Retail Equity Research

Dhoot Transmission Ltd.

Subscribe

Nifty: 24,571 | **Sensex: 78,499**

IPO Note | 10th August 2026

Sector: Auto Components | **Price Range: ₹829 - ₹871**

Wired for growth– a play on India's 2W/3W electrification boom…

Dhoot Transmission Ltd. (Dhoot), incorporated in 1998 and headquartered in Pune, Maharashtra, is one of India's leading E&E (electrical & electronics) companies, engaged in designing and manufacturing critical wiring harnesses integrating sensors, controllers, switches, connectors, junction boxes, and high-voltage interconnection systems. It serves leading 2W, 3W, PV, CV, and off-highway OEMs, holding ~41% market share in 2W/3W wiring harnesses and ~70% in EV 2W/3W wiring harnesses, with 22 facilities across India and abroad. Wiring harnesses drive ~77% of revenue, with growing contributions from battery packs, sensors, and controllers.

- **India's wiring harness market is expected to grow at a healthy 12 to 14% CAGR, rising from about ₹8,940cr in FY26 to over ₹16,000cr by FY31, led by increasing EV adoption and higher wiring content per vehicle.*(Source: CRISIL).***
- **Dhoot delivered a robust ~27% revenue CAGR over FY24–26, reaching ₹4,525 Cr in FY26, powered by strong 2W/3W volume growth, rising EV content, and capacity expansion.**
- **Dhoot benefits from a favourable policy environment, supported by government initiatives such as the PLI scheme, PM E-DRIVE, and state-level incentives and policies, providing a supportive regulatory backdrop for continued growth.**
- **Dhoot's strategic focus on the premium 2W category (150cc and above) commands superior kit value per vehicle, supporting margin sustainability as premiumization trends continue to strengthen in the Indian two-wheeler market.**
- **The company has strong return ratios, with 3 yr Avg. ROE of 35% and ROCE of 29%, showcasing efficient utilization of the capital.**
- **The total debt stood at ₹918cr in FY26 (D/E at 0.4x), and upon utilisation of net proceeds from the IPO for debt repayment (~₹767cr), the debt-to-equity ratio will be negligible.**
- **At the upper price band of ₹871, Dhoot is valued at ~42.7x FY26 P/E and appears reasonable compared to its peers. Backed by a dominant market position (~41% share in 2W/3W wiring harnesses, ~70% in EV 2W/3W) built on strong OEM relationships with Bajaj Auto, TVS, Honda, and Royal Enfield, along with a favourable industry outlook, ongoing capacity expansion, and planned debt reduction from IPO proceeds, Dhoot is poised for strong growth. Given its strong fundamentals and favorable outlook, we recommend "Subscribe" for short-to medium-term investors.**

Issue Details	
Date of opening	August 10, 2026
Date of closing	August 12, 2026
Total No. of shares offered (cr.)	3.52
Post Issue No. of shares (cr)	20.5
Face Value	₹2
Bid Lot	17 Shares
Minimum application for retail (upper price band for 1 lot)	₹14,807
Maximum application for retail (upper price band for 13 lot)	₹1,92,491
Listing	BSE,NSE
Lead Managers	Axis Capital Ltd, Jefferies India Pvt ltd, Kotak Mahindra capital co Ltd, SBI capital markets Ltd,360 one wam Ltd and Nomura Fin Adv & Securities Pvt Ltd.
Registrar	KFin Technologies Ltd.

Issue size (upper price)	Rs.cr
Fresh Issue	1,400.0
OFS	1666.9
Total Issue	**3,066.9**

Shareholding (%)	Pre-Issue	Post Issue
Promoter & Promo. Group.	100.0	82.8
Public & others	0.0	17.2
Total	**100.0**	**100.0**

Issue structure	Allocation (%)	Size Rs.cr
QIB	50	1,530.4
Non-Institutional	15	459.1
Retail	35	1,071.3
Employee	-	6.0
Total	**100**	**3,066.9**

Y.E March (Rs cr) Consol.	FY24	FY25	FY26
Sales	2797.7	3444.9	4525.0
Growth YoY(%)		23%	31%
EBITDA	512.4	591.0	711.0
Margin(%)	18.3	17.2	15.7
PAT Adj.	298.7	353.9	417.1
Growth YoY(%)		18%	18%
EPS	14.6	17.3	20.4
P/E (x)	59.7	50.3	42.7
EV/EBITDA (x)	35.8	31.4	24.8
P/Bv (x)	23.8	17.9	7.3

Purpose of IPO

The offer consists of Fresh Issue of ₹1,400cr and Offer for Sale (OFS) of ₹1666.9cr. Net proceeds will be used for debt repayment, funding subsidiaries to reduce their borrowings, setting up new wiring harness plants in Haryana and Tamil Nadu, and pursuing acquisitions and general corporate purposes.

