



“Subscribe ,”

Bonfiglioli Transmissions enjoys a strong leadership position in India’s industrial power transmission market, supported by its globally established brand, advanced technology and long-standing OEM relationships.

According to the F&S Report, the company held approximately 25% market share in gear motors below 15 kNm, 32% in non-captive off-highway drives and 67.9% in wind turbine yaw and pitch drives in India, based on CY2025 data. Its strong positioning across industrial automation, off-highway mobility and wind energy provides a competitive advantage and supports long-term growth prospects.



BONFIGLIOLI TRANSMISSIONS LIMITED

Mahesh M. Ojha || Vice President Research & Business Development ||

Kantilal Chhaganlal Securities Pvt Ltd

SEBI Reg. Nos.: INZ000216538 (Stock Broker), INH00001428 (Research Analyst)



601 / 602 Inizio Business Centre, Cardinal Gracious Road Opposite Proctor and Gamble, Chakala, Andheri East, Mumbai



research@kcsecurities.com



www.kcsecurities.com

ONE Page Summary **BONFIGLIOLI TRANSMISSIONS LIMITED**

IPO Details

Issue Opens	Thursday, Oct 15, 2026
Issue Close	Monday, Oct 19, 2026
Total Size	₹ 2,534Cr
Price Band	₹ 558-586
Face Value	₹ 10/- Per Eq. Shares

Recommendation:

“Subscribe,,

Company Background

BONFIGLIOLI TRANSMISSIONS LIMITED is 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 (Source: F&S Report). They manufacture a wide range of mission-critical and highly precision engineered gear motors, gearboxes and drive systems used across diverse end-user markets (Source: F&S Report). Their legacy and reputation lie in the Bonfiglioli brand, which has a **worldwide presence of nearly 70 years**, and which they have established in India through more than 25 years of operations. Corporate Promoter, Bonfiglioli S.p.A. is headquartered in Italy, and according to the F&S Report, is one of the largest technologically advanced players globally in the mechanical and electro-mechanical power transmissions and industrial drive solutions industry with consolidated revenues of Euro 1,172.94 million (₹115.56 billion) for the year ended December 31, 2025. It focuses on the development, manufacture and distribution of gearboxes and drive systems to cater to the needs of industrial processes, automation, off-highway mobility solutions and renewable energy applications. As at the date of this Red Herring Prospectus, the Bonfiglioli Group has **operations spanning across 80 countries through 18 production sites, seven R&D centres, a network of more than 550 distributors and resellers**, and a workforce of **more than 5,000 employees, with 21 patents granted under the name of Bonfiglioli S.p.A.**

The markets they cater to are broadly categorized into **three business verticals**: Industry and Automation Solutions, Off-Highway Mobility and Wind Industries, based on the end-use applications. According to the F&S Report, they are the 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. They were also among the leading manufacturers of planetary gearboxes in India in the year ended December 31, 2025 by revenue. (Source: F&S Report).

Investment Rationale & Recommendation

Bonfiglioli Transmissions Limited's premium valuation is supported by its strong MNC parentage, globally established brand and market leadership in industrial gearboxes and drive solutions. Backed by Bonfiglioli S.p.A.'s global presence across 80 countries, extensive R&D capabilities and technological expertise, the company benefits from product innovation, customer confidence and access to global industrial and renewable energy opportunities. Improving EBITDA margins from 18.4% in FY25 to 19.8% in Q1 FY27, a low debt-to-equity ratio of ~0.12x and over 30% market share in gearboxes below 15 kNm further strengthen its investment case.

The company's established OEM relationships, advanced product portfolio and localisation-led margin improvement provide further support for sustainable growth. However, the valuation at 46.3x FY26 P/E its global technology backing, competitive positioning and exposure to structural industrial and renewable energy growth drivers offer justification for a premium valuation. Accordingly, we assign a "Subscribe for Medium to Long Term" rating to the issue.

Mahesh M. Ojha ||Vice President – Research & Business Development ||Email – mahesh_ojha@kcsecurities.com 022-6723 6126

Kantilal Chhaganlal Securities Pvt Ltd

SEBI Reg. Nos.:INZ000216538(StockBroker), INH00001428(Research Analyst)



601/602 Inizio Business Centre, Cardinal Gracious Road Opposite Proctor and Gamble, Chakala, Andheri East, Mumbai



research@kcsecurities.com



02267236000



www.kcsecurities.com

Anchor Bid on : Wednesday, Oct 14, 2026
Issue Opens on : Thursday, Oct 15, 2026
Issue closes on : Monday, Oct 19, 2026

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	21-10-2026
Refunds/Unblocking ASBA Fund	22-10-2026
Credit of equity shares to DP A/c	22-10-2026
Trading commences	23-10-2026

Issue - Break up

Category	No. of Shares	@Lower	@Upper
QIB - (50%)	2,15,94,520	1,204.97	1,265
NIB - (15%)	64,78,357	361.49	380
NIB 2	43,18,905	240.99	253
NIB 1	21,59,452	120.50	127
RET - (35%)	1,51,16,165	843.48	886
EMP	50,000	2.67	3
Total	4,32,39,042	2,413	2,534

NIB - 2 = NII Bid Above ₹ 10 Lakhs || NIB - 1 + NII Bid Between ₹ 2 to 10 Lakhs

Issue highlights

IPO Funds Utilization : 100% OFS

Offer Details

Offer for Sale by	No. Of Shares	WACA Per Equity Shares
Bonfiglioli S.p.A. - Promoter Selling Shareholder	Up to 43,239,042 ^ Equity Shares	6.77

(^at upper price band); WACA=Weighted Average Cost of Acquisition)

Shareholding Pattern

Shareholders	Pre-offer		Fresh Issue and OFS of Equity shares^	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Eq. Shares	% of Total Equity Share Capital
Promoter & Promoter Group	18,79,95,834	100.00%	4,32,39,042	14,47,56,792	77.00%
Total for Promoter and Promoter Group	18,79,95,834	100.00%	4,32,39,042	14,47,56,792	77.00%
Public	-	0.00%	-	4,32,39,042	23.00%
Total for Public Shareholder	-	0.00%	-	4,32,39,042	23.00%
Total Equity Share Capital	18,79,95,834	100.00%	4,32,39,042	18,79,95,834	100.00%

For additional information & risk factors please refer to the Red Herring Prospectus

Issue Details

Issue Size - ₹ 2,534 Cr

Face Value - ₹ 10/-

Price Band - ₹558-586

Bid Lot - 25 and in multiples

Employee Discount - ₹29

Shareholding (No. of Shares)

Pre-issue	Post-issue*
18,79,95,834	18,79,95,834

*@Lower price Band ^@ Upper Price Band

BRLM's -Axis Capital Ltd,BNP Paribas,ICICI Securities Ltd.Jefferies India Pvt.Ltd.

