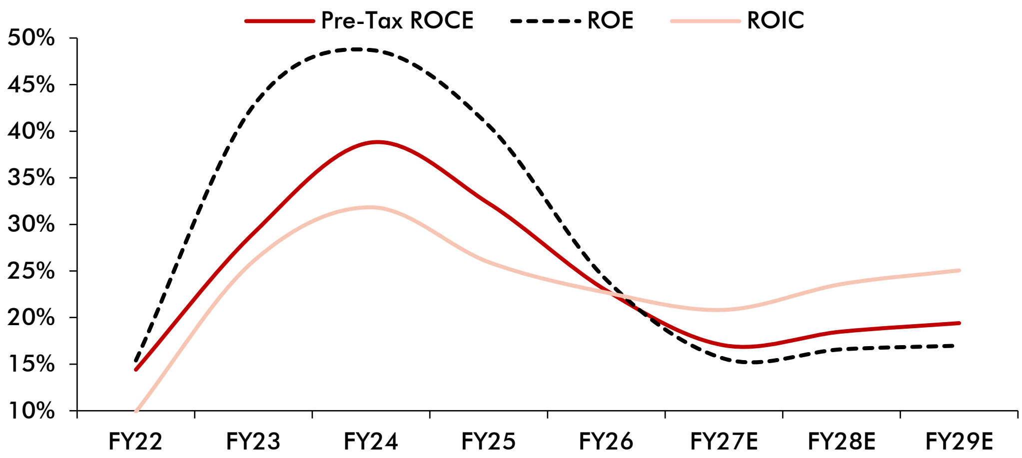
Source: Company, Ambit Capital research

Exhibit 83: We do not build potential M&A currently, but net cash position allows room for EPS expansion via M&A



Source: Company, Ambit Capital research, Note: Multilink acquisition BTA is signed, hence built-in

Exhibit 84: Return ratios got diluted recently due to fund infusion by Bain Capital and with further proceeds from fresh issue via IPO for which deployment will happen over time, ROIC to be stable, improvement from FY28E when margins return



Source: Company, Ambit Capital research

Long-term growth potential beyond 2/3W from 4W TAM

Beyond near-term high growth potential driven by rapid increase in E-2/3W adoption and entry into new OEMs, we believe there is a long-term growth opportunity for the company from rising E&E kit value per vehicle for both ICE and EVs, driven by incremental features provided by OEMs. DTL's JV with Ride Vision will also allow the company to graduate from basic E&E solutions to intelligent ADAS offerings, which are likely to see adoption in premium vehicles first, but will become democratised over time, driven by safety concerns and regulations. Additionally, the PV wiring harness market, estimated at ~₹137bn in FY26, is untapped, and the company can potentially enter it with a technical partner to unlock the E&E TAM in the PV space. Accordingly, we build a 14% revenue/EBIT CAGR over FY26-45E for the company and a 5% terminal growth rate, supported by an almost entirely fuel-agnostic portfolio, long-term growth drivers for auto volumes in India, and expansion of E&E offerings.

Exhibit 85: Our DCF assumptions

Parameter	Historical	Near Term	Medium to Long Term	Terminal
	FY23-26	FY26-29E	FY29-45E	
Revenue CAGR	29%	20%	13%	5%
EBITDA Margin	16.4%	16.0%	16.8%	16.8%
(Inc)/Dec in WC/Sales	-4.4%	-1.6%	-1.5%	-1.5%
Capex/Sales	8.9%	6.6%	3.7%	3.6%
Assumptions				
Cost of Equity (Ke)	13.0%			
Cost of Debt	11%			
Debt to Equity (x)	-			
WACC	13.0%			
Valuation				**₹ mn**
PV of FCFF				107,916
TV of FCFF				647,826
PV of TV				202,698
NPV of Firm				310,614
Net Debt (Mar-27)				(16,316)
Net FCFE				326,930
O/s shares				205
Value/share (₹)				**1,598**

Source: Company, Ambit Capital research

Exhibit 86: Sensitivity analysis of our target price

Terminal Growth Rate	WACC →	12.0%	12.5%	13.0%	13.5%	14.0%
	3%	1,548	1,461	1,385	1,318	1,258
	4%	1,676	1,571	1,480	1,400	1,330
	5%	1,840	1,710	**1,598**	1,502	1,418
	6%	2,059	1,892	1,751	1,631	1,527
	7%	2,366	2,140	1,954	1,799	1,669

Source: Company, Ambit Capital research

Underlying market and CPV assumptions that back our DCF estimates

Our DCF assumption of a 14% revenue CAGR over FY26-45E is based on an expectation of 36%/56%/66% EV penetration in 2W/PV/3W by FY45E, along with 4%/5%/6% volume CAGR for each segment. We believe that OEMs' value-engineering efforts to reduce wiring harness content in EVs will be largely offset by increases in electronics, features, and safety content. However, our assumption of CPV growth does reduce the differential in WH CPV for EVs over ICE vehicles from ~2x across segments currently to 1.5x by FY45E. On this basis, we expect that, with a 40% market share in 2/3W wiring harness and a potential 15% market share in PV WH, the WH in these two segments alone can account for 40% of our DCF implied FY45E revenue. The remaining 60% is expected to comprise non-wiring harness components (which were 23% of revenue in FY26), along with WH for CVs/OHV/Industrials, which accounted for ~20% of revenue in FY26.

Exhibit 87: Our market size assumptions are based on overall 2W/3W/PV volume growth expectation of 4%/5%/6% CAGR over FY26-45E

Total Production (mn Units)	FY25	FY26	FY27E	FY28E	FY29E	FY30E	FY37E	FY40E	FY45E	CAGR FY26-37E	CAGR FY26-40E	CAGR FY26-45E
PV	**5.1**	**5.5**	**6.0**	**6.5**	**6.9**	**7.2**	**9.3**	**10.2**	**11.1**	**4.9%**	**4.5%**	**3.8%**
ICE	4.9	5.3	5.4	5.8	6.0	6.1	6.5	6.8	7.1	2.0%	1.8%	1.6%
EV	0.1	0.3	0.6	0.7	0.9	1.1	2.8	3.4	4.0	24.4%	20.4%	15.7%
2W	**23.9**	**26.7**	**29.6**	**32.3**	**34.6**	**37.0**	**51.0**	**57.4**	**65.9**	**6.1%**	**5.6%**	**4.9%**
ICE	22.4	24.9	26.4	27.4	27.8	28.8	26.5	28.1	29.0	0.6%	0.9%	0.8%
EV	1.5	1.8	3.3	4.9	6.8	8.1	24.5	29.3	36.9	27.0%	22.2%	17.4%
3W	**1.1**	**1.3**	**1.6**	**1.8**	**2.0**	**2.1**	**3.0**	**3.4**	**3.8**	**8.0%**	**7.1%**	**5.7%**
ICE	0.8	0.9	1.0	1.1	1.1	1.1	1.2	1.2	1.3	2.4%	2.4%	1.9%
EV	0.2	0.4	0.6	0.7	0.9	1.0	1.9	2.2	2.5	14.8%	12.6%	9.9%