Key Risks

- Margin compression: EBITDA margin fell from 18.31% to 15.71% and PAT margin from 10.7% to 9.2% (FY24–FY26), driven by rising input, employee, and depreciation costs.
- High client concentration: Top 5 customers account for ~72% of FY26 revenue, posing a key relationship-dependency risk.

Peer Valuation

Company	CMP(Rs.)	MCap(Rs.cr)	Sales (Rs.cr)	EBITDA(%)	PAT (%)	EPS(Rs.)	RoE (%)	P/E(x)	P/BV	Mcap/sales	D/E (x)
Dhoot Transmission Ltd	**871**	**17,816**	**4,525**	**15.7**	**9.2**	**20.4**	**24.3**	**42.7**	**7.3**	**3.9**	**0.4**
Uno Minda Ltd	1,296	74,534	19,658	11.5	6.1	20.7	19.1	62.6	11.0	3.8	0.4
Sona BLW Precision Forgings Ltd	835	51,368	4308	25.1	14.9	10.5	11.2	79.8	8.7	11.9	0.1
Motherson Sumi Wiring Ltd.	42	27,548	11,429	9.3	5.5	0.9	32.4	44.1	12.8	2.4	0.1
Minda Corporation Ltd.	732	17,789	6,185	11.7	5.8	14.9	14.9	49.1	6.6	2.9	0.6

Source: Geojit Research, Bloomberg; Valuations of Dhoot are based on upper end of the price band (post issue), Financials as per FY26 consolidated.

Business Description:

Dhoot Transmission Ltd., incorporated in 1998 and headquartered in Pune, Maharashtra, is one of India's leading electrical and electronics (E&E) companies, engaged in the design, engineering, and manufacturing of critical wiring harnesses that integrate sensors, controllers, switches, connectors, junction boxes, and high-voltage interconnection systems. The company serves leading 2W, 3W, PV, CV, and off-highway OEMs — including Bajaj Auto, TVS Motor, Honda Motorcycle & Scooter India, and Royal Enfield — through 22 manufacturing facilities in India and overseas (UK, Slovakia, Thailand). It holds ~41% market share in 2W/3W wiring harnesses and ~70% in EV 2W/3W wiring harnesses.

Product-wise Revenue Split (₹ Cr)

Product	FY26	%
Wiring harnesses	3,487.72	77.08%
Others (battery packs, sensors/controllers, switches)	1,037.23	22.92%

Geography-wise Revenue Split (₹ Cr)

Region	FY26	%
Domestic (India)	4,096.54	90.53%
Export (UK & others)	428.41	9.47%

Segment-wise Revenue Split (₹ Cr)

Segment	FY26	%
2W	2,962.70	65.47%
3W	581.78	12.86%
Others (CV, off-highway, farm/industrial)	980.48	21.67%

Customer-wise Revenue Split (₹ Cr)

Customer	FY26	%
Bajaj Auto	1,440.83	31.84%
TVS Motor	887.70	19.62%
Honda Motorcycle & Scooter India	470.39	10.40%
Royal Enfield	202.77	4.48%
Top 5 customers (combined)	**3,237.93**	**71.56%**
Top 10 customers (combined)	**3,662.24**	**80.93%**

Source: Geojit research, RHP

PRODUCT PORTFOLIO:

Source: Geojit research, RHP

Dhoot Transmission operates 22 manufacturing facilities (19 in India, 3 overseas — UK, Slovakia, and Thailand), with two new plants coming up at Hosur (TN) and Chakan, Pune by FY27 to support growing demand. Overall capacity utilization improved to 74.26% in FY26 from 65.23% (FY24), led by strong traction in wiring harnesses (81.32%) and sensors/controllers (~83%). Key plants — Hosur (94%), Pithampur (90%), Jhajjar (97.9%) and Kanchipuram (89%) — are operating near peak capacity, reflecting robust demand and validating the company's timely capacity expansion strategy. The overseas facilities (UK 88%, Slovakia 37%, Thailand 14%) provide the company a global manufacturing footprint, with room to scale as international demand builds.

