

Recommendation	Subscribe	
Price Band	Rs 558 – 586	
Bidding Date	15th – 19th Oct	
Book Running Lead Manager	Axis Capital Ltd, BNP Paribas, ICICI Securities Ltd, Jefferies India Pvt Ltd	
Registrar	MUFG Intime India Pvt Ltd	
Sector	Capital Goods	
Minimum Retail Application- Detail At Cut off Price		
Number of Shares	25	
Minimum Application Money	Rs. 14,650	
Payment Mode	ASBA	
Financials (Rs Cr)	CY24	CY25
Revenue from Ops	1,854	2,014
EBITDA	295	371
PAT for the year	192	238
Valuations (CY25)	Upper Band	
Market Cap (Rs Cr)	11,017	
EPS (CY25)	12.65	
PE	46	
EV/ EBITDA	29	
Enterprise Value(Rs Cr)	10,856	
Post Issue Shareholding Pattern		
Promoters	77%	
Public/Other	23%	
Offer structure for different categories		
QIB	50%	
Non-Institutional	15%	
Retail	35%	
Post Issue Equity (cr)	188	
Issue Size (Rs in cr)	2,534	
Face Value (Rs)	10	

Devendra Pawar
Research Associate
(+91 22 6273 8149)
devendra.pawar@nirmalbang.com

BACKGROUND

Bonfiglioli Transmissions Limited is an India-based manufacturer of gearboxes, gear motors and industrial drive solutions, established in 1998 by Italy-based Bonfiglioli S.p.A. The Company operates in three business segments: Industry & Automation Solutions, Off-Highway Mobility and Wind Industry. It serves industries such as mining, construction, agriculture, material handling, manufacturing and renewable energy. Its products include drive systems for industrial machinery, off-highway equipment and wind turbines. The Company serves customers directly and through dealers, while working with OEMs to develop customised products. It benefits from the Bonfiglioli Group's global brand, technical expertise and research and development capabilities.

Details of the Issue:

The public issue consists of 100% Offer for Sale of up to Rs 2,534 Cr, so the company will not receive any funding and the entire IPO proceeds will go to the selling shareholders.

Investment Rationale:

- End-to-End Technology-Led Power Transmission and Industrial Drive Solutions Provider
- Highly Diversified Product Portfolio Across Business Verticals and Customer Industries
- Established Parentage and Trusted Brand Supported by Global and Local R&D Capabilities
- Diversified End-Markets Provide Strong Long-Term Growth Opportunities
- Strong Customer Relationships Supported by an Established Sales and After-Sales Network
- Advanced Manufacturing Infrastructure with Industry 4.0 Capabilities and a Localised Supply Chain

Valuation and Recommendation:

Bonfiglioli Transmissions delivered 18% revenue growth from H1 CY2025 to H1 CY2026, while its CY23–25 revenue CAGR of 9.2% exceeded the peer average of 7.8%. The Company reported an EBITDA margin of 18.4%, slightly below the peer average of 19.6%, but demonstrated strong operational efficiency with asset turns of 2.0x, ROCE of 33.4% and ROE of 24.0%, all above peer averages. Its working capital cycle of 90 days is better than the peer average of 125 days, and the Company remains debt-free. At the upper price band, the IPO is valued at 29.3x EV/EBITDA and 46.3x P/E based on CY25 earning. Based on H1 CY2026 earnings, the valuation stands at 24.2x EV/EBITDA and 37.1x P/E, making it relatively attractive compared with the peer valuation. Considering its established market position, diversified business segments, strong return ratios and efficient operations, we recommend a “**SUBSCRIBE**” rating for the IPO.

Financials	CY2023	CY2024	CY2025	H125	H126
Net Revenues	1,687	1,854	2,014	960	1,132
Growth (%)	-	9.9%	8.6%	-	17.9%
EBITDA	244	295	371	176	224
EBITDA Margin (%)	14.5%	15.9%	18.4%	18.4%	19.8%
PBT	208	245	325	156	200
Adjusted PAT	147	192	238	115	149
EPS	7.80	10.19	12.65	6.12	7.90
ROCE	24.0%	29.4%	33.4%	36.2%	39.4%
EV/Sales	6.4	5.9	5.4	5.7	4.8
EV/EBITDA	44.5	36.8	29.3	30.8	24.2
P/E	75.1	57.5	46.3	47.9	37.1

Source: Company data, NBRR

Company Overview

Bonfiglioli Transmissions Limited is an India-based, technology-led manufacturer of mechanical and electro-mechanical power transmission equipment and industrial drive solutions. Incorporated in 1998 by Italy-based Bonfiglioli S.p.A., the Company has established its presence in India through more than 25 years of operations. It manufactures precision-engineered gearboxes, gear motors and drive systems for diverse industrial applications. The Company operates across three key business verticals: Industry & Automation Solutions, Off-Highway Mobility and Wind Industry. It is among India's leading providers of power transmission and industrial drive solutions and holds approximately 25% market share in low- and medium-duty gearboxes, 32% in off-highway mobility drives and over 50% in wind turbine drives in India.

