

ABOUT THE COMPANY: Bonfiglioli Transmissions Ltd is one of India's leading technology-driven companies providing mechanical and electro-mechanical potheyr transmission and industrial drive solutions. The company designs and manufactures high-precision, mission-critical gearboxes and drive systems that are used across a wide range of industries.

KEY BUSINESS INSIGHTS: The company serves Industry & Automation, Off-Highway Mobility and Wind markets. Its offerings span gearboxes, gear motors, electric and servo motors, drives, inverter controls, servo cables and accessories. This breadth allows it to serve varied applications and customer requirements. In Off-Highway Mobility and Wind, the company works closely with OEMs to develop products to meet application-specific requirements. Its co-engineering process includes requirement and application analysis, feasibility assessment, virtual validation, prototyping, testing, field validation and serial production, and can take up to 30 months. These long development cycles can support durable customer relationships. The company benefits from the Bonfiglioli Group's seven R&D centres, which employed 376 people globally as of June 30, 2026. The India R&D Centre in Chennai had 119 engineers and served all three of the company's end-user verticals. The company operated facilities at Thirumudivakkam and Mannur in Tamil Nadu, and Talegaon in Maharashtra. Together, these facilities manufactured 341,133 gear motor and gearbox units in Fiscal 2025.

OUR VIEWS: Bonfiglioli India is a specialised industrial manufacturer with an established parent, a broad product range and exposure to Industry & Automation, Off-Highway Mobility and Wind markets. Its customer relationships, co-engineering capabilities, dealer network and group R&D access support its position in applications where product reliability and engineering customisation matter.

The company's manufacturing footprint and rising share of domestic sourcing may support shorter lead times and supply-chain resilience. Its India R&D Centre adds testing and development capabilities, including specialised wind-drive testing. Planned investment in heavy-duty gearboxes, e-mobility products and digitalised operations could broaden its addressable markets.

At upper price that stock appear to be undervalued at P/E, P/B of 46.32X,11.09X respectively compared to industry average of 46.68X,7.64X respectively, hence they give a **"SUBSCRIBE"** for long term investment.



ISSUE DETAILS	
Price Band (in ₹ per share)	558.00-586.00
Issue size (in ₹ Crore)	2534.00
Fresh Issue (in ₹ Crore)	NA
Offer for Sale (in ₹ Crore)	2534.00
Issue Open Date	15-10-2026
Issue Close Date	19-10-2026
Tentative Date of Allotment	21-10-2026
Tentative Date of Listing	23-10-2026
Total Number of Shares	4,32,39,042
Face Value (in ₹)	10.00
Exchanges to be Listed on	NSE/BSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	25	₹14,650
Retail (Max)	13	325	₹1,90,450
S-HNI (Min)	14	350	₹2,05,100
S-HNI (Max)	68	1700	₹9,96,200
B-HNI (Min)	69	1725	₹10,10,850

BRLMs: Axis Capital Limited, BNP Paribas, ICICI Securities Limited, Jefferies India Private Limited

PROMOTERS: SONIA BONFIGLIOLI, LUCIANO BONFIGLIOLI, LUISA LUSARDI, BON-FI S.R.L, BONFIGLIOLI S.P.A

BRIEF FINANCIALS			
PARTICULARS (Rs. Cr) *	CY25	CY24	CY23
Share Capital	992.99	860.95	801.36
Revenue From Operations	2013.52	1854.18	1687.33
EBITDA	370.77	295.07	243.89
EBITDA Margin (%)	18.41%	15.91%	14.45%
Profit/(Loss) After Tax	237.87	191.59	146.66
EPS (in Rs.)	12.65	10.08	7.57
ROCE (%)	34.05%	30.05%	24.53%
P/E [#]	46.32	NA	NA
P/B [#]	11.09	NA	NA

*Restated consolidated financials; #Calculated at upper price band

OBJECTS OF THE OFFER

- The Bonfiglioli Transmissions Ltd. IPO is a 100% Offer for Sale (OFS), so the company will not receive any funding and the entire IPO proceeds will go to the selling shareholders.