Source: SIAM, Ambit Capital research

Exhibit 88: We expect Wiring harness content per vehicle to grow at 4%/5%/4% CAGR in PVs/2W/3W over FY26-45E on current RM prices on the back of increasing electronic and safety content, digital clusters, connectivity and premium features

CPV (₹)	FY25	FY26	FY27E	FY28E	FY29E	FY30E	FY37E	FY40E	FY45E	CAGR FY26-37E	CAGR FY26-40E	CAGR FY26-45E
PV	**21,755**	**25,010**	**27,841**	**29,954**	**32,211**	**34,625**	**47,679**	**50,499**	**52,686**	**6.0%**	**5.1%**	**4.0%**
ICE	21,000	23,520	24,696	25,931	27,227	28,589	36,546	39,935	44,091	4.1%	3.9%	3.4%
EV	50,000	56,000	58,800	61,740	64,827	68,068	73,657	71,470	67,967	2.5%	1.8%	1.0%
2W	**2,028**	**2,039**	**2,238**	**2,444**	**2,676**	**2,871**	**4,380**	**4,809**	**5,016**	**7.2%**	**6.3%**	**4.9%**
ICE	1,900	1,900	1,995	2,095	2,199	2,309	3,010	3,337	3,869	4.3%	4.1%	3.8%
EV	4,000	4,000	4,200	4,410	4,631	4,862	5,864	6,223	5,918	3.5%	3.2%	2.1%
3W	**3,675**	**3,948**	**4,306**	**4,660**	**5,050**	**5,452**	**7,260**	**7,851**	**7,837**	**5.7%**	**5.0%**	**3.7%**
ICE	3,000	3,000	3,150	3,308	3,473	3,647	4,753	5,269	5,818	4.3%	4.1%	3.5%
EV	6,000	6,000	6,300	6,615	6,946	7,293	8,796	9,335	8,877	3.5%	3.2%	2.1%

Source: Ambit Capital research, CPV – Content Per Vehicle

Exhibit 89: At 40% market share in 2/3W and 15% assumed market share in PVs in FY45E, wiring harness revenue from 2/3W and PVs itself would comprise 40% of our DCF implied FY45E revenue, while 60% comprises non-wiring harness components

WH Market Size (₹ mn)	FY25	FY26	FY27E	FY28E	FY29E	FY30E	FY37E	FY40E	FY45E	CAGR FY26-37E	CAGR FY26-40E	CAGR FY26-45E
PV	**110,106**	**137,700**	**167,083**	**194,142**	**221,303**	**249,777**	**443,955**	**513,810**	**586,059**	**11.2%**	**9.9%**	**7.9%**
ICE	103,517	123,557	134,542	149,188	162,264	174,704	238,202	270,204	313,887	6.1%	5.7%	5.0%
EV	6,588	14,143	32,541	44,954	59,039	75,073	205,753	243,605	272,171	27.6%	22.5%	16.8%
2W	**48,439**	**54,422**	**66,303**	**78,950**	**92,481**	**106,168**	**223,583**	**276,135**	**330,678**	**13.7%**	**12.3%**	**10.0%**
ICE	42,611	47,374	52,613	57,442	61,115	66,613	79,897	93,895	112,211	4.9%	5.0%	4.6%
EV	5,828	7,048	13,690	21,508	31,366	39,554	143,686	182,240	218,467	31.5%	26.2%	19.8%
3W	**3,859**	**5,136**	**6,722**	**8,366**	**9,971**	**11,518**	**21,992**	**26,752**	**29,484**	**14.1%**	**12.5%**	**9.6%**
ICE	2,441	2,669	3,112	3,509	3,744	3,891	5,471	6,554	7,442	6.7%	6.6%	5.5%
EV	1,418	2,466	3,609	4,857	6,227	7,627	16,521	20,198	22,043	18.9%	16.2%	12.2%
2W+3W	**52,298**	**59,557**	**73,025**	**87,316**	**102,452**	**117,686**	**245,575**	**302,887**	**360,163**	**13.7%**	**12.3%**	**9.9%**
ICE	45,052	50,043	55,726	60,951	64,860	70,504	85,368	100,449	119,653	5.0%	5.1%	4.7%
EV	7,245	9,514	17,299	26,365	37,592	47,182	160,207	202,438	240,510	29.3%	24.4%	18.5%

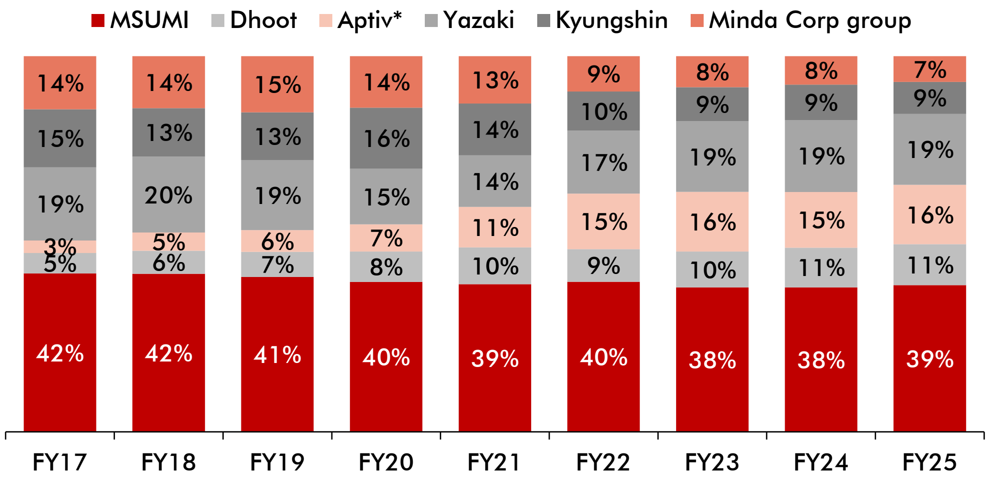
Source: Ambit Capital research, WH – Wiring Harness

Competitive position deserves a premium

Dhoot's fuel-agnostic portfolio lets it capture rising vehicle content regardless of powertrain mix. It sits in the fastest-expanding wiring harness/E&E TAM, as EV penetration is rising faster in 2/3W than PVs, and Dhoot leads with ~70% market share in E-2/3W — the segment capturing this content growth fastest. This beats MSUMI (~60% PV share), where TAM growth is slower, and Aptiv (Versigent) is gaining share in the higher-content HV space via automation. PV OEMs also often split LV/HV harness sourcing across suppliers, capping content capture — unlike 2/3W, where usually one vendor supplies both. Dhoot also has untapped PV TAM, room for inorganic growth, and freedom to add product lines, unlike MSUMI's parentage constraints. We value Dhoot on DCF, assuming Revenue/EBIT CAGR of ~14% over FY26-45E, a terminal growth rate of 5%, FCF/sales of 8.2%, and a WACC of 13%. TP of ₹1,598 implies 42x FY28E P/E, a 6% premium to the auto ancillary average of 40x.

