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IPO Note



Bonfiglioli Transmissions Limited

14 October 2026



About the Company

Bonfiglioli Transmissions Limited manufactures gear motors, gearboxes and drive systems for OEMs and end-users in India across three business verticals: Industry & Automation Solutions, Off-Highway Mobility Industry and Wind Industry. Its range runs from motion control to power drives.

It covers helical, bevel, planetary and worm gearboxes and gear motors in torque capacities from 13 Nm to 1,400 kNm, along with electric motors, variable frequency drives, servo motors and precision drives. It also makes swing, track, drum, wheel, cutter and hoist drives for off-highway equipment, and yaw and pitch drives for wind turbines from 225 kW to 5 MW.

Manufacturing is vertically integrated, covering machining, gear cutting, heat treatment and assembly, at three facilities in Thirumudivakkam, Mannur and Talegaon. These plants produced 341,133 units of gear motors and gearboxes in FY2025. The Company is wholly owned by Bonfiglioli S.p.A. of Italy and makes most of its products under a licence of the group's technology and the "Bonfiglioli" trademark. The Bonfiglioli Group operates across 80 countries with 18 production sites, seven R&D centres and more than 550 distributors. As of June 30, 2026, the Company had 71 sales and service touchpoints, 44 authorised dealers with 54 outlets, 285 suppliers and 1,032 personnel.

It served 935 customers in the six months ended June 30, 2026. Revenue from operations was ₹20,135.26 million in FY2025 and ₹11,318.69 million in the six months ended June 30, 2026. In the latter period, Industry & Automation contributed 42.53%, Off-Highway Mobility 28.31% and Wind 27.36%.

Outlook

SUBSCRIBE : Bonfiglioli Transmissions holds leading positions in all three of its markets in India: about 25% of low- and medium-duty gear motors, 26% of off-highway mobility drives and 67.9% of wind turbine yaw and pitch drives. Revenue from operations grew from ₹16,873.30 million in FY2023 to ₹20,135.26 million in FY2025, a CAGR of about 9.2%. It then rose 17.9% year-on-year to ₹11,318.69 million in the six months ended June 30, 2026. Customer relationships are long-standing: seven of its top ten OEM customers have dealt with it for more than ten years, and 16 of its 44 dealers have been with it for over 20 years. Products introduced in the preceding three years contributed 29.72% of revenue in the six months ended June 30, 2026. Its parent, the Bonfiglioli Group, operates 18 production sites and seven R&D centres, and this backing supports new product introductions and localisation, including in-house electric motor production at Mannur since October 2025. The stock is valued at a PE multiple of 46.3x based on CY25 earnings.

SUBSCRIBE

Issue Details:

Price Band (Rs)	Rs.558 to Rs.586
Issue Size	Rs. 25.34 Bn
Fresh Issue	-
Offer for Sale	Rs.25.34 Bn
Lot Size	25
Market Cap	Rs. 110.17bn
Face Value	Rs.10
Issue Opens	15 th Oct 2026
Issue Closes	19 th Oct 2026
Lead Manager	Axis Capital Ltd. BNP Paribas ICICI Securities Ltd. Jefferies India Pvt.Ltd.
Registrar	MUFG Intime India Pvt.Ltd.
Tentative Listing Date	23 rd October 2026
Listing on	BSE, NSE

Indicative Timetable

Finalization of Basis of allotment	Oct 21, 2026
Refund/ Unblocking of ASBA	Oct 22, 2026
Credit of Equity Shares to DP A/C	Oct 22, 2026

Issue Breakup

QIB	Not more than 50% of the Net Offer
RETAIL	Not less than 35% of the Net Offer
NII	Not less than 15% of the Net Offer
TOTAL	100%

Promotor Shareholding

Pre Issue Share Holding	100.00%
Post Issue Share Holding	77.00%

Objects of the Offer (₹ in mn)

Object	Amount
The IPO is entirely an Offer for Sale (OFS), under which the Promoter and Promoter Group shareholders are divesting their shareholding.	
Total	-

Scale of operations

Particulars	CY23	CY24	CY25	H1CY25	H1CY26
Revenue from operations – continuing operations (₹ million)	16,873.30	18,541.83	20,135.26	9,603.55	11,318.69
SKUs of gearbox & gearmotors produced (number)	9,959	11,517	11,857	8,014	8,780
Number of SKUs – Industry & Automation Solutions	9,676	11,219	11,535	7,758	8,517
Number of SKUs – Off-Highway Mobility Industry	221	236	274	214	221
Number of SKUs – Wind Industry	62	62	48	42	42
Authorised dealers (number, as at period end)	44	45	44	43	44
Dealer outlets (number, as at period end)	49	50	54	53	54
Total employees (number, as at period end)	752	601	604	597	627

Key milestones

Year	Milestone
1998	Establishment of legal entity BTPL
2000	Commencement of gear-box and gear motors manufacturing in Thirumudivakkam, Tamil Nadu
2001	Commencement of exports
2002	Began engaging dealership for sale of Industry & Automation products
2006	Commencement of manufacturing of drives for wind industry in Thirumudivakkam, Tamil Nadu
2007	Expansion at Thirumudivakkam facility
2010	Commencement of production of drives for the off-highway mobility sector at the Thirumudivakkam facility
2011	Inauguration of new facility in Mannur, Tamil Nadu for industrial gear-box production
2014	ISO 14001 – Environmental Management certification for Thirumudivakkam facility
2017	New facility for Industry & Automation products at Chakan, Pune
2018	Phase-II expansion at Thirumudivakkam facility
2023	Inauguration of new facility in Talegaon, Maharashtra for industrial gear-box production

Business Verticals and Product Families

The Company categorises the markets it serves into three business verticals based on end-use applications. Customers are classified into a vertical based on the application of the customer's product; for example, mining applications where the equipment is static are categorised under Industry & Automation Solutions, while those where the equipment is mobile are categorised under Off-Highway Mobility. Under Industry & Automation, the Company supplies OEMs directly and through dealers; under Off-Highway Mobility and Wind, it co-engineers products with OEMs, and the intellectual property for co-engineered products remains with the Bonfiglioli Group.

Particulars	Industry & Automation Solutions	Off-Highway Mobility Industry	Wind Industry
End-user industries	Material handling, chemicals & pharmaceuticals, mining, food, beverage & tobacco, metal processing & machine tools, construction, textiles & leather, rubber & plastics	Earthmoving/ excavator, concrete, mining, road construction, agricultural and material handling	Wind turbine manufacturers
Product portfolio	Low, medium and heavy duty gear motors and gearboxes in torque capacities ranging from 13 Nm to 1,400 kNm; helical, bevel, planetary and worm gearboxes and gear motors, electric motors; variable frequency drives, servo motors and drives, and precision drives for robotics & automation solutions	Swing and track drives; drum and skip/ mixer drives; wheel and auger/ conveyor drives; cutter and hoist drives	Yaw and pitch drives
Sales and distribution	Direct customer relationships and dealer network	Direct customer relationships and co-engineering (IP for co-engineered products remains with the Bonfiglioli Group)	Direct customer relationships and co-engineering (IP for co-engineered products remains with the Bonfiglioli Group)

Revenue from operations by business vertical

Vertical	CY23	CY24	CY25
Industry & Automation Solutions (₹ million)	7,270.46	7,648.89	8,244.39
% of revenue from operations	43.09%	41.25%	40.95%
Off-Highway Mobility Industry (₹ million)	4,257.93	4,357.92	5,070.48
% of revenue from operations	25.23%	23.50%	25.18%
Wind Industry (₹ million)	5,009.58	5,994.29	6,347.70
% of revenue from operations	29.69%	32.33%	31.53%
Others (₹ million)	335.33	540.73	472.69
% of revenue from operations	1.99%	2.92%	2.34%
Total revenue from operations (₹ million)	16,873.30	18,541.83	20,135.26

Operating segment (Ind AS 108) and sale of products and services by product

Particulars	CY23	CY24	CY25
Gear box	9,615.62	11,072.63	12,056.19
Gear motor	5,231.89	5,366.21	5,825.12
Others	1,841.64	1,722.46	1,945.64
Total	16,689.15	18,161.30	19,826.95

Foundation of the Model – Licence, Group Services and Group Arrangements

BSPA owns the Bonfiglioli technology, know-how, production and trade secrets of a majority of the products the Company manufactures, and the “Bonfiglioli” trade name and trademark. The Company manufactures and supplies a majority of its products under a licence of this intellectual property, governed by a License for Limited Scope Manufacturing Agreement dated June 1, 2021 with BSPA (the “License Agreement”), effective from January 1, 2021. BSPA also provides centralised services to the Company under an Intercompany Service Agreement dated January 1, 2024.

Feature	License Agreement	Intercompany Service Agreement
Counterparty	Bonfiglioli S.p.A. (Corporate Promoter)	Bonfiglioli S.p.A., the Company and other entities forming part of the Bonfiglioli Group
Date	June 1, 2021 (effective January 1, 2021), read with amendments	January 1, 2024
Scope	Non-exclusive, non-transferable and non-sublicensable licence to manufacture and sell certain licensed products under BSPA’s intellectual property, including the “Bonfiglioli” trade name, trademarks, patents, drawings, utility models, design rights and know-how pertaining to the products	Corporate services (IT, human capital and resources, legal and corporate affairs, administration and finance, strategic purchasing, quality, health, safety and engineering, communication, aftersales); business unit services for industry and automation solutions; business unit services for mobility and wind industries
Territory	India, Pakistan, Bangladesh, Sri Lanka and Nepal, and, subject to BSPA’s consent, any other country	Not specified
Consideration	Royalty equal to 6% of yearly net sales (excluding intercompany sales to BSPA and net of discounts and incentives)	Service fees typically ranging from 30%-100% of the service costs incurred, determined based on fixed costs or turnover (net of taxes), with an arm’s-length mark-up of 5%, invoiced quarterly against the estimated annual fees
Term	One year, automatically renewed for successive one-year terms unless terminated by notice at least three months prior to the end of the Fiscal Year	One year, automatically renewed for successive one-year terms unless terminated by notice of at least 30 days before the year-end

Royalty and professional fees

Particulars (₹ million)	CY23	CY24	CY25
Royalty	752.35	822.09	895.87
Professional fees	474.84	453.06	475.67