FINANCIAL STATEMENTS

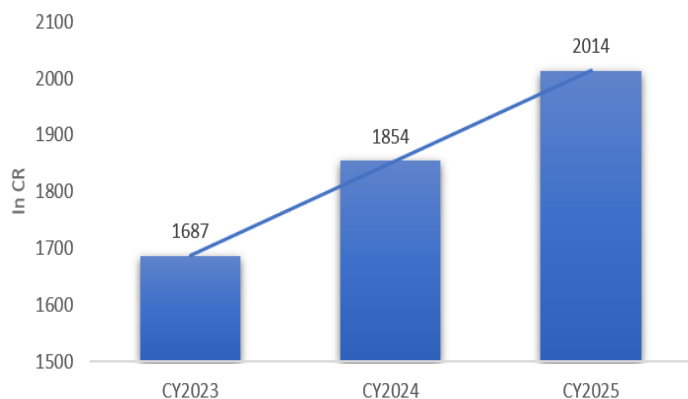
Profit & Loss Statement			
Particulars (In Crores)	CY2023	CY2024	CY2025
INCOME			
Revenue from operations	1687	1854	2014
Other Income	14	7	10
Total Income	1702	1861	2024
YoY Growth (%)	-	9.9%	8.6%
Cost of Materials Consumed	1110	1185	1197
Cost of Materials Consumed -% of Revenue	1	1	1
Changes in inventories of finished goods	-27	-6	54
Employee benefit expenses	90	98	106
Employee Expenses-% of Revenue	5.3%	5.3%	5.3%
Other expenses	270	282	286
EBIDTA (Calculated)	244	295	371
EBIDTA Margin (%)	14.3%	15.9%	18.3%
Depreciation and amortisation expense	37	47	48
EBIT	207	248	323
EBIT Margin (%)	12.3%	13.4%	16.0%
Finance cost	13	10	8
Profit before TAX	208	245	325
Tax expenses			
Current tax	56	58	82
Tax pertaining to earlier years	7	-6	6
Deferred tax	-2	2	-1
Total tax expenses	62	53	87
Profit for the year	148	195	238
PAT Margin (%)	8.8%	10.5%	11.8%
Earnings per share			
Basic earnings per share (₹)	8	10	13

Balance Sheet			
Particulars (In Crores)	CY2023	CY2024	CY2025
ASSETS			
Non-current assets			
Property, plant and equipment	256	264	269
Capital work-in-progress	20	14	12
Intangible assets	2	0	0
Intangible assets under development	-	1	-
Right-of-use asset	38	34	31
Financial assets	-	-	-
i. Investments	0	0	0
ii. Loans	-	9	7
iii. Other financial assets	5	6	4
Deferred tax assets (Net)	18	16	17
Non-Current tax assets (Net)	3	0	0
Other non-current assets	7	7	8
Total non-current assets	350	352	349
Current assets			
Inventories	332	321	319
Financial assets	0	0	0
i. Trade receivables	410	406	518
ii. Cash and cash equivalents	91	145	153
iii. Bank balances other than (ii)	170	0	10
iv. Loans	-	13	5
iv. Other financial assets	7	15	14
Current tax assets (net)	9	8	-
Other current assets	46	39	71
Total current assets	1,065	947	1,090
Total assets	1,415	1,299	1,439
Equity and liabilities			
Equity			
Equity share capital	131	125	125
Other equity	670	736	868
Total equity	801	861	993
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	6	3	0
ii. Other financial liabilities	2	0	2
Provisions	11	11	12
Total non-current liabilities	19	14	15
Current liabilities			
Contract liabilities	3	5	6
Financial liabilities	-	-	-
i. Borrowings	111	-	-
ia. Lease liabilities	4	4	2
ii. Trade payables	-	-	-
Total outstanding dues of MSME	60	38	52
Total outstanding other MSME	322	270	279
iii. Other financial liabilities	50	66	44
Current tax Liability (net)	-	-	3
Other current liabilities	14	20	21
Provisions	31	21	26
Total current liabilities	595	424	432
Total liabilities	613	438	446
Total equity and liabilities	1,415	1,299	1,439

