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IPO Report

17th Oct 26

Snapshot

Company is one of India's largest technology-led mechanical and electro-mechanical power transmissions and industrial drive solutions providers by revenue for the six months period ended June 30, 2026. Company manufacture a wide range of mission-critical and highly precision engineered gear motors, gearboxes and drive systems used across diverse end-user markets. Company's legacy and reputation lie in the Bonfiglioli brand, which has a worldwide presence of nearly 70 years, and which company have established in India through more than 25 years of operations. Company's Corporate Promoter, Bonfiglioli S.p.A. is headquartered in Italy, and is one of the largest technologically advanced players globally in the mechanical and electro-mechanical power transmissions and industrial drive solutions industry with consolidated revenues of Euro 1,172.94 million (₹115.56 billion) for the year ended December 31, 2025

VALUATION

Company is bringing the issue at price band of Rs 558-556 per share at p/e multiple of 37x on post issue annualized H1FY27 basis. Company is end-to-end technology-led power transmissions and industrial drive solutions provider across business verticals.. Company has highly diversified offerings across business verticals and customer industries. Company has established parentage and trusted brand backed by global and local R&D capabilities. Company has deep relationships with marquee customers built through decades of collaboration, a strong sales team and dealer network and after-sales service support..Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	558-586
Opening date of the issue	15th Oct '2026
Closing Date of the issue	23rd Oct '2026
No of shares pre issue	18,79,95,934 Eq Shares
Issue Size	Rs 2534 Cr
Face Value (Rs/ share)	Rs 10/share
Bid Lot	25
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer
Non-Institutional	15% of the offer
Retail	35% of the offer
Lead managers	Axis Capital Ltd, BNP Pribas, ICICI Securities,Jefferies India private Ltd
Registrar to the issue	MUFG Intime India Private Limited

WHAT WE LIKE

End-to-end technology-led power transmissions and industrial drive solutions provider across business verticals

Company is 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. Company attribute its market leadership position to its capability as an end-to-end technology-led power transmissions and co-engineered industrial drive solutions provider.

Highly diversified offerings across business verticals and customer industries

Company manufacture a wide range of mission-critical and highly precision engineered gear motors, gearboxes and drive systems used across diverse end-user markets, across Industry & Automation, Off- Highway Mobility and Wind Industries. As of December 31, 2025, company 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

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

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. Company benefit from the Bonfiglioli Group's brand equity, which is globally recognized for its technical expertise and engineering excellence in mechanical and electro-mechanical power transmission and industrial automation drives .Leveraging its strong parentage, company have successfully developed its 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. This has also been recognized by the "Best Brand" award for 2020- 2021 that was given to company by Economic Times in 2021.



COMPANY BACKGROUND

The markets company cater to are broadly categorized into three business verticals: Industry and Automation Solutions, Off-Highway Mobility and Wind Industries, based on the end-use applications. According to the F&S Report, company is the largest manufacturer in India of gearboxes (gear motors below 15 kNm) and drives catering to OEMs and end-users in the Industry & Automation, Off-Highway Mobility and Wind Industries in India as of June 30, 2026, in terms of revenue from operations. Company was also among the leading manufacturers of planetary gearboxes in India in the year ended December 31, 2025 by revenue.

Company's customer base comprises OEMs that it directly supply products to under its Industry & Automation vertical, and OEMs that company co-engineer with under its Off-Highway Mobility Industry and Wind Industry verticals. Company cater to a wide range of industries under its Industry & Automation vertical with no single industry contributing more than 10% of its revenue under the Industry & Automation vertical in the six months periods ended June 30, 2026 and June 30, 2025 and in Fiscals 2025, 2024, and 2023. The Industry & Automation vertical benefits from company's strong and loyal dealer network which, as of June 30, 2026 comprised of 44 dealers of which 16 dealers had been engaged with company for 20 years or more. Furthermore, of the 44 dealers company engaged with, 36 dealers engaged with company on an exclusive basis as of June 30, 2026. Company is an integral part of company's customer's product development cycles under the Off-Highway Mobility and Wind Industries, working closely with them from design stage to create customized, technology intensive products to meet their bespoke end-use specifications.

In the six months period ended June 30, 2026, company served more than 930 customers directly and had been engaged by seven out of company's top 10 OEM customers (in terms of revenue from operations in Fiscal 2025) for more than 10 years, demonstrating the lasting value and reliability of company's service commitment. Company also had a diverse range of customers with its top 10 OEM customers representing less than 31.72% of company's revenue from operations in the six months periods ended June 30, 2026 and June 30, 2025 and in each of Fiscals 2025, 2024, and 2023. Company also engage with dealers for onward sales to OEMs under its Industry & Automation vertical.

Company approach customers directly through its pan-India sales network that comprised 13 sales offices and 64 sales employees as of June 30, 2026.

OBJECTS OF OFFER

The objects of the Offer are to (i) carry out the Offer for Sale of up to 43,239,042 Equity Shares of face value of ₹10 each by certain Selling Shareholders; and (ii) achieve the benefits of listing the Equity Shares on BSE.

RISKS

Company depend on a limited number of suppliers for procurement of raw materials and components required for its manufacturing operations. Company's largest supplier is Bonfiglioli Riduttori S.p.A, a related party. Purchases from company's related parties represented 15.53%, 16.75%, 15.18%, 17.00% and 19.98%, and purchases from its top 10 suppliers represented 40.84%, 41.74%, 41.20%, 45.62% and 47.52% of its 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 company do not have definitive agreements with its suppliers, any interruption in the availability of raw materials and components on account of any disruption, breakdown or shutdown of company's suppliers' operations could adversely impact its operations.

Source:RHP


Consolidated Financials
(Rs in Mn)

Financials	FY24	FY25	FY26	H1FY26
Total Revenue (A)	16873.30	18541.83	20135.26	11318.69
Total Expenditure (B)	14434.39	15591.09	16427.6	9079.95
EBIDTA	2438.91	2950.74	3707.70	2238.74
EBIDTA Margin	14.45	15.91	18.41	19.78
Other Income	144.71	69.72	100.63	72.99
Depreciation	370.99	466.29	478.23	271.87
EBIT	2212.63	2554.17	3330.10	2039.86
Interest	130.92	104.18	77.77	40.72
PBT	2081.71	2449.99	3252.33	1999.14
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	2081.71	2449.99	3252.33	1999.14
Exceptional	0.00	0.00	0.00	0.00
PBT	2081.71	2449.99	3252.33	1999.14
Tax	615.06	534.01	873.59	513.33
PAT	1466.65	1915.98	2378.74	1485.81
NPM	8.69	10.33	11.81	13.13
ROE%	18.30	22.25	23.96	14.37
EPS	7.57	10.09	12.65	7.90
Eq Cap	1,311.23	1,253.31	1,253.31	1,879.96
Net Worth	8,013.63	8,609.51	9,929.93	10,342.68

(Source: RHP)



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