BONFIGLIOLI TRANSMISSIONS LIMITED

October 14, 2026

SMC Ranking

★★½☆☆ (2.5/5)

Issue Highlights

Industry	Power Transmission
Offer for sale (Shares)	43,239,042
Net Offer to the Public	43,239,042
Issue Size (Rs. Cr.)	2412-2534
Price Band (Rs.)	558-586
Employee discount	Rs.29
Offer Date	15-Oct-26
Close Date	19-Oct-26
Face Value	10Lot Size

Issue Composition

	In shares
Total Issue for Sale	43,239,042
QIB	21,619,521
NIB	6,485,856
Retail	15,133,665

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	100.00%	77.00%
QIB	0.00%	11.50%
NIB	0.00%	3.45%
Retail	0.00%	8.05%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

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.

Book Running Lead Manager

- Axis Capital Limited
- BNP Paribas
- ICICI Securities Limited
- Jefferies India Private Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Bonfiglioli Transmissions Limited is a premier end-to-end technology-led power transmission and industrial drive solutions provider in India, specializing in high-performance gearboxes, gearmotors, and drive systems. Operating under established global and local R&D capabilities, the company caters to diverse sectors including Industry & Automation, Off-Highway Mobility, and the Wind Industry through specialized manufacturing plants in Thirumudivakkam and Mannur (Tamil Nadu) and Talegaon (Maharashtra). Bonfiglioli maintains deep, long-standing relationships with marquee original equipment manufacturers (OEMs) and a robust dealer network across India and key export markets like the USA, Europe, and Asia.

Strengths

End-to-End Technology-Led Power Transmission Solutions: Bonfiglioli combines advanced mechanical engineering, smart automation, and IoT-enabled drive systems to offer comprehensive solutions across multiple industrial verticals. The company leverages robust parentage from Bonfiglioli S.p.A. and cutting-edge R&D capabilities to design high-efficiency, reliable gearboxes and motors tailored to rigorous operating conditions.

Highly Diversified Product Offerings and End-User Verticals: The company serves a wide spectrum of industries, insulating itself from cyclical downturns in any single sector. Its offerings span Industry & Automation solutions, Off-Highway Mobility (such as wheel and slew drives), and Wind Industry solutions (such as yaw and pitch drives). This multi-vertical presence allows Bonfiglioli to capture secular growth trends across renewable energy, infrastructure development, and industrial automation in domestic and international markets.

Established Parentage and Global-Local R&D Synergy: Backed by the global Bonfiglioli Group, the company benefits from decades of engineering heritage, proprietary designs, and technical know-how. Concurrently, its localized manufacturing and India-based engineering teams enable rapid prototyping, customization, and cost-effective production, ensuring that products meet exacting international standards while remaining highly competitive in pricing and delivery timelines.

Deep Marquee Customer Relationships and Robust Distribution Network: Bonfiglioli has cultivated long-standing relationships with leading OEMs, with top customer relationships spanning up to two decades. Furthermore, its extensive pan-India network of 44 dealers provides deep market penetration in the Industry & Automation segment, complemented by strong after-sales service and technical support that drives high customer retention and repeat orders.

State-of-the-Art Manufacturing Infrastructure in Strategic Clusters: The company operates advanced manufacturing facilities situated close to major industrial hubs in Tamil Nadu (Thirumudivakkam and Mannur) and Maharashtra (Talegaon). Equipped with high-precision machining shops, automated assembly lines, and continuous heat-treatment plants, these facilities ensure strict quality control, scalability, and adherence to stringent delivery schedules for domestic and global clients.

Strategy

Expanding Manufacturing Capacities and Local Footprint: Bonfiglioli intends to scale up its production capabilities by establishing a new manufacturing facility adjacent to its existing operational plant in Talegaon, Maharashtra, focusing on heavy-duty gear motors and industrial gearboxes. This expansion is designed to capture rising domestic demand, alleviate capacity constraints, and enhance operational efficiencies through localized manufacturing scale.

Deepening Penetration in High-Growth Renewable and Industrial Verticals: The company aims to capitalize on accelerating investments in renewable energy—specifically wind power—and industrial automation by expanding its portfolio of co-engineered products, such as next-generation yaw and pitch drives and energy-efficient gearmotors. By deepening collaboration with key OEMs during the co-engineering phase, Bonfiglioli secures long-term supply visibility.

Enhancing Technological Integration and Smart Manufacturing: A core strategic priority is the integration of IoT-enabled solutions, smart sensors, and advanced telemetry into its drive systems. By offering smart gearboxes and predictive maintenance capabilities, Bonfiglioli aims to transition from a pure component supplier to an integrated system solutions provider, enhancing customer stickiness and value capture.