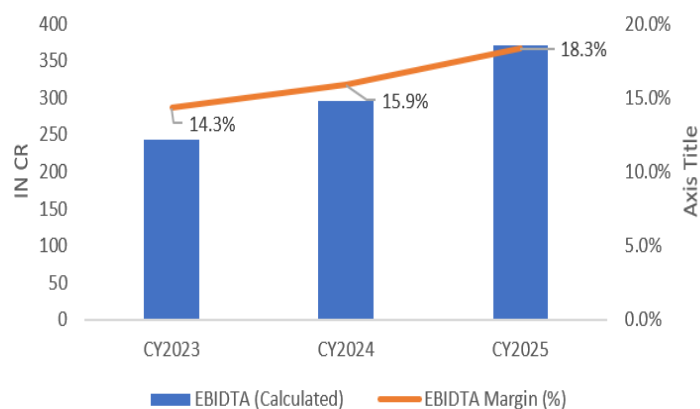
Particulars (In Crores)	CY2023	CY2024	CY2025
Net cash generated from/(used in) operating activities	198	188	188
Net cash generated from/(used in) investing activities	-100	109	-52
Net cash generated from/(used in) financing activities	-116	-244	-127
Net increase/(decrease) in cash and cash equivalents	-18	54	9
Cash and cash equivalents at the beginning of the year	109	91	145
Cash and cash equivalents at the end of the year	91	145	153

