

Impressive background and business model..

Divgi TorqTransfer Systems ("DTTS") was incorporated on December 16, 1964. The Company is amongst the very few suppliers in India who have the capability to develop and provide system level transfer case, torque coupler and DCT solutions. The Company is one of the leading players supplying transfer case systems to automotive OEMs in India and the largest supplier of transfer case systems to passenger vehicle manufacturers in India.

The Company is also the only player manufacturing and exporting transfer cases to global OEMs from India, and the only manufacturer of torque couplers in India. The Company also has the capability to develop and provide transmission systems for electric vehicles ("EVs"). The Company is in the process of designing and developing prototypes of transmission systems for EVs pursuant to receipt of a business award for this purpose. As on the date of the Red Herring Prospectus, the Company has been awarded a contract for the supply of EV transmission systems for one of the leading providers of EVs in India. However, supply pursuant to this contract has not started as on the date of the Red Herring Prospectus.

Further, the Company has been awarded a contract for supply of components for Hybrid Vehicles for a global OEM, however, this does not constitute as one of the top five customers of the Company. The Company actively collaborates with Europe's transmission engineering consulting firms like FEV and Hofer.

DTTS manufactures and supply a variety of products under the broad categories of (i) torque transfer systems (which includes fourwheel-drive ("4WD") and all-wheel-drive ("AWD") products); (ii) synchronizer systems for manual transmissions and DCT; and (iii) components for the abovementioned product categories for torque transfer systems and synchronizer systems in manual transmission, DCT, and EVs. The Company has also developed (i) transmission systems for EVs; (ii) DCT systems; and (iii) rear wheel drive manual transmissions.

The Company's diverse capabilities enable them to service customers across segments in the automotive industry, including passenger vehicles, utility vehicles and commercial vehicles. The Company has a client base of global OEMs and global transmission systems suppliers, with their Top-5 customers accounting for 92.66%, 91.28%, 92.86%, and 86.94% of their revenue from operations for 6 months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

The Company has three manufacturing and assembling facilities across India located at Sirsi in Karnataka, and Shivare and Bhosari near Pune in Maharashtra, with the manufacturing facilities at Shivare and Bhosari being strategically located in proximity to its key clients, and one under-construction manufacturing facility located at Shirwal.

As on February 3, 2023, the construction of Its facility at Shirwal, Maharashtra is 80.00% completed, and is expected to be fully completed by Fiscal 2024. The Company manufactures transmission, transfer case and synchroniser components at its facility in Sirsi, Karnataka. The Company's Shivare facility houses grinding and

Type of Issue	Fresh issue of equity shares aggregating upto ₹ 180 Crore Offer for sale of 3,934,243 Equity shares
Issue size	₹ 412.12 Crore at the upper end of the price band
Issue date	March 01, 2023 - March 03, 2023
Listing date	March 14, 2023
Price Band	₹560 - ₹590 (Face value: ₹ 5)
Bid lot	25 equity shares and in multiple thereof
Issue structure	QIB - 75%, NIB - 15%, Retail - 10%
Post issue shares	3.058 Crore equity shares at upper end of the price band
Promoters	Pre IPO: 62.64% Post IPO: 56.39 %
Promoters Group	Pre IPO: 4.55 % Post IPO: 4.09 %
Public - Investor	Pre IPO: 30.41% Post IPO: 15.30 %
Selling Shareholders	
Public - Other Selling Shareholders	Pre IPO: 2.39 % Post IPO: 1.35%
Public - Others	Pre IPO: 0.02 % Post IPO: 22.86%
Post issue market cap	₹ 1,804 Crore at the upper end of the price band
BRLMS	Inga Ventures, Equirus Capital
Registrar to the issue	Link Intime India Pvt. Ltd.

