

IPO Note

October 15, 2026

Bonfiglioli Transmissions Limited



Issue Snapshot:

Issue Open: October 15 – October 19, 2026

Price Band: Rs. 558 - 586

*Issue Size: Offer for Sale of Up to 43,239,042 Equity Shares (agg. up to Rs 25,340 Mn) of face value of Rs 10 each

Reservation for:

QIB	upto	50% eq sh
Non-Institutional	atleast	15% eq sh
((including 1/3 rd for applications between Rs.2 lakhs to Rs.10 lakhs))		

Retail atleast 35% eq sh

Face Value: Rs 10

Book value: Rs 55.02 (June 30, 2026)

Bid size: - 25 equity shares and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity: Rs. 1,879.9 Mn

*Post issue Equity: Rs. 1,879.9 Mn

Listing: BSE & NSE

Book Running Lead Manager: Axis Capital Limited, BNP Paribas, ICICI Securities Limited, Jefferies India Private Limited

Sponsor Bank: Axis Bank Ltd and ICICI Bank Ltd

Registrar to issue: MUFG Intime India Private Limited

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	100	77.0
Public	-	23.0
Total	100.0	100.0

*=assuming issue subscribed at higher band

Source for this Note: RHP

Background & Operations:

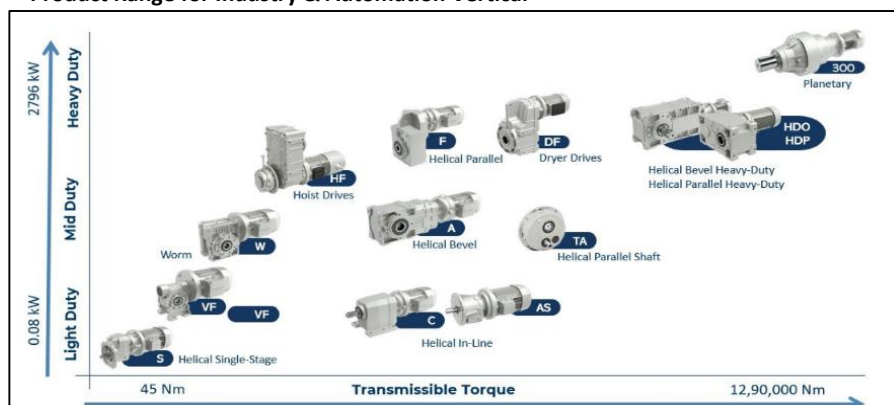
Bonfiglioli Transmissions Ltd (BTL) is the Indian subsidiary of Italy-headquartered Bonfiglioli S.p.A. and a leading manufacturer of mechanical and electro-mechanical power-transmission and industrial-drive solutions. The company was originally incorporated as Bonfiglioli Deepak Private Ltd in Chennai in June 1998 and was renamed Bonfiglioli Transmissions Private Ltd in the same year. It converted into a public limited company in September 2025. BTL has over 25 years of operating history in India and is promoted by Bonfiglioli S.p.A.

BTL manufactures gearboxes, gear motors, electric motors, inverters, variable-speed drives and precision drive systems. These products convert motor power into controlled torque, speed and movement, making them critical components across industrial machinery and mobile equipment. The company offers more than 10,500 SKUs, reflecting strong customisation and engineering capability. Its portfolio includes helical, bevel, planetary and worm gearboxes, gear motors, track drives, swing drives and wind yaw and pitch drives. These are specification-driven, high-precision products where reliability, product life and OEM validation are more important than price alone

The company operates through three key verticals: Industry & Automation, Off-Highway Mobility and Wind. In Industry & Automation, it supplies gear motors and gearboxes for food processing, packaging, cement, steel, pharma, textiles, material handling and water-treatment applications. In Off-Highway Mobility, it provides track drives and swing drives used in excavators, cranes and construction equipment. In Wind, BTL manufactures yaw and pitch drives, which rotate the turbine nacelle and adjust blade angles to optimise power generation. The wind segment is strategically important, with BTL claiming about 70% share of domestic wind yaw and pitch drives by value

BTL operates three manufacturing facilities with a combined available annual capacity of 1,205,748 hours in FY25, providing the scale needed to serve industrial, off-highway and wind customers. Two plants are located in Tamil Nadu — Thirumudivakkam and Mannur — while the third is in Talegaon, Pune, Maharashtra. Thirumudivakkam is the company's oldest and largest facility, operational since 1999 and substantially expanded in 2018; it has an available annual capacity of 1,010,759 hours in FY25, or roughly 84% of total capacity. Mannur, established in 2011, contributes 54,040 hours, while the newer Talegaon facility, established in 2023, adds 140,950 hours. This capacity structure shows that BTL's operations remain heavily concentrated at Thirumudivakkam, making plant-level continuity and capacity utilisation important operational monitors. Talegaon is strategically relevant as the newest capacity addition, but it still represents only about 12% of total available hours, so its ramp-up will be key to future growth and fixed-cost absorption. With over 1,000 customers, 10,500+ SKUs and precision-manufacturing capability of up to 2 microns, BTL's operating model is built around engineering depth, OEM stickiness and scale-driven cost efficiency.