PERFORMANCE THROUGH CHARTS

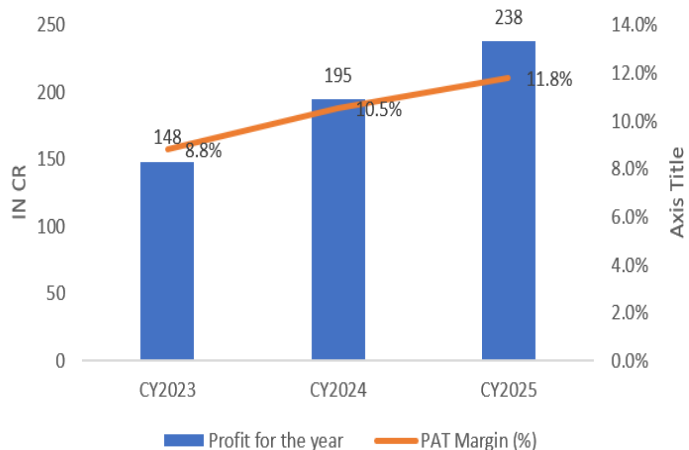
REVENUE HAS GROWN BY 9% CAGR 2 YR



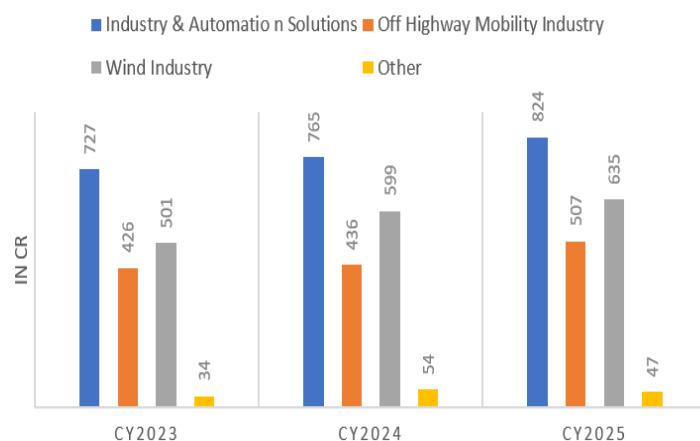
EBITDA & EBITDA MARGINS %



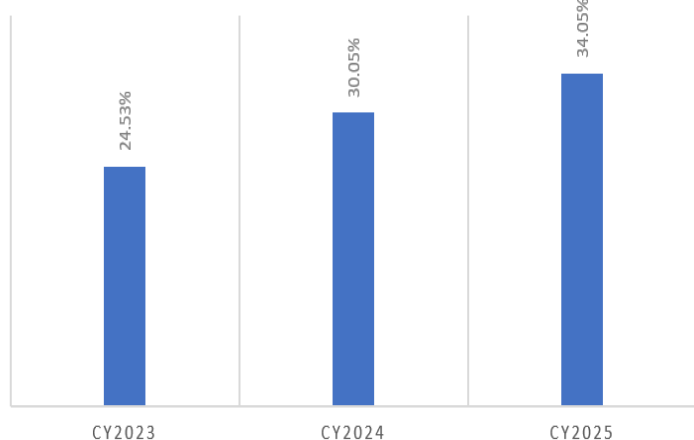
PAT & PAT MARGINS %



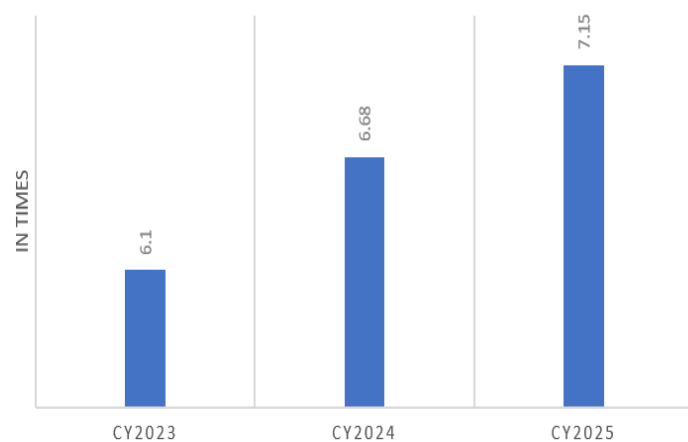
REVENUE SPLIT



RETURN ON CAPITAL EMPLOYED



FIXED ASSET TURNOVER





INDUSTRY OVERVIEW

Evolving Demand for Advanced Gearboxes and Gear Motors in India.

- Indian users are increasingly shifting from conventional worm to helical, bevel-helical, and planetary gearboxes. Domestic manufacturers are scaling design capabilities and forging alliances for precision-cut gears and surface-hardened components, reducing import reliance and improving durability in harsh Indian operating conditions.
- Demand is being pulled by high-growth verticals like renewables (wind, solar trackers), intralogistics, packaging, and EV drivetrain manufacturing, where compact, modular gear motors with high protection class ratings (IP65+) are increasingly preferred. High-performance industrial users are increasingly adopting condition-monitoring-enabled gearboxes and digitally connected gear motors.

Global Mobility Solutions (Drives) used in Off-highway Applications – Overview.

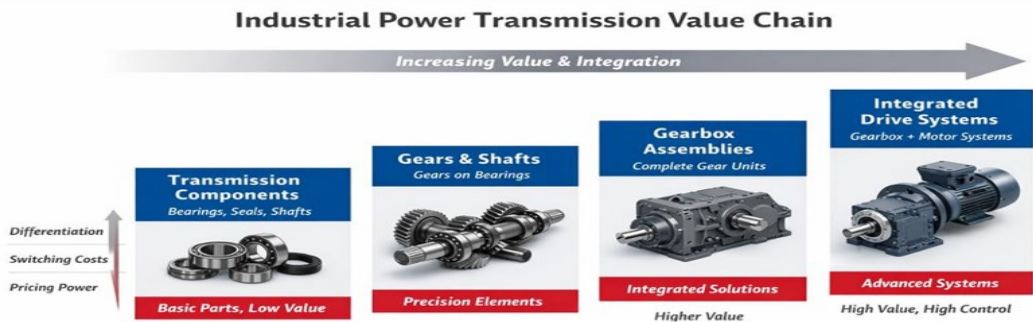
- The off-highway drive solutions market comprises mechanical, hydraulic, and increasingly electrified drive systems. These include axles, hydrostatic transmissions, planetary drives (wheel, track, slew, winch), and emerging e-axle and central drive systems.
- Key suppliers include Bonfiglioli, PMP, Dana, Comer Industries, SUNGBO, Bosch Rexroth, Kawasaki, and Nachi, which offer integrated mechanical-to-electric drive portfolios.
- OEM integration partnerships and modular e-drive platforms are strengthening as end-users demand lower fuel consumption, reduced noise, and digital monitoring.

Overview of Yaw and Pitch Drives Used in Wind Energy (Turbines).