Key strengths

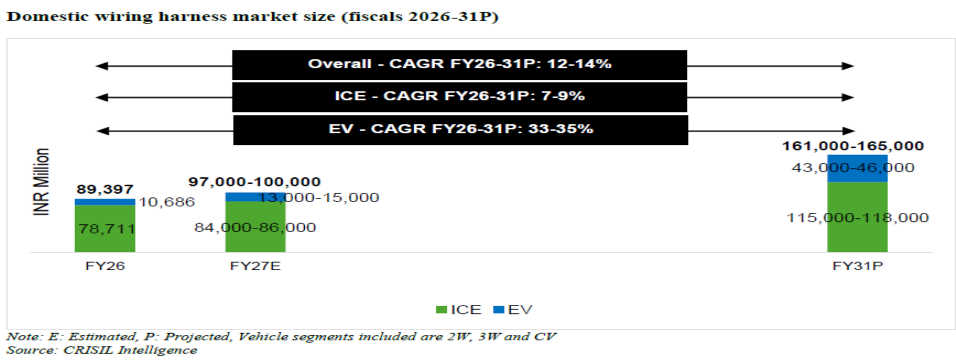
- Established leadership position in India and scaled operations in 2W and 3W wiring harnesses, supported by an extensive and critical product portfolio.
- Positioned to capitalize on key industry trends, leveraging our differentiated capabilities to deliver sustained growth and value.
- Strong business foundation anchored by a marquee customer base and diversified business mix, enabling sustained growth

Key strategies

- Capitalizing on trends toward electrification and premiumization to broaden the product portfolio across segments and technologies, driving greater content per vehicle and expanding the customer base.
- Continue to focus on design, research and development (R&D) and engineering capabilities to develop innovative systems and solutions, as well as improve the manufacturing efficiencies.
- Invest ahead of demand through capacity expansion.
- Pursue selective inorganic expansion through acquisitions, joint ventures or technology partnerships to gain access to new technologies, customers, and global markets.

Industry Outlook

India's wiring harness market is projected to grow at a strong 12 to 14% CAGR, expanding from around ₹8,940 crore in FY26 to ₹16,100 to 16,500 crore by FY31, primarily driven by rising EV adoption, since electric vehicles require significantly more wiring content per vehicle than conventional ICE vehicles, further supported by BS VI emission norms and increasing vehicle premiumization.



Source: Geojit research, RHP

Promoter and promoter group

The Promoters of the company are Mr. Rahul Radhavallabh Dhoot and BC Asia XV.

As on the date of the Red Herring Prospectus, the Promoters, in aggregate, hold 159,943,945 Equity Shares of face value of ₹2 each, representing 84.87% of the issued, subscribed and paid-up Equity Share capital of the Company, on a fully diluted basis.

As on the date of the Red Herring Prospectus, the Board comprises eight Directors including two Executive Directors and six Non-Executive Directors, of whom three are Independent Directors (including one Woman Independent Director).

Brief Biographies of directors

- **Mr. Ajay Seth,** Chairman and Independent Director, is a Chartered Accountant with 38+ years in the automotive sector, having served as CFO at Maruti Suzuki India and in senior finance roles at Escorts, JCB India, and Eicher Goodearth.

- **Mr. Rahul Radhavallabh Dhoot,** Promoter and Managing Director of the company, and is associated with the company since 1998, is an electronics and telecommunication engineering graduate with 27+ years of automotive industry experience, driving the Company's strategy, innovation, and growth while also serving as director at DACPL, DASPL, DESPL, and Dhoot UK.

- **Mr. Dhiren Vinodrai Sheth,** Executive Director and Chief Human Resource Officer and associated with the company since 2007, is a chemical engineering graduate with 18+ years in the automotive sector, driving global export expansion alongside HR leadership.

- **Mr. Saahil Haresh Bhatia,** Non-Executive Director, holds degrees from the University of Texas at Austin and INSEAD, with 16+ years in investment banking, consulting, and private equity, currently serving as Partner at Bain Capital Advisors (India), having previously worked with Temasek Holdings, Barclays, and Deloitte.

- **Mr. Rishi Mandawat,** Non-Executive Director, is a Chartered Accountant with a PGDM from IIM Ahmedabad and 20+ years in consulting and private equity, currently serving as Partner at Bain Capital Advisors (India), having previously worked at McKinsey & Company.

- **Mr. Burjor Kersasp Dadachanji,** Non-Executive Director, holds a PGDM from IIM Bangalore and has 21+ years in healthcare, consulting, and banking, currently serving as Operating Partner at Bain Capital Advisors (India), having previously worked at Abbott Healthcare, Boston Consulting Group, and J.P. Morgan.

- **Mr. Tarun Dharampal Sharma,** Independent Director, is a computer engineering graduate with 23+ years in software development, currently serving as Founder and CEO of Yodda Elder Care Technologies, having previously held CEO and senior leadership roles at Mgneto Resource Management, BMC Software India, and Virtusa Corporation (USA).

- **Ms. Matangi Gowrishankar,** Independent Director, holds a degree from University of Madras and a diploma from Xavier Labour Relations Institute, with 28+ years in human resources, having previously served in senior HR leadership roles at BP India, Cummins India, International Computers (India), Standard Chartered Bank, and Reebok Technical Services.