Registrar – MUFG Intime India Pvt.Ltd.

Category	Retail Category	Small HNI 2 -10 Lakhs	Big HNI > ₹ 10 Lakhs
Min. Bid Lot	25 Shares	350 Shares	1725 Shares
Min. Bid	₹14,650^	₹ 2,05,100^	₹10,10,850^

Shareholding Pattern (%)

Category	Pre - Issue	Post- Issue
Promoter & Group	100.00%	77.00%
Public & Others	0.00%	23.00%
Total	100.00%	100.00%

Brief Biographies of Directors & Key Management Personnel

Ravindra Pisharody is the Chairperson and an Independent Director of the company. He was previously associated with Philips India Limited, BP India Private Limited, BP Singapore Pte Ltd and Tata Motors Limited. He has over 36 years of experience in marketing, sales and the consumer industry, and has served on the boards of various companies as an independent director for 8 years.

Sonia Bonfiglioli is one of the Individual Promoters and a Non-Executive and Non-Independent Director of the Company. She has been associated with the Company since November 1998. She has been associated with the Bonfiglioli group since 1982 and has over 43 years of experience in management and business development.

Massimo Sarti is a Non-Executive and Non-Independent Director of the Company. He has been associated with our Company since April 2025. He has been associated with Bonfiglioli group since 1987 and has over 38 years of experience in strategic planning, mergers and acquisitions, and communications.

Marco Mossuto is a Non-Executive and Non-Independent Director of the Company. He has been associated with the Company since February 2026. He was previously associated with Caffarel SpA (Lindt Group Company), Lindt & Sprüngli SpA, and Bonfiglioli S.p.A. He has over 17 years of experience in human resources and corporate affairs.

Kennady V Kaippally is the Managing Director of the Company and is responsible for overseeing production, manufacturing sales, marketing operations and various management and operations functions in the Company. He has been associated with the Company since January 2010. He was previously associated with Ashok Leyland, Delphi Automotive Systems, and Federal Mogul Goetze (India). He has over 30 years of experience in production, manufacturing, sales, and operations.

Gatham Anandhan Balaji is a Whole-Time Director and Chief Financial Officer of the Company. He has been associated with our Company from January 2000 to December 2008 and from February 2010 onwards. He was previously associated with Tower Aluminium (Nigeria) PLC. He has over 26 years of experience in finance, accounts, and tax functions.

Rossella Schiavini is an Independent Director of the Company. She has been associated with the Company since February 2026. She was previously associated with Immobiliare Grande Distribuzione SIIQ S.p.A. and BPER Banca S.p.A. She has been a member of board of directors of various companies for a period of 7 years and has experience in the finance, banking, and real estate sectors.

Ananthanarayan Sundaresan is an Independent Director of the Company and has been associated with the Company since February 2026. He was previously associated with Schwing Stetter Sales and Services, Bioset India, Schwing Stetter India Marketing and Services LLP, Shamona Global Consultants LLP, Ammann India and Schwing Stetter (India) as a director on the board of directors of these companies. He has over 24 years of experience in the manufacturing, construction, and infrastructure sectors.

Business Overview

Bonfiglioli Transmissions Limited is a manufacturer of mechanical and electro-mechanical power transmission systems and industrial drive solutions, specialising in precision-engineered, mission-critical products such as gear motors, gearboxes and drive systems. These products are used to control speed, torque and motion across a wide range of industrial and mobility applications. The company caters to original equipment manufacturers (OEMs) as well as end-users, serving diverse industries through its specialized product portfolio.

Business segments :

The company operates across three principal business verticals:

Industry & Automation Solutions: Provides gear motors, gearboxes and drive systems for industrial machinery, material handling, automation and other manufacturing applications.

Off-Highway Mobility: Supplies power transmission and drive solutions for off-highway equipment and mobile machinery, supporting applications that require reliable performance under demanding operating conditions.

Wind Industries: Provides specialised drive solutions for wind energy applications, benefiting from demand for renewable energy infrastructure and related equipment.

Source: RHP

Business Segment Comparison

Particulars	Industry & Automation Solutions	Off-Highway Mobility Industry	Wind Industry
Market Share (CY2025)	25.0% market share among low- and medium-duty gear motors (below 15 kNm) in India	32.0% among non-captive players in India's off-highway mobility market	67.9% among domestic manufacturers of yaw and pitch drives by sales value
End-user Industries	Material handling, chemicals and pharmaceuticals, mining, food, beverage and tobacco, metal processing and machine tools, construction, textiles and leather, rubber and plastics	Earthmoving/excavators, concrete, mining, road construction, agriculture and material handling	Wind turbine manufacturers
Product Portfolio	Low-, medium- and heavy-duty gear motors and gearboxes with torque capacities ranging from 13 Nm to 1,400 kNm; helical, bevel, planetary and worm gearboxes; electric motors; variable-frequency drives; servo motors and drives; precision drives for robotics and automation	Swing and track drives; drum and skip/mixer drives; wheel and auger/conveyor drives; cutter and hoist drives	Yaw and pitch drives
Key Customers	ElectroMech Material Handling Systems (India), GMM Pfadler, Milltec Machinery, Terex India, Uzzala Bio Energy Solutions and Ammann India	Action Construction Equipment, Ajax Engineering, CNH Industrial India, Hyundai Construction Equipment India, JCB India, Schwing Stetter India and Wirtgen India	Nordex India, Senvion Wind Technology and Suzlon Energy
Customer Relationship	All top 10 OEM customers by FY25 revenue had been associated with the company for more than 10 years as of June 30, 2026	Eight of the top 10 OEM customers by FY25 revenue had been associated with the company for more than 10 years as of June 30, 2026	Seven of the top 10 OEM customers by FY25 revenue had been associated with the company for more than 10 years as of June 30, 2026
Number of SKUs – Six Months Ended June 30, 2026	8,517	221	42
Number of SKUs – Six Months Ended June 30, 2025	7,758	214	42
Number of SKUs – FY25	11,535	274	48
Number of SKUs – FY24	11,219	236	62
Number of SKUs – FY23	9,676	221	62
Sales & 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

Source: Company RHP.