- Globally, demand for Yaw and Pitch drives continues to rise in line with the rapid expansion of onshore and offshore wind installations, especially large multi-MW and next-gen 10-15 MW turbines. Yaw and Pitch Drives together typically account for ~3% of the total wind turbine cost.
- Lower-quality yaw and pitch drives degrade a turbine’s ability to optimally face the wind or adjust blade angles, reducing annual energy production by 2-6% and increasing fatigue loads on blades and bearings. As turbine capacity increases, the mechanical loads rise disproportionately, demanding stronger, faster, and more precise drive systems. Yaw and drives must support higher torque and incorporate improved redundancy and faster actuation to manage larger pitch rotors.

Industrial Power Transmission Market.

- Transmission Components (Bearings, Seals, Shafts):** This layer represents transmission components comprising bearings, seals, and basic shafts. Competition is driven by cost efficiency, scale, and supply chain reach rather than differentiation. Switching costs for customers are low, pricing power is limited, and margins remain thin unless players achieve massive volumes or operational excellence. Key global players include SKF, NSK, and Timken, while India has strong presence from NBC Bearings and SKF India.
- Gears & Shafts (Precision Elements):** At this stage, value creation shifts from scale to precision engineering, metallurgy, and manufacturing accuracy. Performance parameters such as torque density, noise, efficiency, and durability increasingly influence purchasing decisions. Customization increases, and suppliers become more deeply embedded in OEM design cycles, raising entry barriers. Margins improve compared to components due to tighter tolerances and application knowledge. Key players include Premium Transmission, Shanthi Gears, and Radicon.
- Integrated Drive Systems (Gearbox + Motor Systems):** This is the highest-value layer, where mechanical systems converge with motors, electronics, controls, and increasing software. Switching costs are very high due to deep integration into production lines and automation architecture. Pricing power is strongest here, supported by digital features, service contracts, and lifecycle ownership. Global leaders include ABB, Siemens, Danfoss, Bonfiglioli and SEW/Eurodrive, while India is seeing rapid adoption driven by automation-led manufacturing growth.



COMPETITIVE STRENGTHS OF THE COMPANY**End-to-end technology-led power transmissions and industrial drive solutions provider across business verticals.**

- They are the largest manufacturer of gearboxes and drives for OEMs and end-users engaged in Industry & Automation (gear motors < 15 kNm), Off-Highway Mobility and Wind sectors in India as of June 30, 2026, in terms of revenue from operations.
- They attribute their market leadership position to their capability as an end-to-end technology-led power transmissions and co-engineered industrial drive solutions provider.
- Their 210 current capabilities span designing, manufacturing and supplying products from motion control to power drives including gearboxes, gear motors, inverter controls, servo motors, servo cables and accessories.

Highly diversified offerings across business verticals and customer industries

- 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), across Industry & Automation, Off Highway Mobility and Wind Industries.
- As of December 31, 2025, they had manufactured and supplied more than 11,800 SKUs and were the only major gearbox suppliers with a comprehensive portfolio serving Industry & Automation, Off-Highway Mobility and Wind end-markets. Their offerings for Industry & Automation customers include a wide range of gearboxes (including helical, bevel and worm gear motors and gearboxes), electric motors, servo motors and drives, variable frequency drives and precision drives for robotics & automation solutions.

Established parentage and trusted brand backed by global and local R&D capabilities.

- Their Company was incorporated in 1998 by Bonfiglioli S.p.A., and according to the F&S Report, is one of the largest players in mechanical and electro-mechanical power transmissions and industrial drive solutions globally, in terms of revenue which was Euro 1,172.94 million (₹115.56 billion) for the year ended December 31, 2025.
- Leveraging their strong parentage, they have successfully developed their own brand visibility and reputation by forging direct relationships with OEMs and component vendors in India and proven after-sales service to satisfy the needs of industrial processes, automation, mobility solutions and renewable energy companies.

Deep relationships with marquee customers built through decades of collaboration, a strong sales team and dealer network and after-sales service support.

