



Divgi TorqTransfer Systems

Divgi TorqTransfer Systems Limited

CIN: L32201MH1964PLC013085

75, General Block, MIDC, Bhosari,

Pune 411 026, India

Tel: (+91-20) 63110100

Web: www.divgi-tts.com

Ref.: DTTS/Sec/25-26/43

August 22, 2025

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 BSE Scrip Code – 543812	To, National Stock Exchange of India Limited, "Exchange Plaza" 5th Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 NSE Scrip Code - DIVGIITTS
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Sub: Submission of Notice of the 60th Annual General Meeting and Annual Report for the Financial Year 2024-25.

Dear Sir / Madam,

The Annual Report and the Notice convening the 60th (Sixtieth) Annual General Meeting ("Notice") of the Members of Divgi TorqTransfer Systems Limited scheduled to be held on Tuesday, September 16, 2025, at 02:30 P.M. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") is enclosed.

The Company will provide an electronic facility to its Members to cast vote(s) on all resolutions set out in the Notice. The detailed process for casting vote(s) electronically is enclosed in the Notice.

The Notice and Annual Report have also been uploaded on the website of the Company <https://divgi-tts.com/>

Thanking you,

For **Divgi TorqTransfer Systems Limited**

Aniket Kokane
Company Secretary & Compliance Officer
A51571

Enclosure: As above



PREPARING FOR THE NEXT ORBIT

Building the India-Manufacturing-
Technology-Global value proposition to
emerge as one of the fastest growing
drivetrain solution providers.



Divgi TorqTransfer Systems

Divgi TorqTransfer Systems Limited

Annual Report 2024-25

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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known, unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Online Annual report
www.divgi-tts.com

5 messages of this annual report

Divgi-TTS encountered an unexpected slowdown during the last year, affecting overall performance

The Company utilised the slowdown as an opportunity to strengthen its business

The Company continued to explore alliances, deepen technologies, strengthen its team and position its Shirwal facility as a global showpiece

The Company continued to report credible profitability even at lower revenues, validating the strength of its business model

The Company reported an appreciable rebound in revenues, margins and surplus during the last quarter, inspiring the optimism of a better FY 2025-26



PART ONE

WHAT WE ARE AND WHAT WE DO



Corporate snapshot

Divgi TorqTransfer Systems Limited is one of the most technologically advanced drivetrain solution providers the world over.

The Company is positioned as a specialised disruptor in one of the most sophisticated segments of the automotive industry.

The Company has remained debt-free, preparing it for growth across market cycles.



The Company is dedicated to the design, development, customisation, and production of advanced drivetrain systems and solutions for leading automotive brands.



The Company has specialised in a niche, delivering transmission systems to Indian and international clients.



Vision

To be recognised as a world class Indian brand in automotive drivetrain components and systems.



Mission

To help our customers and our people continually innovate and excel in building world-class drivetrain components and systems.



Values

Fostering mutual respect:

Cultivating an environment of openness, trust, and dignity where every individual is valued, and diversity is celebrated.

Collaborating with purpose:

Balancing individual freedom with a collective commitment to

building a resilient, mission-driven organisation.

Pursuing excellence relentlessly:

Encouraging innovation and efficiency, while acting with urgency to seize opportunities and overcome challenges.

Upholding integrity always:

Adhering to uncompromising

ethical standards and taking full responsibility for our actions and decisions.

Empowering communities:

Delivering outstanding value, generating meaningful employment, and contributing time and talent to uplift the communities we serve.



Our products range

Divgi-TTS specialises in the design, development and manufacturing of drivetrain systems and components for a wide spectrum of vehicles including passenger cars, commercial vehicles, utility vehicles, and agricultural machinery. Its diverse product portfolio features 4WD transfer cases, synchroniser systems, automatic locking hubs, torque couplers, electric vehicle transmissions, and manual cum automatic transmissions. The Company also produces critical components that support the seamless operation and efficiency of drivetrain and transmission systems.