Other group arrangements that shape operations

- ❑ **Co-engineered products.** The intellectual property for products co-engineered with Off-Highway Mobility and Wind Industry customers remains with the Bonfiglioli Group.
- ❑ **Shared R&D and IT.** Under a business transfer agreement dated September 30, 2024 (read with an addendum dated October 23, 2024), the Company sold its global capability center business providing engineering design services, IT support services and accounting, finance and consolidation services to Bonfiglioli Technology Space Private Limited ("BTSPL"), a Group Company, by way of slump sale for ₹115.50 million. The transfer was completed on September 30, 2024 and is presented as discontinued operations. The India R&D Centre and the Global Digital Services team are housed in BTSPL.
- ❑ **Gear components division.** Under a business transfer agreement dated December 15, 2025, the Company acquired from Bonfiglioli Drive Solutions Private Limited ("BDSPL"), a Group Company, the manufacturing and sale of gear components division as a going concern by way of slump sale for ₹214.40 million. The machine shop at Mannur was added towards the end of Fiscal 2025 as a result of this acquisition.
- ❑ **Inter-company sales.** Customers include other companies within the Bonfiglioli Group, particularly for yaw drives (Wind Industry) and swing drives (Off-Highway Mobility Industry), sold to related parties for onward sale to their customers.
- ❑ **Solar business demerger.** Under a Scheme of Arrangement for Demerger approved by the NCLT, Chennai (order dated October 25, 2017; appointed date April 1, 2016; effective date December 11, 2017), the solar business undertaking of Bonfiglioli Renewable Power Conversion India Private Limited, including manufacturing of solar inverters for photovoltaic applications and system integration and testing for various panels, vested in the Company.

The Operating Cycle – Overview

The operating cycle runs from requirement capture with the customer through planning, sourcing, in-house manufacturing, sale and after-sales support. It comprises 15 steps grouped in five phases: Phase I – Requirement and Development (step 1); Phase II – Planning and Sourcing (steps 2 to 4); Phase III – Manufacturing (steps 5 to 11, following the sequence of the manufacturing process: machining & gear cutting, heat treatment, precision gear grinding, assembly, painting and packaging, with precision measurement & testing supporting the machining, heat treatment, grinding and assembly stages); Phase IV – Sales and Billing (steps 12 and 13); and Phase V – After-Sales (steps 14 and 15). Quality assurance is applied at incoming material, machining and assembly stages.

Phase I – Requirement and Development

- 1. Requirement capture and co-engineering:** requirement analysis, application analysis, product feasibility, virtual validation, prototyping and testing, field validation and serial production.

Phase II – Planning and Sourcing

- 2. Production and materials planning:** plant allocation by vertical and SAP-enabled materials requirement planning.
- 3. Procurement and supplier management:** purchase orders, supplier selection and localisation.
- 4. Incoming quality assurance:** sampling, verification of vendor documents and inspection against the quality plan.

Phase III – Manufacturing

- 5. Machining and gear cutting** (with machining QA).
- 6. Heat treatment.**
- 7. Precision gear grinding.**
- 8. Assembly** (including electric motor assembly and assembly QA).
- 9. Painting.**
- 10. Precision measurement and testing.**
- 11. Packaging.**

Phase IV – Sales and Billing

12.Sales through direct, dealer and inter-company channels.

13.Pricing, revenue recognition and collections.

Phase V – After-Sales

14.After-sales service through in-house engineers and authorised third-party service facilities.

15.Warranty.

Phase I – Step 1: Requirement Capture and Co-engineering

Under the Industry & Automation vertical, the Company predominantly manufactures low-medium duty gear motors with torques ranging from 1 kNm to 15 kNm and also manufactures certain higher torque capacity gearboxes, supplied directly to OEMs and through dealers. Under the Off-Highway Mobility Industry and Wind Industry verticals, the Company works with customers from the design stage to create customised products to meet their end-use specifications. The intellectual property for the co-engineered product remains with the Bonfiglioli Group.

For Off-Highway Mobility customers, the co-engineering process comprises requirement analysis, application analysis, product feasibility, virtual validation, prototyping and testing, field validation and serial production. For Wind Industry customers, the process comprises requirement definition, product design and development, prototyping, product and process validation, prototype/start of production (“SOP”) certification, and industrialization. Either process can take up to 30 months.

Co-engineering sequence – Off-Highway OEM case study

Stage	Activity	Duration
Requirements analysis	Captures performance targets, reliability criteria, and operational data specific to the intended application	Three months
Application analysis and product feasibility	Evaluation of potential concepts, manufacturability, and serviceability	Six months
Virtual validation	Assessment of gear strength and fatigue life	Two months
Prototype assembly and endurance testing	Testing under controlled conditions	Four months
Field validation	Gearboxes tested in real-world environments	About a year
Serial production	Final product moves into serial production following review of the test data	–
Entire process		Around 25 months

In that engagement, the Company mapped operational loads and analysed site conditions in the field; these investigations informed the design of new drives featuring heavy-duty gears, bearings with increased load capacity and sealing systems. In the Wind OEM case study, local manufacture of yaw and pitch drives required partnerships with domestic suppliers for large-scale forgings and castings, and in-house capabilities including gear-cutting of large pinion teeth and broaching of ring gears. One customer relationship illustrates the progression of products supplied over time:

Products supplied to one customer over time

Year	Product supplied	Supplied for equipment
2012	Swing and Track Drives	20T Excavator
2012-2013	Drum Drive	Soil Compactor
2013	Drum Drive	Tandem Roller
2015	Swing Drives	8T excavator
2015-16	Swing and Track Drives	12T & 14T Excavator
2019	Swing and Track Drives	30T Excavator
2020	Swing and Track Drives	38T excavator

Year	Product supplied	Supplied for equipment
2023	Swing Drives	Aerial Platform
2024	Swing Drives	50T Excavator
In Development	New Generation Track Drive	22T Excavator

In the Wind Industry, the Company introduced its first-generation pitch drive in 2006 and the second generation in 2009, with features including high torque density, ease of assembly with fewer components, compact drive solution, cost effective solution and new materials. It currently manufactures a third-generation yaw and pitch drive with a patented ring nut design, for wind turbines with capacities ranging from 225 kW to 5 MW.

Product development milestones – co-engineered verticals

Year	Off-Highway Mobility Industry milestone	Year	Wind Industry milestone
2010	SOP of Transit Mixer Drives for Concrete application	2006	Start of production of Wind Turbine gearboxes, Gen-1 drives for 1MW turbine
2011	SOP of excavator drives for Earthmoving application	2008	SOP of Yaw & Pitch Drives for 2MW turbines
2012	SOP of compactor drives for Road Construction application	2009	Introduction of Gen-2 drives
2013	SOP of harvester drives for Agriculture application	2010	Export of drives to China
2014	SOP of track drives for Material Processing application	2015	SOP of 3MW Yaw & Pitch Drives
2017	SOP of wheel drives for Aerial Platform application	2020	Start of automated assembly line for Yaw & Pitch Drives
2020	Start of automated assembly line for drive assembly	2021	SOP of 4MW Yaw & Pitch Drives; introduction of Gen-3 drives
2021	SOP of Feeder Mixer drives for export	2022	SOP of 5MW Yaw & Pitch Drives; automated new paint booth
2024	SOP of electric drives for Warehousing application	2025	Introduction of energy efficient motors (IE-3) for wind turbines
2025	SOP of integrated drives for Compact Track Loaders		

Phase II – Step 2: Production and Materials Planning

Manufacturing operations are streamlined by business vertical: the Thirumudivakkam Unit manufactures products primarily for the Off-Highway Mobility Industry and Wind Industry, and the Mannur and Talegaon Units manufacture products primarily for the Industry & Automation vertical. SAP-enabled materials requirement planning (“MRP”) supports production and procurement planning. Capacity requirements and expansions are planned based on forecasts of customers’ demands, overall growth rate of the Indian economy and market feedback on growth in key product segments. Capacity additions during the periods under review were funded from internal accruals.

Plant allocation by vertical and capability

Facility	Thirumudivakkam Unit	Mannur Unit	Talegaon Unit
Business vertical – Industry & Automation Solutions	-	✓	✓
Business vertical – Off-Highway Mobility Industries	✓	-	-
Business vertical – Wind Industries	✓	-	-
Capability – Machining	✓	✓	-
Capability – Heat Treatment	✓	-	-
Capability – Assembly	✓	✓	✓
Capability – Painting	✓	✓	✓

The three facilities had a combined available annual manufacturing capacity of 1,205,748 hours in Fiscal 2025: Thirumudivakkam (operational since 1999; substantial expansion in 2018) 1,010,759 hours, Mannur (established 2011) 54,040 hours and Talegaon (established 2023) 140,950 hours. The aggregate capacity utilization rate is stated as 64.22% in Fiscal 2023, 73.71% in Fiscal 2025 and 75.04% in the H1CY26.

Available capacity and utilization by plant

Facility (in hours, except percentages)	CY23	CY24	CY25
Thirumudivakkam, Tamil Nadu			
Machine Shop – Available Capacity	594,332	629,657	687,348
Utilization	443,805	500,737	556,670
Utilization as % of Available Capacity	74.67%	79.53%	80.99%
Assembly – Available Capacity	312,570	312,570	323,411
Utilization	151,406	162,655	181,709
Utilization as % of Available Capacity	48.44%	52.04%	56.19%
Mannur, Tamil Nadu			
Assembly – Available Capacity	112,368	48,320	54,040
Utilization	65,039	35,463	41,913
Utilization as % of Available Capacity	57.88%	73.39%	77.56%
Machine Shop – Available Capacity	-	-	-
Utilization	-	-	-
Utilization as % of Available Capacity	-	-	-

Talegaon, Maharashtra

Assembly – Available Capacity	91,482	129,105	140,950	66,818	86,146
Utilization	52,905	92,456	108,522	51,168	66,319
Utilization as % of Available Capacity	57.83%	71.61%	76.99%	76.58%	76.99%

Operational efficiency measures

Particulars (%)	CY23	CY24	CY25
Off-Highway Mobility Industry and Wind Industry OEE	71.07%	73.42%	76.01%
Industry & Automation OLE	66.55%	70.60%	78.93%
Industry & Automation Customer OTD	79.27%	90.18%	90.56%

Phase II – Step 3: Procurement and Supplier Management

The Company depends on a combination of Indian and global suppliers, including Group Companies, for components such as iron and aluminium casting, forging, gears, bearings, seals, grease and oils used to assemble gearboxes. Its primary raw materials include iron and aluminium castings, forgings, gears, bearings and proprietary components. As of June 30, 2026, it had 285 suppliers, of which 215 were located in India and 70 overseas, including in Italy, China, USA and Germany; the supplier network had a relationship with the Company for an average of approximately 12 years.

