DHOOT TRANSMISSION LIMITED

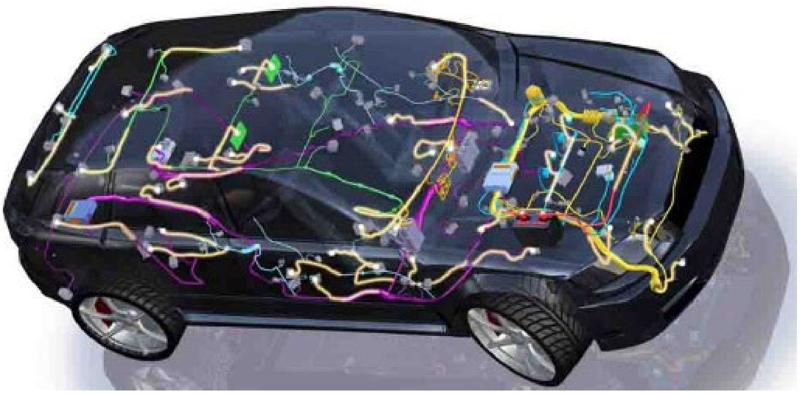
Sector: Auto Ancillaries (Automotive Electrical & Electronics — Wiring Harnesses)

Sensex	78,499
Nifty	24,571

Particulars	**Details**
Offer Type	Fresh Issue and Offer for Sale (100% book built)
Issue Size	₹ 30.67 bn (35.22 mn shares)
Fresh Issue	₹ 14.00 bn (16.08 mn shares)
Offer for Sale	₹ 16.67 bn (19.14 mn shares)
Face Value	₹ 2 per share
Price Band	₹ 829 – ₹. 871
Lot Size	17 Shares
Minimum Retail Investment	₹ 14,807
Employee Discount	₹ 80 per share
Pre / Post Issue Shares	188.47 mn / 204.55 mn
Exchange	**BSE, NSE**
Lead Managers	**Axis Capital & 5 others**
Registrar	KFin Technologies Ltd.
Key Dates	
IPO Opens	**10 August 2026**
IPO Closes	**12 August 2026**
Allotment	**13 August 2026**
Listing	**17 August 2026**

IPO Snapshot

Dhoot Transmission Limited ("DTL") – automotive electrical and electronics components, principally wiring harnesses, together with battery packs, sensors and electronic controllers and automotive switches, supplied to two-wheeler (2W) and three-wheeler (3W) OEMs and, secondarily, to commercial vehicle, off-highway and farm equipment manufacturers. Incorporated in 1998; registered office at Chakan, Pune, Maharashtra. Promoters: BC Asia Investments XV Limited (Bain Capital) and Rahul Radhavallabh Dhoot. Red Herring Prospectus dated August 3, 2026; proposed listing on BSE and NSE.



Objects of the Issue

- Unlike a pure OFS, this Offer carries a Fresh Issue component of ₹14,000.00mn that accrues to the Company. The Offer for Sale of 19,137,602 Equity Shares (up to ₹16,668.85mn at the Cap Price) accrues entirely to the two Selling Shareholders, net of their proportionate share of Offer expenses and taxes.
- Repayment/prepayment of certain outstanding borrowings of the Company: ₹4,648.02mn – 50.81% of consolidated borrowings of ₹9,147.75mn as of July 20, 2026.
- Investment in subsidiaries Dhoot Autocomponents Private Limited, Dhoot Automotive Systems Private Limited and Dhoot Transmission UK Limited for repayment/prepayment of their borrowings: ₹3,017.73mn.
- Capacity Expansion: Setting up two new wiring harness manufacturing plants – Sector 11, Jhajjar, Haryana (₹407.43mn) and Shoolagiri, Hosur, Tamil Nadu (₹1,092.56mn): ₹1,500.00mn in aggregate, to be deployed across Fiscals 2027 and 2028.
- Funding inorganic growth through acquisitions and general corporate purposes – together capped at 35% of Gross Proceeds, and individually at 25%.