Our rich legacy

Established in the early 1960s by Mr. Ramrao Divgi and Mr. Bhaskar Divgi, the Divgi Group entered into a strategic partnership with BorgWarner in September 1995, resulting in the formation of Divgi Warner. In 2016, Divgi Metalwares acquired the full ownership of the joint venture, rebranded as Divgi TorqTransfer Systems (Divgi-TTS). Since then, the Company has made notable progress in developing a range of torq transfer systems and transmission systems, including transfer cases, torque couplers, manual transmissions, electric transmissions, and dual-clutch transmissions.



Our strategy

Leveraging a two-decade partnership with U.S. based global Tier 1 partner BorgWarner, Divgi-TTS advanced its technological expertise. Under this collaboration, the Company was responsible for designing, developing, and manufacturing BorgWarner's 4WD/ AWD product range through a technology licensing agreement. Building on this foundation, Divgi-TTS independently expanded its product portfolio by:

- Developing cutting-edge transmission systems for electric vehicles (EVs)

- Collaborating with Hofer Powertrain of Stuttgart, Germany, to innovate advanced dual-clutch automatic transmission technology

- Developing sophisticated manual transmission systems for 5 and 6 speed applications world wide while producing advance technology synchronisers.



Our footprint

Divgi-TTS is headquartered in Pune, India, and operates four manufacturing plants — two in Pune, one in Shirwal (Satara district), and one in Sirsi, Karnataka.



Diverse customer portfolio

Divgi-TTS caters to a diverse customer base across domestic and international markets. It has built long-standing partnerships with prominent automotive OEMs, Tata Motors, and Mahindra & Mahindra and global Tier-1 suppliers including BorgWarner.

Several of these associations date back over two decades, originating from the Company's earlier joint ventures. By engaging with global OEMs from the early design and development phases, Divgi-TTS ensures that its products are aligned with their needs.



Strategic collaborations

Divgi-TTS has built strategic partnerships with premier engineering institutions such as IIT Bombay, COEP Technological University (COEP TECH), and Birla Institute of Technology & Science (BITS) to strengthen its knowledge ecosystem. These associations have helped the Company attract top-tier engineering talent, including M.Tech and postgraduate professionals. Divgi-TTS has partnered specialised agencies in Stuttgart and Aachen, Germany global hubs for Dual Clutch Transmission (DCT) technology, advancing its technological capabilities.



Certifications

Divgi-TTS has secured key accreditations that reflect its commitment to quality, sustainability, and workplace safety. The Company is certified under ISO 14001:2015 for its Environmental Management Systems, demonstrating its focus on eco-conscious operations. It also holds the ISO 45001:2018 certification, highlighting its emphasis on occupational health and safety. Additionally, the IATF 16949:2016 certification for Quality Management Systems affirms Divgi-TTS's adherence to stringent global standards in manufacturing excellence.



Our global footprint

Historically, our export revenue was between 25% and 40% of our operating sales revenue. Overcoming headwinds its obstacles rebuilt its export portfolio to restore the balance of the 25%-30% range of its export sales. Importantly, a significant proportion of the new business being developed is from the western market of Europe and US.



Leading technology partners

Divgi-TTS collaborates with globally respected technology providers to enhance its engineering capabilities and stay at the forefront of powertrain innovation.

Hofer offers over 40 years of expertise in electrification, hybrid, and combustion systems to OEMs worldwide.

FEV Group, founded in 1978, leads in gasoline, diesel, and hybrid powertrain development and operates the world's largest high-voltage battery testing center.

BorgWarner manufactures key components for internal combustion, hybrid, and electric vehicles, serving diverse applications globally from its headquarters in Michigan.



Prominent customers



A top 25 global automotive supplier with multiple manufacturing and technical centers, known for acquiring and integrating businesses to strengthen its industry position.



Founded in 1945, it is one of India's largest vehicle manufacturers and a key Mahindra Group subsidiary, ranked 17th in the Fortune India 500 list (2018).



A British brand owned by SAIC Motor (China), with design roots in the UK and manufacturing facilities in China, Thailand, and India.



India's largest automobile manufacturer and a part of the Tata Group, producing a wide range of vehicles sold in over 175 countries.