Product Range for Industry & Automation Vertical



Objects of Issue:

The Offer comprises the Offer for Sale of Up to 43,239,042 Equity Shares (Aggr. up to Rs 25,340 Mn) of face value of Rs 10 each

Offer for Sale

The Company will not receive any proceeds from the Offer for Sale. The proceeds of the Offer for Sale shall be received by the Promoter Selling Shareholders and will not form part of the Net Proceeds. Each of the Promoter Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its respective proportion of the Offer expenses and relevant taxes thereon.

Competitive Strengths

Market leadership in high-entry-barrier niches

BTL holds leading positions in several specialised power-transmission segments, including about 25% share in India's low/medium-duty gear motors, around 30% in off-highway mobility and approximately 70% in domestic wind yaw and pitch drives by value. These are not commodity products; they require precision engineering, application knowledge and long qualification cycles. Once a gearbox or drive is designed into an OEM platform, replacing it involves retesting, validation and supply-chain integration, creating meaningful switching costs. This leadership gives BTL pricing power, repeat business and visibility into customer demand. In wind, where turbine reliability is critical, being an established supplier is a major advantage. The company's scale in these niches also makes it difficult for smaller domestic players to replicate its product breadth and engineering support.

Strong wind-drive franchise with renewable-energy exposure

BTL has manufactured wind yaw and pitch drives since 2006, giving it nearly two decades of domain experience in one of India's most important renewable-energy component segments. Yaw drives rotate the turbine nacelle to face the wind, while pitch drives adjust blade angles to optimise output and protect the turbine during high winds. These are mission-critical components, where failure can lead to significant downtime and maintenance costs. BTL claims around 70% share of domestic wind yaw and pitch drives by value, while the global Bonfiglioli group claims over 35% share in wind-turbine drives. This positions the company well as India's wind-installation pipeline, repowering activity and turbine localisation expand. Its exposure to wind also provides a structural growth lever beyond traditional industrial automation.

Diversified product portfolio and end-market exposure

BTL offers more than 10,500 SKUs across gearboxes, gear motors, electric motors, inverters, variable-speed drives and precision drive systems. This breadth allows it to serve multiple industries rather than depend on a single customer, product or end market. Its Industry & Automation business caters to food processing, packaging, cement, steel, pharma, textiles, material handling and water treatment, among others. Off-Highway Mobility adds exposure to construction and material-handling equipment, while Wind provides direct renewable-energy linkage. This diversification reduces the impact of a slowdown in any one sector. It also enables cross-selling, as an industrial customer or OEM may source multiple drive solutions from the same platform. The wide portfolio is a key reason BTL can serve both standardised volume demand and customised, engineering-intensive requirements.

Established manufacturing infrastructure and precision capability

BTL operates three manufacturing facilities at Thirumudivakkam and Mannur in Tamil Nadu and Talegaon in Maharashtra, with a combined indicated capacity of about 700,000 units per annum. The company produced over 330,000 gear motors in FY24, showing that its asset base is already operational and scalable. Its manufacturing capability includes precision machining up to 2 microns and in-house bevel-gear grinding, both important for high-performance gear systems. The newer Talegaon facility adds capacity for industrial and heavy-duty gearboxes, supporting future growth. BTL also uses Industry 4.0 practices, automation and real-time analytics to improve quality, delivery reliability and operational efficiency. This manufacturing depth is difficult for new entrants to replicate quickly, especially in precision gears and wind drives.

MNC parentage, technology access and global R&D support

As part of Bonfiglioli S.p.A., BTL benefits from the Italian parent's global technology platform, product know-how, R&D ecosystem and international customer relationships. The group has nearly seven decades of experience in power transmission, while BTL itself has operated in India for over 25 years. BTL also has a Chennai-based R&D centre with more than 100 engineers, supporting local product development, customisation and application engineering. This combination allows the Indian entity to adapt global platforms to domestic customer requirements while maintaining high engineering standards. MNC parentage also strengthens credibility with global OEMs and supports export opportunities. For a precision-components business, continuous product development and access to global design capability are important competitive advantages.