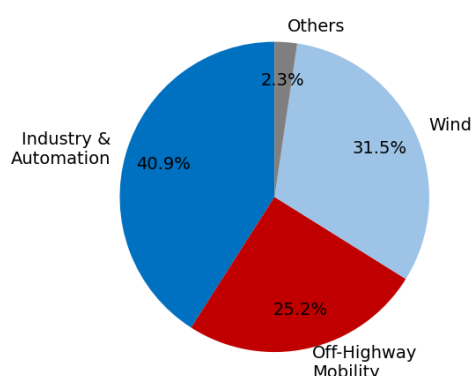
Under Industry & Automation Solutions, the Company serves applications such as material handling, chemicals and pharmaceuticals, mining, food and beverages, metal processing, machine tools, construction, textiles, and rubber and plastics. Its Off-Highway Mobility business supplies drive solutions for equipment used in excavation, concrete, mining, road construction, agriculture and material handling. In the Wind Industry vertical, it manufactures integrated yaw and pitch drive systems used in wind turbines. The Company benefits from the Bonfiglioli Group's global brand, engineering expertise and research and development capabilities, including access to its India R&D Centre in Chennai. It serves customers through direct relationships and a dealer network, while OEM partnerships support the development and supply of application-specific products.

Products and Product-wise Revenue Mix

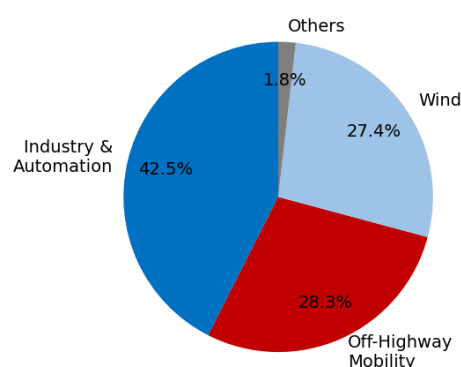
Rs Cr	CY2023	CY2024	CY2025	H125	H126
Industry & Automation Solutions	727	765	824	390	481
Off-Highway Mobility	426	436	507	235	320
Wind Industry (yaw & pitch)	501	599	635	309	310
Others	34	54	47	26	21
Total revenue from operations	1,687	1,854	2,014	960	1,132
% Industry & Automation	43.1%	41.3%	40.9%	40.6%	42.5%
% Off-Highway Mobility	25.2%	23.5%	25.2%	24.5%	28.3%
% Wind	29.7%	32.3%	31.5%	32.2%	27.4%

Source: RHP, NBRR

Vertical-wise revenue mix - CY2025



Vertical-wise revenue mix - H126



Source: RHP, NBRR

Investment Rationale

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

Bonfiglioli Transmissions offers an integrated portfolio of power transmission and industrial drive solutions, covering product design, manufacturing and supply. Its products include gearboxes, gear motors, inverter controls, servo motors, servo cables and accessories. The Company provides solutions across Industry & Automation, Off-Highway Mobility and Wind Industry applications. Its co-engineering and customisation capabilities enable it to address specialised customer requirements. The Company was India's largest manufacturer of gearboxes and drives serving these segments by revenue.

Highly Diversified Product Portfolio Across Business Verticals and Customer Industries

The Company serves a broad range of end-user markets through its three business verticals, reducing its dependence on any single industry. As of December 31, 2025, it had manufactured and supplied more than 11,800 stock-keeping units (SKUs). Its portfolio caters to applications across industrial automation, material handling, mining, construction equipment, agriculture and renewable energy. The Company also offers specialised solutions, including high-torque drives for off-highway machinery and yaw and pitch drives for wind turbines. This diversified product and end-market presence provides exposure to multiple industrial growth drivers and helps mitigate the impact of a slowdown in any individual industry.

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

Incorporated in 1998 by Bonfiglioli S.p.A., Italy, the Company benefits from its parent group's established global brand, engineering expertise and technological capabilities. It leverages the group's product portfolio and global research and development network to introduce new products and develop solutions suited to Indian market requirements. The Bonfiglioli Group's India R&D Centre in Chennai had 119 engineers. The centre also had specialised testing capabilities for wind-turbine yaw and pitch drives. This combination of global technological support and local engineering expertise strengthens product development, customisation and responsiveness to customer needs.