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Selling Shareholders

Selling Shareholder	Shares Offered (Amount at Cap Price, ₹ mn)
BC Asia Investments XV Limited – Promoter Selling Shareholder (Bain Capital)	16,018,769 (₹13,952.35)
Mangalam Capital Private Limited – Promoter Group Selling Shareholder	3,118,833 (₹2,716.50)
Total	**19,137,602 (₹16,668.85)**

Source: RHP, Way2Wealth Research

Holder / Transaction type	WACA per Equity Share (₹)
BC Asia Investments XV Limited (Promoter Selling Shareholder)	480.34
Mangalam Capital Private Limited (Promoter Group Selling Shareholder)	4.81
Primary issuances, last 18 months	471.80
Secondary transactions, last 18 months	486.14

Source: RHP, Way2Wealth Research

Pre-Issue Shareholding:

- Equity Shares outstanding pre-Offer: 188,467,612 of face value ₹2 each; post-Offer: 204,548,057.
- Promoter and Promoter Group held 188,456,112 Equity Shares (100.00%) as of the date of the RHP; public holding was a negligible 11,500 shares.
- The Fresh Issue of 16,080,445 shares dilutes existing holders by ~7.86% of post-Offer capital; the OFS transfers a further 19,137,602 shares (~9.36% of post-Offer capital) into public hands – implied free float of roughly 17.2%.
- Employee Reservation Portion of ₹60.00mn, with a discount of ₹80 per share to the Offer Price for Eligible Employees.

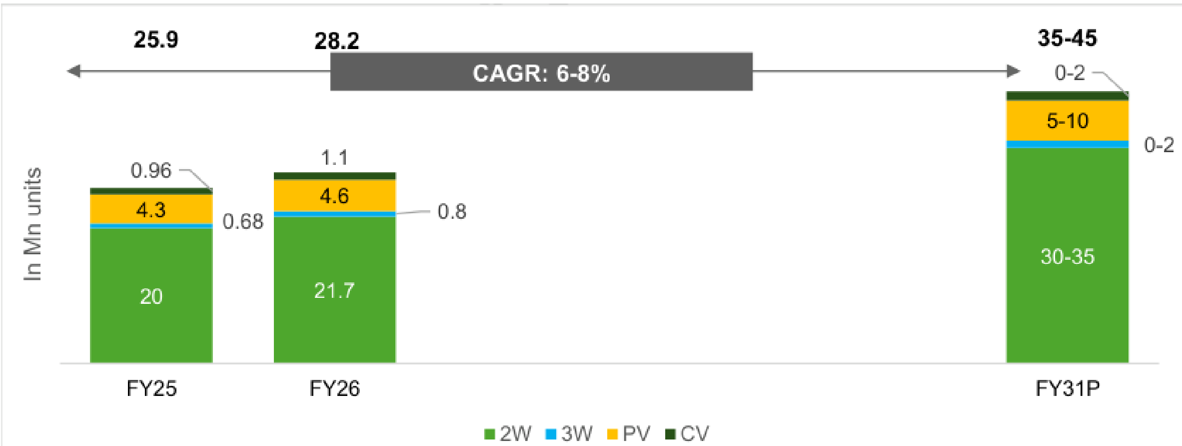
Business Overview

Dhoot Transmission Limited designs and manufactures electrical and electronic components for the automotive industry, with wiring harnesses at the core of its portfolio and battery packs, sensors and electronic controllers, and automotive switches alongside. The Company was incorporated on April 28, 1998 as Dhoot Transmission Private Limited, converted to a public limited company and renamed Dhoot Transmission Limited on December 4, 2025, and was consolidated into its present form through an NCLT-sanctioned amalgamation effective April 1, 2023. It is among the top two manufacturers of 2W and 3W wiring harnesses in India, with a 37.58% share of the 2W wiring harness market and over 70% of the 3W market in Fiscal 2026, and a combined 2W+3W share of 41.03% (Source: CRISIL Report). As of March 31, 2026 the Company operated 22 manufacturing facilities – 19 in India and three overseas – together with three engineering and design centres and seven warehouses; that count has since risen to 23 operational units, with two more under construction. For Fiscal 2026 DTL reported revenue from operations of ₹45,249.55mn (up 31.35% year on year), EBITDA of ₹7,109.89mn at a 15.71% margin, and profit after tax of ₹3,968.42mn. Two-wheelers contributed 65.47% of revenue and three-wheelers a further 12.86%; electric-vehicle programmes accounted for 24.17% of revenue and exports 9.47%. Bain Capital, through BC Asia Investments XV Limited, is the controlling promoter.