**Long-standing OEM relationships and sticky customer base**

BTL serves more than 1,000 customers, including marquee names such as JCB, Hyundai, Suzlon and GMM Pfaudler. Its business model is heavily OEM-led: products are engineered into customer platforms and then supplied repeatedly over the equipment life cycle. Once qualified, these relationships tend to be durable because changing a supplier involves technical validation, testing, certification and supply-chain adjustments. BTL's ability to provide customised solutions, after-market support and consistent delivery further deepens customer stickiness. The company's presence across industrial, off-highway and wind customers also reduces dependence on any single buyer. This installed customer base creates recurring replacement and service demand, in addition to new-equipment sales.

Business Strategy:**Deepen leadership in wind yaw and pitch drives**

BTL's most important growth strategy is to strengthen its position in wind yaw and pitch drives, where it already claims about 70% share of domestic sales by value. The company has manufactured these drives since 2006, giving it long-standing technical experience and established relationships with wind-turbine OEMs. As India's wind-installation pipeline expands and repowering of older turbines gains pace, demand for reliable, high-precision yaw and pitch systems should rise. BTL can benefit from higher turbine localisation, as developers and OEMs increasingly prefer domestically manufactured components. The strategy also involves supporting global OEM platforms from India, leveraging the group's technology and export network. Success here would improve revenue growth, product mix and margin profile, given the specialised nature of wind drives.

Expand industrial and heavy-duty gearbox capacity

BTL is using its newer Talegaon facility to expand its presence in industrial and heavy-duty gearboxes. The plant has an indicated capacity of about 450,000 units per annum and is designed to serve diverse process industries such as cement, steel, food processing, material handling and water treatment. This strategy allows the company to capture demand from both OEMs and end users across multiple sectors, reducing dependence on wind alone. The broader product range also enables BTL to offer standardised gear motors for volume applications and customised gearboxes for complex industrial requirements. As capacity utilisation improves, fixed-cost absorption should support margin expansion. The key execution metric will be converting Talegaon's installed capacity into higher sales without compromising quality or working-capital efficiency.

Leverage MNC technology and local R&D for customisation

BTL aims to combine Bonfiglioli S.p.A.'s global product platforms with local engineering capability to serve India-specific customer needs. Its Chennai R&D centre, with more than 100 engineers, supports product development, application engineering and customisation for domestic and export markets. This strategy is important because power-transmission products must be tailored to torque, speed, duty cycle, space and environmental conditions. By adapting global designs locally, BTL can shorten development cycles and deepen customer engagement. The approach also helps it compete against both imported products and smaller domestic manufacturers. Over time, stronger R&D and customisation capability should increase design wins, improve customer retention and support premium pricing.

Key Concerns

- BTL depends on a limited number of suppliers for raw materials and components; the top 10 suppliers accounted for 40.84% to 47.52% of purchases across recent periods, and the company does not have definitive agreements with them.
- Its largest supplier is Bonfiglioli Riduttori S.p.A., a related party, creating dependence on the Bonfiglioli Group for critical inputs and potential related-party risk.
- Purchases from related parties represented 15.18% to 19.98% of total raw-material and component purchases in FY23 to H1 CY26, which requires close monitoring of pricing and commercial terms.
- Raw materials and components form a large cost base, at about 63% of revenue, making profitability sensitive to steel, aluminium, cast iron and other input-cost movements.
- Any increase in raw-material prices or import duties could hurt margins, cash flows and financial condition, particularly if cost increases cannot be passed on immediately.
- Although OEM contracts may include price-escalation clauses, there can be a lag in implementation, temporarily compressing gross margins during inflationary periods.
- Unscheduled, unplanned or prolonged disruption at any of its manufacturing facilities could materially affect production, deliveries, fixed-cost absorption and earnings.
- BTL operates in a highly competitive, price-sensitive and fast-evolving market for gearboxes and drive systems, facing both domestic and international competitors.

- The company may not be able to compete successfully if rivals offer better pricing, technology, delivery timelines or customer support.
- Inability to accurately forecast order volumes or schedule production optimally could lead to under- or over-utilisation of capacity, affecting manufacturing costs and delivery performance.
- Revenue is concentrated in industrial, off-highway mobility and wind-energy end markets, so a slowdown in any of these sectors could adversely affect growth.
- Dependence on key OEM customers creates revenue risk; the top five customers account for approximately 30% of revenue from operations.
- Co-engineering and customisation programmes with customers can run up to around 30 months, creating long qualification cycles and risk of delays or commercial failure.
- BTL relies on the Bonfiglioli Group for brand, technology, know-how, production support and trade secrets; any adverse change in group support could affect operations.
- The company pays royalties to Bonfiglioli S.p.A. for intellectual property and conducts sales with group companies, creating ongoing related-party and dependency risk.
- Demand is cyclical across manufacturing, construction, mining, agriculture and renewable energy, making revenue sensitive to broader capex and economic cycles.
- Changes in regulation, environmental norms, labour laws, trade policy or broader economic conditions could adversely impact operations and future growth.