Diversified End-Markets Provide Strong Long-Term Growth Opportunities

Bonfiglioli India is positioned to benefit from growth across industrial automation, off-highway mobility and wind energy markets. The Indian industrial gearbox market is projected to grow from ₹7,010 Cr in FY26 to ₹10,140 Cr by FY31, at approximately 7.7–8.0% CAGR. The off-highway mobility drives market is expected to increase from ₹1,950 Cr to ₹3,090 Cr, at a 9.6% CAGR, while the wind turbine drives market is projected to rise from ₹940 Cr to ₹1,500 Cr, at a 9.9% CAGR. Rising infrastructure investment, industrial automation, government support for domestic manufacturing and increasing wind energy capacity are expected to drive long-term demand.

Strong Customer Relationships Supported by an Established Sales and After-Sales Network

The Company has developed long-standing relationships with OEMs across its business verticals through product reliability, technical support and customer service. During the six months it served more than 930 OEM customers directly across its business verticals. Seven of its top 10 OEM customers, measured by FY2025 revenue, had been associated with the Company for more than 10 years. Its customer base includes established companies in industrial machinery, construction equipment and wind energy. Its Industry & Automation business was supported by 44 dealers, including 36 exclusive dealers, while its after-sales network comprised 13 service facilities.

Advanced Manufacturing Infrastructure with Industry 4.0 Capabilities and a Localised Supply Chain

The Company operated three manufacturing facilities in India, located at Thirumudivakkam, Mannur and Talegaon. Its manufacturing processes incorporate automation, digitally connected production systems and real-time data monitoring to improve operational efficiency, quality and reliability. The Company has vertically integrated manufacturing capabilities covering machining, gear cutting, heat treatment and final assembly. It also uses digital tools for production planning, quality inspection and product traceability. Furthermore, its domestic sourcing share increased from 64.12% in FY2023 to 68.32% in the six months, supporting efforts to reduce import dependence, logistics costs and exposure to foreign-exchange fluctuations.

Key Risks

Exposure to Raw Material Price Volatility and Supply Chain Disruptions: Fluctuations in steel, aluminium and other component prices may increase manufacturing costs and put pressure on margins. Dependence on international suppliers also exposes the Company to foreign-exchange movements, tariffs and geopolitical disruptions.

Dependence on Bonfiglioli Group and Royalty Payments: The Company relies on its parent group for brand and intellectual-property licensing, with a disclosed royalty of 6% of annual net sales of licensed products, subject to the agreement's terms. Changes in licensing arrangements, restrictions on licensed products or higher related-party costs could affect operations and profitability.

Foreign Exchange and International Trade Risks: The Company imports certain components and materials, exposing procurement costs to currency fluctuations and changes in import duties and tariffs. Adverse geopolitical developments or trade restrictions involving supplier countries could increase costs, delay supplies and affect operating margins.

Valuation and Recommendation

Bonfiglioli Transmissions delivered 18% revenue growth from H1 CY2025 to H1 CY2026, while its CY23–25 revenue CAGR of 9.2% exceeded the peer average of 7.8%. The Company reported an EBITDA margin of 18.4%, slightly below the peer average of 19.6%, but demonstrated strong operational efficiency with asset turns of 2.0x, ROCE of 33.4% and ROE of 24.0%, all above peer averages. Its working capital cycle of 90 days is better than the peer average of 125 days, and the Company remains debt-free.

At the upper price band, the IPO is valued at 29.3x EV/EBITDA and 46.3x P/E based on CY25 earning. Based on H1 CY2026 earnings, the valuation stands at 24.2x EV/EBITDA and 37.1x P/E, making it relatively attractive compared with the peer valuation. Considering its established market position, diversified business segments, strong return ratios and efficient operations, we recommend a **“SUBSCRIBE”** rating for the IPO.