Optimizing Supply Chain Resilience and Global Sourcing: To mitigate commodity price volatility and geopolitical shipping disruptions, the company is actively optimizing its vendor ecosystem. This includes strengthening relationships with trusted domestic component suppliers, enhancing localized sourcing of key raw materials, and maintaining strategic inventory buffers to ensure uninterrupted manufacturing and distribution.

Growing International Export Markets: Building upon its established export footprint in the United States, Germany, Italy, and China, Bonfiglioli seeks to further penetrate international geographies. By leveraging group synergies and global distribution channels, the company aims to scale its export revenue share and diversify revenue streams across developed and emerging economies.

Key Risk Factors

- A significant portion of raw material procurement and inter-company transactions involve Bonfiglioli S.p.A. and affiliated group entities, exposing the company to potential conflicts of interest.

- The top 10 OEM customers account for over 36% of total operational revenue, meaning the loss of any major customer could adversely impact financial performance.
- The company's manufacturing margins are vulnerable to fluctuations in global commodity prices for steel, aluminum, and cast iron, as well as customs duties on imported components.
- Bonfiglioli relies heavily on the license agreement with Bonfiglioli S.p.A. for core technology and the "Bonfiglioli" brand name; termination or non-renewal of this agreement would severely disrupt operations.
- Two of its key manufacturing plants are situated in the Kancheepuram district of Tamil Nadu, making operations susceptible to regional disruptions, natural calamities, or localized labor unrest.

Peer comparison

Company	Total Sales	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Elecon Engg.Co	2396.04	236.06	13.47	30.37	3.98	102.76	1	409.15	9181.32
Schaeffler India	10505.04	1253.47	80.19	45.99	9.38	393.29	2	3688.05	57645.58
Shanthi Gears	499.32	63.82	8.78	62.27	9.53	57.36	1	546.75	4194.44
Timken India	3599.17	426.13	56.65	51.64	7.55	387.48	10	2925.65	22006.37
Bonfiglioli Transmissions Ltd.	2185.04	271.49	14.44	40.58	10.65	55.02	10	586.00	11016.56

*Peer companies financials are TTM based

***Bonfiglioli Transmissions Ltd are based on TTM

Valuation

Considering the P/E valuation on the upper price band of Rs. 586, TTM EPS and P/E are Rs. 14.44 and 40.58 multiple respectively and at a lower price band of Rs. 558, P/E multiple is 38.64.

Looking at the P/B ratio on the upper price band of Rs. 586, book value and P/B are Rs. 55.02 and 10.65 multiple respectively and at a lower price band of Rs. 558 P/B multiple is 10.14. There is no change in the pre-issue and post-issue EPS or Book Value, as the company is not making any fresh issue of capital.

Industry overview

Bonfiglioli operates in the global and Indian power transmission and industrial drive solutions industry, which is integral to manufacturing, infrastructure, construction equipment, and renewable energy sectors. Driven by rapid industrialization, government capital expenditure on infrastructure, robust growth in wind energy capacity additions, and the adoption of automated smart factories under "Make in India," the power transmission market has expanded steadily. The industry is characterized by a shift toward energy-efficient (IE2/IE3) gear motors, modular designs, and IoT-integrated drives. Key demand drivers include expanding manufacturing clusters, rising domestic consumption, and India's emergence as a global sourcing hub. Principal challenges include intense competition from domestic and multinational players, pricing pressures from OEM customers, and global supply chain vulnerabilities. clinical validation, regulatory approvals, pricing pressures and competition.

