



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 11 AUGUST 2026

Dhoot Transmission Limited

Mainboard IPO — Research Note

Auto Components · Wiring Harness & Electrical Distribution Systems

ISSUE DATES	10 – 12 August 2026
PRICE BAND	₹829 – ₹871 per share
LOT SIZE	17 shares (₹14,807 at upper band)
ISSUE SIZE	₹3,067 Cr (Fresh ₹1,400 Cr + OFS ₹1,667 Cr)

SECTOR Auto Ancillary — Wiring Harness / EDS	FINANCIALS Rev ₹4,525 Cr (FY26) · PAT ₹397 Cr · Rev CAGR 27%
VALUATIONS ~36x FY26 (pre-issue) · ~45x post · peer median ~52x	DEMAND Anchor ~30% of issue · bHNI 6.7x (Day 2) · QIB filling
GMP +₹235–250 / ~27% · exp. listing gain 20–25%	RECOMMENDATION APPLY (listing gains)

I P O R E S E A R C H D E S K

2. Executive Summary

Dhoot Transmission makes automotive wiring harnesses and electrical distribution systems — the wiring that ties together sensors, connectors and controllers across a vehicle — for two-wheelers, three-wheelers, commercial vehicles, off-highway and farm equipment. FY26 revenue from operations was ₹4,525 Cr with PAT of ₹397 Cr; the top line has compounded at ~27% over two years while margins have quietly drifted down. The company claims roughly 41% share in India's 2W/3W harness market and close to 70% in EV 2W/3W harnesses, with EV-linked revenue already at 24% of FY26 sales.

The setup is a ₹3,067 Cr issue that is 54% offer-for-sale — existing holders are the larger seller here. What carries the issue is the book: an anchor round of ₹918 Cr (~30% of the issue) with 61% of it taken by domestic mutual funds across 46 schemes, alongside a six-BRLM syndicate and sovereign names. GMP is running around ₹235–250, an indicated ~27% over the ₹871 band. On our base data the marquee anchors here habitually buy issues in the 30–50x P/E band — and this issue prices inside that band, which is the opposite of a stretch.

Our call is APPLY, purely for listing gains — we peg the listing print at ~20–25% over the ₹871 band. This is not a valuation-conviction hold; it is a demand-and-pricing trade where the discount to peers, the marquee-heavy book and the GMP line up on the same side. For BHNI, bid the minimum ticket of 68 lots (1,156 shares) at ₹871 across every available PAN — the reasoning is in Section 10.

Recommendation	Listing-Day View
APPLY (listing gains)	Positive — expected listing gain ~20–25% over ₹871

3. Company Overview & Business Model

Strip away the ancillary jargon and Dhoot does one thing well: it builds the nervous system of a vehicle. Wiring harnesses and electrical distribution systems are engineered, model-specific assemblies — not commodity components — which is what lets the company embed with an OEM at the design stage and stay there. Management points to relationships averaging ~13 years with its major customers. Revenue is OEM-driven and volume-linked: the company earns as its customers' vehicles roll off the line, so the top line tracks 2W/3W production cycles rather than any balance-sheet lending of its own.

The manufacturing footprint is wide — the company operates 23 units across India and overseas, plus engineering, design and warehousing support, positioned close to the automotive clusters it serves. That proximity matters in harnesses, where just-in-time supply and low logistics cost are part of the moat. The EV angle is the growth story management will lead with: at ~70% claimed share in EV 2W/3W harnesses and 24% of FY26 revenue already EV-linked, the company is levered to India's two- and three-wheeler electrification rather than betting on it from a standing start.

What could break the model is less about technology and more about concentration and cyclicity. The customer book is narrow (addressed in Section 4), the end-markets are cyclical, and the product is ultimately a cost line for OEMs that renegotiate hard. The promoter group runs an established auto-components business; the FY26 accounts also carry a large pre-IPO equity build-up that reshapes the return ratios — we take that apart in Section 8.

4. Market Position & Client Base

On positioning, Dhoot is a genuine top-two domestic player in its niche. A claimed ~41% share of the India 2W/3W wiring-harness market, and ~70% in the EV variant, is real pricing-relevant scale in a segment where OEMs value proven, close-by suppliers. The moat is a mix of design integration and switching cost: once a harness is engineered into a platform, moving it to a rival supplier mid-cycle is disruptive and rarely worth it to the OEM. That is what underwrites the 13-year average relationship length.