- **Ordering.** Purchase orders for monthly supply requirements are placed at least 1.5 months in advance, with the ability to amend orders with at least 2 weeks' notice. The unit price of parts is determined by negotiation between the parties.
- **Supplier selection.** Selection is based on technical expertise, product quality, location and financial stability. Due diligence before onboarding focuses on the quality of production processes, stability of potential supply, technological capabilities and sustainability considerations.
- **Basic purchase agreement.** The Company agrees to (i) share the specifications of ordered parts, including documents, drawings and samples certified by it; (ii) supply raw materials and semi-finished products to the supplier where applicable; and (iii) supply special tools such as fixtures, cutters, broaches, casting and forging tools.
- **Localisation.** Components to localise are selected on a three-year sales forecast, considering product lead time, application of end-product, supply chain risk and total cost of ownership. Electric motor production was localised at Mannur, which commenced operations in October 2025 with a target lead time of up to four weeks from the date of order, against an erstwhile 12-week lead time.

Domestic suppliers by region

Region	Number of vendors	% of total purchase, H1CY26
North	15	5.2%
West	57	38.1%
South	138	53.3%
East	5	3.4%

Top 10 suppliers – purchases of raw materials and components consumed

Top 10 suppliers (₹ million)	Relationship (years)	CY23	CY24	CY25
Supplier 1	26	2,303.32	1,985.81	1,896.23
Supplier 2	19	511.11	543.24	658.33
Supplier 3	26	483.55	483.26	379.91
Supplier 4	12	426.36	404.18	365.20
Supplier 5	4	385.42	395.71	363.73
Supplier 6	7	349.89	379.63	328.99
Supplier 7	6	330.03	336.21	316.16
Supplier 8	20	236.86	290.87	283.95
Supplier 9	7	230.18	271.65	275.94
Supplier 10	3	222.42	238.01	275.86
Total		5,479.12	5,328.57	5,144.30

Top 10 suppliers – share of total

Top 10 suppliers (% of total raw materials and components consumed)	Relationship (years)	CY23	CY24	CY25
Supplier 1	26	19.98%	17.00%	15.18%
Supplier 2	19	4.43%	4.65%	5.27%
Supplier 3	26	4.19%	4.14%	3.04%
Supplier 4	12	3.70%	3.46%	2.92%
Supplier 5	4	3.34%	3.39%	2.91%
Supplier 6	7	3.03%	3.25%	2.63%
Supplier 7	6	2.86%	2.88%	2.53%
Supplier 8	20	2.05%	2.49%	2.27%
Supplier 9	7	2.00%	2.33%	2.21%
Supplier 10	3	1.93%	2.04%	2.21%
Total		47.52%	45.62%	41.20%

Phase II – Step 4: Incoming Quality Assurance

Quality assurance follows a multi-dimensional approach applied at each level of operations, beginning with quality assurance of incoming material, followed by quality checks at the machining stage and finally at the assembly stage. On receipt of materials, a few samples are sent for inspection, where vendor documents are verified and parts are inspected as per the quality plan inspection report. Identified defects are recorded and the relevant supplier is notified to change the defective material. Materials that satisfy incoming QA are released to the production department. Paperless quality inspection is carried out using portable devices and quality management software, and QR codes are used for product traceability.

Phase III – Step 5: Machining and Gear Cutting

Machining and gear cutting are performed in-house at the Thirumudivakkam and Mannur facilities. The machining and gear cutting centres deliver accuracy of up to 2 μm and precision gear cutting, manage broaching operations of up to 120 tons, and produce components such as bevel pairs and worm wheels. Machine connectivity through IoT is used to leverage data for preventative maintenance.

Machining QA. Parts and materials that satisfy incoming QA are sent to production, where the machine is set and parts are offered for “first off approval”. The team inspects the materials against specifications and drawings and clears the item for production or correction; corrected parts are resent to QA for approval. Periodic inspections are carried out to ensure ongoing compliance.

Certain processing of raw materials is outsourced to third-party manufacturers, recorded as sub-contracting charges of ₹420.13 million in CY23, ₹430.80 million in CY24, ₹356.19 million in CY25, ₹167.56 million in the H1CY25 and ₹183.45 million in the H1CY26 (Restated Financial Information). Sub-contracting charges are stated to have decreased in CY25 due to in-sourcing of manufacturing processes at the Thirumudivakkam facility.

Phase III – Step 6: Heat Treatment

Heat treatment is carried out at the Thirumudivakkam facility, which has a monthly heat-treatment capacity of 450 metric tons using gas carburizing and sealing quench furnaces. The process is fully monitored by Supervisory Control and Data Acquisition (“SCADA”) systems. The heat treatment plant is a continuous process plant; its available capacity is computed on 342 days in a financial year, excluding the mandatory maintenance period.

Phase III – Step 7: Precision Gear Grinding

Precision gear grinding covers gears up to 22 Module with DIN Class 6 accuracy on MES-enabled machines, and closed loop manufacturing of bevel gear grinding through a machine-to-gear-tester interface. The in-house bevel-gear grinding facility is capable of achieving Class 4 gear accuracy for high precision applications.

Phase III – Step 8: Assembly

Assembly is performed at all three facilities. Assembly of Industry & Automation products is integrated with IoT technology and incorporates uni-directional flow, centralised oil filling and feeding with kitting, supported by a digital kanban/ trolley system. Assembly for Off-Highway Mobility and Wind Industries is integrated with IoT technology, with real-time monitoring and vibration analysis. A rail guided vehicle (“RGV”) system transports large quantities of material. Electric motor assembly is carried out with BIS certification, including local assembly of E2/E3 motors; IE2/IE3 motor manufacturing and testing from 63 to 132 frame sizes started in 2025.

Assembly QA. The team performs checks at periodic intervals and a final inspection of assembled products after painting. Key checkpoints include a torque audit to verify capacities; grease calibration to verify grease weight; oil quantity calibration to verify oil dispensation as per guidelines; fixture audit; and an oil quality test with samples tested at third-party laboratories. This is followed by a salt spray test at a NABL laboratory.

Phase III – Step 9: Painting

Painting operations use robotic painting systems, SCADA controls, RFID-linked processes, zero-waste mixing and automated paint batch production. Water-based paints are used for all painting operations. Painting capability exists at all three facilities.

Phase III – Step 10: Precision Measurement and Testing

Precision measurement and testing deploy co-ordinate measuring machines (CMM) with full 3D part inspection, probe-enabled measurements and integrated digital inspection reports, and gear testers that are compatible with a wide range of gear types and allow visual mapping of deviations using auto-pass/fail logic. The gear testers are described in the text as featuring 3-axis 3D probes and in the manufacturing process diagram as using a 5-axis 3D probe for profile, lead and pitch error analysis. Test facilities for products across all three verticals are located at the India R&D Centre housed in BTSPL.

Phase III – Step 11: Packaging

Packaging uses RSI packaging material, truck management integration and digital packaging triggers. Domestic timber use has been reduced by adopting alternative packaging materials. The integrated manufacturing processes are stated to reduce delivery defects, cut inspection time, support root-cause analysis and support compliance with global standards. Freight and handling charges (net) were ₹60.08 million in CY23, ₹67.88 million in CY24, ₹80.13 million in CY25, ₹35.01 million in the H1CY25 and ₹47.63 million in the H1CY26 (Restated Financial Information).

Phase IV – Step 12: Sales through Direct, Dealer and Inter-company Channels

The Company markets and sells products through direct sales to customers across all verticals and through a network of dealers under the Industry & Automation vertical, across India. It approaches customers directly through a pan-India sales network of 13 sales offices and 64 sales employees as of June 30, 2026. Direct customers are predominantly OEMs in end-user verticals of material handling, logistics and stocking systems, cranes and winches, material working, recycling and sustainability, aggregates building, packaging and labelling, mining, biogas, textiles, conveying and robotics. Customers also include other companies within the Bonfiglioli Group, particularly for yaw drives and swing drives. Most Industry & Automation customers are in India, with a few in China, Germany, Brazil and Australia; the largest Wind Industry customer is located in the United States.

Dealer terms. Dealers are predominantly engaged on one-year terms with successive one-year renewals, unless terminated by either party with two months' notice. The Company pays commission based on slabs determined by the number of orders booked on a quarterly and annual basis, and provides incentives based on (a) monthly purchase volumes, (b) quarterly sales and (c) sales performance levelled over three quarters.

Dealer network. As of June 30, 2026, 44 authorised dealers operated 54 outlets, of which 36 dealers were engaged on an exclusive basis and 16 had been associated for 20 or more years; nine dealers were additionally authorised to address after-sales service requirements. No dealer arrangement was terminated in the H1CY26 and June 30, 2025 and in Fiscals 2025, 2024 and 2023.