Aptiv/Versigent's highly automated HV harness capability is denting MSUMI's dominant PV share exactly in the highest-content EV/HV sub-segment. Dhoot faces no equivalent challenger in E-2/3W, where its ~70% share sits directly in the fastest EV-penetration curve — capturing growth rather than defending it. The counterweight: 4W product cycles are longer and stickier, favouring MSUMI's revenue visibility even as its growth exposure lags. Beyond organic momentum, Multilink adds vendor-code access to HMCL plus relay/switch/controller/sensor capacity, opening cross-sell across Dhoot's OEM base. Separately, DASPL's battery-pack line offers a distinct option: a new OEM win there could drive outsized growth in that subsidiary alone — giving Dhoot two independent optionality levers MSUMI's parent-linked structure doesn't offer to the same degree. However, we like MSUMI (BUY) as well, but would prefer DTL due to inorganic and TAM expansion potential. In our small/midcap auto ancillary universe, we prefer DHOOT>ENDU>GABR>MSUMI (BUYs)>HAPPYFOR>TENNDIND>SONACOMS while MOTHERSO is our preferred pick in large-caps.

Exhibit 90: Dhoot and Aptiv, which are dominant in EVs in 2/3W and 4W respectively, have been gaining market share



Source: Company, Ambit Capital research

Our DCF-based TP of ₹1,598 implies a 42x FY28E P/E vs the auto ancillary universe average of 40x. We believe the premium is justified, as DTL's product offerings are fuel-agnostic (vs. mixed exposure for the universe) and offer a better growth profile due to its customer industry growth, CPV expansion, and competitive positioning. Our PAT growth estimate for FY26-29E is 31% CAGR, which translates to 23% EPS CAGR due to dilution. We have not factored in any potential M&A in our explicit estimates, but that could further increase PAT, which now only builds cash yield on the high cash balance post-issue.

Exhibit 91: Auto ancillary universe trades at an average 40x FY28E while our DCF-based TP for DTL implies 42x FY28E P/E due to a fuel-agnostic portfolio vs mixed portfolio of the universe and better growth outlook beyond FY29E from TAM expansion

Company	Ticker	CMP	Mkt Cap (₹ bn)	P/E (x)			EV/EBITDA (x)		P/B (x)		RoE (%)		EPS CAGR (%) FY26-29E
				FY27E	FY28E	FY29E	FY28E	FY29E	FY28E	FY29E	FY28E	FY29E	
Our Auto Ancillary Coverage													
SAMIL	MOTHERSO IN	170	1,800	32	25	21	11	10	4	3	15	15	28%
Bharat Forge	BHFC IN	2,099	1,003	62	44	37	24	21	8	7	19	20	37%
Sona BLW	SONACOMS IN	824	514	62	49	40	31	26	7	6	14	15	25%
Endurance Tech	ENDU IN	3,018	425	38	30	26	15	14	5	4	17	17	20%
MSWIL	MSUMI IN	40	268	36	27	23	17	14	9	8	37	39	23%
Happy Forgings	HAPPYFOR IN	2,265	214	57	46	38	30	24	7	6	17	18	23%
Tenneco Clean Air	TENNIND IN	550	222	31	26	23	18	16	13	9	48	41	16%
Belrise Industries	BELRISE IN	237	229	34	26	22	15	13	3	3	12	12	22%
Gabriel	GABR IN	1,468	260	55	39	33	38	32	9	9	24	25	35%
Dhoot Transmission	DHOOTTRA IN	1,306	267	51	35	29	24	20	5	5	17	17	23%
Other Auto Ancillaries													
Bosch Ltd	BOS IN	48,730	1,437	55	47	40	33	34	8	7	17	18	20%
Uno Minda	UNOMINDA IN	1,273	735	52	41	34	24	21	8	6	19	20	22%
Schaeffler India Ltd	SCHFL IN	4,075	637	47	40	37	27	24	8	7	22	21	15%
Tube Investments	TIINDIA IN	2,959	573	65	49	31	16	13	6	5	15	17	42%
ZF Commercial Vehicles	ZCVCS IN	2,673	304	52	40	28	31	19	6	6	15	21	29%
Craftsman Automation	CRAFTSMA IN	10,900	285	43	31	25	16	15	4	4	14	15	38%
Sundram Fasteners Ltd	SF IN	1,228	258	36	30	27	19	17	5	4	16	17	18%
Sansera Engineering	SANSERA IN	4,003	250	58	44	33	25	19	6	5	15	17	33%
Timken India Ltd	TMKN IN	3,310	249	50	40	34	27	23	6	5	17	17	21%
Shriram Pistons	SPRL IN	4,509	199	26	22	NA	NA	NA	5	NA	22	NA	NA
Minda Corporation Ltd	MDA IN	745	178	39	31	25	18	15	5	4	16	16	25%
Ramkrishna Forgings	RMKF IN	754	137	63	31	NA	14	NA	3	NA	10	NA	NA
Lumax Auto	LMAX IN	2,015	137	38	29	23	14	12	7	5	25	26	30%
Varroc	VARROC IN	844	129	33	23	19	11	10	5	4	22	22	49%
ASK Auto	ASKAUTOL IN	643	127	36	28	24	17	15	6	5	24	24	22%
SJS Enterprises	SJS IN	2,500	80	38	30	24	20	16	6	5	21	22	28%
SKF India Ltd	SKF IN	1,621	80	17	15	29	10	19	5	5	16	17	1%
Sharda Motors	SHMO IN	936	54	15	12	NA	8	NA	NA	NA	24	NA	NA
Mcap Weighted Avg				**49**	**40**	**33**	**26**	**24**	**7**	**6**	**17**	**17**	**23%**

Source: Company, Ambit Capital research

ESG: Group consolidation alleviates RPT concerns

DTL's related-party footprint has narrowed as group entities consolidate, reducing the complexity of standalone RPT. Notably, Bain Capital's consultancy fee arrangement is structured to be settled before listing, cleaning up the cap table ahead of the IPO. The Company now engages a Big 4 auditor — a positive credibility signal — though the auditor has flagged a missing audit-trail feature in some accounting software, which is worth monitoring but not indicative of wrongdoing per se. Cash conversion has trailed industry peers recently, but this is reasonably attributable to DTL's high-growth phase rather than earnings-quality concerns; no other material accounting red flags surfaced. On Environment, DTL's EV-oriented wiring-harness/sensor/controller portfolio aligns naturally with decarbonization trends — a structural tailwind for its E-score. On Social, the large apprentice programme cuts both ways: it offers genuine skilling, certification, and job experience to young entrants at low cost to DTL — a win-win in principle — but could also be seen as a mechanism to access cheaper labour than full-time employees.

