Dhoot Transmission Limited

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IPO Note **07th August 2026**

Company Overview

Dhoot Transmission Limited (DTL) is one of India's leading electrical and electronics (E&E) companies, engaged in the design, engineering, manufacturing and supply of wiring harnesses and electrical distribution systems for both internal combustion engine (ICE) vehicles and electric vehicles (EVs). Its diversified product portfolio includes battery packs, switches, sensors, controllers, connectors, junction boxes, high-voltage interconnection systems and data cables, catering to the stringent performance, safety, and reliability requirements of OEMs across automotive and non-automotive applications. The company ranks among the top two players in the Indian two-wheeler (2W) and three-wheeler (3W) wiring harness market, with a 41% market share by value in FY26. It is also the market leader in electric 2W and 3W wiring harnesses, with a market share of nearly 70%. Beyond its leadership in 2W and 3W, the company has diversified its presence across commercial vehicles (CVs), off-highway vehicles (OHW), and farming and industrial equipment, while continuing to expand its product portfolio through the development of new sensor technologies. Wiring harnesses remain its largest revenue contributor, accounting for over 77% of revenue from operations in FY26. The company operates 23 manufacturing facilities, supported by engineering and design centres and warehouses across India and overseas, while two additional manufacturing plants are under construction. The company has also established backward integration across critical components, including terminals, connectors, cables, and moulded parts.

Objects of the issue

The IPO consists of an offer for sale of Rs. 1,667 crores and a fresh issue of Rs. 1,400 crores.

The company proposes to utilize the proceeds from the issue towards the following objects:

- ⇒ Repayment/prepayment, in full or in part, of all or certain outstanding borrowings availed by the company;
- ⇒ Investment in subsidiaries, namely, Dhoot Auto components Private Limited, Dhoot Automotive Systems Private Limited, and Dhoot Transmission UK Limited, for repayment/prepayment, in full or part, of all or certain of the outstanding borrowings availed by subsidiaries;
- ⇒ Setting up a new wiring harness manufacturing plant at (i) Sector 11, Jhajjar, Haryana, India, and (ii) Shoolagiri, Hosur, Tamil Nadu, India; and
- ⇒ Funding inorganic growth through acquisitions and general corporate purposes.

Investment Rationale

Leadership in 2W/3W wiring harnesses positions the company to capitalize on industry tailwinds

DTL is among the largest wiring harness manufacturers in India's 2W and 3W segments, with a market share of 37.6% in 2W and over 70% in 3W, supported by a diversified product portfolio and deep integration with leading OEMs. Its strong product development capabilities, demonstrated through the rapid commercialization of USB Type-C charging modules, reinforce long-standing customer relationships, and create opportunities for repeat business. Going forward, the company is well positioned to benefit from several structural industry tailwinds. India remains the world's largest 2W market and the second-largest 3W market, while EV penetration in these segments is expected to increase significantly over the next five years. At the same time, rising premiumization, stricter emission regulations and increasing adoption of advanced electronic and safety features are driving higher wiring harness content and complexity per vehicle. With nearly one-fourth of its revenue already derived from EV applications and over half of its 2W revenue coming from premium and EV segments, the company is well placed to capitalize on these trends, supporting sustained revenue growth, higher value addition and improved profitability over the medium to long term.

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Issue Details	
Offer Period	10th August. 2026 –12th August. 2026
Price Band	Rs. 829 to Rs. 871
Bid Lot	17
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	3.5
Issue Size (Rs. in Cr.)	3,067
Face Value (Rs.)	2

Issue Structure	
QIB	50%
NIB	15%
Retail	35%
BRLM	Axis Capital, Jefferies India, Kotak Mahindra Capital, Nomura Financial Advisory and Securities (India), SBI Capital Markets, 360 ONE WAM
Registrar	Kfin Technologies Limited

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	100.0%	82.8%
Public	0.0%	17.2%
Total	**100.0%**	**100.0%**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Dhoot Transmission Limited

Strong customer relationships and capacity expansion provide long-term growth visibility

Dhoot Transmission has developed long-standing relationships with leading automotive OEMs, supported by its strong execution capabilities, engineering expertise and consistent product quality. Its customer base comprises some of the largest players in the domestic 2W and 3W industry, with an average relationship of 13 years among its top five customers. Deep integration into customers' product development processes, coupled with continuous value engineering and localization initiatives, has enabled the company to increase wallet share across existing platforms while creating high switching costs. Its ability to develop customized solutions and improve product performance and cost efficiency further enhances its position as a strategic supplier rather than a component vendor. The company is also strengthening its manufacturing footprint to support future growth opportunities. It continues to expand capacity in line with customer requirements by establishing new facilities in key automotive clusters and increasing production capabilities across existing plants. Its strategy of locating facilities closer to customer manufacturing units enables faster deliveries, lower logistics costs and greater operational flexibility. Backed by investments linked to confirmed customer demand, standardized manufacturing processes and increasing automation, the company is well positioned to support new model launches, technology transitions and rising production volumes while maintaining operational efficiencies.