A joint venture between Toyota Motor Corporation and Kirloskar Group, known for producing high-quality transmissions and vehicles in India.



A leading earthmoving and construction equipment manufacturer in India, and a wholly owned subsidiary of UK-based J.C. Bamford Excavators.



Headquartered in Chennai, India's second-largest commercial vehicle maker and a global leader in buses and trucks.



Pune-based automotive firm from the Dr. Abhay Firodia Group, specialising in practical transport solutions for goods and passengers.

Recognition and honours

2008

Innovation Award for ECU development by BorgWarner.

The BorgWarner Chairman's Operational Excellence Award by BorgWarner Production System

2015

Best Eco Kaizen Award awarded by Toyota Kirloskar Motor

2017

1st runner up at the National HR Competition Circle organised by Confederation of Indian Industry.

Zero Defect Supplies Award by Toyota Kirloskar Auto Parts

2018

Toyota Quality Award by Toyota Kirloskar Auto Parts.

First prize at the National HR Circle Competition organised by Confederation of Indian Industry

2019

Toyota's Quality Circle Competition Award by Toyota Kirloskar Suppliers Association.

First prize at the National HR Circle Competition organised by Confederation of Indian Industry

2020

Zero Defect Supplies Award by Toyota Kirloskar Auto Parts.

Toyota Delivery Award by Toyota Kirloskar Auto Parts.

Toyota Quality Award by Toyota Kirloskar Auto Parts

2021

Special Appreciation Award by Mahindra Rise for transfer case of Thar vehicle.

Outstanding Development for Gears and Synchronisers' Certificate by Force Motors.

Zero Defect Supplies Award by Toyota Kirloskar Auto Parts.

Supplier of the Year Award by Toyota Kirloskar Auto Parts

2022

Toyota Best Supplier Award. First prize at the National HR Circle Competition organised by Confederation of Indian Industry.

2023

Mahindra Powertrain Proprietary Commodity Award.

Toyota - Delivery Award

2024

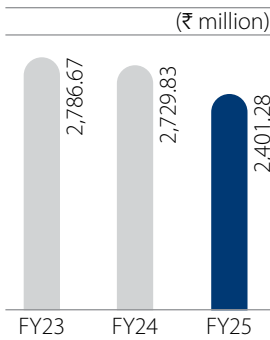
Mahindra Supplier Excellence Award - Special Appreciation Award for Scorpio-N.

2025

Mahindra Powertrain Proprietary Commodity Award



How we have performed across the years



Revenues

Definition

Growth in sales net of taxes.

Why this is measured

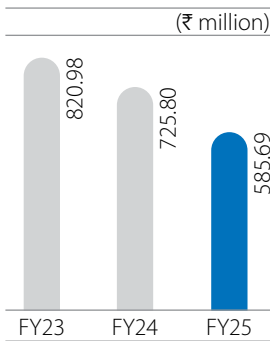
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's performance can be compared with sectoral peers.

What this means

Aggregate sales decreased 12.04% during the year under review.

Value impact

Revenue declined due to deferred customer orders, insourcing by OEMs, and the delayed China+1 opportunity.



EBITDA

Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why this is measured

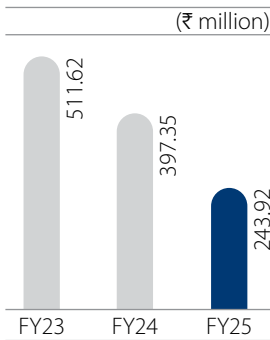
It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers

What this means

Helps create a robust surplus generating engine that facilitates reinvestment.

Value impact

The Company reported a 19.30% decrease in EBITDA in FY 2024-25, primarily due to rising input costs, lower sales, and increased operating expenses.



Net profit

Definition

Profit earned during the year after deducting all expenses and provisions.

Why this is measured

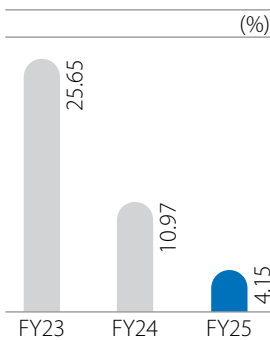
It highlights the strength of the business model in generating value for shareholders.