1. Industry & Automation Solutions market share is among low- and medium-duty gear motors (below 15 kNm) in India by revenue for CY2025.
2. Off-Highway Mobility market share is among non-captive players in India by revenue for CY2025.
3. Wind Industry market share is among domestic manufacturers of yaw and pitch drives by sales value for CY2025.

Diversified Customer Base: The company directly supplies OEMs under Industry & Automation and co-engineers customized products with OEMs in Off-Highway Mobility and Wind Industries. No single end-user industry contributes more than 10% of Industry & Automation revenue.

Strong Dealer Network: As of June 30, 2026, the company had 44 dealers, including 16 associated for 20 years or more, while 36 operated exclusively with the company, supporting customer reach and loyalty.

Global Technology and R&D Support: Backed by the Bonfiglioli Group's seven global R&D centres and 376 R&D employees, the company benefits from advanced engineering capabilities. Its Indian group R&D centre is the only laboratory in India equipped to test yaw and pitch drives for wind turbines.

Manufacturing Capabilities: The company operates three manufacturing facilities in Thirumudivakkam, Mannur and Talegaon, with combined production of 341,133 gear motors and gearboxes in FY25.

Strong Domestic Sourcing: The company had 215 domestic and 70 overseas suppliers as of June 30, 2026. Domestic sourcing accounted for 68.32% of total purchases in the six months ended June 30, 2026, supporting its localisation strategy.

Diversified Supplier Base: No single supplier accounted for more than 20% of total purchases during the reported periods, reducing dependence on any individual supplier.

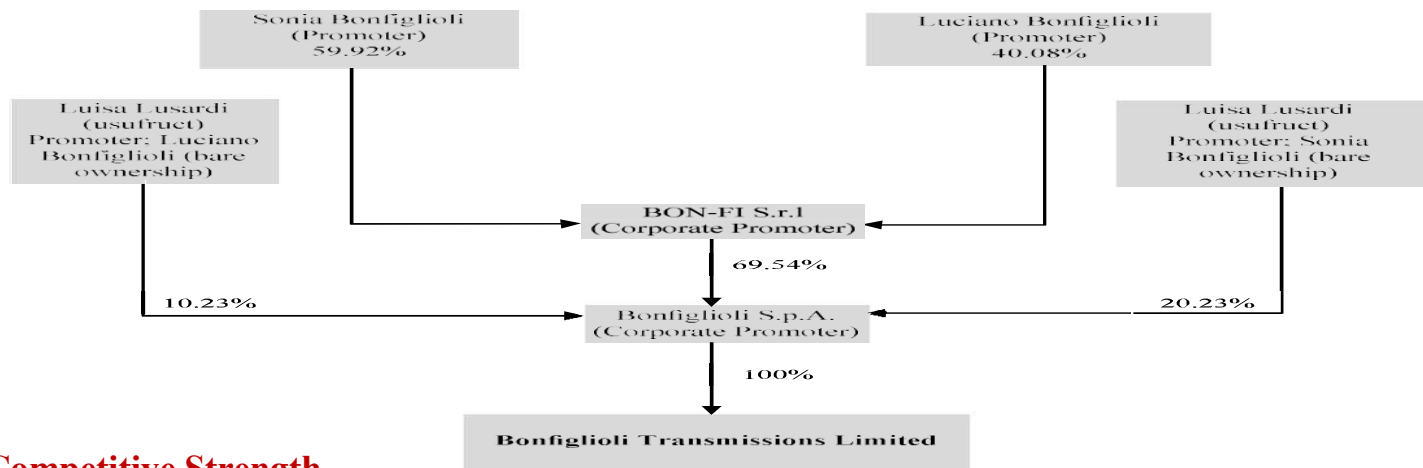
Quality Assurance and After-Sales Service: The company follows a multi-level quality assurance process and provides after-sales support through 15 in-house service engineers across 13 sales offices and 13 authorised third-party service facilities with 24 engineers as of June 30, 2026.

Financial and Operational Performance

(₹ in Crs.)