The problem sits right next to the strength. The top 10 customers contributed 80.93% of FY26 revenue — that is heavy concentration by any standard, and it is the first thing we would flag to anyone underwriting this name. The relationships are long, but they are not backed by firm long-term volume commitments; harness supply runs on rolling schedules the OEM controls. The counter-argument is fair — a supplier this embedded, with this share, does not lose an anchor customer casually — but the disclosed history is a young public record, and we have not seen a churn cycle tested in the numbers. For a listing-window trade this matters less; for the risk framing it matters a lot.

5. Geographic Distribution & Revenue Model

Dhoot is predominantly a domestic OEM supplier, with the revenue engine sitting in India's 2W/3W and off-highway segments and a growing EV mix. The overseas manufacturing units extend the footprint and give some export/served-market diversification, but this is not an export-led story with heavy currency translation risk at its core — the demand driver is Indian vehicle production and the electrification of small mobility.

The revenue model is volume-linked B2B: per-vehicle harness content billed to OEMs on rolling schedules, with content-per-vehicle rising as vehicles add electronics and move to EV architectures. That content-growth tailwind is the structural positive — even flat unit volumes can grow Dhoot's revenue if content per vehicle keeps climbing. The offset is that pricing is negotiated against large OEM buyers, which is visible in the margin trajectory.

6. Innovation / R&D

R&D is not incidental for a harness and EDS maker moving into EV platforms — it is what keeps the design-stage lock-in with OEMs. The company runs dedicated engineering and design centres alongside its plants, and the EV harness leadership (claimed ~70% share, 24% of FY26 revenue) is the clearest evidence that the design effort is translating into placement on next-generation platforms. We do not have a clean disclosed R&D-as-%-of-revenue figure to anchor a hard number on, so we treat this qualitatively: the electrification mix is the proof of the pipeline, not a line item. For a listing-window call this is context, not a swing factor.

7. IPO Structure & Use of Proceeds

Issue Structure

Particulars	Amount (₹ Cr)	% of Total
Fresh Issue	1,400	45.7%
Offer for Sale (OFS)	1,667	54.3%
Total Issue Size	3,067	100%

Use of Proceeds (Fresh Issue)

Objective	Amount (₹ Cr)	% of Fresh Issue
Debt repayment (standalone)	464.80	33.2%
Debt funding of subsidiary	301.77	21.6%
New manufacturing plants (Jhajjar, Hosur)	150.00	10.7%
Inorganic growth & general corporate	balance	—

OFS at 54.3% of the issue means existing investors are taking the majority of the proceeds off the table — only ~46% of the money (₹1,400 Cr) actually reaches the company, and roughly ₹767 Cr of that is earmarked for debt repayment rather than growth. Read the structure for what it is: this is largely an exit-and-deleverage issue, not a growth-capital raise. It does not by itself sink a listing-window call, but it tells you what the sellers think about price.

The public issue is split QIB 39.02% / NII 18.29% / Retail 42.68% of the net offer, with an anchor round of ₹918 Cr (~30% of the total issue) carved out ahead of opening. The book is run by a heavyweight six-member syndicate — Axis Capital, Jefferies India, Kotak Mahindra Capital, Nomura, SBI Capital Markets and 360 ONE WAM. Six BRLMs on a ₹3,067 Cr issue is a distribution-muscle signal; the individual track records are dissected in Section 10.

8. Financial Performance Analysis

Profit & Loss (₹ Cr)

Particulars	FY24	FY25	FY26	2Y CAGR
Revenue from Operations	2,797.73	3,444.86	4,524.96	27.2%
EBITDA	512.40	590.96	710.99	17.8%
EBITDA Margin (%)	18.31%	17.15%	15.71%	↓
PAT	298.75	353.89	396.84	15.3%
PAT Margin (%)	10.68%	10.27%	8.77%	↓

Balance Sheet (₹ Cr)

Particulars	FY24	FY25	FY26
Net Worth	741.01	978.18	2,397.15
Total Borrowings	554.90	776.06	841.39
Debt / Equity (x)	0.75	0.79	0.35
Total Assets	1,711.70	2,336.23	4,114.83
RoE (%)	39.88%	35.60%	16.30%

The trajectory reads well on the top line and worse as you go down the P&L. Revenue compounded ~27% over two years to ₹4,525 Cr, driven by volume plus rising electronic content per vehicle and the EV mix. That is a genuine growth engine. The catch is margins: EBITDA margin has compressed every year, from 18.3% in FY24 to 15.7% in FY26, and PAT margin has followed from 10.7% to 8.8%. In a business selling to large OEMs, that is the fingerprint of pricing pressure and raw-material cost that is not fully passing through. PAT grew, but at ~15% CAGR it has lagged revenue — the operating leverage story is running in reverse right now.