Revenue from operations by sales channel

Sales channel	CY23	CY24	CY25	H1CY25	H1CY26
Dealer sales (₹ million)	3,333.07	3,535.58	3,909.41	1,865.11	2,145.72
% of revenue from operations	19.75%	19.07%	19.42%	19.42%	18.96%
Direct sales (₹ million)	10,556.18	11,756.65	12,746.32	6,210.11	6,741.06
% of revenue from operations	62.56%	63.41%	63.30%	64.66%	59.56%
Inter-company sales (₹ million)	2,722.21	2,755.09	3,064.77	1,294.75	2,263.99
% of revenue from operations	16.13%	14.97%	15.22%	13.48%	20.00%
Others (₹ million)	261.84	474.51	414.76	233.59	167.92
% of revenue from operations	1.55%	2.56%	2.06%	2.44%	1.48%
Total revenue from operations (₹ mn)	16,873.30	18,541.83	20,135.26	9,603.55	11,318.69

Dealer network – Industry & Automation vertical

Dealer network metric	As of June 30, 2026
Number of dealers	44
Number of exclusive dealers	36
Number of dealer outlets	54
Coverage of dealers in terms of number of cities	31
Top 3 dealers – revenue contribution (% of revenue under I&A, H1CY26)	25.98%
Top 5 dealers – revenue contribution (% of revenue under I&A, H1CY26)	30.09%
Top 10 dealers – revenue contribution (% of revenue under I&A, H1CY26)	37.01%
Dealer sales as % of Industry & Automation sales	44.58%
Dealer sales as % of total revenue from operations	19.18%

Dealer network by region

Region	Dealers Dec 31, 2023	Outlets Dec 31, 2023	Dealers Dec 31, 2024	Outlets Dec 31, 2024	Dealers Dec 31, 2025	Outlets Dec 31, 2025	Dealers June 30, 2025	Outlets June 30, 2025	Dealers June 30, 2026	Outlets June 30, 2026
Zone 1	12	16	15	19	13	17	13	17	13	17
Zone 2	14	15	14	15	13	17	13	17	13	17
Zone 3	5	5	5	5	6	7	6	7	6	7
Zone 4	6	6	6	6	6	7	6	7	6	7
Zone 5	7	7	5	5	6	6	5	5	6	6
Total	44	49	45	50	44	54	43	53	44	54

Phase IV – Step 13: Pricing, Revenue Recognition and Collections

- ❑ **Industry & Automation pricing.** The Company sells standardised gear motors and gearboxes at catalogue and negotiated prices through direct customer relationships and the dealer network.
- ❑ **Off-Highway Mobility and Wind pricing.** Products are co-engineered with OEMs to their platform specifications and supplied on a programme basis over the life of the platform. A significant portion of revenue in these verticals is derived from OEMs operating on program-based procurement models.
- ❑ **Price variation.** Agreements with OEM customers generally include price variation clauses under which the sales price is adjusted periodically based on a formula that takes into account changes in raw material prices; pricing revisions may be governed by periodic reviews or price variation clauses linked to raw material indices.
- ❑ **Volume rebates.** Retrospective volume rebates are provided to certain customers once the quantity purchased during the period exceeds a threshold specified in the contract; rebates are offset against amounts payable by the customer.
- ❑ **Revenue recognition.** Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods or ex-works depending on contractual terms. Revenue from services is recognised as and when the services are rendered; consideration received before the service is rendered is presented as a contract liability.
- ❑ **Collections.** Trade receivables are non-interest bearing and are normally settled on terms of 30 to 120 days. The Company has early payment arrangements with certain customers under which receivables otherwise payable under normal credit terms may be settled earlier at an agreed discount; associated charges form part of finance costs. Short-term advances are generally received from customers.

Revenue Architecture

Revenue from operations comprises sale of products, income from services, and other operating revenue. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Sale of gearboxes, gear motors, drives and related products to OEMs, end-users, dealers and Bonfiglioli Group companies. Industry & Automation products are sold at catalogue and negotiated prices; Off-Highway Mobility and Wind products are supplied on a programme basis, with price variation clauses linked to raw material prices in OEM agreements. Revenue is recognised at a point in time when control of the asset is transferred, generally on delivery of the goods or ex-works depending on contractual terms, net of retrospective volume rebates estimated as variable consideration.

Income from services

Income from services rendered, recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with the customer. Consideration received before the service is rendered is presented as a contract liability.

Other operating revenue

Other operating revenue comprises revenue from scrap sales, export incentives and miscellaneous income. The revenue note presents scrap sales, commission income, income from government grant, and a secondary adjustment as per transfer pricing regulations. The secondary adjustment arose from a dispute with the income tax department regarding disallowance of certain cost-sharing expenses under the Intercompany Service Agreement with BSPA, settled under the Vivad se Vishwas scheme; the adjusted amounts were recovered from BSPA under the secondary adjustment provisions of the Income Tax Act, 1961.

Revenue by stream

Particulars (₹ million)	CY23	CY24	CY25
Sale of goods	16,639.37	18,119.35	19,749.40
Income from services	49.78	41.95	77.55
Total revenue from contract with customers	16,689.15	18,161.30	19,826.95
Scrap sales	78.21	89.18	100.09
Commission income	3.81	5.10	-
Income from government grant	102.13	145.62	127.90
Others – Secondary Adjustment as per Transfer pricing	-	140.63	80.32
Total other operating revenue	184.15	380.53	308.31
Total revenue from operations	16,873.30	18,541.83	20,135.26

Particulars (₹ million)	CY23	CY24	CY25
Revenue recognised at a point of time	16,639.37	18,119.35	19,749.40
Revenue recognised over a period of time	49.78	41.95	77.55

Revenue by geography

Location of customer	CY23	CY24	CY25
India (₹ million)	12,709.58	13,546.37	14,372.84
% of revenue from contracts with customers	76.15%	74.59%	72.49%
USA (₹ million)	1,577.45	2,405.17	3,077.40
% of revenue from contracts with customers	9.45%	13.24%	15.52%
Italy (₹ million)	371.31	373.18	607.63
% of revenue from contracts with customers	2.22%	2.05%	3.06%
Germany (₹ million)	589.16	642.25	435.33
% of revenue from contracts with customers	3.53%	3.54%	2.20%
China (₹ million)	592.70	411.43	186.70
% of revenue from contracts with customers	3.55%	2.27%	0.94%
Other countries (₹ million)	848.95	782.90	1,147.05
% of revenue from contracts with customers	5.09%	4.31%	5.79%
Total (₹ million)	16,689.15	18,161.30	19,826.95

Revenue by state of operations

State	CY23	CY24	CY25
Tamil Nadu (₹ million)	13,304.14	13,069.21	14,281.26
% of revenue from operations	78.85%	70.48%	70.93%
Maharashtra (₹ million)	3,569.17	5,472.63	5,854.00
% of revenue from operations	21.15%	29.52%	29.07%
Total (₹ million)	16,873.30	18,541.83	20,135.26

Customer concentration – top 10 customers (amount)

Top 10 customers (₹ million)	Relationship (years)	CY23	CY24	CY25
Customer 1	20	558.32	1,120.66	1,646.40
Customer 2	8	1,248.68	1,801.73	2,265.50
Customer 3	15	1,047.88	1,010.73	862.70
Customer 4	9	372.49	464.02	480.70
Customer 5	6	246.82	299.88	449.10
Customer 6	12	251.02	298.16	405.90
Customer 7	16	447.32	318.91	363.60
Customer 8	13	330.43	248.00	226.10
Customer 9	12	97.00	117.75	162.20
Customer 10	12	174.80	219.30	192.80
Total		4,774.76	5,899.14	7,054.98

Customer concentration – top 10 customers (share)

Top 10 customers (% of revenue from operations)	Relationship (years)	CY23	CY24	CY25
Customer 1	20	3.35%	6.17%	8.30%
Customer 2	8	7.48%	9.92%	11.43%
Customer 3	15	6.28%	5.57%	4.35%
Customer 4	9	2.23%	2.55%	2.42%
Customer 5	6	1.48%	1.65%	2.26%
Customer 6	12	1.50%	1.64%	2.05%
Customer 7	16	2.68%	1.76%	1.83%
Customer 8	13	1.98%	1.37%	1.14%
Customer 9	12	0.58%	0.65%	0.82%
Customer 10	12	1.05%	1.21%	0.97%
Total		28.61%	32.48%	35.58%

Key direct customers by vertical

Business vertical	Customer	Product	Relationship (years)
Industry & Automation	Ammann India Private Limited	Helical Bevel, Inline Helical, Parallel Helical, Shaft mounted helical, Worm, Motor, Spares/Kit	10
Industry & Automation	GMM Pfaudler Limited	Planetary, Helical Bevel, Inline Helical, Heavy Duty Helical & Bevel, Motor, Spares/Kit	11
Industry & Automation	Milltec Machinery Private Limited	Planetary, Helical Bevel, Inline Helical, Worm, Motor, Spares/Kit	11
Industry & Automation	ElectroMech Material Handling Systems (India) Private Limited	Planetary, Heli-Bevel, Inline Helical, Parallel Helical, Worm, Motor, Spares/Kit	11
Industry & Automation	Terex India Private Limited	Heli-Bevel, Shaft Mounted Helical, Worm, Motor, Spares/Kit	11
Off-Highway Mobility Industry	JCB India Limited	Track/Slew/Drum Drives	15
Off-Highway Mobility Industry	Hyundai Construction Equipment India Private Limited	Slew drives	5
Off-Highway Mobility Industry	Schwing Stetter (India) Private	Drum/Mixer/Conveyor drives	16
Off-Highway Mobility Industry	CNH Industrial (India) Private L	Track/Wheel/Slew/Drum drives	12
Off-Highway Mobility Industry	Wirtgen India Private Limited	Track/Drum/Wheel/Pump drives	13
Off-Highway Mobility Industry	Ajax Engineering Limited	Drum/Mixer/Conveyor drives	12
Wind Industry	Suzlon Energy Limited	Yaw & Pitch drives	20
Wind Industry	Nordex India Private Limited	Yaw & Pitch drives	6
Wind Industry	Senvion Wind Technology Private	Yaw & Pitch drives	10

Phase V – Step 14: After-Sales Service

After-sales services are provided for products under all three verticals through two channels: (i) an in-house team of engineers tasked with service support at the manufacturing facilities and sales offices, and (ii) authorised third-party service facilities. The average field-response time is within the next working day. Customer sales and service touchpoints numbered 71 as of June 30, 2026.

After-sales service network

After-sales service touchpoint	Number as of June 30, 2026
In-house service facilities (including manufacturing facilities and sales offices)	13
In-house service engineers	15
Authorized third-party service facilities	13
Service engineers at authorized third-party service facilities	24

Customer service tickets

Customer service tickets (number)	CY23	CY24	CY25
Pending at the beginning of the period	0	11	7
Received during the period	251	313	372
Resolved during the period	240	317	373
Pending resolution	11	7	6

Phase V – Step 15: Warranty

Standard warranties offered to third-party customers differ by end-use vertical. Products under the Industry & Automation vertical typically carry a warranty of 12 months from the date of commissioning or 18 months from the date of invoice, while products under the Off-Highway Mobility and Wind Industry verticals carry a warranty period of around 24 months. Provision for product warranty was ₹100.62 million in CY23, ₹82.25 million in CY24, ₹60.85 million in CY25, ₹4.56 million in the H1CY25 and ₹14.48 million in the H1CY26 (Restated Financial Information).