Particulars	6M FY27 (Apr–Jun 2026)	6M FY26 (Apr–Jun 2025)	FY25	FY24	FY23
Industry & Automation Solutions	481.33	390.24	824.44	764.89	727.05
Off-Highway Mobility Industry	320.38	234.95	507.05	435.79	425.79
Wind Industry	309.65	309.23	634.77	599.43	500.96
Others	20.52	25.94	47.27	54.07	33.53
Total Revenue from Operations	1,131.87	960.36	2,013.53	1,854.18	1,687.33
2. Revenue Mix and Geographic Distribution (%)					
Particulars	6M FY27	6M FY26	FY25	FY24	FY23
Geographic Revenue Mix					
Revenue from Customers in India	70.04%	74.11%	72.49%	74.59%	76.15%
Revenue from Customers Outside India	29.96%	25.89%	27.51%	25.41%	23.85%
Business Segment Revenue Mix					
Industry & Automation Solutions	42.53%	40.63%	40.95%	41.25%	43.09%
Off-Highway Mobility Industry	28.31%	24.46%	25.18%	23.50%	25.23%
Wind Industry	27.36%	32.20%	31.53%	32.33%	29.69%
Others	1.80%	2.71%	2.34%	2.92%	1.99%
3. Profitability and Margins					
Particulars	6M FY27	6M FY26	FY25	FY24	FY23
Revenue from Operations (₹ Cr)	1,131.87	960.36	2,013.53	1,854.18	1,687.33
EBITDA, excluding Other Income (₹ Cr)	223.87	176.43	370.77	295.07	243.89
EBITDA Margin (%)	19.78%	18.37%	18.41%	15.91%	14.45%
Profit After Tax (₹ Cr)	148.58	114.97	237.87	191.6	146.67
PAT Margin (%)	13.04%	11.90%	11.76%	10.29%	8.62%
4. Operating and Return Ratios					
Particulars	6M FY27	6M FY26	FY25	FY24	FY23
Cash Conversion Cycle (Days)	94	90	90	83	80
Fixed Asset Turnover (Times)	3.99	3.55	7.15	6.68	6.1
Return on Capital Employed (%)	20.03%	18.62%	34.05%	30.05%	24.53%
Return on Equity (%)	14.66%	13.24%	25.66%	23.05%	19.21%
Inventory Days Outstanding (Days)	99	102	93	100	112
Payable Days Outstanding (Days)	90	95	97	97	121
Receivable Days Outstanding (Days)	85	83	94	80	89

Holding Structure of Company



Competitive Strength

End-to-End Technology-Led Power Transmission and Industrial Drive Solutions

Bonfiglioli Transmissions Limited is a technology-led provider of power transmission and industrial drive solutions, offering a comprehensive portfolio of gearboxes, gear motors, inverter controls, servo motors, servo cables and accessories. Its integrated solutions cater to diverse industrial applications, including battery-swapping systems for electric vehicles, where it provides gear motors, inverters, cables and accessories to support five movement functions. The breadth of its product portfolio enables the company to address specific customer requirements while benefiting from economies of scale in procurement and vendor relationships.

The company has strengthened its presence in the Off-Highway Mobility and Wind Industry verticals through co-engineering and customisation capabilities. These initiatives help it understand customer-specific challenges and develop solutions suited to Indian operating conditions. Its customised products include drives for 5 MW wind turbines, indigenous tracked paddy harvesters, large girder transporters, track and slew drives for mounted cranes, indigenous pavers and hydraulic excavators.

Highly Diversified Product Portfolio Across Business Verticals

The company manufactures a wide range of mission-critical, precision-engineered gear motors, gearboxes and drive systems serving the Industry & Automation Solutions, Off-Highway Mobility and Wind Industry verticals. As of December 31, 2025, it had manufactured and supplied more than 11,800 SKUs, making it the only major gearbox supplier with a comprehensive product portfolio spanning all three end-markets. Its Industry & Automation Solutions portfolio includes helical, bevel and worm gearboxes and gear motors, electric motors, servo motors and drives, variable frequency drives (VFDs), and precision drives for robotics and automation. This diversified offering enables the company to cater to a broad range of customer industries and applications, while its engineering and customization capabilities support the development of application-specific solutions.

Range of gearbox offerings in the industry & automation vertical



Source: RHP

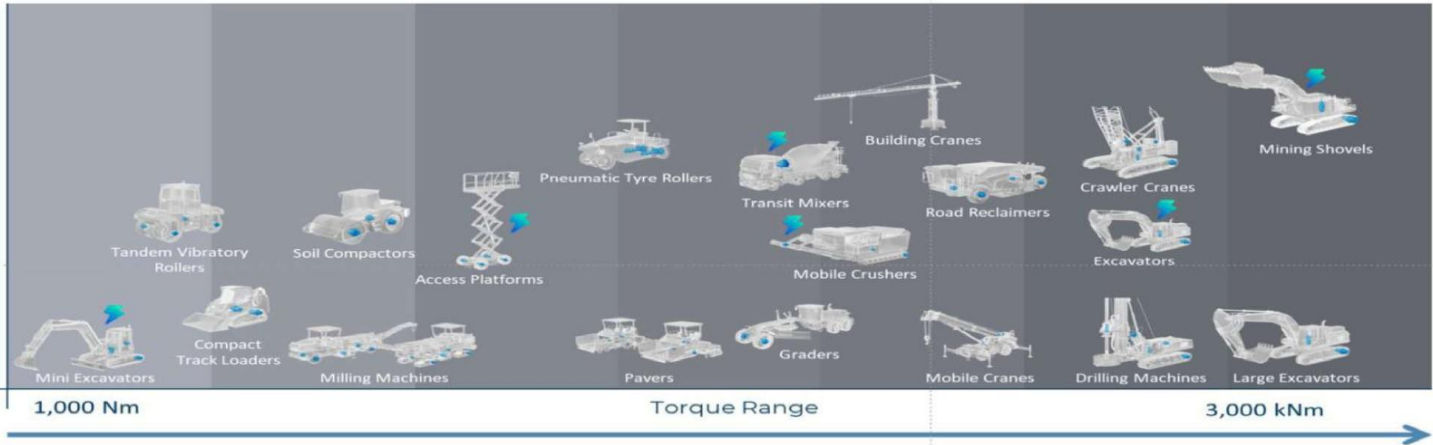
For additional information & risk factors please refer to the Red Herring Prospectus

Applications Across Key Business Verticals || Industry & Automation Solutions: The company's low- and medium-duty gear motors are used in a wide range of industrial equipment, including agitators, blenders, dryers, conveying systems and extruders. These products cater to diverse end-user industries such as material handling, chemicals and pharmaceuticals, mining, food, beverages and tobacco, and metal processing, among others.

Off-Highway Mobility: The company is among the few global suppliers and the largest supplier in India offering gearbox solutions across propulsion, swing and load-handling applications, with a torque range of 1,000 Nm to 3,000 kNm. Its products are integrated into a broad range of off-highway equipment, including excavators, concrete mixers, mining machinery, road construction equipment, agricultural machinery and material handling equipment.