Listed Peers

CY25 / FY26 (Consolidated)	Elecon Engineering	Shanthi Gears	Timken India	Schaeffler India	Average	Bonfiglioli Transmi
Revenue	2366.1	518.7	3478.0	9685.9	4012.2	2013.5
CAGR (CY23-25 / FY24-26)	10.5%	-1.6%	8.4%	14.0%	7.8%	9.2%
EBITDA Margin	22.1%	20.0%	18.2%	18.2%	19.6%	18.4%
Asset Turns (x)	0.9	1.2	1.2	1.6	1.2	2.0
Wkg Cap Days	174.8	152.6	115.1	57.5	125.0	90.2
ROCE	19.4%	24.4%	19.0%	25.7%	22.1%	33.4%
ROE	14.8%	17.4%	14.2%	19.0%	16.4%	24.0%
Debt/Equity	0.1	0	0	0	0.03	0
EV/EBITDA	18.5	38.9	34.3	31.5	30.8	29.3
P/E	28.2	53.8	52.9	49.9	46.2	46.3
P/S	4.1	7.9	6.3	5.9	6.1	5.5
P/B	4.2	9.4	7.5	9.5	7.6	11.1

Financials

Consolidated Nos					
P&L (Rs. Cr)	CY2023	CY2024	CY2025	H125	H126
Net Revenue	1,687.3	1,854.2	2,013.5	960.4	1,131.9
% Growth	-	9.9%	8.6%	-	17.9%
Cost of goods	1,083.6	1,179.0	1,251.0	601.2	690.9
% of Revenues	64.2%	63.6%	62.1%	62.6%	61.0%
Employee Cost	89.7	98.2	106.3	49.2	59.0
% of Revenues	5.3%	5.3%	5.3%	5.1%	5.2%
Other expenses	270.2	281.9	285.5	133.5	158.2
% of Revenues	16.0%	15.2%	14.2%	13.9%	14.0%
EBITDA	243.9	295.1	370.8	176.4	223.9
EBITDA Margin	14.5%	15.9%	18.4%	18.4%	19.8%
Depreciation	37.1	46.6	47.8	23.4	27.2
Other Income	14.5	7.0	10.1	6.1	7.3
Interest	13.1	10.4	7.8	3.7	4.1
Exceptional item	0.0	0.0	0.0	0.0	0.0
PBT	208.2	245.0	325.2	155.5	199.9
Tax	61.5	53.4	87.4	40.5	51.3
Tax rate	29.5%	21.8%	26.9%	26.1%	25.7%
Share of profit of associates	0.0	0.0	0.0	0.0	0.0
PAT	146.7	191.6	237.9	115.0	148.6
Non-Controlling Int	0.0	0.0	0.0	0.0	0.0
Adj. PAT (norm. Tax)	146.7	191.6	237.9	115.0	148.6
% Growth	-	30.6%	24.2%	-	29.2%
EPS (Post Issue)	7.80	10.19	12.65	6.12	7.90

Ratios & Others	CY2023	CY2024	CY2025	H125	H126
Debt / Equity	0.15	0.01	0.00	0.01	0.001
EBITDA Margin (%)	14.5%	15.9%	18.4%	18.4%	19.8%
PAT Margin (%)	8.7%	10.3%	11.8%	12.0%	13.1%
ROE (%)	18.3%	22.3%	24.0%	26.3%	28.7%
ROCE (%)	24.0%	29.4%	33.4%	36.2%	39.4%

Turnover Ratios	CY2023	CY2024	CY2025	H125	H126
Debtors Days	88.7	80.0	93.9	83.1	85.2
Inventory Days	111.9	99.5	93.1	102.4	98.9
Creditor Days	128.7	95.5	96.3	98.1	97.3
Asset Turnover (x)	1.2	1.4	1.4	1.4	1.5

Valuation Ratios	CY2023	CY2024	CY2025	H125	H126
Price/Earnings (x)	75.1	57.5	46.3	47.9	37.1
EV/EBITDA (x)	44.5	36.8	29.3	30.8	24.2
EV/Sales (x)	6.43	5.85	5.39	5.65	4.80
Price/BV (x)	13.7	12.8	11.1	12.6	10.7

Source: Company Data, NBRR

Balance Sheet (Rs. Cr)	Dec-23	Dec-24	Dec-25	H125	H126
Share Capital	131.1	125.3	125.3	125.3	188.0
Other Equity	670.2	735.6	867.7	750.1	846.3
Minority Interest	0.0	0.0	0.0	0.0	0.0
Networth	801.4	861.0	993.0	875.4	1,034.3
Total Loans	120.5	6.6	2.8	4.7	0.8
Other non-curr liab.	12.8	10.8	14.3	10.8	14.0
Trade payable	382.0	308.6	330.2	325.7	371.2
Other Current Liab	98.1	112.2	99.1	171.2	75.5
Total Equity & Liab.	1,414.7	1,299.1	1,439.5	1,387.9	1,495.8
Property, Plant and Equipment	256.1	264.0	269.2	259.0	269.9
CWIP	20.3	13.7	12.3	11.8	13.6
Goodwill/Other Intangible assets /	40.4	35.6	31.0	34.3	28.8
Non Current Financial assets	5.6	14.9	10.9	15.1	13.8
Other non Curr. assets	27.4	24.1	25.7	30.8	29.8
Inventories	332.3	321.4	319.2	340.2	377.6
cash and cash equivalents	90.5	144.7	153.2	25.1	140.2
Bank bal	170.0	0.1	10.0	163.8	0.0
Investments+loans	0.0	0.0	0.0	0.0	0.0
Trade receivables(debtor)	410.1	406.2	517.7	441.0	532.5
Other Current assets	62.0	74.4	90.2	66.9	89.6
Total Assets	1,414.7	1,299.1	1,439.5	1,387.9	1,495.8