Industry & Automation vertical by duty category

Industry & Automation category	CY23	CY24	CY25
Low to Medium Duty Gear Motors (₹ million)	6,487.40	6,885.25	7,346.77
% of revenue from Industry & Automation	89.23%	90.02%	89.11%
Heavy Duty Gearboxes (₹ million)	783.06	763.64	897.62
% of revenue from Industry & Automation	10.77%	9.98%	10.89%
Total Industry & Automation (₹ million)	7,270.46	7,648.89	8,244.39

Industry & Automation product range

Product	Torque / Power range	Markets / Industries
Planetary Gearbox	1,250 to 1,286,700 Nm	Mining; Sugar; Recycling
Bevel Gearboxes	100 to 14,000 Nm	Stacker & Reclaimer – Travel Drive; Conveyor; Crane – Cross travel/ Long travel
Bevel Gearboxes	8,990 to 209,900 Nm	Crusher; Agitator; Conveyor
Helical Gearboxes	140 to 14,000 Nm	Conveyor; CT/LT; Textile
Helical Gearboxes	5,190 to 209,900 Nm	Hoist; Extrusion; RVPD
Worm Gearboxes	13 to 7,100 Nm	RAV; Screw Feeder; Packaging
Electric Motor	0.06 to 30 kW	All LV applications
Variable Frequency Drives	0.25 to 1,200 Kw	Conveyors / Material handling; Cranes – Hoist, LT/CT; Chemical & Pharma – Agitators / Mixers; Food & Beverages; Logistics & Warehousing; Rubber & Plastics; Textile
Servo Motors	0.85 to 60 Nm	Packaging & Printing; Metal Processing; Material Handling Automation; Rubber & Plastics; Textile
Precision Drives	10 to 1,000 Nm	Packaging & Printing; Metal Processing; Material Handling Automation

Off-Highway Mobility Industry product range

Product	End-user industry	Machines served	Torque range
Track Drive	Excavators, Road Construction Equipment, Agriculture Equipment, Mining Equipment	Excavators & Mini Excavators, Mobile Crushers & Screeners, Surface Miners, Drilling & Pilling Rigs, Harvesters, Tracked Conveyors, Side Discharge Loaders, Compact Track Loaders, Pavers	1,200 Nm – 3,000,000 Nm
Swing Drive	Excavators, Concrete Equipment, Material Handling	Excavators, Boom Pumps, Rough Terrain Cranes, Tower Cranes, Truck Mounted Cranes, Reach Stackers, Crawler Cranes, Aerial Platforms	1,000Nm – 80,000 Nm
Drum Drive	Concrete Equipment, Road Construction Equipment	Transit Mixers, Self-Loading Concrete Mixers, Tandem Rollers, Soil Compactors	3,000 Nm – 75,000 Nm
Skip/Mixer Drive	Concrete Equipment	Twin Shaft Mixers, Pan Mixers, Planetary Mixers	5,000 Nm – 55,000 Nm
Wheel Drive	Road Construction Equipment, Agriculture Equipment, Material Handling	Pavers, Sugarcane Harvesters, Aerial Platforms, Electric stackers & Pallet trucks	450 Nm – 85,000 Nm
Auger/Conveyor Drive	Agriculture Equipments, Mining Equipments, Material Handling Equipments, Road Construction Equipment, Concrete Equipment	Pavers, Mobile Screeners, Batching Plants	1,000Nm – 12,500 Nm
Cutter Drive	Road Construction Equipment, Mining Equipments	Milling Machines, Surface Miners	8,500 Nm – 115,000 Nm
Hoist Drive	Material Handling	Tower Cranes	1000Nm – 12,500Nm

Cost Structure

Cost of raw materials and components consumed is the largest component of expenses. It comprises raw materials and components used in manufacturing operations, such as iron and aluminium castings, forgings, gears and bearings. Materials cost, used by the Company to assess material intensity, comprises cost of raw materials and components consumed together with changes in inventories of finished goods and work-in-progress. Other expenses primarily comprise royalty to the Bonfiglioli Group, professional fees (including Group cost sharing), sub-contracting charges for outsourced processing of raw materials, power and fuel, and consumption of stores, spare parts and tools.

Expenses by line

Expense line (₹ million)	CY23	CY24	CY25
Cost of raw materials & components consumed	11,104.93	11,854.27	11,967.18
Changes in inventories of finished goods and work-in-progress	(268.86)	(64.11)	542.53
Total expenses	10,836.07	11,790.16	12,509.71
Materials Cost (cost of raw materials & components consumed + changes in inventories)	10,836.07	11,790.16	12,509.71
Materials Cost as % of revenue from operations	64.22%	63.59%	62.13%

Raw materials and components by source

Raw materials and components by supplier location (₹ million)	CY23	CY24	CY25
From domestic suppliers	7,145.80	8,352.73	8,808.63
% of total	65.39%	70.00%	71.10%
From international suppliers	3,782.67	3,579.56	3,579.86
% of total	34.6%	30.00%	28.90%
Total	10,928.47	11,932.29	12,388.49

Engineering, R&D, Technology and Quality

The Company accesses the global research and development network of BSPA, which comprises seven R&D centres across India, Italy, Germany and China that undertake end-to-end product development, including application study, design and prototyping, simulation and validation, and product launch. During CY24, the Company transferred the portion of its business that undertook IT-related and R&D functions to BTSPL, a newly incorporated entity under the Bonfiglioli Group. The India R&D Centre, located in Chennai, is housed under BTSPL; it has test facilities for products across all three verticals and develops gearboxes for material handling, pharmaceutical and off-highway applications. It is the only R&D centre in the Bonfiglioli Group that caters to all three disciplines of mechanics, electro-mechanics and electronics at the same site. The Company does not currently incur any R&D expenses; R&D costs incurred by BTSPL are charged back to various entities within the Bonfiglioli Group.

R&D headcount is stated in two ways: the Bonfiglioli Group's seven R&D centres employed 376 employees as of June 30, 2026 (Overview), while the R&D section states that these centres had a combined strength of 119 employees as of June 30, 2026, and the Strengths section states that the India R&D Centre had 119 engineers as of June 30, 2026.

Intellectual property, technology and systems

- **Intellectual property.** BSPA owns the Bonfiglioli technology, know-how, production and trade secrets of a majority of the products the Company manufactures, and the "Bonfiglioli" trade name and trademark, used by the Company under the License Agreement. 21 patents are granted under the name of BSPA. The current third-generation yaw and pitch drive has a patented ring nut design.
- **Information technology.** IT operations are supported by the Global Digital Services ("GDS") team housed in BTSPL, which manages SAP platforms for finance, supply chain and business management, tools for warehouse management, productivity and customer engagement, system integration and business intelligence solutions.
- **Information security.** The GDS team maintains cybersecurity measures, network security, data center and cloud solutions, and support for everyday collaboration.
- **Automation and digitalisation.** Initiatives implemented include robotic painting systems; machine connectivity through IoT for preventative maintenance; paperless quality inspection using portable devices and quality management software; QR codes for product traceability; SAP-enabled MRP; and an RGV system with a digital kanban/ trolley system for Industry & Automation products.

Quality systems and certifications

Certification / recognition	Scope	Issuer / period
ISO 9001 (Quality Management System)	Thirumudivakkam, Mannur and Talegaon facilities	Held as of June 30, 2026
ISO 14001 (Environment Management System)	Thirumudivakkam, Mannur and Talegaon facilities	Held as of June 30, 2026
ISO 45001 (Occupational Health and Safety)	Thirumudivakkam, Mannur and Talegaon facilities	Held as of June 30, 2026
ISO 14001: 2015 certificate on operation of management system	Company	TUV NORD CERT GmbH; Financial Year 2024
ISO 45001: 2018 certificate on operation of management system	Company	TUV NORD CERT GmbH; Financial Year 2024
BIS certification	Electric motor assembly	-
Salt spray test	Assembly QA	NABL laboratory
Gold certification	Industrial and automation business unit in Talegaon, Maharashtra	Indian Green Building Council; period 2026-29

Facilities

Location	Use	Address	Area (acres)	Owned / leased	Lessor; lease amount
Thirumudivakkam, Tamil Nadu	Registered and Corporate Office; manufacturing facility	Plot No.AC7-AC11, SIDCO Industrial Estate, Thirumudivakkam, Kancheepuram 600 132	11.63	Owned	NA
Mannur, Tamil Nadu	Manufacturing facility	Survey No. 528/1, 528/3, 528/4, 528/5A, 528/5B and 528/5C, Mannur Village, Sriperumbudur Taluk, Chennai – 602105	3.50	Leased	N. Vishal and V. Raahul; ₹37.31 million per year
Talegaon, Maharashtra	Manufacturing facility	Plot No. E-5/2, MIDC Talegaon – Phase II, Village – Badhalwadi Taluka – Mawal, Pune 410507	10.50	Leased	Maharashtra Industrial Development Corporation; ₹288.86 million for 95 years

KPI				
Particulars	Units	CY2023	CY2024	CY2025
Revenue from Operations	(in Million)	16,873.3	18,541.8	20,135.3
- Domestic	(In %)	76.15%	74.59%	72.49%
- Exports	(In %)	23.85%	25.41%	27.51%
Revenues from End segments				
- Industry & Automation	(In %)	43.09%	41.25%	40.95%
- Mobility Industry	(In %)	25.23%	23.50%	25.18%
- Wind Industry	(In %)	29.69%	32.33%	31.53%
- Others	(In %)	1.99%	2.92%	2.34%
EBITDA (excluding other income)	(in Million)	2,438.9	2,950.7	3,707.7
EBITDA (excluding other income) Margin	(In %)	14.45%	15.91%	18.41%
Profit after tax	(in Million)	1,466.7	1,916.0	2,378.7
Profit After Tax Margin	(In %)	8.62%	10.29%	11.76%
Net Debt	(in Million)	(1,400.9)	(1,382.0)	(1,603.8)
Cash Conversion Cycle	(In Days)	80	83	90
Fixed Assets Turnover Ratio	(In Times)	6.10	6.68	7.15
Return on Equity ("ROE")	(In %)	19.21%	23.05%	25.66%
Return on Capital Employed ("ROCE")	(In %)	24.53%	30.05%	34.05%
Inventory Days Outstanding	(In Days)	112	100	93
Payable Days Outstanding	(In Days)	121	97	97
Receivable Days Outstanding	(In Days)	89	80	94

Business Strategy

The strategies below were approved by a resolution of the Board at its meeting held on February 9, 2026.