Exhibit 92: Except for lower cash conversion than industry, likely due to high growth phase recently, there are no apparent red flags from accounting checks

Particulars	FY23	FY24	FY25	FY26
P&L misstatement check				
Pre-Tax CFO/EBITDA	95%	64%	73%	67%
Volatility in depreciation rate (bps)		97 bps	266 bps	-84 bps
Provision for doubtful debtors as % of gross receivables	0.02%	0.03%	1.01%	1.03%
Balance sheet misstatement check				
Cash yield	1.3%	0.8%	3.5%	3.4%
Contingent Liabilities as % of Net Worth	1.32%	1.78%	0.78%	2.47%
Pilferage checks				
Misc. expenses as % of total revenues	0.56%	0.46%	0.48%	0.48%
CWIP/Gross Block	1.0%	5.5%	19.3%	1.2%
RPT Sales/Overall Sales	0.0%	0.0%	0.0%	0.9%
RPT Purchases/Overall COGS	0.1%	0.0%	0.0%	2.6%
Capex as % of Gross block	26%	38%	40%	23%
KMP Remuneration as % of PAT	5.8%	4.4%	3.7%	2.4%

Source: Company, Ambit Capital research

Exhibit 93: Explanation of our accounting flags

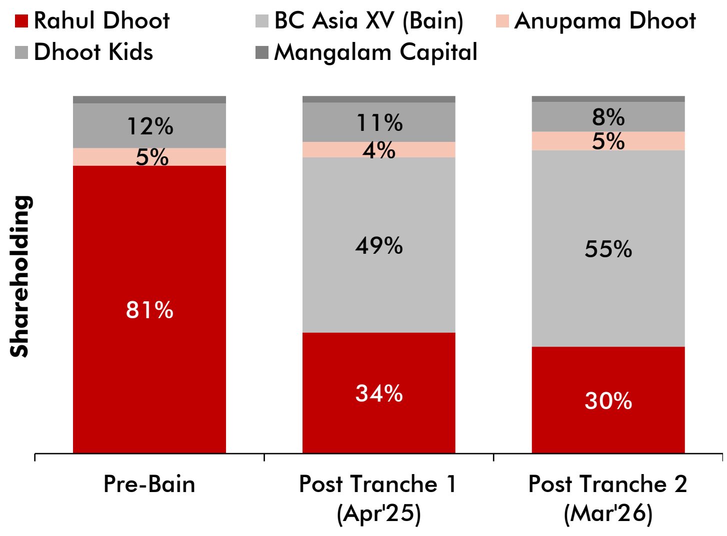
Parameter	Score	Explanation
Accounting	AMBER	Dhoot's pre-tax CFO/EBITDA of 67% in FY26 and 73% in FY25 is below the industry average. However, this is also during a high-growth phase of the company, so it can be excused to an extent. RPTs have declined now due to the group's consolidation and increasing confidence in real profitability.
Predictability	AMBER	Dhoot's revenue growth and profitability are subject to a) movements in input prices, which have been undergoing a high level of volatility, and b) the level of activity in the domestic automotive space, which combined reduce the predictability of growth and earnings to a certain extent.
Earnings Momentum	GREEN	Revenue/EBITDA/PAT has grown at a CAGR of 29%/34%/36% over FY23-26. Earnings momentum is strong, driven by high growth in its end markets and increasing content per vehicle via new product development and market evolution.

Source: Company, Ambit Capital research

Shareholding history and objects of offer

Dhoot Transmission's shareholding was held by Rahul Dhoot, his wife, Anupama Dhoot, and their three children. In Apr'25, Bain acquired a 49% stake in the company, involving a consideration of ~₹30bn to Rahul Dhoot for the transfer of shares and an infusion of ~₹9.5 bn into the company. This infusion was then used to acquire the remaining 85% of the shareholding in Dhoot Holdings Ltd (15% was already held by DTL) from Rahul and Anupama Dhoot, bringing DASPL, DACPL, and DESPL within DTL. Under tranche 2, in Mar'26, Bain Capital was issued further shares for consideration of ~₹10bn, bringing its overall shareholding to 55%, which it holds now. The offer comprises a fresh Issue of Equity Shares aggregating up to ₹14bn by the company, plus an Offer for Sale of up to 16,310,733 (8.65%) equity shares by the selling shareholders.

Exhibit 94: Bain Capital acquired a 55% shareholding in Dhoot Transmission over the last 15 months



Source: Company, Ambit Capital research

Exhibit 95: The acquisition of a 55% shareholding by Bain Capital, then, valued Dhoot Transmission at ~₹ 90.5bn

Bain Transaction	Party	Stake	Consideration
Tranche 1	Rahul Dhoot	49%	30,015
	Dhoot Transmission		9,547
Tranche 2	Dhoot Transmission	6%	10,226
Total	**Combined**	**55%**	**49,788**

Source: Company, Ambit Capital research, ₹ mn

Exhibit 96: OFS from Bain Capital and Mangalam Capital (promoter entity) is up to 10.15% of the current shareholding of Dhoot Transmission

Selling Shareholders	Shares Offered (Up to)	% of Current Shareholding	Avg. Cost of Acquisition/Share
BC Asia XV (Bain)	16,018,769	8.50%	480.34
Mangalam Capital	3,118,833	1.65%	4.81