Cash Flow (Rs. Cr)	CY2023	CY2024	CY2025	H125	H126
Profit Before Tax	210.6	249.6	325.2	155.5	199.9
Provisions & Others	46.1	53.1	51.2	20.4	27.1
Op. profit before WC	256.7	302.7	376.5	175.9	227.0
Change in WC	3.2	-57.5	-112.9	-85.3	-58.7
Less: Tax	-61.7	-56.8	-75.9	-22.0	-38.5
CF from operations	198.2	188.4	187.7	68.7	129.9
Purchase/Sale of property, plant an	-120.1	-42.2	-51.9	-22.8	-40.8
(Purchase) Sale of Current Investme	0.0	0.0	0.0	0.0	0.0
Interest, dividend and other inc	7.2	-18.3	9.4	3.8	5.2
Investment in fixed deposits (net)	13.0	169.9	-9.9	-163.8	9.6
CF from Investing	-99.9	109.4	-52.4	-182.8	-26.1
Repayment of Borrowings	-33.0	-182.8	0.0	0.0	0.0
Dividend Paid	-65.6	-46.4	-115.3	0.0	-110.0
Payment of Lease Liabilities (Includ	-5.4	-4.5	-4.1	-2.0	-2.1
Interest Paid	-12.6	-9.9	-7.4	-3.4	-4.8
CF from Financing	-116.4	-243.6	-126.8	-5.4	-116.8
Net Change in cash	-18.1	54.1	8.5	-119.6	-13.0
Cash & Bank at beginning	108.7	90.5	144.7	144.7	153.2
Cash & Bank at end	90.5	144.7	153.2	25.1	140.2

Disclosure:

Research Reports that are published by Nirmal Bang Securities Private Limited (hereinafter referred to as "NBSPL") are for private circulation only. NBSPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001766. NBSPL is also a registered Stock Broker with National Stock Exchange of India Limited, BSE Limited, Metropolitan Stock Exchange of India Limited, Multi Commodity Exchange of India Limited and , National Commodity and Derivative Exchange Limited in Capital Market , Equity and Commodities derivatives segments and Currency Derivatives Segment .

NBSPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBSPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market since last 20 years. NBSPL, its associates or analyst or his relatives do not hold any financial interest (Except Investment) in the subject company. NBSPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBSPL or its associates or Analyst or his relatives may or may not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBSPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBSPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company. NBSPL / analyst has not been engaged in market making activity of the subject company.

Analyst Certification: The research analysts and authors of these reports, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendation.

DEVENDRA Digitally signed
by DEVENDRA
PRAKASH PRAKASH PAWAR
PAWAR Date: 2026.10.15
11:18:03 +05'30'

Disclaimer:

The Research Report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice. NBSPL is not soliciting any action based upon it. Nothing in the research report shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing the research report, we did not take into account the investment objectives, financial situation and particular needs of the reader.

The research report has been prepared for the general use of the clients of NBSPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in the research report in any way. Though disseminated to all the customers simultaneously, not all customers may receive the research report at the same time. NBSPL will not treat recipients as customers by virtue of their receiving the research report. The research report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBSPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBSPL or any of its affiliates or employees 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 the research report. NBSPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of the research report should rely on their own investigations.

This information is subject to change without any prior notice. NBSPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBSPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of research report, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBSPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of the research report and/or further communication in relation to the research report. Here it may be noted that neither NBSPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in the research report.

Copyright of this document vests exclusively with NBSPL.

Our reports are also available on our website www.nirmalbang.com

Registration granted by SEBI and certification from NISM in no way guarantee performance of NBSPL or provide any assurance of returns to investors.

Nirmal Bang Research (Division of Nirmal Bang Securities Pvt. Ltd.)

B-2, 301/302, Marathon Innova,
Opp. Peninsula Corporate Park
Off. Ganpatrao Kadam Marg
Lower Parel (W), Mumbai-400013
Board No. : 91 22 6723 8000/8001
Fax. : 022 6723 8010