Further strengthen market leadership position by capitalizing on industry tailwinds across the three verticals

- ❑ **Industry & Automation.** The Company intends to deepen its presence across end-user industries where the F&S Report expects capacity expansion and modernisation between Fiscal 2025 and Fiscal 2030, including cement, metals and steel, plastics and polymers, rubber and tyres, ports and shipbuilding, defence and heavy engineering, sugar and power generation. It plans to expand its portfolio of application-engineered and integrated electro-mechanical drive solutions to increase its share of new projects, upgrades and maintenance cycles.
- ❑ **Off-Highway Mobility.** The Company intends to focus on equipment segments linked to India's infrastructure, mining, agriculture, housing and logistics sectors. It plans to collaborate with OEMs on new platforms, widen its range of locally engineered drive modules and strengthen its aftermarket presence through service, spares and retrofit solutions.
- ❑ **Wind.** The Company intends to introduce solutions to meet the evolving needs of wind OEMs, in a market the F&S Report describes as driven by SECI auctions, hybrid and round-the-clock procurements and state policies.

Broaden product portfolio and accelerate new product launches

- ❑ The Company intends to broaden its product portfolio to target market opportunities and address product gaps, and to strengthen its presence in heavy-duty gearboxes by supplying them to existing customers of low to medium duty gearboxes, leveraging the Bonfiglioli Group's R&D infrastructure and local manufacturing and testing capabilities.
- ❑ The Company proposes to set up a dedicated manufacturing facility in Talegaon (Maharashtra) focused on manufacturing heavy-duty gearboxes. The F&S Report projects the heavy-duty gearbox market at approximately INR 57,900 million by FY2031 (printed in the business section as ₹57,900 by Fiscal 2031).
- ❑ The Company intends to build on its e-mobility portfolio, including wheel drives for battery operated pallet trucks and electric stackers, and wheel and track drives for electric off-highway equipment.

Continue to strengthen manufacturing operations with increasing local sourcing

- ❑ The Company plans measured expansion of manufacturing capacities, including the proposed dedicated heavy-duty gearbox facility in Talegaon to cater to Industry & Automation customers.
- ❑ Ongoing and proposed digitalisation includes IoT implementation through a synchronized production management system, machine-to-machine communication, digitalized routine check sheets, an online system with trigger and escalation levels at every station, and trials on machine learning.
- ❑ The Company intends to source an increasing proportion of raw materials and components locally, including by manufacturing certain components in-house, following the localisation of electric motor production at Mannur from October 2025, and plans to develop strategic partnerships with suppliers for cost control and quality assurance.

Continue to strengthen market access and customer relationships while remaining cost effective

- ❑ The Company plans to prioritise high-growth business verticals, particularly agriculture and concrete equipment, and to target rapidly growing OEMs as potential customers.
- ❑ It plans to acquire new customers and increase wallet share with existing customers by cross-selling its current product portfolio, using its pan-India network of 13 sales offices and 64 sales employees as of June 30, 2026.
- ❑ Its approach to cost is anchored in modular product design and ongoing improvements in supply chain efficiency.

Industry Overview

This section is compiled from the report titled “Market Potential Assessment of Power Transmission Products Across Industry & Automation, Mobility, Wind Solutions” dated September 28, 2026 (the “F&S Report”), prepared and released by Frost & Sullivan, which was commissioned and paid for by the Company pursuant to an engagement letter dated October 16, 2025 and prepared exclusively in connection with the Offer. Frost & Sullivan is not a related party to the Company. Industry segments in the F&S Report follow the report’s own categorisation and are not the Company’s operating segments. In this section, ‘Fiscal’ follows the report’s labels.

The F&S Report estimates India’s real GDP growth at 7.1% in CY25 with nominal GDP of approximately INR 318.1 trillion, and estimates real GDP growth of 7.7% in FY2026E with nominal GDP of approximately INR 346.5 trillion. It forecasts growth of 6.4% in FY2027F and within a 6.5%-6.7% range between FY2028F and FY2031F, and nominal GDP of approximately INR 579.0 trillion by FY2031F. The share of manufacturing in GDP is forecast to increase from 13.9% in CY25 to 15.8% by FY2031F. The report classifies gearboxes as handling torque levels above 15K Nm (heavy duty) and gear motors as operating below 15K Nm (low and medium duty).

India industrial gearboxes (>15k Nm) – by product type

Product type (₹ million)	CY23	FY2026	FY2031F	CAGR (FY26-31F)
Helical	12,400	15,100	22,300	8.1%
Bevel	8,360	10,150	14,320	7.1%
Worm	3,200	3,700	4,830	5.5%
Planetary	9,300	11,450	16,450	7.5%
Total market	33,260	40,400	57,900	

India industrial gearboxes (>15k Nm) – by end-user segment

End-user segment (₹ million)	CY23	FY2026	FY2031F	CAGR (FY2026-2031)
Cement	5,930	7,280	10,750	8.1%
Metals (Steel)	4,960	6,000	8,700	7.7%
Sugar	4,370	5,325	7,350	6.7%
Rubber/ Tyre	3,320	3,990	5,880	8.1%
Plastics	2,680	3,220	4,500	6.9%
Power Gen	2,700	3,270	4,520	6.7%
Ports & Ship Building	1,580	1,990	3,230	10.2%
Defence	940	1,225	2,240	12.8%
Others	6,780	8,100	10,730	5.8%
Total market	33,260	40,400	57,900	

India industrial gearboxes – market share

Player	Market share by value, Fiscal 2026
Elecon	29%
Premium	19%
Shanthi Gears	16%
Flenders	13%
Bonfiglioli	2%
Others	21%

India industrial gear motors (<15k Nm) – by product type

Product type (₹ million)	CY23	FY2026	FY2031F	CAGR (FY26-31)
Helical	10,700	13,190	19,980	8.7%
Bevel	5,600	6,900	9,870	7.4%
Worm	4,450	5,320	6,850	5.2%
Planetary	3,450	4,240	6,800	9.9%
Total market	24,200	29,650	43,500	

India industrial gear motors (<15k Nm) – by end-user segment

End-user segment (₹ million)	CY23	FY2026	FY2031F	CAGR (FY2026-2031)
Material Handling (Cranes, Conveyors)	4,800	5,950	8,980	8.6%
F&B	3,300	4,120	6,750	10.4%
Chemicals & Pharma	3,100	3,820	5,900	9.1%
Mining	2,410	2,950	4,350	8.1%
Textiles	1,500	1,790	2,530	7.2%
Packaging	1,200	1,510	2,350	9.2%
Logistics	950	1,230	2,010	10.3%
Biogas	220	320	500	9.3%
Robotics	230	330	580	11.9%
Others	6,490	7,630	9,550	4.6%
Total market	24,200	29,650	43,500	

India industrial gear motors – market share

Player	Market share by value, Fiscal 2026
Bonfiglioli	25%
SEW Euro Drive	19%
Power Build	16%
Nord Drive	12%
IC Bauer	4%
Rossi	4%
Others	20%

India off-highway mobility drives – by product type

Product type (₹ million)	CY23	FY2026	FY2031F	CAGR (FY2026-2031)
Propulsion Drives	6,700	8,600	14,000	10.2%
Rotational / Position Drive	3,600	4,460	7,100	9.7%
Load Handling Drives	2,400	2,940	4,600	9.4%
Material Processing Drives	2,800	3,500	5,200	8.2%
Total market	15,500	19,500	30,900	

India off-highway mobility drives – by end-user segment

End-user segment (₹ million)	CY23	FY2026	FY2031F	CAGR (FY2026-2031)
Excavator	7,070.0	9,000.0	14,600.0	10.2%
Concrete Equipment	3,150.0	3,900.0	6,230.0	9.8%
Mining Equipment	1,700.0	2,140.0	3,230.0	8.6%
Road Construction Equipment	1,250.0	1,540.0	2,390.0	9.2%
Agriculture Equipment	935.0	1,160.0	1,700.0	7.9%
Material Handling	1,395.0	1,760.0	2,750.0	9.3%
Total market	15,000	19,500	30,900	

India off-highway mobility drives – market share

Player	Market share by value, Fiscal 2026
Bonfiglioli	26.0%
Tata Hitachi (Captive)	14.6%
SUNGBO	13.2%
Nabtesco	7.7%
Doosan	5.9%
L&T (Captive)	4.6%
Others	27.9%

India wind turbine drives – by product type

Product type (₹ million)	CY23	FY2026	FY2031F	CAGR (FY2026-2031)
Yaw Drive	4,400	5,780	9,350	10.1%
Pitch Drive	2,850	3,570	5,650	9.6%
Total market	7,250	9,350	15,000	

India wind turbine drives – market share

Player	Market share by value, Fiscal 2026
Bonfiglioli	67.9%
LIEBHERR	6.9%
DHHI	5.2%
Others	20.0%

Positions attributed to the Company in the F&S Report

- ❑ Largest manufacturer in India of gearboxes (gear motors below 15 kNm) and drives catering to OEMs and end-users in the Industry & Automation, Off-Highway Mobility and Wind Industries in India as of June 30, 2026, in terms of revenue from operations.
- ❑ One of India's largest technology-led mechanical and electro-mechanical power transmissions and industrial drive solutions providers by revenue for the six months period ended June 30, 2026.
- ❑ Among the leading manufacturers of planetary gearboxes in India in the year ended December 31, 2025, by revenue.
- ❑ As of December 31, 2025, manufactured and supplied more than 11,800 SKUs and the only major gearbox supplier with a comprehensive portfolio serving Industry & Automation, Off-Highway Mobility and Wind end-markets.
- ❑ Among the first companies to establish domestic manufacturing of wind-turbine pitch and yaw drives in India, beginning in 2006, and the first to manufacture pitch drives for 1MW, 2 MW, 3MW, 4MW and 5MW turbines in India.
- ❑ As of June 30, 2026, the India R&D Centre (housed in BTSPL) was the only test laboratory in India equipped to test yaw and pitch drives for wind turbines.
- ❑ BSPA reported consolidated revenues of Euro 1,172.94 million (₹115.56 billion) for the year ended December 31, 2025 (Bonfiglioli Group level).