Wind Industry: The company has established capabilities in designing, manufacturing and supplying fully integrated yaw and pitch drive systems for wind turbines at scale. Its products cater to wind turbines with capacities ranging from 225 kW to 5 MW. The company supplies these solutions to several renewable energy companies in India and one customer in the United States, supporting applications in the renewable energy sector.

The following images illustrate selected end-use equipment in the Off-Highway Mobility vertical in which the company's products are integrated as critical components.



Established Parentage and Trusted Brand Backed by Global and Local R&D Capabilities

Bonfiglioli Transmissions Limited was incorporated in 1998 by Bonfiglioli S.p.A., one of the leading global players in mechanical and electro-mechanical power transmission and industrial drive solutions, according to the F&S Report. Backed by its established parentage and global brand reputation, the company has built strong relationships with OEMs and component vendors in India. Its established after-sales service capabilities support customers across industrial processes, automation, mobility solutions and renewable energy. The company leverages the Bonfiglioli Group's global R&D capabilities to develop and introduce products tailored to the Indian market. It also benefits from access to the India R&D Centre in Chennai, Tamil Nadu, owned and operated by group company Bonfiglioli Technology Space Private Limited (BTSPL). As of June 30, 2026, the centre employed 119 engineers and was the only test laboratory in India equipped to test yaw and pitch drives for wind turbines, strengthening the company's product development and testing capabilities.

2. Strong Customer Relationships Supported by an Extensive Sales and Dealer Network

The company has developed long-standing relationships with customers through decades of collaboration, a dedicated sales team, an established dealer network and reliable after-sales service. During the six months ended June 30, 2026, it served more than 930 OEM customers across its business verticals. Furthermore, seven of its top 10 OEM customers, based on FY25 revenue, had been associated with the company for more than 10 years, reflecting customer trust and long-term business relationships.

Key Customers and Relationship Tenure Across Business Verticals

Business Vertical	Key Customers	Customer Relationship Tenure
Industry & Automation Solutions	ElectroMech Material Handling Systems (India) Private Limited, GMM Pfaudler Limited, Milltec Machinery Private Limited, Terex India Private Limited, Uzzala Bio Energy Solutions and Ammann India Private Limited	All top 10 OEM customers by FY25 revenue had been associated with the company for more than 10 years.
Off-Highway Mobility	Action Construction Equipment, Ajax Engineering Limited, CNH Industrial (India) Private Limited, Hyundai Construction Equipment India Private Limited, JCB India Limited, Schwing Stetter (India) Private Limited and Wirtgen India Private Limited	Eight of the top 10 OEM customers by FY25 revenue had been associated with the company for more than 10 years.
Wind Industry	Nordex India Private Limited, Senvion Wind Technology Private Limited and Suzlon Energy Limited	Seven of the top 10 OEM customers by FY25 revenue had been associated with the company for more than 10 years.

The company has a strong dealer network that helps distribute its broad range of products across industries. It typically enters into annual arrangements with auto-renewal clauses and pays commissions based on quarterly and annual order bookings, while also providing incentives linked to monthly purchase volumes, quarterly sales and sales performance over three quarters. As of June 30, 2026, 16 of its 44 dealers had been associated with the company for 20 years or more, and more than 81% engaged with the company on an exclusive basis, reflecting a strong commitment to its business and the Bonfiglioli brand.

Particulars	As of June 30, 2026
Dealer Network	
Number of Dealers	44
Number of Exclusive Dealers	36
Number of Dealer Outlets	54
Dealer Coverage (Number of Cities)	31
Dealer Revenue Concentration (% of Industry & Automation Revenue)	
Top 3 Dealers	25.98%
Top 5 Dealers	30.09%
Top 10 Dealers	37.01%
Dealer Sales as % of Industry & Automation Sales	44.58%
Dealer Sales as % of Total Revenue from Operations	19.18%

Key Business Strategies

1. Strengthen Market Leadership by Capitalising on Industry Growth Opportunities

The company aims to consolidate its market position across Industry & Automation Solutions, Off-Highway Mobility and Wind Industry by capitalising on favourable industry trends. In Industry & Automation, it plans to deepen its presence in sectors such as cement, metals and steel, plastics and polymers, rubber and tyres, ports and shipbuilding, defence, heavy engineering, sugar and power generation, where capacity expansion and modernisation are expected to drive demand. It also intends to expand its Off-Highway Mobility business by catering to growing demand across relevant equipment segments and strengthen its Wind Industry position by developing solutions aligned with the evolving requirements of wind OEMs.

2. Broaden Product Portfolio and Accelerate New Product Launches

The company intends to expand its product portfolio and strengthen its presence in existing and emerging segments. While it has an established position in low- and medium-duty gear motors, it plans to increase its presence in heavy-duty gearboxes through a proposed dedicated manufacturing facility at Talegaon, Maharashtra. It also aims to expand its e-mobility portfolio, including wheel drives for battery-operated pallet trucks and electric stackers, as well as wheel and track drives for electric off-highway equipment.

3. Expand Manufacturing Capabilities and Increase Localisation

The company plans to strengthen manufacturing capacity through calibrated expansion, including the proposed Talegaon facility for heavy-duty gearboxes. It also intends to increase domestic sourcing of raw materials and components and manufacture selected components in-house. The recent localisation of electric motor production at its Mannur, Tamil Nadu facility reflects this strategy. Higher localisation is expected to reduce production costs, improve supply-chain efficiency, shorten transportation lead times and strengthen supplier relationships while maintaining quality standards.

4. Strengthen Market Access and Customer Relationships

The company aims to expand its customer base and increase its share of business with existing customers through cross-selling and a broader product offering. It plans to prioritise high-growth segments, particularly agriculture and concrete equipment, while targeting rapidly growing OEMs and acquiring new customers. Its cost-competitiveness strategy is supported by modular product design and continuous supply-chain improvements. As of June 30, 2026, the company had a pan-India sales network comprising 13 sales offices and 64 sales employees, which it intends to leverage to deepen customer engagement, expand market reach and drive sales growth.