Profit & Loss

Particulars	CY23*	CY24*	CY25*	Q2CY26
Income				
Revenue from operations	16873	18542	20135	11319
Expenses				
Cost of raw materials & components consumed	11105	11854	11967	7542
Changes in inventories of finished goods and work-in-progress	269	64	543	-633
Gross Profit	5500	6623	7626	4410
<i>Margin %</i>	<i>32.6%</i>	<i>35.7%</i>	<i>37.9%</i>	<i>39.0%</i>
Employee benefits expense	897	982	1063	590
Other expenses	2702	2819	2855	1582
EBITDA	1901	2823	3708	2239
<i>Margin %</i>	<i>11.3%</i>	<i>15.2%</i>	<i>18.4%</i>	<i>19.8%</i>
Depreciation and amortisation expense	371	466	478	272
EBIT	1530	2356	3229	1967
<i>Margin %</i>	<i>9.1%</i>	<i>12.7%</i>	<i>16.0%</i>	<i>17.4%</i>
Finance costs	131	104	78	41
Other income	145	70	101	73
Profit Before Tax	1544	2322	3252	1999
Tax expense:				
Current tax	561	577	819	509
Tax pertaining to earlier years	74	59	61	0
Deferred tax expense/ (income)	19	16	6	4
Total tax expense	615	534	874	513
Restated Profit after tax for the period/year from continuing operations	929	1788	2379	1486
Discontinued Operations				
Profit from Discontinued Operations before tax	24	22	-	-
Gain on disposal of discontinued Operations	-	24	-	-
Tax Expenses of Discontinued Operations	6	10	-	-
Restated Profit after tax for the period/year from discontinued operations	18	36	-	-
Restated Profit after tax for the period/year	1485	1952	2379	1486
<i>Margin %</i>	<i>8.8%</i>	<i>10.5%</i>	<i>11.8%</i>	<i>13.1%</i>
<i>Restated Earnings per Equity Share: (Basic & Diluted) - Continuing & Discontinued Operations</i>	<i>7.7</i>	<i>10.3</i>	<i>12.7</i>	<i>7.9</i>

*Year Ending 31st December

(Source: Company RHP, HDFC Sec)



Balance Sheet

Particulars	CY23*	CY24*	CY25*	Q2CY26
Assets				
Non-current assets				
Property, plant and equipment	2561	2640	2692	2699
Capital work-in-progress	203	137	123	136
Intangible assets	23	3	3	3
Intangible assets under development	-	9	-	-
Right-of-use asset	381	343	307	285
Financial assets				
Investments	1	1	1	1
Loans	-	92	69	69
Other financial assets	55	56	38	68
Deferred tax assets (Net)	175	162	174	161
Non-Current tax assets (Net)	27	5	5	5
Other non-current assets	72	74	78	132
Total non-current assets	3498	3523	3491	3559
Current assets				
Inventories	3323	3214	3192	3776
Financial assets				
Trade receivables	4101	4062	5177	5325
Cash and cash equivalents	905	1447	1532	1402
Bank balances other than (ii) above	1700	1	100	-
Loans	-	126	50	61
Other financial assets	66	148	138	97
Current tax assets (net)	93	82	-	-
Other current assets	462	388	714	738
Total current assets	10649	9468	10903	11399
Total assets	14147	12991	14395	14958
Equity and liabilities				
Equity				
Equity share capital	1311	1253	1253	1880
Other equity	6702	7356	8677	8463
Total equity	8014	8610	9930	10343
Non-current liabilities				
Financial liabilities				
Lease liabilities	60	28	4	3
Other financial liabilities	20	2	22	18
Provisions	108	106	121	122
Total non-current liabilities	188	136	147	144
Current liabilities	-	-	-	-
Contract liabilities	31	50	56	83
Financial liabilities				
Borrowings	1108	-	-	-
Lease liabilities	37	37	24	5
Trade payables				
Total outstanding dues of micro and small enterprises	596	383	516	595
Total outstanding dues of creditors other than micro and small enterprises	3224	2703	2786	3117
Other financial liabilities	499	662	439	106
Current tax liability (net)	-	-	31	155
Other current liabilities	136	202	209	272
Provisions	315	208	256	138
Total current liabilities	5946	4245	4317	4472
Total liabilities	6134	4381	4465	4616
Total equity and liabilities	14147	12991	14395	14958

*Year Endina 31st December

(Source: Company DRHP, HDFC Sec)

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