Particulars (₹ Crore)	H1FY23	FY22	FY21	FY20
Revenue from operations	133.72	233.78	186.58	159.07
EBITDA	37.09	65.61	51.90	36.94
EBITDA (%)	27.74	28.07	27.82	23.22
Profit before tax	34.50	62.15	52.56	37.76
Profit for the period after tax	25.66	46.15	38.04	28.04
PAT margin (%)	18.66	19.08	19.51	16.42
Equity share cap.	13.77	13.77	6.88	6.02
Net Worth##	356.20	340.02	295.88	209.53
Total debt	4.97	1.2	2.55	504.06
Total Lease liabilities	19.63	3.56	8.67	7.45
Net Debt	(122.61)	(133.10)	(117.93)	(75.66)
Debt/Equity (x)	0.01	0.00	0.00	0.24
Fixed Asset turnover (x)	0.71^	1.30	1.16	1.12
Book value (₹)	129.38	123.50	107.47	86.98
Basic EPS (₹)	9.32^	16.76	13.82	11.64
Post IPO EPS (₹)	16.78*	15.09	12.44	9.17
P/E (x)#	35.2	39.1	47.4	64.3
RoNW(%)	7.20	13.57	12.86	13.38

Source: Red Herring Prospectus (RHP),*H1FY23 Annualised EPS, # P/E at diluted post IPO EPS, ^ not annualised, ## Net Worth is defined as sum of equity share capital and other equity

Investment recommendation and rationale

At the upper end of the price band of ₹590, the Company's IPO is valued at P/E of 35.16x at H1FY23 Diluted Annualised EPS and at a P/E of 39.1x which we believe is reasonable considering the opportunity in the sector and strong fundamentals of the Company. We recommend investors to "SUBSCRIBE" the issue due to the following factors: a) One of the very few suppliers in India having the capability to develop and provide system level transfer case, torque coupler, DCT solutions and transmission systems for EVs across a wide array of automotive vehicles and geographies, with leadership across select product categories,

superfinishing equipment to achieve standards in precision and accuracy, including those demanded by EV and DCT applications globally and transmission components. The Company's Bhosari facility in Maharashtra, which is the assembling, lab testing and packing unit for its manufactured components and systems and its Shivare facility in Maharashtra, are strategically located in proximity to its key customers as well as the port for export located at New Mumbai.

The Company's diverse capabilities enables it to service customers across segments in the automotive industry, including passenger vehicles, utility vehicles and commercial vehicles. The Company believes that having the ability to provide end-to-end solutions under one roof enables us to provide value added offerings, and increases our operational efficiency, resource optimization, and customer retention. The Company supplies to and have long term relationships with OEMs such as Mahindra & Mahindra, an Indian supplier to global automotive OEM, and a USA based multi-national automotive supplier.

The Company's relationships with various collaborators have played an instrumental role in our success. The Company has entered into a product development agreement ("PDA") and a technology transfer agreement ("TTA") with a German automotive company. Pursuant to the PDA and TTA, the Company is co-developing critical components and systems for DCT applications with exclusive rights for India and non-exclusive rights for markets outside India. The German automotive company is entitled to an earned royalty from its Company during the term of the TTA. The licensing arrangement pursuant to the TTA will continue for a period of 13 years from the date of signing till 2033. In connection to the PDA and TTA, the production of the products has not yet commenced.

The Company has also entered into a license agreement with BorgWarner on October 4, 2004, subsequently renewed on March 1, 2017, valid for a period of seven years from the date of renewal of the agreement. These agreements have bolstered its technological expertise and experience. The Company's agreement with BorgWarner provides it with the exclusive rights to manufacture transfer cases and automatic locking hubs, and non-exclusive rights to manufacture manual transmissions and synchronizers for manual transmissions. The Company believes that this also reflects the German automotive company's and BorgWarner's confidence in it to develop the market in India for their technologies. These agreements are entered into, on a product to product basis. The validity of the contracts is longer in duration, owing to the fact that product development is an extensive process, and the products are still in the development phase.

b) Largest Supplier of Transfer Case systems to passenger vehicle manufacturers in India, c) Only manufacturer of Torque Coupler in India, d) One of the first few suppliers of steel and carbon-based synchronizer systems for the Indian markets, and are one of the leading manufacturers of steel synchronizers in India, e) Amongst very few companies who serve both as system-level solution provider as well as component kit supplier, f) Capturing market opportunities in the growing EV space, and the fast-growing demand for automatic transmissions in the passenger UV segment, g) Strategically located manufacturing facilities capable of producing high precision components meeting system-level design intent, h) In process of launching domestically manufactured Dual Clutch Transmission Systems; therefore, DTTS will be the only manufacturer of DCT systems in India, i) Long-term relationships with marquee domestic and global customers, j) Experienced board of directors and senior management team supported by skilled and qualified workforce, k) Consistent financial performance with focus on innovation and R&D capabilities, l) Company has raised Rs. 185.45 Crore from anchor investors which instills confidence in the issue.