What this means

Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain momentum.

Value impact

The Company reported a 38.61% decrease in net profit in FY 2024-25, mainly due to lower revenues, higher operating costs and increased financial expenses.



Return on Invested Capital

Definition

Return on Invested Capital (ROIC) measures a company's efficiency at generating profits from its total capital employed.

Why this is measured

ROIC is measured to assess how effectively a company uses its capital to generate returns and create shareholder value.

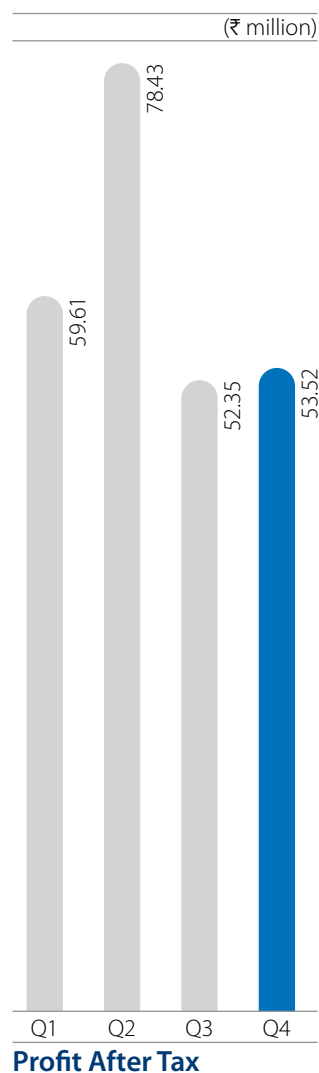
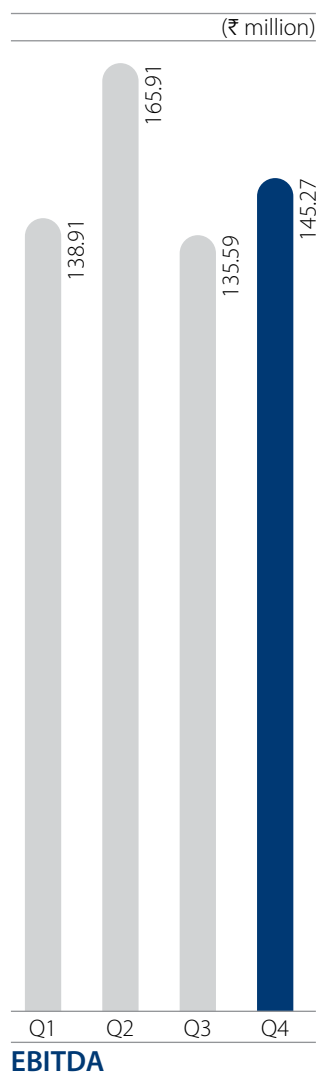
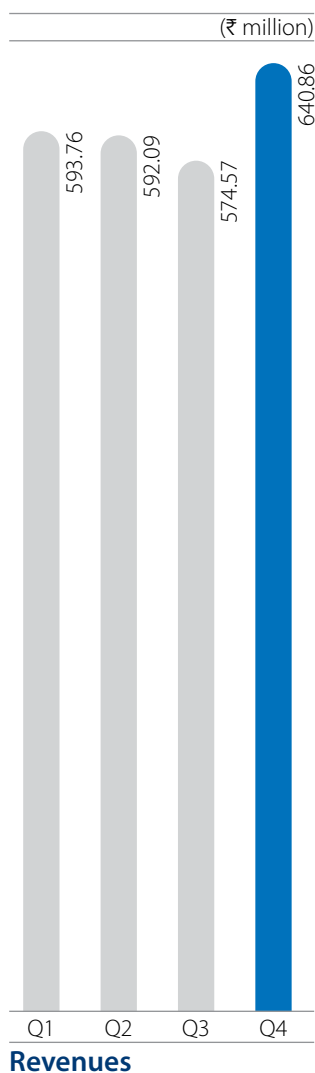
What this means

ROIC shows how effectively the Company uses capital to generate profit.