Peer Analysis CY2025

Particulars	Units	CY23				
		Bonfiglioli Transmissions	Elecon Engineering Company	Schaeffler India	Shanthy Gears	Timken India
Revenue from Operations	(in Million)	16,873.3	19,374.2	72,509.1	5,360.5	29,095.4
- Domestic	(In %)	76.15%	76.35%	86.79%	92.61%	79.94%
- Exports	(In %)	23.85%	23.65%	13.21%	7.39%	20.06%
Revenues from End segments						
- Industry & Automation	(In %)	43.09%	N.A.	N.A.	N.A.	N.A.
- Mobility Industry	(In %)	25.23%	N.A.	N.A.	N.A.	N.A.
- Wind Industry	(In %)	29.69%	N.A.	N.A.	N.A.	N.A.
- Others	(In %)	1.99%	N.A.	N.A.	N.A.	N.A.
EBITDA (excluding other income)	(in Million)	2,438.9	4,744.7	13,212.0	1,017.9	5,724.1
EBITDA (excluding other income) Margin	(In %)	14.45%	24.49%	18.22%	18.99%	19.67%
Profit after tax	(in Million)	1,466.7	3,555.8	8,990.2	822.5	3,921.4
Profit After Tax Margin	(In %)	8.62%	17.95%	12.19%	14.76%	13.29%
Net Debt	(in Million)	(1,400.9)	(1,928.5)	(15,345.6)	(79.1)	(3,060.0)
Cash Conversion Cycle	(In Days)	80	98	75	129	146
Fixed Assets Turnover Ratio	(In Times)	6.10	3.75	4.33	7.88	4.82
Return on Equity ("ROE")	(In %)	19.21%	24.67%	19.78%	25.40%	17.61%
Return on Capital Employed ("ROCE")	(In %)	24.53%	27.85%	25.73%	32.32%	21.82%
Inventory Days Outstanding	(In Days)	112	98	107	122	142
Payable Days Outstanding	(In Days)	121	84	84	74	78
Receivable Days Outstanding	(In Days)	89	84	53	81	82

Particulars	Units	CY24				
		Bonfiglioli Transmissions	Elecon Engineering Company	Schaeffler India	Shanthy Gears	Timken India
Revenue from Operations	(in Million)	18,541.8	22,269.6	82,323.8	6,046.2	31,972.0
- Domestic	(In %)	74.59%	76.80%	87.16%	90.21%	81.82%
- Exports	(In %)	25.41%	23.20%	12.84%	9.79%	18.18%
Revenues from End segments						
- Industry & Automation	(In %)	41.25%	N.A.	N.A.	N.A.	N.A.
- Mobility Industry	(In %)	23.50%	N.A.	N.A.	N.A.	N.A.
- Wind Industry	(In %)	32.33%	N.A.	N.A.	N.A.	N.A.
- Others	(In %)	2.92%	N.A.	N.A.	N.A.	N.A.
EBITDA (excluding other income)	(in Million)	2,950.7	5,425.9	14,453.6	1,287.3	6,112.1
EBITDA (excluding other income) Margin	(In %)	15.91%	24.36%	17.56%	21.29%	19.12%
Profit after tax	(in Million)	1,916.0	4,151.0	9,388.6	960.3	4,621.9
Profit After Tax Margin	(In %)	10.29%	18.15%	11.24%	15.51%	14.23%
Net Debt	(in Million)	(1,382.0)	(1,772.1)	(12,945.0)	(647.6)	(4,211.7)
Cash Conversion Cycle	(In Days)	83	88	84	104	128
Fixed Assets Turnover Ratio	(In Times)	6.68	3.97	3.79	7.94	3.02
Return on Equity ("ROE")	(In %)	23.05%	23.04%	18.52%	25.67%	17.39%
Return on Capital Employed ("ROCE")	(In %)	30.05%	24.87%	24.19%	32.74%	19.93%
Inventory Days Outstanding	(In Days)	100	86	104	103	124
Payable Days Outstanding	(In Days)	97	98	78	82	77
Receivable Days Outstanding	(In Days)	80	101	57	83	81

CY25						
Particulars	Units	Bonfiglioli Transmissio ns	Elecon Engineering Company	Schaeffler India	Shanthi Gears	Timken India
Revenue from Operations	(in Million)	20,135.3	23,660.5	96,858.5	5,187.2	34,780.3
- Domestic	(In %)	72.49%	78.38%	85.49%	86.58%	80.39%
- Exports	(In %)	27.51%	21.62%	14.51%	13.42%	19.61%
Revenues from End segments						
- Industry & Automation	(In %)	40.95%	N.A.	N.A.	N.A.	N.A.
- Mobility Industry	(In %)	25.18%	N.A.	N.A.	N.A.	N.A.
- Wind Industry	(In %)	31.53%	N.A.	N.A.	N.A.	N.A.
- Others	(In %)	2.34%	N.A.	N.A.	N.A.	N.A.
EBITDA (excluding other income)	(in Million)	3,707.7	5,231.4	17,630.2	1,039.1	6,323.5
EBITDA (excluding other income) Margin	(In %)	18.41%	22.11%	18.20%	20.03%	18.18%
Profit after tax	(in Million)	2,378.7	3,411.5	11,503.5	766.6	4,148.9
Profit After Tax Margin	(In %)	11.76%	13.94%	11.70%	14.24%	11.83%
Net Debt	(in Million)	(1,603.8)	600.1	(17,909.7)	(752.1)	(2,608.7)
Cash Conversion Cycle	(In Days)	90	120	73	154	122
Fixed Assets Turnover Ratio	(In Times)	7.15	3.90	4.23	4.19	2.87
Return on Equity ("ROE")	(In %)	25.66%	15.85%	20.21%	18.19%	14.28%
Return on Capital Employed ("ROCE")	(In %)	34.05%	19.28%	26.08%	24.85%	19.00%
Inventory Days Outstanding	(In Days)	93	98	109	168	135
Payable Days Outstanding	(In Days)	97	89	99	95	98
Receivable Days Outstanding	(In Days)	94	111	62	81	85

Directors Profile

Name	Designation	Profile
Ravindra Pisharody	Chairperson and Independent Director	Ravindra Pisharody is the Chairperson and an Independent Director of the Company, associated since April 2018. He holds a B.Tech. from IIT Kharagpur and a PGDM from IIM Calcutta. Previously associated with Philips India, BP and Tata Motors, he has over 36 years of experience in marketing, sales and the consumer industry.
Sonia Bonfiglioli	Non-Executive and Non-Independent Director	Sonia Bonfiglioli is an Individual Promoter and a Non-Executive, Non-Independent Director of the Company, associated since November 1998. She holds a doctorate in mechanical engineering from the University of Bologna and has completed management and finance programmes at leading institutions. Associated with the Bonfiglioli Group since 1982, she has over 43 years of experience in management and business development.
Massimo Sarti	Non-Executive and Non-Independent Director	Massimo Sarti is a Non-Executive, Non-Independent Director of the Company, associated since April 2025. He holds a technical diploma in mechanics from Aldini Valeriani, Bologna, and has completed the Advanced Management Program at IESE University of Navarra. Associated with the Bonfiglioli Group since 1987, he has over 38 years of experience in strategic planning, mergers and acquisitions, and communications.
Marco Mossuto	Non-Executive and Non-Independent Director	Marco Mossuto is a Non-Executive, Non-Independent Director of the Company, associated since February 2026. He holds a law degree from the University of Turin and an MBA from Carlo Cattaneo – LIUC, Italy. Previously associated with Caffarel, Lindt & Sprüngli and Bonfiglioli S.p.A., he has over 17 years of experience in human resources and corporate affairs.
Kennady V Kaippally	Managing Director	Kennady V. Kaippally is the Managing Director of the Company and oversees production, manufacturing, sales, marketing and operational functions. He holds a bachelor's degree in production engineering from the University of Madras and has completed management programmes at IIM Bangalore and IESE University of Navarra. Previously associated with Ashok Leyland, Delphi Automotive Systems and Federal-Mogul Goetze India, he has over 30 years of experience in manufacturing, sales and operations.
Gatham Anandhan Balaji	Whole-Time Director and Chief Financial Officer	Gatham Anandhan Balaji is the Whole-Time Director and Chief Financial Officer of the Company, overseeing finance, accounts and taxation functions. He holds a bachelor's degree in commerce from the University of Madras and is a qualified chartered accountant registered with the Institute of Chartered Accountants of India. Previously associated with Tower Aluminium (Nigeria) PLC, he has over 26 years of experience in finance, accounts and taxation.
Rossella Schiavini	Independent Director	Rossella Schiavini is an Independent Director of the Company, associated since February 2026. She holds a master's degree in Politics of the World Economy from the London School of Economics and Political Science. Previously associated with Immobiliare Grande Distribuzione SIIQ S.p.A. and BPER Banca S.p.A., she has board-level experience and expertise in finance, banking and real estate.
Ananthanarayan Sundaresan	Independent Director	Ananthanarayan Sundaresan is an Independent Director of the Company, associated since February 2026. He holds diplomas in mechanical and electrical engineering from SVKM's Shri Bhagubhai Mafatlal Polytechnic College, Mumbai, and is a member of the Institution of Mechanical Engineers (India). Previously associated with Schwing Stetter, Ammann India and other organisations, he has over 24 years of experience in manufacturing, construction and infrastructure.

Competitive Strength

- ❑ **Number one across three verticals:** Largest Indian maker of gearboxes and drives (gear motors <15 kNm) by revenue at Jun-26 (T&S), with 25.0% share in low-medium duty gear motors, 22.0% in off-highway and 67.9% in wind yaw and pitch drives. H1-26 revenue mix: 42.5% Industry & Automation, 28.3% Off-Highway, 27.4% Wind.
- ❑ **Margins and returns have stepped up:** Revenue ₹16,073 mn (FY23) to ₹20,135 mn (FY25), a 9.2% CAGR. EBITDA margin (ex other income) went from 14.45% to 18.41% and 19.78% in H1-26. PAT from continuing operations grew at a 27.4% CAGR to ₹2,379 mn; FY25 ROE 25.66%, ROCE 34.05%.
- ❑ **Parent technology and local R&D:** Bonfiglioli S.p.A. had FY25 revenue of €1,172.94 mn (₹115.56 bn), with 18 plants and 7 R&D centres across 80 countries. The Chennai R&D centre has 119 engineers and is India's only lab able to test yaw and pitch drives for wind turbines.
- ❑ **Sticky OEM base: 930+ direct customers;** seven of the top 10 OEMs have been with the company for over 10 years, and co-engineering cycles of up to 30 months in off-highway and wind make switching costly. Top 10 OEMs were 31.72% of H1-26 revenue, the largest customer 9.40%.
- ❑ **Distribution and service reach:** 44 dealers (36 exclusive, 16 with 20+ years of association) across 31 cities and 54 outlets, plus 13 sales offices and 64 sales staff.
- ❑ **Better plant efficiency:** Aggregate capacity utilisation rose from 64.22% (FY23) to 73.71% (FY25) and 75.04% (H1-26). Three plants (two in Tamil Nadu, one in Maharashtra), vertically integrated from gear cutting to assembly, with machining accuracy to 2 µm.