- They have strong relationships with their customers that they attribute to their wide range of offerings and strong support teams. In the six months period ended June 30, 2026, they served more than 930 OEM customers directly across business verticals and had been engaged by seven of their top 10 OEM customers (in terms of revenue from operations in Fiscal 2025) for more than 10 years, demonstrating the value and reliability of their service.
- Their customers include well-known OEMs such as 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 under their Industry & Automation vertical; 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 under their Off-Highway Mobility Industry vertical; and Nordex India Private Limited, Senvion Wind Technology Private Limited and Suzlon Energy Limited under their Wind Industry vertical.

RISK FACTORS

- They depend on a limited number of suppliers for procurement of raw materials and components required for their manufacturing operations. Their largest supplier is Bonfiglioli Riduttori S.p.A, a related party. Purchases from their related parties represented 15.53%, 16.75%, 15.18%, 17.00% and 19.98%, and purchases from their top 10 suppliers represented 40.84%, 41.74%, 41.20%, 45.62% and 47.52% of their total purchases of raw materials and components in the six months periods ended June 30, 2026 and 2025 and in Fiscals 2025, 2024 and 2023, respectively.
- As they do not have definitive agreements with their suppliers, any interruption in the availability of raw materials and components on account of any disruption, breakdown or shutdown of their suppliers' operations could adversely impact their operations.
- Any increase in the prices of raw materials and components required for their operations or levy of duties on the materials they import for their operations, could adversely affect their business, financial condition, results of operations, and cash flows.
- Any unscheduled, unplanned or prolonged disruption of operations at their manufacturing facilities could materially and adversely affect their business, financial condition, results of operations and cash flows.
- Any actual or perceived defects in their gearboxes and drive systems or the sales and after-sale services provided through dealers or third parties may adversely impact their brand, reputation, and ability to sell their products, which could have an adverse impact on their operations.
- They depend on BSPA, one of their Corporate Promoters, for certain aspects of their operations, including the license to manufacture and sell products under its intellectual property including the "Bonfiglioli" trade name and trademark for which they pay a consideration of 6% of their annual sales of the specified products (excluding sales to BSPA and net of discounts and allowances).
- Any adverse change in their relationship with BSPA could have an adverse impact on their business, financial condition, results of operations, cash flows and reputation.
- They depend on BSPA, one of their Corporate Promoters, and other companies in the Bonfiglioli Group for certain aspects of their operations including administrative and corporate services. Any adverse change in their relationship with BSPA and the companies in the Bonfiglioli Group could have an adverse impact on their business, financial condition, results of operations, cash flows and reputation.
- They have entered into and will continue to enter into related party transactions with BSPA and companies within the Bonfiglioli Group that may involve conflicts of interest, which could adversely impact their business.
- The arithmetic aggregate absolute total of income from related parties represented 19.91%, 14.29%, 15.59%, 17.66% and 17.70% of their total income in the six months periods ended June 30, 2026 and 2025 and in Fiscals 2025, 2024 and 2023, respectively, while the arithmetic aggregate absolute total of expenses from related parties represented 32.71%, 32.38%, 24.83%, 25.20% and 28.66% of their total expenses in the six months periods ended June 30, 2026 and 2025 and in Fiscals 2025, 2024 and 2023, respectively.
- They depend on a limited number of customers for their sales, and revenue from their top 10 OEM customers represented 31.72%, 37.83%, 36.60%, 34.38% and 32.82% of their total revenue from operations (continuing operations) in the six months periods ended June 30, 2026 and 2025 and in Fiscals 2025, 2024 and 2023, respectively. As they do not have long-term binding agreements with all their customers, any reduction in orders from, or loss of, any of their major customers could adversely affect their business, financial condition, results of operations and cash flows.
- Failure to successfully commercialise co-engineered products could adversely affect their business, financial condition, results of operations, and cash flows.
- Certain corporate records and forms filed by them with the RoC, are not traceable. While they have conducted a search with the RoC, in respect of the unavailability of such forms and other records, they cannot assure you that such forms or records will be available at all or any time in the future.