Business segments based on Fiscal 2026 data:

1. **By Product Portfolio (Divisions):** The company specializes in integrated electrical and electronics (E&E) systems, which are broadly divided into four main operational divisions:
    - Division 01: Integrated Wiring Harnesses (Core Business): This is the flagship segment, contributing a massive 77.08% to their total FY26 revenue. It includes main/dash harnesses, battery cable systems, transmission harnesses, high-voltage interconnection systems, and data cables.
    - Division 02: Electronics & Sensors: Focuses on speed, temperature, and position sensors (such as side-stand sensors), as well as control electronics, ECU modules, and motor controllers.
    - Division 03: EV Systems: A rapidly growing segment catering to electric mobility, manufacturing battery packs, Battery Management Systems (BMS), and charging solutions.
    - Division 04: Automotive Switches: Includes application-specific switching systems like rocker, rotary, push-button, handlebar, and ignition switches.
    - *Other products include terminals, connectors, and power supply cords.*
2. **By User / End-Market:** The company is heavily dominant in the two and three-wheeler spaces but is diversifying.
    - *Two-Wheelers (2Ws) – 65.47% of FY26 Revenue: The company holds a commanding 41% market share in the overall Indian 2W/3W wiring harness market. They are strategically focusing on the premium motorcycle segment (150cc and above), which yields a higher kit value per vehicle.*
    - *Three-Wheelers (3Ws) – 12.86% of FY26 Revenue: Similar to 2Ws, they hold a top-two leadership position in this segment.*
    - *Others* (Commercial, Off-Highway & Industrial) – 21.67% of FY26 Revenue: This segment includes commercial vehicles (CVs), off-highway vehicles (OHWs), farming machinery (tractors), marine, medical devices, and consumer electronics.
3. **By Powertrain Technology:** A key strength highlighted in the RHP is that approximately 95% of their automotive product portfolio is EV-focused or powertrain-neutral (meaning the products can be used in ICE, hybrid, or electric vehicles).
    - *Electric Vehicle (EV) Related Products: Driven by rapid EV adoption, this segment contributed 24.17% to the total revenue in FY26 (up from 16.19% in FY24). Notably, they hold a near 70% market share in electric 2W and 3W wiring harnesses in India.*
    - *Internal* Combustion Engine (ICE) Platforms: Standard ICE platforms account for the remaining revenue.
4. **By Geography:** While they have a global manufacturing footprint with 23 operational plants (including in the UK, Slovakia, Thailand, South Korea, and Japan), their revenue is largely driven by domestic demand:
    - *India (Domestic Sales): 90.5% of FY26 revenue.*
    - *Exports*: 9.5% of FY26 revenue.

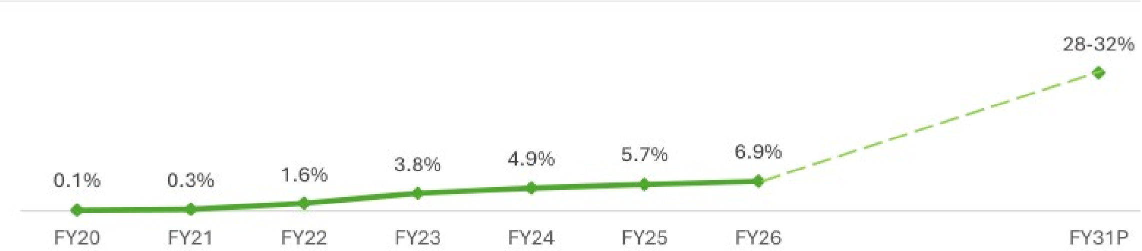
Exhibit 1: Indian automotive industry volume outlook (Mn units), FY25–FY31P