Objects of the issue

Fresh Issue: Upto Rs. 180 Crore

The company will utilise the fresh issue proceeds in the following manner:

Objects	Amount (₹ Crore)
Funding capital expenditure requirements for the purchase of equipments/machineries of the manufacturing facilities (" Capital Expenditure ")	150.71
General Corporate Purposes	-

Source: Red Herring Prospectus (RHP)

Offer for sale - Upto 3,934,243 Equity Shares

Name of the selling shareholders	Equity shares offered in the Offer for sale	Weighted Average Cost of Acquisition (In ₹)
The Investor Selling Shareholder		
Oman India Joint Investment Fund II	Upto 2,250,000 Equity Shares	167.30
NRJN Family Trust	Upto 1,441,441 Equity Shares	125.28
The Other Selling Shareholders:		
Bharat Bhalchandra Divgi	Upto 49,430 Equity Shares	0.69
Sanjay Bhalchandra Divgi	Upto 40,460 Equity Shares	0.82
Ashish Anant Divgi	Upto 104,020 Equity Shares	0.38
Arun Ramdas Idgunji	Upto 33,660 Equity Shares	2.50
Kishore Mangesh Kalbag	Upto 15,232 Equity Shares	2.50

Source: Red Herring Prospectus (RHP)

Company's Products

Torque transfer systems (which includes 4 wheel-drive ("4WD")/ all-wheel-drive ("AWD") products)



Mechanical Transfer Case



Electric Shift Transfer Case



Torque-on-Demand Transfer Case



Torque Coupler Transfer Case



Dual – offset Transfer Case



Dual – offset Transfer Case with bevel differential



Single – offset Transfer Case

Source: Red Herring Prospectus (RHP)

Wheel Drive systems or transfer cases are generally used in Rear Wheel Drive (RWD) configuration of vehicle architecture that selectively transmits torque either to the rear 2-wheels or all the 4-wheels. There are principally 2 types of transfer cases used in light duty gross



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vehicle weight (GVW) automobiles, that is the 'geared type' and the 'chain type'. The chain type is more prevalent due to the advantages of lighter weight and lower noise. DTTS is the only player manufacturing and exporting transfer cases. While these come in a large variety of configurations, they can be broadly classified into 3 categories based on the method the shift in modes takes place, which is (i) Manual Shift; (ii) Electric Shift on the Fly (ESOF); and (iii) Automatic Shift Torque on Demand (TOD). DTTS manufactures all 3 versions. Torque coupler is used in front wheel drive (FWD) based all-wheel drive (AWD) vehicles. The torque coupler senses the torque requirement & transfers the necessary torque to the rear wheels when wheels start slipping on the surface. The 'All Wheel Drive' systems typically refer to Front Wheel Drive (FWD) configuration of vehicle architecture. DTTS manufactures the multidisc wet clutch type AWD system.

Solutions in Manual Transmission



Source: Red Herring Prospectus (RHP)

The Company has developed manual transmissions for rear-wheel-drive applications with maximum input torque ranging between 220 Nm to 450 Nm. The designs are flexible to offer customers various shift linkage options such as direct shift, semi-remote shift or remote cable shift. They can be configured either in 4X2 or coupled with their transfer cases to offer 4X4 solutions. Primary market segment targeted is the pickup truck and rear wheel drivebased SUV segment.

Synchronizer Systems



Source: Red Herring Prospectus (RHP)

The Company has full solution capability in designing, developing, testing and manufacturing synchronizer systems that are used in manual transmissions for passenger vehicles, utility vehicles, commercial vehicles and agricultural vehicles. Synchronizer systems also find application in Dual Clutch Automatic transmissions. DTTS uses carbon lining on steel as against traditional use of brass as the friction component in the system to improve shift performance and durability of the system. Divgi -TTS range of synchronizers covers a range of applications from small hatch back cars to large SUVs in the passenger car segment, light commercial to medium commercial vehicles and agricultural tractor applications.

Indigenous Automatic Transmissions

The Company has developed 7 Speed Dual Clutch Automatic transmissions in collaboration with Hofer. The first variant is designed to handle maximum input torque between 220 Nm to 280 Nm and is made of a compact design to meet the requirements of utility vehicles which form the fastest growing segment in Indian passenger vehicle market. They decided to develop the wet clutch DCT design considering India's exhaustive start-stop driving duty cycles that calls for robustness in the clutch design.