Valuation

Dhoot Transmission Limited is one of the leading manufacturers of automotive electrical distribution systems in India, with a dominant presence in the 2W and 3W wiring harness segments. The company has established long-standing relationships with leading OEMs, supported by strong engineering capabilities, an extensive product portfolio and deep integration into customers' product development cycles. It is well positioned to benefit from structural industry tailwinds, including rising electrification, premiumization, increasing electronic content per vehicle and tightening emission and safety regulations, which are expected to drive higher wiring harness content per vehicle. Further, the company's continued investments in capacity expansion, R&D, product innovation, strategic acquisitions and technology partnerships are expected to strengthen its competitive positioning, enhance its product offerings, and expand its presence across domestic and international markets. Financially, Dhoot Transmission has delivered a healthy performance, with revenue from operations, EBITDA and PAT registering a CAGR of 27.2%, 17.8% and 15.3%, respectively, during FY24-FY26. **At the upper price band of Rs. 871, the issue is valued at a P/E multiple of 35.7x based on FY26 diluted EPS of Rs. 24.4. Considering the company's market leadership, established customer relationships, strong growth prospects, healthy financial performance, and favourable long-term industry outlook, we believe the valuation is fair. Accordingly, we assign a 'SUBSCRIBE' rating to the issue.**

Key Risks

⇒ The company has a significant customer concentration, with its top ten customers contributing 80.93%, 81.81% and 77.90% of revenue from operations in FY26, FY25 and FY24, respectively. Consequently, any disruption in relationships with these key customers or the loss of significant business from them could adversely impact the company's business operations, financial performance, cash flows and overall financial condition.

⇒ The company does not have firm, long-term volume commitments from its OEM customers. Consequently, any termination, modification or reduction in customer orders or procurement requirements could adversely affect its business operations, financial performance, cash flows and overall financial condition.

⇒ Potential conflicts of interest may arise between the company and other affiliates of Bain Capital during the course of its business operations. Additionally, the company has not entered into non-compete or non-solicitation agreements with its Promoters or Directors, except for its Promoter, Rahul Radhavallabh Dhoot. Any competing business activities undertaken by these individuals could adversely impact the company's business and financial performance.

Dhoot Transmission Limited

Income Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Sales	2,798	3,445	4,525
Total revenue from operations	**2,798**	**3,445**	**4,525**
Expenses			
Cost of material consumed	1,829	2,257	3,069
Changes in inventories of finished goods and work-in-progress	-24	-23	-76
Employee benefits	252	295	373
Impairment loss on financial assets	0	6	2
Other expenses	229	319	445
Total operating expenses	**2,285**	**2,854**	**3,814**
EBITDA	**512**	**591**	**711**
Depreciation & amortization	76	93	123
EBIT	**436**	**498**	**588**
Finance costs	49	67	91
Other Income	2	27	39
PBT before Share of Profit	**388**	**458**	**536**
Share of profit	0	0	0
PBT before Exceptional Items	**388**	**458**	**536**
Exceptional Items	**0**	**0**	**-20**
PBT after Exceptional Items	**388**	**458**	**516**
Total tax	89	104	119
Net Profit	**299**	**354**	**397**
Diluted EPS	**20.8**	**24.3**	**24.4**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	241	320	348
Cash flow from/(used in) investing activities	-311	-443	-1,262
Net cash flows (used in) / from financing activities	63	138	1,912
Net increase/(decrease) in cash and cash equivalents	**-6**	**15**	**998**
Effects of exchange rate changes on cash and cash equivalents	0	1	4
Collection from customers under factoring arrangements pending remittance to bank	0	0	36
Cash and cash equivalents at the beginning of the period	**33**	**30**	**46**
Cash acquired as part of common control business combination	**4**	**0**	**0**
Cash and cash equivalents at the end of the period	**30**	**46**	**1,084**

Source: RHP, BP Equities Research

Dhoot Transmission Limited

Balance Sheet (Rs. in crores)

Particulars	FY24	FY25	FY26
Assets			
Non-Current Assets			
Property, plant & equipment	618	797	1,235
Capital work in progress	40	188	18
Right-of-use assets	46	79	128
Intangible assets	4	3	5
Goodwill	13	13	15
Investments	6	0	0
Financial assets			
(i) Investments	0	4	0
(ii) Other financial assets	6	8	21
Deferred tax assets (net)	18	21	26
Other non-current assets	76	77	42
Current tax assets (net)	4	5	5
Total Non-Current Assets	**831**	**1,196**	**1,495**
Current Assets			
Inventories	334	425	639
Financial assets			
(i) Investments	0	0	0
(ii) Trade receivables	421	600	794
(iii) Cash & Cash equivalents	30	46	1,084
(iv) Other bank balances	37	6	12
(v) Other financial assets	3	5	14
Other current assets	55	57	72
Current tax assets (net)	0	1	5
Total Current Assets	**880**	**1,141**	**2,620**
Total Assets	**1,712**	**2,336**	**4,115**
Equity and Liabilities			
Equity share capital	17	18	38
Other equity	731	976	2,397
Equity attributable to owners of the Holding Company	**748**	**994**	**2,434**
Non-controlling interests	1	0	1
Total Equity	**749**	**994**	**2,435**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
(i) Borrowings	205	266	246
(ii) Lease Liabilities	11	28	59
Provisions	6	10	14
Deferred tax liability (net)	20	13	9
Total Non-Current Liabilities	**241**	**318**	**328**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	350	510	595
(ii) Lease liabilities	11	11	18
(iii) Trade payables	307	420	602
(iv) Other current financial liabilities	23	52	86
Other current labilities	16	15	30
Provisions	3	7	7
Current tax liabilities (net)	11	10	14
Total Current Liabilities	**721**	**1,024**	**1,352**
Total Liabilities	**963**	**1,342**	**1,680**
Total Equity and Liabilities	**1,712**	**2,336**	**4,115**

Source: RHP, BP Equities Research

Research Desk	Tel: +91 22 61596138

Institutional Sales Desk	Tel: +91 22 61596403/04

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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Corporate Office:
4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:
24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392