Source: Vahan, CRISIL Intelligence

Exhibit 2: EV penetration outlook of automotive industry

Segment	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Two-wheeler (2W)	0.2%	0.3%	1.9%	4.7%	5.4%	6.0%	6.6%
Three-wheeler (3W)	0.3%	1.3%	4.7%	7.5%	15.3%	22.5%	31.6%
Passenger vehicle (PV)	0.1%	0.2%	0.6%	1.4%	2.4%	2.7%	4.6%
Commercial vehicle (CV)	0.1%	0.1%	0.3%	0.3%	0.9%	1.0%	1.9%
Overall	0.1%	0.3%	1.6%	3.8%	4.9%	5.7%	6.9%



Source: RHP, Way2Wealtrh Research

Market opportunity & growth drivers (CRISIL Intelligence, "Industry Assessment for Electrical and Electronics Components used in Automotive Industry", July 2026)

- Domestic wiring harness market (2W, 3W and CV): ₹89,397mn in FY26, projected to ₹161,000–165,000mn by FY31 – a 12–14% CAGR. The ICE pool of ₹78,711mn compounds at 7–9% to ₹115,000–118,000mn, while the EV pool of ₹10,686mn compounds at 33–35% to ₹43,000–46,000mn.
- Two-wheeler harness – DTL's core market, where it holds 37.58% share: ₹63,170mn in FY26 to ₹122,000–125,000mn by FY31 (14–16% CAGR). The EV-specific slice grows fastest, from ₹6,941mn to ₹35,000–37,000mn at a 39–41% CAGR.
- Three-wheeler harness: ₹6,893mn to ₹10,200–10,700mn by FY31 (7–9% CAGR), with ICE flat at 0–2% and EV at 15–17% – relevant because DTL is the market leader in 3W wiring harnesses with over 70% share (Source: CRISIL Report, as disclosed in the RHP).
- Commercial vehicle harness: ₹19,333mn to ₹28,000–29,000mn by FY31 (7–9% CAGR), lifted by factory-fitted air-conditioned cabins mandated on new medium and heavy trucks from October 2025 and by ADAS (AEBS and DDAWS) becoming mandatory on new heavy-duty trucks from April 2026.
- Sensors and electronic controllers: ₹32,036mn in FY26 to ₹73,000–75,000mn by FY31, a 17–19% CAGR – the fastest-growing of DTL's established non-harness lines.
- EV products (EVSE and off-board chargers, DC-DC converters, battery packs): ₹113,193mn in FY26 to ₹695,000–697,000mn by FY31, a 43–45% CAGR – by far the largest pool DTL is positioned against, and the one its battery pack and charger lines address.
- Automotive switches: ₹1,135mn in FY26 to ₹1,700–1,800mn by FY31 (8–10% CAGR) – a structurally small pool, consistent with the 23.98% utilisation currently running on that line.
- Vehicle volumes: the 2W industry grows from 21.7mn units to 30–35mn by FY31 (6–8% CAGR) with e2W at 35–37%; 2W EV penetration rises from 6.6% in FY26 to 25–30% by FY31 and 3W electrification from 31.6% to 53–58%.
- Regulatory content drivers: MoRTH has mandated ABS on all two-wheelers manufactured from January 1, 2026 – previously only above 125cc – directly expanding demand for ABS sensor modules and the harness circuits carrying them; tightening BS-VI, TREM IV, CPCB IV+ and CAFE III norms add further electronic content.
- Premiumisation and complexity: ICE premium motorcycles (150cc and above) are forecast to grow at 6–9% CAGR against 4–6% for the ICE motorcycle industry. The BS-IV to BS-VI transition already doubled harness complexity and length, and EV architectures add 48V+ high-voltage networks, BMS interconnects and telematics on top.
- Global backdrop: the wire harness market is forecast to expand from $91.3 bn in 2024 to $136.8 bn by 2030, with high-voltage harnesses growing above 12% and carrying roughly twice the per-vehicle content value of low-voltage harnesses.