The return ratios need a second look before anyone panics. RoE falling from ~40% to ~16% looks alarming on screen; under the hood it is largely an equity-structure event. Net worth jumped from ₹978 Cr to ₹2,397 Cr in FY26 — a ~₹1,419 Cr build against only ₹397 Cr of retained profit — which means a large pre-IPO capital infusion inflated the denominator. Strip that and the operating return on the pre-raise base is far healthier than 16% suggests. D/E has come down to 0.35x on the same move, so the balance sheet is genuinely lighter. Our read: the RoE optics are a capital-structure artifact, not an operating collapse — but the margin compression is real and is the number we would actually track.

On screen the print looks like a fast-growing auto ancillary. Under the hood, two things are moving in opposite directions: content-per-vehicle is lifting revenue, while OEM pricing power is grinding margins lower. For a listing-day call that tension is noise. For anyone tempted to hold, it is the whole question.

9. Valuation

Peer Comparison (at ₹871 upper band)

Company	P/E (FY26)	RoNW (%)	Revenue FY26 (₹ Cr)
Dhoot Transmission	~35.7x	16.55%	4,525
Minda Corporation	46.49x	13.63%	6,185
Uno Minda	56.87x	17.53%	19,658
Motherson Sumi Wiring India	43.24x	28.92%	11,478
Sona BLW Precision Forgings	74.64x	10.70%	4,475
Peer Median	~51.7x	—	—

At ₹871 the issue is asking ~35.7x FY26 earnings on the basis-for-issue-price comparison (~45x on a fully post-issue, enlarged-capital basis) against a listed peer set whose median sits near 52x. On either lens Dhoot is the cheapest name in the room — a clear discount to Minda Corp, Uno Minda, Motherson Sumi Wiring and a wide one to Sona BLW. The bull case is straightforward: comparable-to-better growth, a defensible niche, and you are paying less than the pack for it.

We would not oversell it. The discount is partly earned by the flaws — margin compression, 81% customer concentration, and an OFS-heavy structure — so this is not a mispricing the market has missed, it is a name priced a notch below peers for identifiable reasons. But for a listing trade the direction is what counts: entering below peer-median multiples gives the print room to work, and it is a large part of why the GMP is where it is.

10. Demand, Anchor Quality & BRLM Track Record

10.1 Subscription Trajectory (live)

Category	Day 1 (10 Aug, close)	Day 2 (11 Aug, 2:12 PM live)	Final
QIB	0.06x	0.46x	pending
NII — bHNI (>₹10 L)	0.86x	6.73x	pending
NII — sHNI (₹2–10 L)	1.61x	8.05x	pending
Retail (RII)	0.76x	2.39x	pending
Employee	n.a.	3.03x	pending
Overall	0.64x	2.86x	pending

These are live numbers, not estimates. The shape is textbook for a well-received mid-cap: a soft Day-1 open (0.64x overall) giving way to a heavy HNI build on Day 2 — bHNI from 0.86x to 6.73x and sHNI from 1.61x to 8.05x in a single session. QIB sits at 0.46x, which is normal; institutions bid on the final day. The one number to watch into the close is the QIB fill: a strong finish confirms the setup, a soft one would be the single biggest tell against it. Retail at 2.39x is comfortable. The issue closes 12 August; the figures above will move on the last day.

10.2 The bHNI Bid — quantity and price

The bHNI category is already heavily subscribed — 6.73x by Day 2 afternoon (live) — and will be oversubscribed heavily by the close. With demand at that level, the way to raise the probability of an allotment is to apply from every available PAN in the bHNI category.

The specific bid: 68 lots — 1,156 shares — at ₹871 (the upper end of the ₹829–871 band; NII must bid at the top, not cut-off), a blocked ₹10,06,876 per PAN, spread across every available PAN.