Competitive Landscape

Bonfiglioli Transmissions Limited operates in a competitive Indian market for gearboxes, gear motors and industrial drive systems, facing competition from both domestic and international manufacturers across its key business verticals. According to the F&S Report, its competitors in the Industry & Automation Solutions segment include SEW-Eurodrive India Pvt. Ltd., Elecon Engineering Company Ltd., NORD Drive Systems Pvt. Ltd., Premium Transmission Ltd., Shanthi Gears Ltd. and Flender Drives Pvt. Ltd.

In the Off-Highway Mobility segment, the company competes with SUNGBO Industrial Co., DANA India Pvt. Ltd., Comer Industries India Pvt. Ltd. and PMP Drive Systems India Pvt. Ltd. In the Wind Industry segment, its key competitors include ZF Wind Power Coimbatore Pvt. Ltd. and Liebherr India Pvt. Ltd.

Competition across these segments is driven by product quality, technological capabilities, customisation, pricing, reliability, delivery timelines and after-sales service. Bonfiglioli's established brand, diversified product portfolio, co-engineering capabilities, global R&D support and long-standing OEM relationships provide competitive advantages. However, sustained investment in product development, manufacturing efficiency and customer service remains important to maintain its market position and competitiveness.

Key Risk Factors

- 1. Dependence on a Limited Number of Suppliers :** The company relies on a concentrated supplier base for procuring raw materials and components, with Bonfiglioli Riduttori S.p.A., a related party, being its largest supplier. Purchases from the top 10 suppliers accounted for 40.84%, 41.74%, 41.20%, 45.62% and 47.52% of total raw material and component purchases during the six months ended June 30, 2026 and 2025, and FY25, FY24 and FY23, respectively. The absence of definitive supplier agreements exposes the company to risks arising from supply disruptions, production shutdowns and price fluctuations, which could adversely affect manufacturing operations and financial performance.
- 2. Manufacturing Disruptions and Import Dependence :** The company's manufacturing operations are vulnerable to unscheduled or prolonged disruptions at its production facilities. Additionally, dependence on imported raw materials and components exposes it to foreign exchange fluctuations, import restrictions, geopolitical developments and logistics delays. Any significant interruption in manufacturing or procurement could affect production schedules, delivery commitments, revenue and cash flows.
- 3. Dependence on Promoter for Licensing and Technology :** The company depends on its corporate promoter, Bonfiglioli S.p.A. (BSPA), for certain operational requirements, including licensing arrangements. It pays a royalty of 6% of annual sales of specified products, excluding sales to BSPA and net of discounts and allowances. Any adverse change in its relationship with BSPA, or any disruption to the licensing arrangement, could affect product availability, operations, profitability and business continuity.
- 4. Related-Party Transactions and Potential Conflicts of Interest :** The company has entered into and expects to continue entering into transactions with BSPA and other Bonfiglioli Group entities. Income from related parties accounted for 19.91%, 14.29%, 15.59%, 17.66% and 17.70% of total income, while expenses from related parties represented 32.71%, 32.38%, 24.83%, 25.20% and 28.66% of total expenses during the six months ended June 30, 2026 and 2025, and FY25, FY24 and FY23, respectively. These transactions may create potential conflicts of interest, and any adverse changes in commercial terms or group relationships could affect the company's financial performance.
- 5. Customer Concentration Risk :** The company derives a significant portion of its revenue from a limited number of customers. Its top 10 OEM customers contributed 31.72%, 37.83%, 36.60%, 34.38% and 32.82% of revenue from continuing operations during the six months ended June 30, 2026 and 2025, and FY25, FY24 and FY23, respectively. As the company does not have long-term binding agreements with all customers, any reduction in orders, loss of key customers or deterioration in customer relationships could adversely affect revenue visibility, capacity utilisation and profitability.

Restated Consolidated Statement of Assets and Liabilities

(₹ in Crs)

Particular	Six Months Ended June 30th,		As at December 31st,		
	2026	2025	2025	2024	2023
Assets					
Property, plant and equipment	269.89	259.01	269.15	263.98	256.15
Capital work-in-progress	13.57	11.79	12.35	13.73	20.26
Intangible assets	0.3	0.42	0.34	0.3	2.32
Intangible assets under development	-	0.96	-	0.95	-
Right-of-use asset	28.54	32.91	30.7	34.31	38.1
Investments	0.11	0.11	0.11	0.11	0.11
Loans	6.93	9.24	6.93	9.24	-
Other financial assets	6.8	5.76	3.83	5.56	5.46
Deferred tax assets (Net)	16.12	24.18	17.41	16.18	17.51
Non-current tax assets (Net)	0.49	0.49	0.49	0.49	2.69
Other non-current assets	13.17	6.08	7.83	7.44	7.19
Total Non-current Assets	355.92	350.94	349.14	352.29	349.79
Inventories	377.61	340.2	319.21	321.42	332.28
Trade receivables	532.51	440.95	517.74	406.19	410.14
Cash and cash equivalents	140.17	25.08	153.18	144.67	90.53
Bank balances other than cash equivalents	-	163.83	10.02	0.09	170.01
Loans (Current)	6.09	5.94	5	12.61	-
Other financial assets (Current)	9.7	24.21	13.81	14.79	6.56
Current tax assets (Net)	-	-	-	8.23	9.25
Other current assets	73.83	36.79	71.37	38.79	46.15
Total Current Assets	1,139.90	1,037.00	1,090.32	946.79	1,064.93
Total Assets	1,495.82	1,387.94	1,439.46	1,299.08	1,414.72
Equity and Liabilities					
Equity share capital	188	125.33	125.33	125.33	131.12
Other equity	846.27	750.12	867.66	735.62	670.24
Total Equity	1,034.27	875.45	992.99	860.95	801.36
Lease liabilities	0.32	0.73	0.39	2.81	6.01
Other financial liabilities	1.8	0.09	2.21	0.18	2.03
Provisions	12.24	10.75	12.13	10.64	10.76
Total Non-current Liabilities	14.36	11.58	14.73	13.63	18.8
Contract liabilities	8.35	5.3	5.64	5.04	3.13
Borrowings	-	-	-	-	110.79
Lease liabilities (Current)	0.47	4.01	2.42	3.75	3.66
Trade payables - MSMEs	59.46	48.41	51.64	38.27	59.58
Trade payables - Other than MSMEs	311.74	277.33	278.57	270.28	322.44
Other financial liabilities (Current)	10.64	112.24	43.87	66.22	49.92
Current tax liabilities (Net)	15.53	17.04	3.06	-	-
Other current liabilities	27.2	18.34	20.92	20.19	13.58
Provisions (Current)	13.81	18.26	25.61	20.75	31.46
Total Current Liabilities	447.2	500.92	431.74	424.5	594.55
Total Liabilities	461.56	512.49	446.47	438.13	613.35
Total Equity and Liabilities	1,495.82	1,387.94	1,439.46	1,299.08	1,414.72