Revenue model & customer segments

Direct sale of components and sub-systems to OEMs, and to tier-1 and tier-2 suppliers for onward supply to OEMs, under general purchase agreements supplemented by purchase orders and rolling order schedules. Revenue is concentrated in two-wheelers (65.47% of Fiscal 2026 revenue) and three-wheelers (12.86%), with commercial vehicles, off-highway and farm equipment making up the balance (21.67%). By product, wiring harnesses account for 77.08% of revenue and battery packs, sensors and electronic controllers, automotive switches and other items 22.92%. The Company served 495 customers in Fiscal 2026; the top five contributed 71.56% of revenue and the top ten 80.93%. Domestic sales were ₹40,965.43mn and exports ₹4,284.12mn (9.47% of revenue), supported by three overseas manufacturing units and a European base acquired in 2017.

Key strengths / competitive moat

- Market leadership in a critical, engineered component: Top 2 in India in 2W wiring harnesses (37.58% share) and market leader in 3W (over 70% share) in Fiscal 2026 (Source: CRISIL Report).
- Marquee, long-tenured OEM base – Bajaj Auto, TVS Motor, Royal Enfield and Honda Motorcycle and Scooter India – whose combined share of the Indian 2W market was 69.37% in Fiscal 2026; average relationship with the top five customers is 13 years.
- High switching costs: customer-owned tooling housed in DTL plants, PPAP documentation, embedded engineering in OEM new-product cycles and plant proximity to customer sites.
- Powertrain-agnostic and EV-levered: approximately 95% of the auto product portfolio is EV-focused or powertrain-neutral, and 2W EV wiring harness content is 1.5–2.5x that of an ICE equivalent (Source: CRISIL Report).
- Backward integration into terminals, connectors, cables and moulded parts, supporting cost control, supply security and faster programme launches.
- In-house R&D and product development – 1,129 engineers as of March 31, 2026, of whom 237 sit in the R&D and engineering function; recent launches include rollover and wheel-speed sensors, dock chargers, keypad and rocker switches and battery packs.
- Institutional sponsorship and governance: Bain Capital as controlling promoter, Ajay Seth (former CFO, Maruti Suzuki India) as Independent Chairman and Rishi Mandawat (Partner, Bain Capital) on the Board.

Financial Highlights

(₹ mn)

Particulars	FY24	FY25	FY26
Revenue from operations	27,977	34,449	45,250
Revenue growth (%)	31.60%	23.13%	31.35%
Total income	27,993	34,722.36	45,637.00
EBITDA*	5,124	5,910	7,110
EBITDA margin (%)	18.31%	17.15%	15.71%
Profit after tax	2,987	3,539	3,968
PAT margin (%)	10.67%	10.19%	8.70%
Diluted EPS (₹)	20.83	24.31	24.40
Total equity	7,491.64	9,939.82	24,349.51
NAV per share (₹)	NA	NA	149.74
RoCE (%)	33.56%	29.66%	19.14%
RoE (%)	39.88%	35.60%	16.30%
RoNW (%)	40.32%	36.18%	16.55%
Net Debt/EBITDA (x)	0.99	1.29	(0.25)

Source: RHP, Way2Wealth Research

(Restated Consolidated Financial Information, per Ind AS – sourced from the Red Herring Prospectus dated August 3, 2026)

**EBITDA as defined in the RHP: restated profit before tax, exceptional items and share of profit of equity-accounted investments, plus depreciation and amortisation and finance costs, less other income. FY26 return ratios are depressed by ₹10,225.61mn of Bain Capital Tranche-2 primary proceeds received in March 2026 and undeployed as of March 31, 2026; excluding that cash, the Company reports FY26 RoE of 28.10% and RoCE of 27.83%.*

Growth & margins (computed from above disclosed figures)