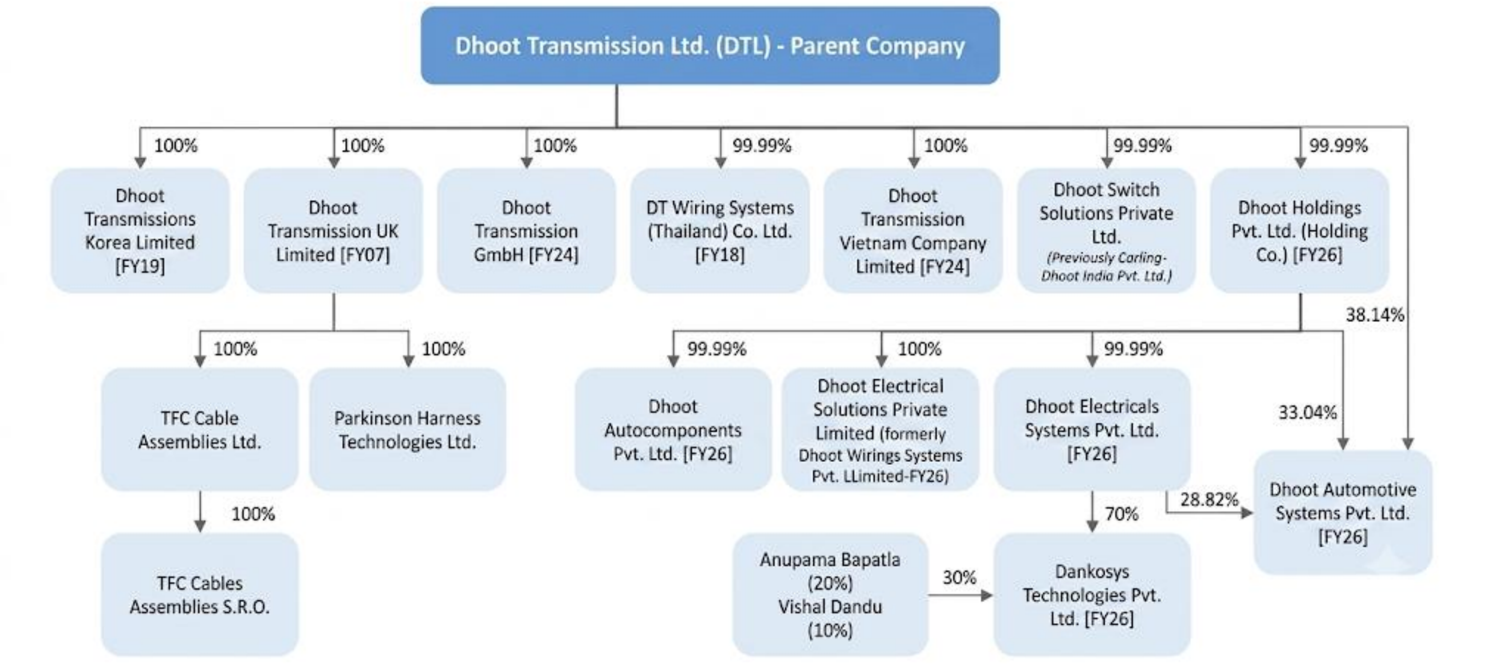
Source: Company, Ambit Capital research

Exhibit 97: Fresh issue of up to ₹14bn has 4 specified objects

Object	Estimated amount ₹ mn)
Repayment/prepayment of the Company's own outstanding borrowings	4,939.90
Investment in Subsidiaries (DACPL, DESPL, DASPL, Dhoot UK) for repayment/prepayment of their borrowings	2,725.85
Setting up new wiring harness plants - Jhajjar (Haryana) and Hosur (Tamil Nadu)	1,500.00
Funding inorganic growth through unidentified acquisitions + general corporate purposes	Undisclosed - capped at 35% of gross proceeds combined, 25% individually

Source: Company, Ambit Capital research

Exhibit 98: After the acquisition of the remaining 85% shareholding (15% already held) in Dhoot Holdings, DTL consolidated DACPL, DASPL and DESPL, which are the backward integration, new products and SEZ entities, respectively



Source: Company, Ambit Capital research

Risks & Catalysts

Catalysts

- E-2W sales volume growth above 50% YoY in FY27 would lead to a beat on our revenue growth estimates.
- EBITDAM above 15% in FY27 would increase confidence in the sustainability of EBITDAM for the company in a high input cost and rising labour cost environment.
- Development of capabilities to tap into the 4W TAM for E&E would increase long-term growth estimates.

Risks

- A sharp reduction in wiring harness content for E-2/3W without commensurate value engineering at Dhoot's end would slow down growth potential.
- Failure to tap into the 4W E&E space would limit the potential for TAM expansion and hence long-term growth potential.
- Dilution in the Apprentices Act or related rules and promotion schemes could potentially dilute the cost advantage of the company.

Dhoot Transmission (DHOOTTRA IN, BUY)

Valuation Methodology

We value Dhoot on DCF basis and our TP implies 42x FY28E P/E. DCF assumptions include WACC of 13%, Revenue/EBIT CAGR over FY26-45E of 14% with FCF/Sales of 8.2% over the period and Terminal Growth rate of 5%.

Risks

Sharp reduction in Wiring harness content per vehicle in EVs without commensurate value engineering by Dhoot.

Slowdown in EV penetration in E-2/3W in India

Dilution in Apprentices act, 1961 or its complementary rules and promotion schemes

Financials - Consolidated

Income statement

Year to March (₹ mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**34,449**	**45,250**	**56,823**	**67,540**	**78,764**
-growth (Rev)	23.1%	31.4%	25.6%	18.9%	16.6%
Cost of goods sold	22,334	29,930	37,503	43,766	50,803
COGS as % of sales	64.8%	66.1%	66.0%	64.8%	64.5%
Gross profit	**12,114**	**15,320**	**19,320**	**23,774**	**27,961**
Gross profit growth	22.0%	26.5%	26.1%	23.1%	17.6%
Employee expenses	2,953	3,734	5,228	6,169	7,156
Other expenses	3,191	4,451	5,590	6,551	7,640
EBITDA	**5,970**	**7,135**	**8,503**	**11,054**	**13,166**
-growth (EBITDA)	16.5%	19.5%	19.2%	30.0%	19.1%
Depreciation	933	1,225	1,686	1,978	2,322
EBIT	**5,037**	**5,909**	**6,816**	**9,076**	**10,844**
-growth (EBIT)	15.5%	17.3%	15.4%	33.1%	19.5%
Other income	274	387	645	1,187	1,315
EBIT (including other income)	**5,311**	**6,297**	**7,461**	**10,263**	**12,159**
Finance costs	735	937	627	166	53
PBT (Before exceptional Items)	4,576	5,359	6,834	10,097	12,106
Exceptional items	-	(203)	-	-	-
Profit before tax	**4,576**	**5,157**	**6,834**	**10,097**	**12,106**
Profit before tax (adjusted)	**4,576**	**5,157**	**6,834**	**10,097**	**12,106**
-growth (PBT)	17.9%	12.7%	32.5%	47.8%	19.9%
Tax	1,037	1,188	1,575	2,373	2,905
PAT	**3,539**	**3,968**	**5,259**	**7,724**	**9,201**
-growth(PAT reported)	18.5%	12.1%	32.5%	46.9%	19.1%
Profit after tax (adjusted)	**3,539**	**4,124**	**5,259**	**7,724**	**9,201**
-growth (PAT)	18.5%	16.5%	27.5%	46.9%	19.1%
Consolidated profit after tax	**3,539**	**3,968**	**5,259**	**7,724**	**9,201**
-growth (CPAT)	18.5%	12.1%	32.5%	46.9%	19.1%
EPS (basic) (₹)	24	24	26	38	45
EPS (diluted)	24	24	26	38	45