Transmissions for Battery Electric Vehicles



Source: Red Herring Prospectus (RHP)

The Company has developed a range of transmissions for battery electric vehicles (BEVs) through its in-house design capabilities, benchmarking some of the best industry practices in improving transmission efficiencies and reducing weight for a given torque to be transmitted. Currently they have a range of 3 transmissions catering the motor power ratings of 55 Kilowatts, 60 Kilowatts and 95 Kilowatts. Depending on customer requirements, these can be integrated with electronic park lock systems that they have developed.

Precision components for all the products



Ring Gear



Sun Gear



Assembly Hub
& Clutch Disc



Lock Up Collar
& Clutch Disc



Final Drive
Gear



Flange



Shaft

Apart from designing and manufacturing above automotive drivetrain systems, DTTs also support their customers with precision components required for the manufacture of such systems. This enables them to develop economies of scale in components manufacture, that makes it competitive at a systems level even if the volumes are modest. Key focus areas are precision gears and shafts, synchronizer components, and components for planetary reduction sets.

Source: Red Herring Prospectus (RHP)

Customers

The Company serves a broad range of customers both in the Indian and overseas markets. The table below sets forth the breakdown of its income from sale of goods across geographic markets, as a percentage of the total sale of goods for the periods indicated.

Geographical location	Six months ended Sep. 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
India	91.61%	73.70%	49.87%	48.12%
USA	3.82%	2.71%	10.66%	14.30%
China	4.54%	8.64%	16.46%	12.96%
Korea	-	3.24%	7.22%	10.49%
Russia	-	11.71%	15.79%	14.13%
Sweden	0.03%	-	-	-
Total	100%	100%	100%	100%

Source: Red Herring Prospectus (RHP)

While the income from sale of goods across global geographic markets reduced from Fiscal 2021 to Fiscal 2022 due to factors such as end of certain programs and the war in Ukraine, the Company's domestic sale increased due to the launch of the new Mahindra Thar. Further, the Company had developed long term relationships with marquee domestic and global OEMs in the automobile sector, such as BorgWarner, Tata Motors and Mahindra & Mahindra, amongst others, with some of whom the Company had relationships for over two decades, including through its earlier joint ventures. For instance, the Company has been in strong, continued business with Tata Motors ever since 1992. The Company's relationship with customers has been built around firm business relations with the upper echelons of management. The Company's relationships with marquee global OEMs, start right from the stage of design and development.

Customer	Six months ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Customer 1 [#]	75.31%	55.78%	37.08%	27.38%
Customer 2 [#]	5.03%	7.35%	4.78%	4.35%
Customer 3 [#]	5.67%	5.38%	4.57%	7.17%
Customer 4 [#]	8.39%	14.58%	34.34%	37.75%
Customer 5 [*]	Nil	11.71%	15.79%	14.12%
Total	94.40%	94.80%	96.55%	90.78%

[#] Purchase Orders/Letter of Intent entered into by the Company with Customer 1 to 4 are valid as on the date of this RHP.

^{*} The agreement entered into by the Company with Customer 5 (the Russian automobile manufacturer) has expired on June 30, 2022, and the Company has discontinued its business with the Customer 5 (the Russian automobile manufacturer).

Source: Red Herring Prospectus (RHP)

As is evident from the table above, the Company implements a customer centric approach to benefit from its top customers, to suit their demands. The Company provides product development support as well, in the process. For instance, in the development and production of the New Mahindra Thar 2020 model, the Company's involvement began in the initial stages itself in the year 2017 while the production began in July 2020. The Company has also been actively involved in the flagship products of Mahindra & Mahindra, including the XUV 500 and XUV 700. Over the years, for various OEM customers, the Company has developed relationships and received orders from multiple business divisions and locations globally, including through its efforts to cross sell different components to its global OEM customers.

Competitive advantages

1) One of the very few suppliers in India having the capability to develop and provide system level transfer case, torque coupler, DCT solutions and transmission systems for EVs across a wide array of automotive vehicles and geographies, with leadership across select product categories.