- Revenue growth: +31.60% (FY24), +23.13% (FY25), +31.35% (FY26) – a two-year revenue CAGR of 27.2% from FY24 to FY26.
- EBITDA margin has compressed 260 bps over two years (18.31% → 17.15% → 15.71%); EBITDA CAGR of 17.8% has lagged revenue CAGR of 27.2%.
- PAT CAGR of 15.3% over FY24–FY26 (₹2,987.48mn → ₹3,968.42mn), with PAT margin down 197 bps to 8.70%.
- RoNW has fallen from 40% (FY24) to 36% (FY25) to 17% (FY26).
- Diluted EPS has been effectively flat year on year at ₹24.40 (FY26) versus ₹24.31 (FY25), as the March 2026 primary issuance expanded the share count ahead of profit growth.

Balance sheet (as of March 31, 2026)

- Total assets ₹41,148.25mn; total equity ₹24,349.51mn, up from ₹9,939.82mn in FY25 largely on the ₹10,225.61mn Bain Capital Tranche-2 infusion in March 2026.
- Gross borrowings ₹8,413.92mn (non-current ₹2,462.85mn; current ₹5,951.07mn) against cash and bank balances of ₹10,958.48mn – a net cash position, with Net Debt/EBITDA of (0.25)x.
- Consolidated borrowings were ₹9,147.75mn as of July 20, 2026; ₹7,665.75mn of Fresh Issue proceeds are earmarked for repayment at the Company and subsidiary level.

- Working capital intensity remains high: inventories ₹6,392.15mn and trade receivables ₹7,936.67mn against trade payables of ₹6,022.43mn.
- NAV per Equity Share of ₹149.74as of March 31, 2026; net worth is almost entirely a function of the two Bain primary tranches rather than retained earnings.

Red flags

- Margin compression through a high-growth phase: EBITDA margin down 260 bps and PAT margin down 197 bps over FY24–FY26 even as revenue compounded at 27.2% – scale is not translating into operating leverage.
- Sharp deterioration in return ratios: RoE 39.88% → 16.30%, RoCE 33.56% → 19.14%, RoNW 40.32% → 16.55%. Management attributes this to undeployed Tranche-2 cash; even on the Company's own ex-cash basis (RoE 28.10%, RoCE 27.83%) the ratios still fall materially.
- Customer concentration: top five customers accounted for 71.56% and top ten for 80.93% of FY26 revenue; the loss, in-sourcing or dual-sourcing decision of any one OEM would be material.
- Single-segment dependence: 65.47% of revenue from two-wheelers and a further 12.86% from three-wheelers.
- Promoter and Promoter Group held 100% pre-Offer, and Bain Capital's weighted average cost of acquisition of ₹480.34 sits roughly 45% below the ₹871 Cap Price – a wide gap between promoter entry cost and public issue price.
- Low utilisation in newer product lines: overall capacity utilisation of 74.26%, with automotive switches at just 23.98% and battery packs at 74.85%.
- Limited comparability of the three-year track record – the present group was assembled through an NCLT-sanctioned amalgamation effective April 1, 2023; an exceptional item of ₹202.59mn was booked in FY26.

Strengths & Positives

- Entrenched market position: Top 2 in India's 2W wiring harness market (37.58% share) and leader in 3W (over 70%), with a combined 2W+3W share of 41.03% in Fiscal 2026 (Source: CRISIL Report)
- Customer quality and stickiness: Bajaj Auto, TVS Motor, Royal Enfield and HMSI – together 69.37% of the Indian 2W market in FY26 – with an average top five relationship length of 13 years and 495 customers overall.
- Structural EV tailwind rather than EV risk: ~95% of the auto portfolio is EV-focused or powertrain-neutral, EV revenue is already 24.17% of the total, and 2W EV harness content is 1.5–2.5x ICE.
- Vertical integration into terminals, connectors, cables and moulded parts, supporting cost, quality and launch-timeline advantages in RFQ competition.
- Manufacturing footprint of 22 plants as of March 31, 2026 (23 currently, two more under construction), three engineering and design centres and seven warehouses, located close to major OEM clusters.
- Diversification beyond harnesses (77.08% of revenue) into battery packs, sensors and electronic controllers and switches, lifting kit value per vehicle.
- Clean balance sheet: net cash at March 31, 2026 with Net Debt/EBITDA of (0.25)x, and a further ₹7,665.75mn of debt repayment funded from the Fresh Issue.
- Governance and sponsorship: Bain Capital as controlling promoter, Ajay Seth (ex-CFO, Maruti Suzuki) as Independent Chairman, and an engineering bench of 1,129 engineers including 237 in R&D.