Source: Ambit Capital research, Company

Balance sheet

Year to March (₹ mn)	FY25	FY26	FY27E	FY28E	FY29E
Property, plant and equipment	7,971	12,348	15,042	16,364	18,043
Capital work in progress	1,882	180	1,800	2,000	2,000
Right of use assets	786	1,284	1,284	1,284	1,284
Goodwill	133	151	151	151	151
Other intangible assets	32	51	51	51	51
Total fixed assets	**10,804**	**14,014**	**18,328**	**19,850**	**21,528**
Non-current investments	40	-	-	-	-
Other non-current assets	906	935	1,174	1,396	1,628
Total non-current assets	**11,750**	**14,949**	**19,502**	**21,245**	**23,156**
Inventories	4,252	6,392	6,669	7,783	9,034
Trade receivables	6,003	7,937	8,753	10,404	12,132
Cash and cash equivalents	528	10,958	18,730	20,562	25,447
Other current assets	623	912	1,145	1,361	1,587
Total current assets	**11,406**	**26,199**	**35,296**	**40,109**	**48,200**
Total assets	**23,156**	**41,148**	**54,798**	**61,355**	**71,355**
Share capital	176	377	387	387	387
Other equity	9,760	23,967	42,689	49,641	57,921
Minority interest	4.1	6.1	6.1	6.1	6.1
Total equity	**9,940**	**24,350**	**43,083**	**50,034**	**58,315**
Long-term borrowings	2,665	2,463	1,463	2.8	2.8
Long-term provisions	105	139	175	208	242
Deferred tax liabilities (net)	(73)	89	89	89	89
Lease liabilities	275	586	736	875	1,020
Total non-current liabilities	**2,972**	**3,278**	**2,463**	**1,175**	**1,355**
Short-term borrowings	5,096	5,951	951	451	451
Trade payables	4,200	6,022	6,405	7,474	8,676
Lease liabilities	114	183	183	183	183
Other current liabilities	770	1,294	1,625	1,931	2,252
Short term provisions	65	71	89	106	123
Total current liabilities	**10,245**	**13,521**	**9,253**	**10,145**	**11,686**
Total liabilities	**13,216**	**16,799**	**11,716**	**11,320**	**13,041**
Total equity and liabilities	**23,156**	**41,148**	**54,798**	**61,355**	**71,355**

Source: Ambit Capital research, Company

Cash flow statement

Year to March (₹ mn)	FY25	FY26	FY27E	FY28E	FY29E
Profit before tax	**4,576**	**5,157**	**6,834**	**10,097**	**12,106**
Depreciation	933	1,225	1,686	1,978	2,322
Interest income	(18.4)	(21)	(645)	(1,187)	(1,315)
Other items	(173)	(220)	-	-	-
Working capital changes	(1,640)	(2,314)	(409)	(1,416)	(1,486)
Taxes	(1,149)	(1,289)	(1,575)	(2,373)	(2,905)
Cash flow from operations	**3,202**	**3,477**	**6,519**	**7,266**	**8,774**
(Net) capital expenditure	(3,849)	(3,500)	(6,000)	(3,500)	(4,000)
Interest/dividend Received	**18.4**	**10.5**	**645**	**1,187**	**1,315**
Other items	(598)	(9,128)	-	-	-
Cash flow from investments	**(4,428)**	**(12,617)**	**(5,355)**	**(2,313)**	**(2,685)**
Net long-term borrowings	-	-	(5,000)	(500)	-
Interest paid	(692)	(707)	(627)	(166)	(53)
Dividends paid	(8.8)	-	(526)	(772)	(920)
Other items	708	(327)	(239)	(221)	(232)
Cash flow from financing	**1,380**	**19,123**	**6,608**	**(3,120)**	**(1,205)**
Opening cash balance	**302**	**464**	**10,843**	**18,614**	**20,446**
Net change in cash	**154**	**9,983**	**7,771**	**1,833**	**4,884**
Closing cash balance	**464**	**10,843**	**18,614**	**20,446**	**25,331**
Free cash flow to firm	**(647)**	**(23)**	**519**	**3,766**	**4,774**

Source: Ambit Capital research, Company

Ratio analysis

Year to March (₹ mn)	FY25	FY26	FY27E	FY28E	FY29E
Gross margin	35.2%	33.9%	34.0%	35.2%	35.5%
EBITDA margin	17.3%	15.8%	15.0%	16.4%	16.7%
EBIT margin	14.6%	13.1%	12.0%	13.4%	13.8%
Net profit margin	10.3%	9.1%	9.3%	11.4%	11.7%
Interest cover	7.2	6.7	11.9	62	231
Net debt/equity	0.7	(0.1)	(0.4)	(0.4)	(0.4)
Net debt/EBITDA	1.2	(0.4)	(1.9)	(1.8)	(1.9)
Cash conversion days	57	59	59	59	59
Inventory days	62	65	65	65	65
Receivable days	54	56	56	56	56
Payable days	59	62	62	62	62
Gross block turnover	4.1	3.7	3.3	3.2	3.2
pre-tax CFO/EBITDA	72.9%	66.8%	95.2%	87.2%	88.7%
CFO/EBITDA	53.6%	48.7%	76.7%	65.7%	66.6%
pre-tax RoCE	32.3%	22.9%	17.0%	18.5%	19.4%
post-tax RoCE	24.9%	17.6%	13.1%	14.1%	14.7%
pre-tax RoIC	32.9%	27.3%	27.3%	32.5%	34.6%
post-tax RoIC	25.5%	21.0%	21.0%	24.9%	26.3%
ROE (%)	40.6%	24.1%	15.6%	16.6%	17.0%

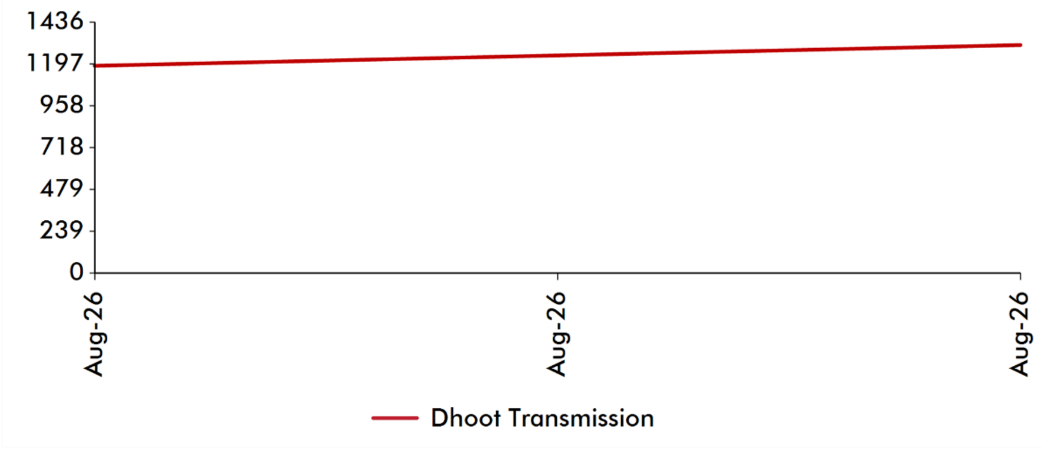
Source: Ambit Capital research, Company

Valuation parameters

Year to March (₹ mn)	FY25	FY26	FY27E	FY28E	FY29E
P/E	54	54	51	35	29
P/B	-	-	2.5	1.7	1.4
EV/sales	8.0	5.8	4.4	3.7	3.1
EV/EBITDA	46	37	30	22	18.4
Dividend yield	0.0%	0.0%	0.2%	0.3%	0.3%
FCF yield	(0.2%)	0.0%	0.2%	1.4%	1.8%