DTTS is amongst the very few suppliers in India who have the capability to develop and provide system level transfer case, torque coupler and DCT solutions as the Company had in-house software development capability (Source: CRISIL Report). The Company has designed, developed, manufactured and supplied software embedded electronically controlled transfer cases and torque couplers for OEMs like Tata Motors, Mahindra & Mahindra Limited, amongst others. DTTS has in the past worked with Indian OEMs as development partners for new projects. The Company has recently also been awarded a contract for the supply of EV transmission systems for one of the leading providers of EVs in India, however supply pursuant to the contract has not started as on the date of the Red Herring Prospectus. The Company has entered into a product development agreement as well as technology transfer agreement with a German automotive company for DCT systems, and are engaged with a German engineering and digital mobility company for validation of its design

prototypes. These agreements are entered into, on a product to product basis. The validity of the contracts is longer in duration, owing to the fact that product development is an extensive process, and the products are still in the development phase. Further, as on date of this Red Herring Prospectus, the products are yet to be commercialized and there is no financial participation by these entities in the Company. Therefore, BorgWarner and the German automotive company are not categorized as significant financial or strategic partners of the Company. We believe that given the complexity of the mechanical and electronic part integration, software development remains one of the defining fields in the automotive component development. Very few component suppliers as well as OEMs globally have the capability to develop these system integration software solutions in-house (Source: CRISIL Report). Given this, the Company believes that system level solution providers such as DTTS are likely to be highly valued by vehicle manufacturers globally.

The company designs, develop, manufacture and supply engineered, turnkey solutions and components to automotive OEMs across India, USA, China, Korea and Russia, amongst others. The Company has developed transmission systems for EVs; DCT systems; and rear wheel drive manual transmissions. DTTS is in the process of launching domestically manufactured DCT systems for the Indian market. Therefore, DTTS will be the only manufacturer of DCT systems in India. The Company has been awarded a contract for the supply of EV transmission systems for one of the leading providers of EVs in India, and for supply of components for Hybrid Vehicles for a global OEM.

2) Strategically located manufacturing facilities capable of producing high precision components meeting system-level design intent

The Company's facilities are equipped with advanced machinery and certain of its facilities are located in close proximity to its key customers to enable meeting its customers' demand schedules and logistical advantages for its customers, and to insulate them from local supply or other disruptions.

The Company's three facilities in India are located at Sirsi in Karnataka, and Shivare and Bhosari near Pune in Maharashtra equipped with advanced machinery and certain of their facilities are located in close proximity to their key customers. The Company manufactures transmission, transfer case and synchroniser components at their facility in Sirsi. The Company's facility at Shivare houses grinding and superfinishing equipment to achieve standards in precision and accuracy including those demanded by EV and DCT applications globally and transmission components. The Company's facility at Bhosari, which is the assembling, lab testing and packing unit for their manufactured components and systems, and their facility at Shivare are both strategically located in proximity to their key customers as well as the port for export located at New Mumbai. The Company has implemented comprehensive production systems across their facilities which helps them improve workmen safety, quality control, inventory management, lean manufacturing process, flexibility to handle varying product mix and timely delivery on an on-going basis.

3) Long-term relationships with marquee domestic and global customers

DTTS has strong and well-established relationships with several marquee domestic and global OEMs in the automobile sector such as Tata Motors, Mahindra & Mahindra and with global suppliers such as BorgWarner. The Company has been in continued business with BorgWarner, Tata Motors and Mahindra & Mahindra for over 2 decades. DTTS positioning as a system and solution provider entrenches them into the OEM eco-system, reduces the risk of purely price-based competition, and aids them develop a deeper interface with their customers' product development and senior management teams. With their track record and wide product portfolio, the Company has been able to retain their existing customers and have also been able to attract new customers.

4) Experienced board of directors and senior management team supported by skilled and qualified workforce

DTTS is led by a highly experienced board of directors, and a professional and experienced management team with extensive experience in the automotive industry. The Company Promoters Jitendra Bhaskar Divgi and Hirendra Bhaskar Divgi, had considerable experience in the automotive industry. The Company's Chairman, Praveen Purushottam Kadle has considerable experience in the automotive industry and they are benefitted from his extensive experience. The Company is further supported by an experienced board of directors with diversified expertise. The large number of their senior management personnel have worked with them for a significant period of time. Their team comprises a strong and experienced team of skilled professionals across senior and mid-level management. Majority of their key managerial personnel have worked with them for over 10 years.

5) Consistent financial performance with focus on innovation

The company focuses on continuous efficiency improvements, improved productivity and cost rationalization has enabled them to deliver consistent and strong financial and operational performance. Their business model is supported by stable and recurring revenues, with a consistent track record of revenue growth and profitability. They have established a track record of growth and financial performance with steady cash flows from their operations. Between Fiscal 2020 and Fiscal 2022, the profit after tax increased at a CAGR of 28.30%.