Weakness/Key Risk

- ❑ **Two product lines carry the revenue:** Yaw and pitch drives (27.4%) and low-medium duty gear motors (37.8%) made up 65.1% of H1-26 revenue and 68.0% of FY25. A slowdown in wind orders or a shift away from worm technology hits both.
- ❑ **Runs on the parent's licence:** Most products are made under a non-exclusive, one-year, auto-renewing licence from Bonfiglioli S.p.A. at 0% of sales of specified products, terminable by either side with notice before Dec 31 each year. The company holds no registered trademarks or patents in its own name.
- ❑ **Customers can walk:** Top 10 OEMs were 31.72% of H1-26 revenue and 36.60% in FY25 (37.83% in H1-25). Framework agreements do not always guarantee minimum volumes, so revenue rests on purchase orders.
- ❑ **Compliance and disclosure flags:** The auditor noted the accounting audit trail (edit log) was not enabled for certain transactions in FY24-25 and daily backups were not kept on servers in India. There were delays in paying statutory dues, and some RoC records are untraceable.
- ❑ **Parent keeps control;** execution loans on group assets: Bonfiglioli S.p.A. sells up to 43.24 mn shares (about 23%) and keeps about 77%; the company gets no proceeds. The planned Talegaon heavy-duty plant sits on land leased by group company Bonfiglioli Drives Solutions Pvt Ltd, with the leasehold transfer still in process.

Market Opportunity

- ❑ **Large core market, steady growth:** India's industrial gearbox (>15 kNm) and gear motor (<15 kNm) markets were ₹40,400 mn and ₹29,650 mn in FY26 and are projected at ₹57,900 mn and ₹41,500 mn by FY31F, roughly 7.5% and 8.0% a year.
- ❑ **Heavy-duty gearboxes are the white space:** OEMs in steel, cement, sugar, rubber, plastics and power are pulling existing low-medium duty customers towards higher torque. The company has a 25.0% share in low-medium duty gear motors and plans a dedicated Talegaon plant to enter heavy duty.
- ❑ **Off-highway drives are speeding up:** India's market grows from ₹19,500 mn (FY26) to ₹30,900 mn (FY31F), a 9.6% CAGR against 8.0% over FY23-26. Excavators (10.2% CAGR) and concrete equipment (9.8%) lead; the company holds 22.0% among non-captive players.
- ❑ **Wind upcycle plus repowering:** India is heading to about 107 GW of wind by 2030, onshore growing near 15% a year with 8-10+ GW of annual installs and 12-14 GW of old turbines up for repowering. Replacement demand for drives is seen rising from ~10% to ~15% of the ₹9,350 mn yaw and pitch market, where the company holds 67.9%.
- ❑ **Mix is moving to higher-value products:** OEMs are replacing hydraulic and basic mechanical set-ups with integrated gear motor-VFD packages; planetary gear motors (9.9% CAGR) and helical (8.7%) are outgrowing worm (5.2%). New products already made 35.69% of FY25 revenue, up from 7.29% in FY23.

Threats

- ❑ **Input cost, import and FX exposure:** Raw material and component purchases were ₹12,480 mn in FY25, about 62% of revenue, and roughly a third is still sourced outside India (domestic share 68.32% in H1-26). Duty changes, commodity swings or a weaker rupee squeeze margins.
- ❑ **Wind policy and tender slippage:** Delays in SECI auctions, shifting tariff caps and slow PPA signing make developers hold back turbine orders, and OEMs pass tariff pressure down to component suppliers. Wind is 27.4% of revenue and offshore is still pre-commercial (2024-29).
- ❑ **Technology substitution:** Direct-drive systems or designs that bypass gearboxes, EV drivetrains and IoT-enabled products could cut gearbox demand or favour better-equipped rivals if the company is slow to develop them.
- ❑ **Cyclical end markets, softer macro:** Demand tracks capex in construction equipment, mining, infrastructure and factories. T&S sees global growth slowing to 3.0% in CY2026E on geopolitical risk, high energy prices and supply-chain disruption; Industry & Automation and Off-Highway are about 71% of H1-26 revenue.
- ❑ **Regional plant concentration:** Two of three plants are in Kancheepuram district, Tamil Nadu. A cyclone, severe weather, labour trouble or other regional event could stop a large part of output (workforce of 1,032, of which 405 contract staff).

Shareholding

Prior to the Offer, the Promoters and Promoter Group collectively held 100% of the Company's paid-up equity share capital. The Offer for Sale (OFS) comprises 4,32,39,042 Equity Shares, entirely offered by Bonfiglioli S.p.A. Following the IPO, the shareholding of the Promoters and Promoter Group is expected to decline to 77.00%, while Public Shareholding will increase to 23.00%.

Particulars	Pre Issue		IPO		Post Issue	
	No. of Shares	% Holding	Fresh Issue	OFS	No. of Shares	% Holding
Promoter						
Bonfiglioli S.p.A.	18,79,95,834	100.00%		4,32,39,042	14,47,56,792	77.00%
Total Promoter	18,79,95,834	100.00%		4,32,39,042	14,47,56,792	77.00%
Promoter Group						
-	-	-		-	-	-
Total Promoter & Promoter Group	18,79,95,834	100.00%			14,47,56,792	77.00%
Public / Others						
Other Public	-	-	-	4,32,39,042	4,32,39,042	23.00%
Total Public /Others	0	0.00%			4,32,39,042	23.00%
Total	18,79,95,834	100.00%		4,32,39,042	18,79,95,834	100.00%

Financials

Income Statement			(Rs in mn)
Particulars	CY23	CY24	CY25
Revenue from Operation	16873.3	18541.8	20135.3
COGS	10836.1	11790.2	12509.7
% Sales	64.2	63.6	62.1
Gross Profit	6037.2	6751.7	7625.6
Gross margin	35.8	36.4	37.9
Employee Benefit Exp	896.7	982.2	1062.7
Other exp	2701.6	2818.7	2855.2
EBITDA	2438.9	2950.7	3707.7
EBITDA Margins	14.5	15.9	18.4
Other Income	144.7	69.7	100.6
Depreciation	371.0	466.3	478.2
EBIT	2212.6	2554.2	3330.1
EBIT Margins	13.1	13.8	16.5
Finance Cost	130.9	104.2	77.8
Profit before tax	2081.7	2450.0	3252.3
Exceptional Items	0.0	0.0	0.0
Tax	615.1	534.0	873.6
Profit after tax	1466.7	1916.0	2378.7
PAT Margins	8.7	10.3	11.8
Basic EPS(Pre Issue)	7.6	10.1	12.7

Balance Sheet			(Rs in mn)
Particulars	CY23	CY24	CY25
ASSETS			
Fixed Assets	2561.5	2639.8	2691.5
Capital WIP	202.6	137.3	123.5
Goodwill and intangible assets	24.3	106.0	73.8
Right to Use Assets	381.0	343.1	307.0
Trade Receivables	4101.4	4061.9	5177.4
Cash	905.3	1446.7	1531.8
Other Current Assets	554.0	470.2	713.7
Other Assets	5,417.0	3,785.8	3,776.0
Total Assets	14147.2	12990.8	14394.6
EQUITY			
Equity Share Capital	1311.2	1253.3	1253.3
Other Equity	6702.4	7356.2	8676.6
Total Equity	8013.6	8609.5	9929.9
Borrowing and Lease Liability	1204.5	65.6	28.1
Other Non-Current Liabilities	519.5	664.0	460.8
Trade Payables	3820.3	3085.5	3302.1
Other Liabilities	589.3	566.2	673.6
Total Liabilities	6,133.5	4,381.3	4,464.7
Total Equity and Liabilities	14,147.2	12,990.8	14,394.6

Cash Flow Statement			(Rs in mn)
Particulars	CY23	CY24	CY25
Cash Flow from operating activities			
PBT	2106.1	2495.8	3252.3
Depreciation	320.9	407.6	436.8
OP before WC change	2567.1	3026.6	3764.8
Changes in Assets and liability	9.8	619.8	1128.9
Cash used in Operations	2557.3	2406.8	2635.9
Tax	-616.9	-567.9	-759.1
Net Cash from Operating	1982.3	1883.5	1876.8
Cash Flow from investing activities			
Capex	-1201.2	-430.8	-539.8
Net Cash from Investing	-999.2	1094.0	-523.8
Cash Flow from financing activities			
Repayment of borrowings	-3319.6	-1607.9	0.0
Proceeds from borrowings	2990.0	500.0	0.0
Payment of lease obligations	-53.7	-45.5	-40.8
Finance Cost	-125.6	-99.1	-74.0
Net Cash from Financing	-1164.4	-2436.1	-1267.9
Net increase/(decrease) in Cash	-181.4	541.4	85.1
Cash at the beginning of the year	1086.7	905.3	1446.7
Cash at the end of the year	905.3	1446.7	1531.8

Ratio Analysis			
Particulars	CY23	CY24	CY25
Growth (%)			
Revenue	8.2	9.9	8.6
Employee Cost	12.0	9.5	8.2
EBITDA	-4.1	21.0	25.7
EBIT	-4.7	15.4	30.4
PAT	-13.1	30.6	24.2
% Of Revenue			
Employee Cost	5.3	5.3	5.3
EBITDA	14.5	15.9	18.4
EBIT	13.1	13.8	16.5
PAT	8.7	10.3	11.8
Return Ratios (%)			
ROCE	24.5	30.1	34.1
ROE	19.2	23.1	25.7
Valuation (x)			
P/E	77.4	58.1	46.3
P/B	13.7	12.8	11.1
EV/EBITDA	44.6	36.9	29.3
EV/ Sales	6.4	5.9	5.4
DEBT/EQUITY	0.2	0.0	0.0



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