Source: Ambit Capital research, Company

Dhoot Transmission (DHOOTTRA IN, BUY)



Source: ICE, Ambit Capital research

Explanation of Investment Rating - Our target prices are with a 12-month perspective. Returns stated are our internal benchmark	
Investment Rating	**Expected return (over 12-month)**
BUY	We expect this stock to deliver more than 10% returns over the next12 month
SELL	We expect this stock to deliver less than or equal to 10 % returns over the next 12 months
UNDER REVIEW	We have coverage on the stock but we have suspended our estimates, TP and recommendation for the time being NOT
NOT RATED	We do not have any forward-looking estimates, valuation, or recommendation for the stock.

Note: At certain times the Rating may not be in sync with the description above as the stock prices can be volatile and analysts can take time to react to development.

Disclaimer

This report or any portion hereof may not be reprinted, sold or redistributed without the written consent of Ambit Capital Private Ltd. Ambit Capital Private Ltd. research is disseminated and available primarily electronically, and, in some cases, in printed form. The following Disclosures are being made in compliance with the SEBI (Research Analysts) Regulations, 2014 (herein after referred to as the Regulations) and guidelines issued from time to time

Disclosures

- Ambit Capital Private Limited ("Ambit Capital or Ambit") is a SEBI Registered Research Analyst having registration number INH000000313 and Research Analyst.Enlistment No. 5020. Ambit Capital, the Research Entity (RE) as defined in the Regulations, is also engaged in the business of providing Stock broking Services, Depository Participant Services. Ambit Capital is a wholly owned subsidiary company of Ambit Private Limited. The details of associate entities of Ambit Capital are available on its website.
- Ambit Capital makes its best endeavor to ensure that the research analyst(s) use current, reliable, comprehensive public information and obtain such information from sources which the analyst(s) believes to be reliable. However, such information has not been independently verified by Ambit Capital and/or the analyst(s) and no representation or warranty, express or implied, is made as to the accuracy or completeness of any information obtained from third parties. The information, opinions, views expressed in this Research Report are those of the research analyst as at the date of this Research Report which are subject to change and do not represent to be an authority on the subject. Ambit Capital and its affiliates/ group entities may or may not subscribe to any and/ or all the views expressed herein and the statements made herein by the research analyst may differ from or be contrary to views held by other businesses within the Ambit group.
- This Research Report should be read and relied upon at the sole discretion and risk of the recipient. If you are dissatisfied with the contents of this Research Report or with the terms of this Disclaimer, your sole and exclusive remedy is to stop using this Research Report and Ambit Capital or its affiliates shall not be responsible and/ or liable for any direct/consequential loss howsoever directly or indirectly, from any use of this Research Report.
- If this Research Report is received by any client of Ambit Capital or its affiliates, the relationship of Ambit Capital/its affiliate with such client will continue to be governed by the existing terms and conditions in place between Ambit Capital/ such affiliates and the client.
- This Research Report is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied in whole or in part, for any purpose. Neither this Research Report nor any copy of it may be taken or transmitted or distributed, directly or indirectly within India or into any other country including United States (to US Persons), Canada or Japan or to any resident thereof. The distribution of this Research Report in other jurisdictions may be strictly restricted and/ or prohibited by law or contract, and persons into whose possession this Research Report comes should aware of and take note of such restrictions.
- This research report may incorporate the use of Artificial Intelligence (AI) tools to assist in the information-gathering stage, including the compilation or collation of data from publicly available sources or databases used by Ambit Capital. AI tools may also support content creation and other research-related processes. Ambit Capital remains fully responsible for the accuracy, integrity, and confidentiality of all data used, as well as for the insights and recommendations provided. Any output generated with the assistance of AI tools is subject to review and professional judgment to ensure reliability and compliance with applicable laws and standards."
- Ambit Capital declares that neither its activities were suspended nor did it default with any stock exchange with whom it is registered since inception. Ambit Capital has not been debarred from doing business by any Stock Exchange, SEBI, Depository or other Regulated Authorities, nor has the certificate of registration been cancelled by SEBI at any point in time.
- A part from the case of Manappuram Finance Ltd. where Ambit Capital settled the matter with SEBI without accepting or denying any guilt, there is no material disciplinary action that has been taken by any regulatory authority impacting research activities of Ambit Capital.
- A graph of daily closing prices of securities is available at www.nseindia.com and www.bseindia.com

Disclosure of financial interest and material conflicts of interest

- Ambit Capital, its associates/group company, Research Analyst(s) or their relative may have any financial interest in the subject company. Ambit Capital and/or its associates/group companies may have actual/beneficial ownership of 1% or more interest in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Ambit Capital and its associate company (ies), may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or act as an advisor or lender/borrower to such company (ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. However the same shall have no bearing whatsoever on the specific recommendations made by the Analyst(s), as the recommendations made by the Analyst(s) are completely independent of the views of the associates of Ambit Capital even though there might exist an apparent conflict in some of the stocks mentioned in the research report. Ambit Capital and/or its associates/group company may have received any compensation from the subject company in the past 12 months and/or Subject Company is or was a client during twelve months preceding the date of distribution of the research report.
- In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, Ambit Capital or any of its associates/group company or Research Analyst(s) may have:
  - managed or co-managed public offering of securities for the subject company of this research report,
  - received compensation for investment banking or merchant banking or brokerage services from the subject company,
  - received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.
  - received any compensation or other benefits from the subject company or third party in connection with the research report.
- Ambit Capital and / or its associates/group company do and seek to do business including investment banking with companies covered in its research reports. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Additional Disclaimer for Canadian Persons

About Ambit Capital:

- Ambit Capital is not registered in the Province of Ontario and /or Province of Québec to trade in securities and/or to provide advice with respect to securities.
- Ambit Capital's head office or principal place of business is located in India.
- All or substantially all of Ambit Capital's assets may be situated outside of Canada.
- It may be difficult for enforcing legal rights against Ambit Capital because of the above.
- Name and address of Ambit Capital's agent for service of process in the Province of Ontario is: Torys LLP, 79 Wellington St. W., 30th Floor, Box 270, TD South Tower, Toronto, Ontario M5K 1N2 Canada.
- Name and address of Ambit Capital's agent for service of process in the Province of Québec is Torys Law Firm LLP, 1 Place Ville Marie, Suite 1919 Montréal, Québec H3B 2C3 Canada.