The Company has made investments in their R&D and in building production capacities for future growth. The Company has developed in-house capabilities to deliver evolving technologies for future mobility solutions, with an aggregate expenditure on R&D and royalty of ₹6.99 crore, ₹ 22.92 crore, ₹ 12.47 crore and ₹ 5.83 crore and as a percentage of their total income were 5.08%, 9.48%, 6.39% and 3.41% for 6 months ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. As of September 30, 2022, the Company had 26 on-roll employees engaged in R&D activities, representing approximately 12.68% of the total on-roll manpower.

Competition

The automotive component manufacturing industry is very competitive, and the Company faces significant competition from both players from India as well as overseas. Technology, price, design, quality, delivery, engineering development and program launch support are the primary elements of competition in the markets. The Company competes worldwide with a number of other Indian and foreign manufacturers that produce and sell similar products. In addition to traditional competitors in the automotive sector, the trend towards advanced electronic integration and electrification has led to an increase in competition that the Company face from technology focused new market entrants. In addition, a number of its major OEM customers manufacture for their own use and for others, products that compete with its systems and components. Other current OEM customers could elect to manufacture products to meet their own requirements or to compete with the Company. For many of its products, its competitors include suppliers in parts of the world that enjoy economic advantages.

The table below sets forth its key competitors

Products	Competitors
Transfer Case	Aisin, BorgWarner, Dana, Magna, Univance
Torque Coupler	Aisin, BorgWarner, Schaeffler, Valeo, ZF
Synchroniser Pack	Anand CY Myuteck Automotive, Natesan Synchrocones, Yugal Precision

(Source: Red Herring Prospectus)

Key risks

Customer concentration risk: The Company's business largely depends upon its top five customers, and the loss of such customers or a significant reduction in purchases by such customers will have a material adverse impact on its business. The Company is business to business (B2B) manufacturing company with an asymmetric dependence on a few customers. The Company derives a significant portion of its revenue from its top five customers, namely, Mahindra & Mahindra, Tata Motors, Toyota Kirloskar Auto Parts, BorgWarner and a Russian automobile manufacturer. Further, the Company is highly dependent on the revenue generated from Customer 1. The Company derived a significant portion of its revenue from operations 73.92% of total revenue for the six months period ended September 30, 2022, from Customer 1.

Further, one of its top five customers is a Russian automobile manufacturer. Given the recent Russian invasion of Ukraine and the consequent sanctions imposed on Russia, the Company may be unable to sell its products to Russian customers in the future. Consequently, for the six months period ended September 30, 2022, the Company did not generate any revenue from operation from the Russian automobile manufacturer. Further, the Company's agreement with the Russian automobile manufacturer has expired on June 30, 2022 and as on the date of the Red Herring Prospectus, the Company has discontinued all business with the Russian automobile manufacturer.

The Company's business could be adversely affected by volatility in the price or availability of raw materials and components.

The Company uses a variety of raw materials and commodities (including aluminium, copper, nickel, plastic resins, steel, other raw materials and energy) and materials purchased in various forms such as peeled alloy steel bars, aluminium castings, steel forgings, magnets, steel and brass stampings, and plastic components in the production of the components. Semiconductor chips and allied components are not a major raw material used in the business operations.

Background

Company and Directors

The Company was incorporated as "Divgi Metalwares Private Limited" on December 16, 1964. The company commenced operations in 1964 under Divgi Metalwares Pvt Ltd. In 1995, company formed a JV with BorgWarner. JV continued between 1995 to 2016. In 2016, the JV was dissolved and Divgi TorqTransfer Systems (Divgi TTS) was formed.

The company was promoted by Jitendra Bhaskar Divgi, Hirendra Bhaskar Divgi and Divgi Holdings Pvt Ltd. Currently, Promoters hold an aggregate of 17,245,840 Equity Shares, equivalent to 62.64% of the pre-Offer issued, subscribed and paid-up Equity Share capital of the company.

Divgi Transmission Pvt Ltd was incorporated on September 18, 1995. The name was further changed to "Divgi TorqTransfer Systems Pvt Ltd" pursuant to the buyout of shares from BorgWarner and a fresh certificate of incorporation was issued on September 30, 2016. Pursuant to an order passed by the NCLT, Mumbai Bench on September 21, 2017, the erstwhile Divgi TorqTransfer Systems Pvt Ltd amalgamated with the company i.e. Divgi Metalwares Pvt Ltd.