**PEER COMPARISON**

Name of the company	TOTAL IN-COME (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoNE (%)	P/E*	P/B*
Bonfiglioli Transmissions Limited	2013.52	10.00	12.65	52.82	23.96	46.32	11.09
Elecon Engineering Company Limited	2366.05	1.00	15.20	102.65	14.81	28.91	4.28
Shanthi Gears Limited	518.72	1.00	9.99	57.36	17.42	55.46	9.66
Schaeffler India Limited	9685.85	2.00	73.60	386.94	19.02	49.37	9.39
Timken India Limited	3478.02	10.00	55.16	403.31	13.68	52.97	7.25

*P/E & P/B ratio based on upper price and of IPO, financial details consolidated audited results as of CY25. We have taken closing price of 13th October 2026.



Canara Bank Securities Ltd.
(A Wholly Owned Subsidiary of Canara Bank)



Research Desk

Canara Bank Securities Ltd

SEBI: RESEARCH ANALYST REGISTRATION: INH000001253

BSE: INB 011280238, BSE F&O: INF 011280238

NSE: INB 23180232, F&O: INF 231280232, CDS: 231280232

Maker Chambers III, 7th floor,

Nariman Point, Mumbai 400021

Contact No. : 022 - 43603861/62/63

Email id: researchdesk@canmoney.in

Analyst Certification

We/I, Vedana Bhadani, PGDM (Securities Market) NISM, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Disclosures and Disclaimers

CANARA BANK SECURITIES LTD (CBSL), a wholly owned subsidiary of CANARA BANK, is a SEBI registered intermediary offering broking services to its institutional and retail clients; we also run a proprietary trading desk. CBSL is member of BSE & NSE. We are registered as RESEARCH ANALYST under SEBI (INH000001253). CBSL or its associates do not have an investment banking business. Hence, they do not manage or co manage any public issue. Neither CBSL nor its associates, neither the research analysts nor their associates nor his/her relatives (i) have any financial interest in the company which is the subject matter of this research report (ii) holds ownership of one percent or more in the securities of subject company (iii) have any material conflict of interest at the end of the month immediately preceding the date of publication of the research report OR date of the public appearance (iv) have received any compensation from the subject company in the past twelve months (v) have received any compensation for investment banking merchant banking or brokerage services from the subject company in the past twelve months (vi) have received any compensation for any other product or services from the subject company in the past twelve months (vii) have received any compensation or other benefits from the subject company or third party in connection with the research report. (viii) Research Analyst involved in the preparation of Research report discloses that he /she has not served as an officer, director, or employee of subject company (ix) is involved in market making activity of the company.

We shall adhere to SEBI guidelines from time to time.

We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. We may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of CBSL. The Research Desk does not solicit any action based on the material contained herein. It is for the general information of the clients / prospective clients of CBSL. CBSL will not treat recipients as clients by virtue of their receiving the research report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of clients / prospective clients. Similarly, the Research Desk does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive it. The securities discussed in the report may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive the research report should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. And such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in the research report and of evaluating the merits and risks involved in the securities forming the subject matter of the reports. All projections and forecasts in research reports have been prepared by our research team.

The client should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by CBSL For these reasons; The client should only consider the projections and forecasts described in the research reports after carefully evaluating all of the information in the report, including the assumptions underlying such projections and forecasts. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. We do not provide tax advice to our clients, and all investors are strongly advised to consult regarding any potential investment. CBSL or its research team involved in the preparation of the research reports, accept no liabilities for any loss or damage of any kind arising out of the use of these reports. The technical levels and trend etc mentioned in our reports are purely based on some technical charts/levels plotted by software used by us and these charts/levels are believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. The recommendation expressed in the reports may be subject to change. The recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. This research reports are for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of CBSL. The Research reports or any portion hereof may not be printed, sold or distributed without the written consent of CBSL. The research report is strictly confidential and is being furnished to client solely for client's information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The opinions and projections expressed herein are entirely based on certain assumptions & calculations and are given as part of the normal research activity of CBSL and are given as of this date and may be subject to change. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection. The report has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Any opinions and projections contained herein are entirely based on certain assumptions and calculations. None of the directors of the company or any other persons in the research team accepts any liability whatsoever for any loss arising from any use of the research report or its contents or otherwise arising in connection therewith. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that the client has read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India (SEBI) before investing in Securities Market. Please remember that investment in stock market is subject to market risk and investors/traders need to do study before taking any position in the market.