Additional Disclaimer for Singapore Persons

- Ambit Singapore Pte. Limited is a holder of Capital Market services license and an exempt financial adviser in Singapore, as per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to Ambit Singapore Pte. Limited by Monetary Authority of Singapore. In Singapore, Ambit Capital distributes research reports.
- Persons in Singapore should contact either Ambit Capital or Ambit Singapore Pte. Limited in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "Accredited Institutional Investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore. Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform either Ambit Capital or Ambit Singapore Pte. Limited.

Additional Disclaimer for UK Persons

- All of the recommendations and views about the securities and companies in this report accurately reflect the personal views of the research analyst named on the cover. No part of this research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst in this research report. This report may not be reproduced, redistributed or copied in whole or in part for any purpose.
- This report is a marketing communication and has been prepared by Ambit Capital Private Ltd. of Mumbai, India ("Ambit Capital"). Ambit is regulated by the Securities and Exchange Board of India and is registered as a Research Entity under the SEBI (Research Analysts) Regulations, 2014. Ambit Capital does not have a physical presence or establishment in the UK and is not regulated by the UK Financial Conduct Authority (FCA).
- In the UK, this report is directed at and is for distribution only to persons who (i) fall within Article 19(5) (persons who have professional experience in matters relating to investments) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended).
- Neither this report nor any copy or part thereof may be distributed in any other jurisdictions where its distribution may be restricted by law and persons into whose possession this report comes should inform them about, and observe any such restrictions. Distribution of this report in any such other jurisdictions may constitute a violation of UK or US securities laws, or the law of any such other jurisdictions.
- This report does not constitute an offer or solicitation to buy or sell any securities referred to herein. It should not be so construed, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information in this report, or on which this report is based, has been obtained from publicly available sources that Ambit believes to be

reliable and accurate. However, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research. It has also not been independently verified and no representation or warranty, express or implied, is made as to the accuracy or completeness of any information obtained from third parties.

- The information or opinions are provided as at the date of this report and are subject to change without notice. The information and opinions provided in this report take no account of the investors' individual circumstances and should not be taken as specific advice on the merits of any investment decision. Investors should consider this report as only a single factor in making any investment decisions. Further information is available upon request. No member or employee of Ambit accepts any liability whatsoever for any direct or consequential loss howsoever arising, directly or indirectly, from any use of this report or its contents.
- The value of any investment made at your discretion based on this Report, or income therefrom, maybe affected by changes in economic, financial and/or political factors and may go down as well as go up and you may not get back the original amount invested. Some securities and/or investments involve substantial risk and are not suitable for all investors.
- Ambit and its affiliates and their respective officers directors and employees may hold positions in any securities mentioned in this Report (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). Ambit and its affiliates may from time to time render advisory and other services, solicit business to companies referred to in this Report and may receive compensation for the same. Ambit has a restrictive policy relating to personal dealing. Ambit has controls in place to manage the risks related to such. An outline of the general approach taken in relation to conflicts of interest is available upon request.
- Ambit and its affiliates may act as a market maker or risk arbitrator or liquidity provider or may have assumed an underwriting commitment in the securities of companies discussed in this Report (or in related investments) or may sell them or buy them from clients on a principal to principal basis or may be involved in proprietary trading and may also perform or seek to perform investment banking or underwriting services for or relating to those companies.
- Ambit may sell or buy any securities or make any investment which may be contrary to or inconsistent with this Report and are not subject to any prohibition on dealing. By accepting this report you agree to be bound by the foregoing limitations. In the normal course of Ambit and its affiliates' business, circumstances may arise that could result in the interests of Ambit conflicting with the interests of clients or one client's interests conflicting with the interest of another client. Ambit makes best efforts to ensure that conflicts are identified, managed and clients' interests are protected. However, clients/potential clients of Ambit should be aware of these possible conflicts of interests and should make informed decisions in relation to Ambit services.

Additional Disclaimer for U.S. Persons

RULE 15a-6 ARRANGEMENT WITH DAIWA

This publication may be furnished to recipients in the United States directly by Ambit Capital and in certain cases indirectly by Daiwa Capital Markets America Inc. ("DCMA"), a U.S. Securities and Exchange Commission registered broker-dealer and FINRA member firm, exclusively to "major U.S. institutional investors", as defined under Rule 15a-6 promulgated under the U.S. Securities Exchange Act of 1934, as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission. U.S. customers to whom Ambit capital or DCMA have furnished this publication and that wish to effect transactions in any designated investment discussed in this publication should do so through a qualified salesperson of DCMA. DCMA registered representative may be reached at 212-612-7000. DCMA does not take responsibility for the contents of this publication. DCMA has not been involved in producing this publication. DCMA does not review this publication prior to its publication and has no influence on content and rating. This publication is not an offer to sell or the solicitation of any offer to buy securities by available Ambit Capital or DCMA. For further disclosures from DCMA, please see the notice when it furnishes the publication. This material should not be construed as a solicitation or recommendation to use Ambit Capital to effect transactions in any security mentioned herein, and is not supplied with any understanding that US recipients will direct commission business to Ambit Capital. Analysts preparing this research report are employed outside of the US and are not registered as research analysts with FINRA. These analysts may not be associated persons of DCMA and therefore may not be subject to FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst(s) Certification

- The analyst(s) authoring this research report hereby certifies that the views expressed in this research report accurately reflect such research analyst's personal views about the subject securities and issuers and that no part of his or her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report.
- The analyst (s) has/have not served as an officer, director or employee of the subject company in the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report.
- The analyst(s) does not hold one percent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report.
- Research Analyst views on Subject Company may vary based on fundamental research and technical research. Proprietary trading desk of Ambit Capital or its associates/group companies maintains arm's length distance with the research team as all the activities are segregated from Ambit Capital research activity and therefore it can have an independent views with regards to Subject Company for which research team have expressed their views.

Additional information and disclaimer

Please note registration granted by SEBI and certification from NISM in no way guarantee performance of Ambit Capital Private Ltd. or provide any assurance of returns to Investors/Clients. Ambit Capital research should not be considered as an advertisement or advice, professional or otherwise. Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registered Office Address: Ambit Capital Private Limited, 449, Ambit House, Senapati Bapat Marg, Lower Parel, Mumbai-400013. Contact Number: +91 22 6623 3000.

Compliance Officer & Grievance Officer Details: Manish Dubey, Email id: manish.dubey@ambit.co , Contact Number: 91 22 6860 3252. In case you require any clarification or have any query/concern, kindly write to us at compliance@ambit.co , Website: - www.ambit.co;

Other registration details of Ambit Capital: SEBI Stock Broking registration number INZ000259334 (Trading Member of BSE and NSE); SEBI Depository Participant registration number IN-DP- 682-2022; SEBI Research Analyst Registration Number - INH000000313, Research Analyst. Enlistment No. 5020 CIN: U74140MH1997PTC107598.

AMBIT
Acumen at work
Institutional Equities