Brief Biographies of Directors



Praveen Purushottam Kadle is the Chairman and Independent Director on the Board. He is the Chairman of Prachetas Capital Pvt Ltd. He was associated with Tata Information Systems (an IBM and Tata Company) in 1992 and with Tata Engineering and Locomotive Co Ltd (now Tata Motors Ltd) in 1996. He was associated with Tata Capital Ltd and Tata Sons Ltd in 2018.

Jitendra Bhaskar Divgi is the Managing Director on the Board. Before joining Divgi Metalwares in 1994, he worked at Digital Equipment Corporation, Massachusetts. He served on the Board of Directors of BorgWarner, China in 2000, and was associated with BorgWarner till 2005.

Hirendra Bhaskar Divgi is the Whole-time Director on the Board. He joined the Company in 1988 and has served in various capacities. He has over 30 years of experience working at the company.

Sanjay Bhalchandra Divgi is the Non-Executive Director on the Board. He served in various capacities at the company since 1986.

Bharat Bhalchandra Divgi is the Director on the board. He served in various capacities at the Company since 1981. He has over 20 years of experience with the company.

Pradip Vasant Dubashi is the Independent Director on the Board. He was previously associated with the State Industrial and Development Corporation of Maharashtra Ltd. He has served as an Independent Director on the board of Mahindra Retail Ventures Ltd.

Ajay Bhaskar Limaye is the Nominee Director on the Board, appointed by Oman India Joint Investment Fund II. He was previously associated with CEAT Ltd, Gujarat Venture Finance Ltd, SICOM Capital Management Ltd, Tata Capital, KSK Energy Company Pvt Ltd and Oman India Joint Investment Fund.

Pundalik Dinkar Kudva is an Independent Director on the Board. He is a Chartered Accountant by profession and has been in practice for 37 years.

Geeta Prafullachandra Tolia is an Independent Director on the Board. She is also the co-founder of Gravitech Business Solutions Pvt Ltd.

Key Managerial Personnel

Balu Naravan Patil is the 'Head - Group Operations' of the company and has been associated with the company with effect from November 12, 2018. His previous work experience includes years at Bajaj Auto Ltd, Ognibene India Pvt Ltd, Perciforge & Gears, Kalyani Technoforge Ltd, and SAM Hitech Components Pvt Ltd.

Sudhir Shridhar Mirjankar is the Chief Financial Officer of the company and has been associated with the company with effect from December 1, 2016.

Gopal Krishna Dalvi is the HR and Organization Development Head of the company and has been associated with the company with effect from August 13, 2007. His previous work experience includes years at Keihin Fie Pvt Ltd and Spicer India Ltd.

Satish Chandrashekhar Kadrolli is the Company Secretary and Compliance Officer of the company. He joined the company on September 5, 2022. He has been a compliance professional for over 7 years. His previous work experience includes years at Rajkumar Forge Ltd, Western India Forgings Pvt Ltd and Corpage India Advisors Pvt Ltd.

Dipak Annasaheb Vani is the Head of Purchase and Global Supply Management of the company and has been associated with the company with effect from July 1, 2006. He has over 15 years of experience in the company.

Rakesh Rameshchandra Sharma is the Head of Growth & Launch Management of the company and has been associated with the company with effect from January 15, 2018. His previous work experience includes years at Patheja Brothers Forgings & Stampings Ltd, Del Tech Controls Ltd, Delval Flow Controls Pvt Ltd and Inoxpa India Pvt Ltd. He has previously worked at Divgi Warner Pvt Ltd. He was the Chief Operating Officer at Divgi Metalwares Pvt Ltd.

Prasanna Bhaskarrao Deshpande is the Head of Engineering of the company and has been associated with the company with effect from February 1, 1997.

Balaji Macherla Veerabhadram is the Sales, Marketing and Business Development Head of the company and has been associated with the company with effect from October 15, 2019. He was associated with Brakes India Ltd for 10 years. He has previously worked at Motherson Automotive Technologies & Engineering, Visteon Automotive (India) Pvt Ltd and at Kalyani Brakes Ltd.

Disclosure under SEBI Research Analyst Regulations 2014:

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