Restated Consolidated Statement of Profit and Loss

(₹ in Crs)

Particular	Six Months Ended June 30th,		For the Year ended December 31st,		
	2026	2025	2026	2025	2024
Continuing Operations					
Revenue from operations	1,131.87	960.36	2,013.53	1,854.18	1,687.33
Other income	7.3	6.14	10.06	6.97	14.47
Total Income	1,139.17	966.5	2,023.59	1,861.16	1,701.80
Expenses					
Cost of RM & components consumed	754.18	597.74	1,196.72	1,185.43	1,110.49
Changes in inventories of FG and WIP	-63.3	3.44	54.25	-6.41	-26.89
Employee benefits expense	58.96	49.23	106.27	98.22	89.67
Finance costs	4.07	3.66	7.78	10.42	13.09
Depreciation and amortisation expense	27.19	23.4	47.82	46.63	37.1
Other expenses	158.16	133.52	285.52	281.87	270.16
Total Expenses	939.25	810.99	1,698.36	1,616.16	1,493.63
Restated Profit Before Tax from Continuing Operations	199.91	155.51	325.23	245	208.17
Tax Expense:					
Current tax	50.93	45.21	81.88	57.71	56.09
Tax pertaining to earlier years	0.02	2.83	6.12	-5.86	7.35
Deferred tax	0.39	-7.5	-0.64	1.55	-1.93
Total Tax Expense	51.33	40.54	87.36	53.4	61.51
Restated Profit After Tax from Continuing Operations	148.58	114.97	237.87	191.6	146.67
Discontinued Operations					
Profit from discontinued operations before tax	-	-	-	2.21	2.44
Gain on disposal of discontinued operations	-	-	-	2.37	-
Tax expense of discontinued operations	-	-	-	-1.01	-0.61
Restated Profit After Tax from Discontinued Operations	-	-	-	3.57	1.83
Restated Profit After Tax for the Period / Year	148.58	114.97	237.87	195.16	148.49
Other comprehensive income	2.67	-1.49	-1.73	-0.67	-4
Restated total comprehensive income	151.25	113.48	236.14	194.49	144.49

Restated Consolidated Statement of Cash Flow

(₹ in Crs)

Particular	Six Months Ended June 30th,		For the Year ended December 31st,		
	2026	2025	2025	2024	2023
Restated PBT from Continuing and Discontinued Operations	199.91	155.51	325.23	249.58	210.61
Adjustments Related to Non-Cash & Non-Operating Items	27.13	20.41	51.24	53.08	46.1
Operating Profit before working capital changes	227.04	175.92	376.48	302.66	256.71
Adjustments for Changes in Working Capital	-58.67	-85.25	-112.89	-61.98	-0.98
Cash generated from operations	168.37	90.67	263.59	240.68	255.73
Cash flow from operating activities - discontinued operations	0	0	0	4.46	4.19
Income tax (paid)/Refund, (net)	-38.48	-22.02	-75.91	-56.79	-61.69
Net Cash Flows from / (Used in) Operating Activities	129.9	68.65	187.68	188.35	198.23
Cash Flow from Investing Activities - Continuing Operations	-26.06	-182.8	-52.38	105.7	-96.71
Cash Flow from Investing Activities - Discontinued Operations	0	0	0	3.69	-3.21
Net Cash Flow From / (Used) Investing Activities	-26.06	-182.8	-52.38	109.4	-99.92
Net cash used from financing activities	-116.85	-5.44	-126.79	-243.61	-116.44
Net (dec.)/ incr. in cash & cash equivalents during the period	-13.01	-119.59	8.51	54.14	-18.14
Net Cash and Cash Equivalents at Beginning of the Year	153.18	144.67	144.67	90.53	108.67
Cash and cash equivalents as at the end of the period	140.17	25.08	153.18	144.67	90.53

Peer Comparison

(₹ in Crs)

Particulars	Bonfiglioli Transmissions	Elecon Engineering	Shanthi Gears	Schaeffler India	Timken India
Revenue from Operations (₹ Cr)	2,013.53	2,366.05	518.72	9,685.85	3,478.03
Face Value (₹)	10	1	1	2	10
CMP as on Sep 28, 2026 (₹)	N.A.	480.75	633.3	3,955.50	3,180.50
P/E Ratio (x)	N.A.	31.63	63.39	53.74	57.66
Basic EPS (₹)	12.65	15.2	9.99	73.6	55.16
Diluted EPS (₹)	12.65	15.2	9.99	73.6	55.16
Return on Net Worth (RoNW) (%)	23.96%	14.81%	17.42%	19.02%	13.68%
NAV per Share (₹)	52.82	102.65	57.36	386.94	403.31

Source: RHP; data for Elecon Engineering, Shanthi Gears and Timken India for the year ended March 31, 2026, and Schaeffler India for the year ended December 31, 2025. ^P/E Ratio for the peer group has been computed based on the closing market price of equity shares on NSE as on September 28, 2026. Data for the company as on December 31, 2025.