Risks & Concerns

- Two-wheeler cyclicality: with 78.3% of revenue tied to 2W and 3W, earnings are levered to a single discretionary-demand category and to rural and entry-level consumption cycles.
- Two-sided concentration: five customers account for 71.56% of revenue; OEMs in this category routinely dual-source and periodically in-source harness assembly.
- Structural pricing pressure: wiring harness is a cost-down category with annual VAVE give-backs and localisation-driven price resets – already visible in the 260 bps of margin erosion.
- Commodity exposure: copper and polymer input costs pass through with a lag, compressing margins between reset cycles; cost of materials was 67.8% of FY26 revenue.
- Scale disadvantage versus listed competitors: Uno Minda (₹196,576mn revenue), Motherson Sumi Wiring India (₹114,776mn) and Minda Corporation (₹61,853mn) are all materially larger.
- Execution risk on greenfield capex at Jhajjar and Hosur and on the stated inorganic strategy in Europe and Asia – up to 25% of Gross Proceeds may be applied to unidentified acquisitions.
- Supply overhang: Bain Capital retains a controlling stake post-Offer, and free float is only ~17.2%; the eventual sell-down path is a persistent technical risk.
- Limited geographic hedge: exports are just 9.47% of revenue, offering little offset to a domestic 2W slowdown.

Valuation & Key Metrics

Exhibit 3: Offer Price Band and implied valuation

Metric	Value
Price Band	₹829 – ₹871 per share (face value ₹2)
Lot size	17 shares – ₹14,807 at the Cap Price
Total Offer size	35,218,047 shares, ₹30,668.85mn (Fresh Issue ₹14,000.00mn; OFS ₹16,668.85mn)
FY26 diluted EPS	₹24.40
P/E at Floor Price	33.98x
P/E at Cap Price	35.70x
Implied post-Offer market capitalisation at Cap Price	~₹178,161mn (₹178.16 bn)
P/B at Cap Price (NAV ₹149.74)	5.82x

At the Cap Price the Offer values DTL at 35.7x FY26 diluted earnings and 5.8x March 2026 book – below every listed comparable in the RHP peer set and roughly 35% below the industry composite P/E of 55.31x. That discount is not unearned: DTL is the second-smallest company in the set by revenue, carries the highest customer and single-segment concentration, and is the only one whose margins and return ratios have moved consistently in the wrong direction over the disclosure period. The valuation looks reasonable rather than cheap.

Source: RHP, Way2Wealth Research

Exhibit 4: Price Band vs. earnings and book value

Metric	At Floor (₹829)	At Cap (₹871)
P/E on FY26 diluted EPS of ₹24.40	33.98x	35.70x
Discount to industry composite P/E of ~55.31x	(38.6%)	(35.5%)
P/B on March 31, 2026 NAV of ₹149.74	5.54x	5.82x
Premium to Bain Capital's WACA of ₹480.34	+72.6%	+81.3%

- *Peer P/E ratios are computed on closing BSE prices as of July 31, 2026 and FY26 diluted EPS, as disclosed in the RHP. Industry composite P/E is 55.31x, with a high of 74.64x (Sona BLW Precision Forgings) and a low of 43.24x (Motherson Sumi Wiring India).*

Source: RHP, Way2Wealth Research

Exhibit 5: Listed peer comparison (FY26; peer prices as of July 31, 2026, per RHP)