10.3 GMP

GMP is running around ₹235–250, an indicated ~27% premium over the ₹871 band, pointing to a listing near ₹1,100 — after a high of ~₹260 (7 Aug) and a low of ₹140 (4 Aug). We haircut that to a ~20–25% expected listing gain for planning, allowing for the usual grey-market fade into listing. We treat the grey market as a sentiment read, not a quote you can transact on: it is unofficial, thin, and it moves fast; the ₹140-to-₹260 swing in three sessions is the reminder. It tells you the direction of demand, not the settled listing price.

10.4 Anchor Quality — the backtest

Anchor	Prior Issues	Avg Listing Gain	Typical P/E Band
HDFC Mutual Fund	147	~24%	~49x
Nippon India Mutual Fund	154	~27%	~75x
Mirae Asset Mutual Fund	89	~33%	~34x
ICICI Prudential MF	7	~25%	~high
Ashoka WhiteOak	55	~23%	~42x

Anchor	Prior Issues	Avg Listing Gain	Typical P/E Band
Govt. Pension Fund Global (Norway)	57	~20%	~30x
BlackRock	26	~20%	~45x

This is a marquee-tier book, and the fit is what makes it interesting. HDFC MF (147 prior issues), Nippon India (154), Mirae (89), Ashoka WhiteOak (55) and Norway's Government Pension Fund Global (57) between them carry deep, credible listing-gain track records on our 7-year base — broadly in the 20–33% average range. More useful than the count is the valuation fit: these anchors habitually buy issues in the ~30–50x P/E band, and Dhoot at ~36–45x sits squarely inside it. This is not an anchor set stretching outside its comfort zone to own the name — the opposite. Add Abu Dhabi Investment Authority (two tranches) and SBI Life on the insurance side, and 61% of the anchor portion going to domestic mutual funds across 46 schemes, and you have real institutional conviction rather than a thin, FPI-of-convenience book.

10.5 BRLM Track Record — the backtest

Lead Manager	IPOs (7Y)	Hit Rate	Avg Listing Gain
Kotak Mahindra Capital	90	76%	17.2%
Jefferies India	27	78%	15.4%
Axis Capital	114	70%	14.9%
Nomura (India)	31	68%	8.3%
SBI Capital Markets	72	63%	11.4%
360 ONE WAM	1	—	(negligible sample)

The syndicate's quality clusters at the top. Kotak (76% hit rate, ~17% average listing gain over 90 issues) and Jefferies (78% over 27) are the strongest hands here, with Axis a deep, dependable 70% over 114 issues. Nomura and SBI Caps are the weaker legs — SBI Caps at 63% and Nomura's low ~8% average listing gain drag the blended profile — while 360 ONE WAM has too thin a mainboard record to score. Net, a blended hit rate near 70% and an average-gain history in the mid-teens is a book that historically lists in the black more often than not. Strong anchor participation and a credible BRLM record reduce listing risk; they do not eliminate it.

11. Risk Factors

Numbered, most material first. The concentration risk is the one we would lead with.



[PRIMARY CONCERN] Customer concentration

Top 10 customers were 80.93% of FY26 revenue, with no firm long-term volume commitments — supply runs on rolling OEM schedules. The 13-year average relationship and design-stage lock-in are real mitigants, but the disclosed public history is short and has not been tested through a churn or a lost-platform event. Any single anchor-OEM softening its off-take hits the P&L directly.

2. **Margin compression is structural, not one-off.** EBITDA margin has fallen three years running (18.3% → 15.7%) on OEM pricing power and cost pass-through lag. Until there is evidence the trend has bottomed, we underwrite this as the base rate, not a temporary dip.
3. **OFS-heavy structure (54.3%).** The majority of the issue is existing investors selling, and only ~46% of proceeds reach the company — much of it to repay debt. It is an exit-and-deleverage issue as much as a growth raise. Read the seller behaviour as a signal on price.
4. **End-market cyclical.** Revenue tracks 2W/3W and off-highway production, which are cyclical and sensitive to rates, monsoon and rural demand. A downturn in small-vehicle volumes flows straight through the volume-linked model.
5. **Return-ratio optics and the pre-IPO equity build.** RoE fell to ~16% on a large FY26 net-worth build. We read it as a capital-structure artifact rather than an operating collapse — but it complicates clean peer comparison and can be read negatively at face value by the market.
6. **Capital intensity.** A 23-unit footprint plus new Jhajjar/Hosur plants means ongoing capex absorption. Returns on the incremental capacity are unproven, and a slow ramp would weigh on the very return ratios already under pressure.
7. **QIB not yet covered.** As of Day 2, QIB sat at 0.46x. Institutional demand bids on the final day, so this is normal — but a soft QIB close would be the clearest single tell against the listing setup and would warrant a rethink of the call.