KC Securities (Kantilal Chhaganlal Securities) Outlook

- **Rating - Subscribe for Medium to Long Term Horizon**
- **Valuation:** At the higher band, valued at 46.30x CY'26E P/E, its global technology backing, competitive positioning and exposure to structural industrial and renewable energy growth drivers offer justification for a premium valuation.
- **Market Share :** Company having a strong leadership position in India's industrial power transmission market, supported by its globally established brand, advanced technology and long-standing OEM relationships. According to the F&S Report, the company held approximately 25% market share in gear motors below 15 kNm, 32% in non-captive off-highway drives and 67.9% in wind turbine yaw and pitch drives in India, based on CY2025
- **Strong MNC Parentage:** Backed by Italy-based Bonfiglioli S.p.A., with a global presence across 80 countries, established technology, strong R&D capabilities and a globally recognized brand.
- **Margin Improvement:** EBITDA margins improved from 18.4% in FY25 to 19.8% in Q1 FY27, supported by greater localization and demand for higher-margin wind turbine drives.
- **Technology and Product Expertise:** Precision-engineered gearboxes, gear motors and drive systems, backed by global technical expertise and established customer relationships, support competitive differentiation.
- **Industry Growth Opportunities:** Well-positioned to benefit from increasing industrial automation, manufacturing modernization, infrastructure investments and renewable energy expansion

Research Analyst Compliance & Disclaimer

DISCLAIMER Kantilal Chhaganlal Securities Pvt Limited (defined as "KCSPL" or "Research Entity") a company duly incorporated under the Companies Act, 1956 (CIN No U74140MH2001PTC132459) having its Registered office situated at 601-602, Inizio Business Centre, Cardinal Gracious Road, Chakala, Andheri East, Mumbai – 400 099 is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, Research Analyst and other related activities. E-mail address: research@kcsecurities.com Contact details 022 67236000 Investor Grievance e-mail address- investorcomplains@kcsecurities.com. This Report has been prepared by KCSPL in the capacity of a Research Analyst having SEBI Registration No. INH000001428 and Enlistment no. 5096 with BSE and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 includes Financial Instruments and Currency Derivatives. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in Securities referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors. This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject KCSPL and associates, subsidiaries / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. KCSPL reserves the right to make modifications and alterations to this statement as may be required from time to time. KCSPL or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. KCSPL is committed to providing independent and transparent recommendation to its clients. Neither KCSPL nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of KCSPL. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of KCSPL and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders. KCSPL shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, breakdown of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the KCSPL to present the data. In no event shall KCSPL be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the KCSPL through this report. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients other than intended recipients as customers by virtue of their receiving this report. KCSPL and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the Securities, mentioned herein or (b) be engaged in any other transaction involving such Securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. (c) KCSPL may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. (d) The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with KCSPL. KCSPL or its associates may have received compensation from the subject company in the past 12 months. KCSPL or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. KCSPL or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. KCSPL or its associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. KCSPL or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research analyst or his/her relative or KCSPL's associates may have financial interest in the subject company. KCSPL and/or its Group Companies, their Directors, affiliates and/or employees may have interests/ positions, financial or otherwise in the Securities/Currencies and other investment products mentioned in this report. KCSPL, its associates, research analyst and his/her relative may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs and Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk. Research analyst has served as an officer, director or employee of subject Company in the last 12 month period ending on the last day of the month immediately preceding the date of publication of the Report.: No KCSPL has financial interest in the subject companies: No KCSPL's Associates may have actual / beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report. Research analyst or his/her relative may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report. No Subject company may have been client during twelve months preceding the date of distribution of the research report. There were no instances of non-compliance by KCSPL on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years. A graph of daily closing prices of the securities is also available at www.nseindia.com Artificial Intelligence ("AI") tools may have been used (i) during the information gathering stage for compiling or collating the data from-(a) publicly available data sources; (b) databases to which KCSPL subscribes; and (c) internally generated research data, and/or (ii) for compiling summaries of the report.

Kantilal Chhaganlal Securities Pvt Ltd

SEBI Reg. Nos.:INZ000216538(Stock Broker), INH00001428(Research Analyst)

601/602 Inizio Business Centre, Cardinal Gracious Road Opposite Proctor and Gamble, Chakala, Andheri East, Mumbai

research@kcsecurities.com

02267236000

www.kcsecurities.com

Research Analyst Compliance & Disclaimer

This research report is issued by Kantilal Chhaganlal Securities Pvt Ltd, a SEBI-registered Stock Broker (Reg. No.: INZ000216538) and Research Analyst (Reg. No.: INH00001428),.

Regulatory Disclosures– SEBI (Research Analyst) Regulations, 2014

Kantilal Chhaganlal Securities Pvt Ltd and its associates may have financial interests in the subject company, which will be disclosed where relevant. The Research Analyst(s) or their relatives do not have any material conflict of interest or beneficial ownership of 1% or more in the subject company. The Research Analyst(s) has not received any compensation from the subject company in the past twelve months for any product or service. The Research Analyst(s) has not served as an officer, director, or employee of the subject company. The firm and the analyst(s) are not engaged in market making activities for the subject company. This report has been prepared independently and objectively, without any undue influence or pressure from the company or any third party.

Disclaimer & Risk Statement

This report is meant solely for the internal use of empanelled institutional clients and may not be reproduced, distributed, or published in whole or in part without the prior written consent of Kantilal Chhaganlal Securities Pvt Ltd. The information contained herein is based on publicly available data, internal analysis, and sources believed to be reliable, but we do not guarantee its accuracy or completeness.

For Download Click on Link KCI Trade App :



WhatsApp Channel: <https://tinyurl.com/Kcspl1954wa>

Telegram Channel: <https://tinyurl.com/kcspl1954t>

Instagram: <https://tinyurl.com/Kcspl1954ig>

Facebook: <https://tinyurl.com/Kcspl1954fb>



<https://kcsecurities.com/trade-online/>

Kantilal Chhaganlal Securities Pvt Ltd

SEBI Reg. Nos.: INZ000216538 (Stock Broker), INH00001428 (Research Analyst)

601/602 Inizio Business Centre, Cardinal Gracious Road Opposite Proctor and Gamble, Chakala, Andheri East, Mumbai

research@kcsecurities.com

02267236000

www.kcsecurities.com