Company	Revenue FY26 (₹ mn)	Diluted EPS (₹)	P/E (x)	RoNW (%)
Dhoot Transmission Limited	45,249.55	24.40	35.70*	16.55%
Minda Corporation Limited	61,853.40	15.07	46.49	13.63%
Uno Minda Limited	196,575.90	20.75	56.87	17.53%
Motherson Sumi Wiring India Limited	114,775.80	0.94	43.24	28.92%
Sona BLW Precision Forgings Limited	44,751.48	10.30	74.64	10.70%

**DTL P/E computed at the Cap Price of ₹871. On FY26 earnings, the Offer is priced below every peer in the set, but DTL is also the second smallest by revenue and the most concentrated by customer and vehicle segment.*

Source: RHP, Way2Wealth Research

Exhibit 6: Operating metrics (per RHP Key Performance Indicators)

Operating metric	Unit	FY24	FY25	FY26
Revenue – 2W	₹ mn	18,052.79	23,049.09	29,626.97
Revenue – 3W	₹ mn	3,275.70	4,305.00	5,817.77
EV revenue share	%	16.19%	25.22%	24.17%
Exports	₹ mn	3,589.01	3,396.66	4,284.12
Capacity utilisation	%	65.23%	64.22%	74.26%
Manufacturing plants	no.	20	22	22
Top-5 customer concentration	%	66.17%	71.18%	71.56%

Revenue by user segment for FY26: 2W 65.47%, 3W 12.86%, others (CV, off-highway, farm and industrial) 21.67%. By product, wiring harnesses were 77.08% of revenue.

Source: RHP, Way2Wealth Research

Dhoot Transmission is the clearest listed proxy available for India's 2W and 3W electrical content story – a genuine share leader in a component that is getting structurally larger and more complex with every model cycle, sold to the four OEMs that between them control roughly seven-tenths of the domestic two-wheeler market. Priced at 35.7x FY26 earnings at the Cap Price, the Offer sits at a 35% discount to the peer composite and below every named comparable. The offsetting case is that the financial trajectory is moving the wrong way on quality even as it grows on scale: margins have compressed for two consecutive years, return ratios have roughly halved, EPS was flat year on year, and the top five customers now account for more than seven-tenths of revenue. The Fresh Issue is well-directed – deleveraging and two greenfield harness plants – but the incremental capacity lands into a segment that prices on cost-down.

View - Subscribe for the Long Term

DTL holds a defensible position in 2W and 3W wiring harnesses, its content per vehicle rises with electrification, premiumisation and safety regulation, and roughly 95% of its portfolio is either EV-focused or powertrain-neutral – so the electrification cycle is a tailwind rather than a threat. Bain Capital sponsorship, a professional board and a net cash balance sheet post-Offer are supportive. Against that, the valuation discount to peers is compensation for real issues: a 260 bps EBITDA margin decline over two years, return ratios that fall even on the Company's own cash-adjusted basis, 71.56% top-five customer concentration, 78.3% of revenue in a single vehicle family, and a ~17.2% free float that leaves a visible sell-down overhang from a promoter whose average entry cost is roughly 45% below the Cap Price. We would treat this as a long-term subscription for investors who want exposure to rising electrical content per two-wheeler and can hold through a 2W demand cycle – not as a listing-gain trade. Investors bidding for near-term returns should note the discount to peers already reflects the concentration and margin issues, leaving limited scope for a quick re-rating. Post-listing, the metrics to watch are EBITDA margin stabilisation, deployment of the undeployed cash into returns-accretive capacity, evidence that the switches and battery pack lines are scaling past their current low utilisation, and progress in diversifying beyond the top five customers.

Disclaimer

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Disclosure of Interest Statement: Dhoot Transmission Ltd as on 10 Aug 2026

Name of the Security	Dhoot Transmission Ltd
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained Financial Interest Analyst : Analyst's Relative : Yes / No Analyst's Associate/Firm : Yes/No	NIL No No No
Conflict of Interest	No
Receipt of Compensation	No
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