Listing Volatility

Even with a marquee anchor book and a credible BRLM syndicate, mainboard IPOs in the current regime have shown sharp swings on the listing print and through the first sessions. A weak open, a broad-market gap-down, or thin follow-through can undo the setup regardless of how the book looked. GMP is an unofficial, fast-moving sentiment read — not a guaranteed listing price. We do not consider this a risk-free recommendation.

12. Investment Strengths & Positive Indicators

Numbered, most relevant first.

- 1. Cheapest name in the peer set.** At ~36x FY26 (pre-issue) against a peer median near 52x, the issue lists at a discount to Minda Corp, Uno Minda, Motherson Sumi Wiring and Sona BLW. For a listing trade, entering below peer multiples gives the print room to run.
- 2. Genuine niche leadership.** ~41% share in India 2W/3W harnesses and ~70% in the EV variant is real, pricing-relevant scale with design-stage lock-in — not a commodity supplier fighting on price alone.
- 3. EV content tailwind.** EV-linked revenue is already 24% of FY26 sales, and content-per-vehicle rises with electrification. The structural driver can grow revenue even on flat unit volumes.
- 4. Marquee, well-fitted anchor book.** ₹918 Cr anchor round (~30% of the issue), 61% to domestic MFs across 46 schemes, plus HDFC, Nippon, Mirae, ADIA and Norway's GPFG. Crucially the issue prices inside these anchors' habitual 30–50x P/E band — a fitted book, not a stretch.
- 5. Top-tier BRLM legs.** Kotak and Jefferies (76–78% hit rates) anchor the syndicate, with Axis deep and dependable. A blended ~70% listing hit rate historically lists in the black more often than not.
- 6. Lighter balance sheet post-issue.** D/E down to 0.35x and further debt repayment funded from proceeds leaves the company materially deleveraged into listing.
- 7. Demand momentum already visible.** bHNI 6.73x and sHNI 8.05x by Day 2 show HNI conviction is in early — the constituency that matters most for the near-term tape.

13. Final Recommendation & Conclusion

R E C O M M E N D A T I O N

APPLY (listing gains)

The five pillars line up on the same side for a listing-gains call. Financial quality is mixed-but-adequate — 27% revenue growth is real, though margin compression is the blemish we keep flagging. Valuation is the standout positive: cheapest in the peer set on either P/E lens, a discount that gives the print room. GMP at ~27% is constructive and consistent with the demand. Demand is strong where it counts — a marquee, valuation-fitted anchor book and heavy HNI subscription (bHNI 6.73x by Day 2) — with the final QIB close the one item still to confirm. OFS at 54% is the pillar working against the issue and the reason this is a trade, not a conviction hold.

So the call is APPLY for listing gains — we expect a listing print ~20–25% over ₹871, and the exit is the listing day itself. We have no interest in the name as a hold at these margins and this concentration; the thesis is demand, pricing and a discount to peers converging on listing day. The specific action for BHNI: bid the minimum ticket of 68 lots (1,156 shares) at ₹871 — ₹10,06,876 blocked per PAN — across every available PAN. Each PAN is one more draw in a bucket already heading into lottery territory, and a concentrated large bid earns nothing extra once it does. Size any funded portion against cost of carry: a heavy final subscription means modest allotment, and the expected gain must survive to listing for a funded ticket to clear its interest.

This is not a risk-free recommendation. A strong anchor book does not guarantee listing gains — anchors are locked in and cannot support the price on day one, and a weak broad tape or a soft QIB close can undo the setup. Apply for the listing pop, take the print, and do not confuse a good book for a good long-term business here.

BHNI Guidance

Investor Category	Guidance	Allocation Approach	Exit Window
BHNI	APPLY (listing gains)	Bid 68 lots (1,156 shares) @ ₹871 = ₹10,06,876 per PAN, across every available PAN; size funded portion to cost of carry	Listing day (~20–25%)

14. Standard Disclaimer

The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.

Past performance is not indicative of future returns.