Outlook

Bonfiglioli exhibits strong growth prospects underpinned by favorable macroeconomic tailwinds in Indian manufacturing, infrastructure development, and the renewable energy sector. The company's established technological capabilities, combined with ongoing capacity expansions in Maharashtra and Tamil Nadu, position it well to capture incremental market share in high-growth verticals. Profitability is expected to be supported by operating leverage as capacity utilization increases, alongside ongoing cost optimization and localization initiatives. However, key concerns include managing raw material cost inflation, maintaining pricing discipline amidst intense competition from listed peers, and mitigating risks associated with foreign exchange fluctuations and geopolitical trade policies. Overall, Bonfiglioli's robust order execution, deep customer integration, and strong cash generation provide a solid foundation for sustainable long-term performance.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Thu, Oct 15, 2026
IPO Close Date	Mon, Oct 19, 2026
Tentative Allotment	Wed, Oct 21, 2026
Initiation of Refunds	Thu, Oct 22, 2026
Credit of Shares to Demat	Thu, Oct 22, 2026
Tentative Listing Date	Fri, Oct 23, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Jun-26 (6 Months)	Period ended 31-Dec-25 (12 Months)	Period ended 31-Dec-24 (12 Months)
Revenue from operations	1131.87	2013.53	1854.18
Total expenditure	908.00	1642.76	1559.11
Operating Profit	**223.87**	**370.77**	**295.07**
OPM%	19.78	18.41	15.91
Other Income	7.30	10.06	6.97
Total Net Income	**231.17**	**380.83**	**302.05**
Interest	4.07	7.78	10.42
PBDT	**227.10**	**373.06**	**291.63**
Depreciation	27.19	47.82	46.63
PBT	**199.91**	**325.23**	**245.00**
Tax	51.33	87.36	53.40
PAT	**148.58**	**237.87**	**191.60**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Jun-26	As on 31-Dec-25	As on 31-Dec-24
Non-current assets			
Property, plant and equipment	269.89	269.15	263.98
Capital work-in-progress	13.57	12.35	13.73
Intangible assets	0.30	0.34	0.30
Intangible assets under development	0.00	0.00	0.95
Right-of-use assets	28.54	30.70	34.31
Financial assets			
Investments	0.11	0.11	0.11
Loans	6.93	6.93	9.24
Other financial assets	6.80	3.83	5.56
Deferred tax assets (Net)	16.12	17.41	16.18
Non-Current tax assets (Net)	0.49	0.49	0.49
Other non-current assets	13.17	7.83	7.44
Total Non- Current assets	**355.92**	**349.14**	**352.29**
Financial Assets			
Inventories	**377.61**	**319.21**	**321**.42
Financial assets			
Trade receivables	532.51	517.74	406.19
Cash and cash equivalents	140.17	153.18	144.67
Bank balances other than cash	0.00	10.02	0.09
Loans	6.09	5.00	12.61
Other financial assets	9.70	13.81	14.79
Current tax assets (net)	0.00	0.00	8.23
Other current assets	73.83	71.37	38.79
Total current assets	**1139.90**	**1090.32**	**946.79**
Total Assets	**1495.82**	**1439.46**	**1299.08**
LIABILITIES			
Non-current liabilities			
Borrowings (non-current)	0.32	0.39	2.81
Other financial liabilities	1.80	2.21	0.18
Provisions (non-current)	12.24	12.13	10.64
Total non-current liabilities	**14.36**	**14.73**	**13.63**
Current liabilities			
Contract liabilities	**8.35**	**5.64**	**5**.04
Financial liabilities			
Lease liabilities (current)	0.47	2.42	3.75
Trade payables			
Trade payables — MSME	59.46	51.64	38.27
Trade payables — others	311.74	278.57	270.28
Other financial liabilities	10.64	43.87	66.22
Current tax liability (net)	15.53	3.06	0.00
Other current liabilities	27.20	20.92	20.19
Provisions	13.81	25.61	20.75
Total current liabilities	**447.20**	**431.74**	**424.50**
Total liabilities	**461.56**	**446.47**	**438.13**
Net worth represented by:			
Equity share capital	188.00	125.33	125.33
Other equity	846.27	867.66	735.62
Total Equity	**1034.27**	**992.99**	**860.95**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★ ★
FAIR	★ ★ ★
GOOD	★ ★ ★ ★
EXCELLENT	★ ★ ★ ★ ★

E-mail: smc.care@smcindiaonline.com

Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park, A Wing 401 / 402 , 4th Floor , Graham Firth Steel Compound, Off Western Express Highway, Jay Coach Signal, Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:
18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata - 700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities market. SMC or its associates or its Research Analyst or his relatives do not hold any financial interest in the subject company interest at the time of publication of this Report. SMC or its associates or its Research Analyst or his relatives do not hold any actual/beneficial ownership of more than 1% (one percent) in the subject company, at the end of the month immediately preceding the date of publication of this Report. SMC or its associates its Research Analyst or his relatives does not have any material conflict of interest at the time of publication of this Report.

SMC or its associates/analyst has not received any compensation from the subject company covered by the Research Analyst during the past twelve months. The subject company has not been a client of SMC during the past twelve months. SMC or its associates has not received any compensation or other benefits from the subject company covered by analyst or third party in connection with the present Research Report. The Research Analyst has not served as an officer, director or employee of the subject company covered by him/her and SMC has not been engaged in the market making activity for the subject company covered by the Research Analyst in this report.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject company.

Disclaimer: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s)in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions. Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance if this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the securities thereof, of the subject company(ies) mentioned here in; 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(ies) discussed herein or may perform or seek to perform investment banking services for such company(ies) or act as advisor or lender/borrower to such subject company(ies); or (c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High court.