CONSOLIDATED FINANCIALS

PROFIT & LOSS

Y.E March (Rs cr)	FY24	FY25	FY26
Sales	**2,797.7**	**3,444.9**	**4,525.0**
% change	-	*23.1%*	*31.4%*
EBITDA	**512.4**	**591.0**	**711.0**
% change	-	*15.3%*	*20.3%*
Depreciation	76.4	93.3	122.5
EBIT	**436.0**	**497.7**	**588.4**
Interest	49.5	67.5	91.2
Other Income	1.6	27.4	38.7
Exceptional items	0.0	0.0	-20.3
PBT	388.2	457.6	515.7
% change	-	17.9%	12.7%
Tax	89.5	103.7	118.8
Tax Rate (%)	23%	23%	23%
Reported PAT	298.6	353.9	396.8
Adj	0.1	0.0	20.3
Adj. PAT	**298.7**	**353.9**	**417.1**
% change	-	18.5%	17.9%
Post issue No. of shares (cr)	**20.5**	**20.5**	**20.5**
Adj EPS (Rs)	14.6	17.3	20.4
% change	*0.0%*	*18.5%*	*17.9%*

BALANCE SHEET

Y.E March (Rs cr)	FY24	FY25	FY26
Cash	67.5	52.8	1,095.8
Accounts Receivable	420.8	600.3	793.7
Inventories	333.9	425.2	639.2
Other Cur. Assets	58.2	62.3	91.2
Investments	6.4	4.0	0.0
Deff. Tax Assets	17.8	20.6	25.7
Net Fixed Assets	618.5	797.1	1,234.8
CWIP	40.0	188.2	18.0
Intangible Assets	16.3	16.6	20.2
Other Assets	132.4	169.1	196.2
Total Assets	**1,711.7**	**2,336.2**	**4,114.8**
Current Liabilities	334.6	445.3	645.8
Provisions	9.5	17.0	21.0
Debt Funds	576.1	814.9	918.3
Other Fin. Labilities	22.7	51.7	85.9
Deferred Tax liability	19.5	13.3	8.9
Equity Capital	17.2	17.6	37.7
Reserves & Surplus	731.0	976.0	2,396.7
Shareholder's Fund	749.2	994.0	2,435.0
Total Liabilities	**1,711.7**	**2,336.2**	**4,114.8**
BVPS (Rs)	36.6	48.6	119.0

CASH FLOW

Y.E March (Rs cr)	FY24	FY25	FY26
PBT Adj.	388.2	457.6	515.7
Non-operating & non cash adj.	127.0	141.6	192.2
Changes in W.C	141.6	-164.0	-231.4
C.F.Operating	**241.0**	**320.2**	**347.7**
Capital expenditure	-286.5	-399.5	-340.3
Change in investment	-1.5	27.8	-3.0
Sale of investment	0.6	40.9	-
Other invest.CF	-23.5	-112.1	-918.3
C.F - investing	-310.9	-442.8	-1,261.7
Issue of equity	-	-	1,959.6
Issue/repay debt	121.0	208.2	40.6
Dividends paid	-0.3	-0.9	-
Other finance.CF	-57.2	-69.3	-87.9
C.F - Financing	**63.4**	**138.0**	**1,912.3**
Change. in cash	-6.4	15.4	998.3
Opening Cash	36.7	30.4	46.4
Closing cash	30.4	46.4	1,084.3

RATIOS

Y.E March	FY24	FY25	FY26
Profitab. & Return			
EBITDA margin (%)	*18.3*	*17.2*	*15.7*
EBIT margin (%)	15.6	14.4	13.0
Net profit mgn.(%)	*10.7*	*10.3*	*9.2*
ROE (%)	39.9	40.6	24.3
ROCE (%)	*32.9*	*31.8*	*22.8*
W.C & Liquidity			
Receivables (days)	*54.9*	*54.1*	*56.2*
Inventory (days)	67.5	62.0	64.9
Payables (days)	*62.1*	*65.7*	*71.4*
Current ratio (x)	2.6	2.5	3.9
Quick ratio (x)	*1.5*	*1.5*	*2.9*
Turnover & Levg.			
Net asset T.O (x)	*4.5*	*4.9*	*4.5*
Total asset T.O (x)	1.6	1.7	1.4
Int. covge. ratio (x)	*8.8*	*7.4*	*6.4*
Adj. debt/equity (x)	0.8	0.8	0.4
Valuation ratios			
EV/Sales (x)	6.5	5.4	3.9
EV/EBITDA (x)	*35.8*	*31.4*	*24.8*
P/E (x)	59.7	50.3	42.7
P/BV (x)	*23.8*	*17.9*	*7.3*

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