Value impact

The Company reported a 62% decrease in ROIC in FY 2024-25 driven by lower net profits combined with higher invested capital, indicating a reduced efficiency in capital utilisation.

Our growth story across the last four quarters

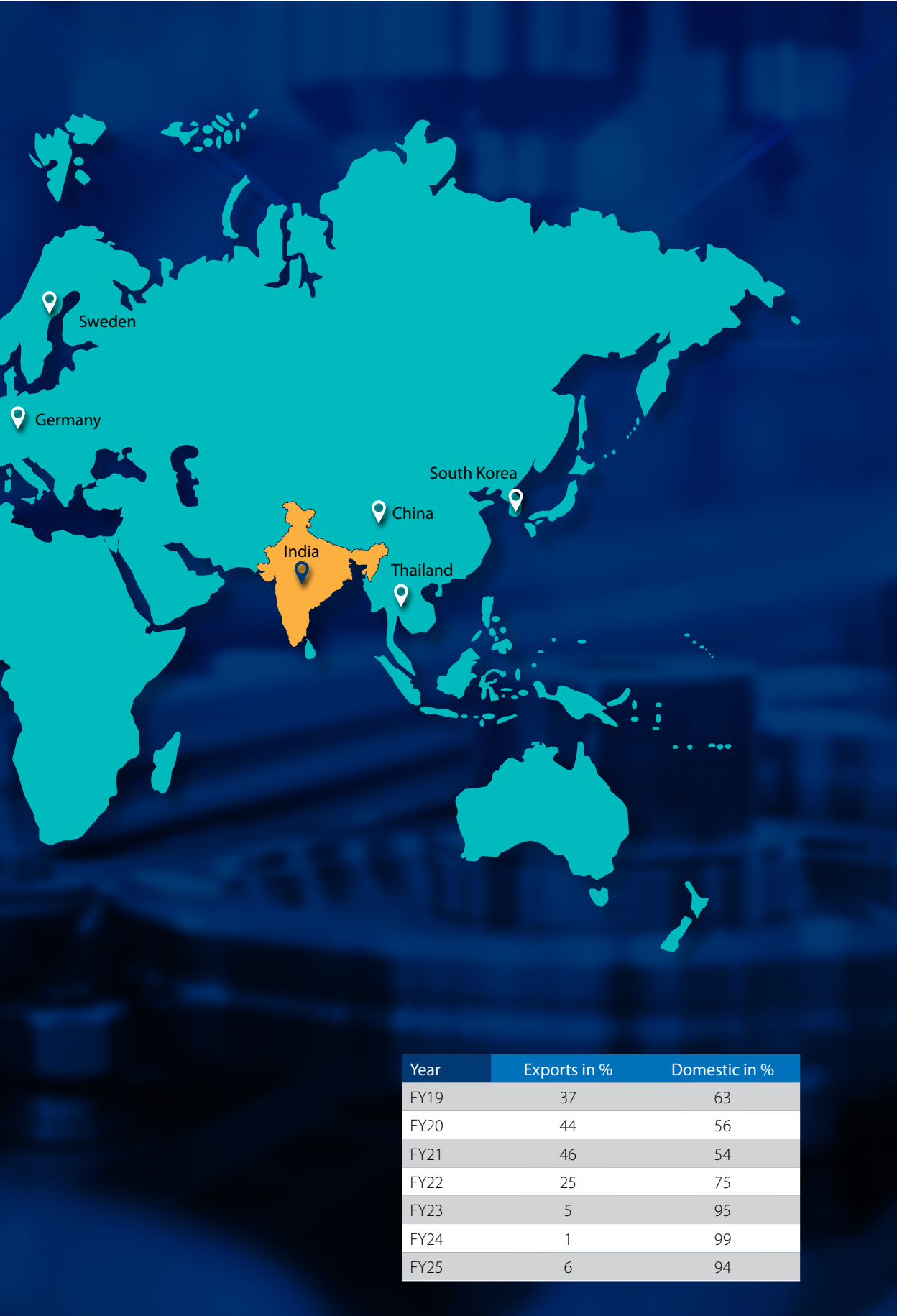


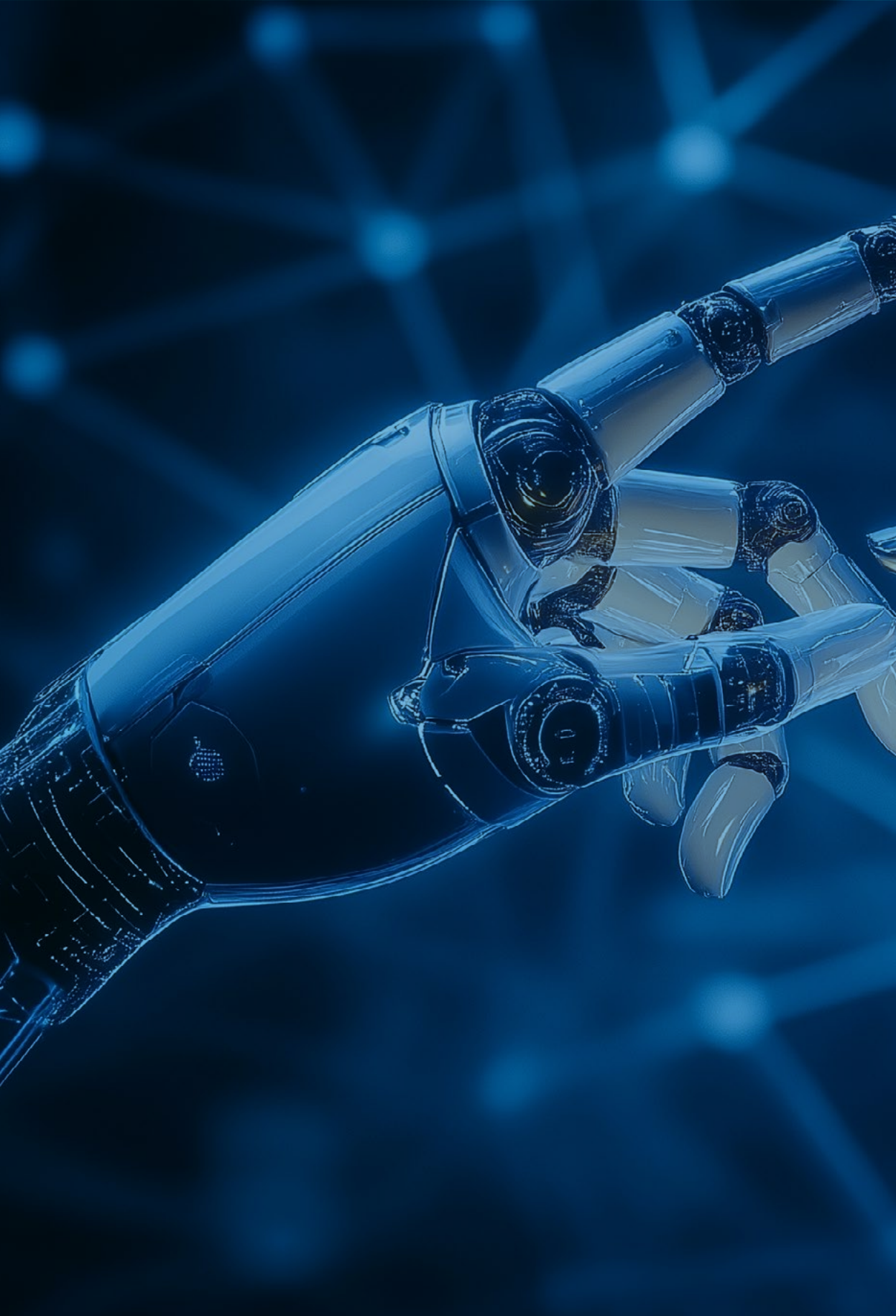


Our global footprint

Our sales footprint

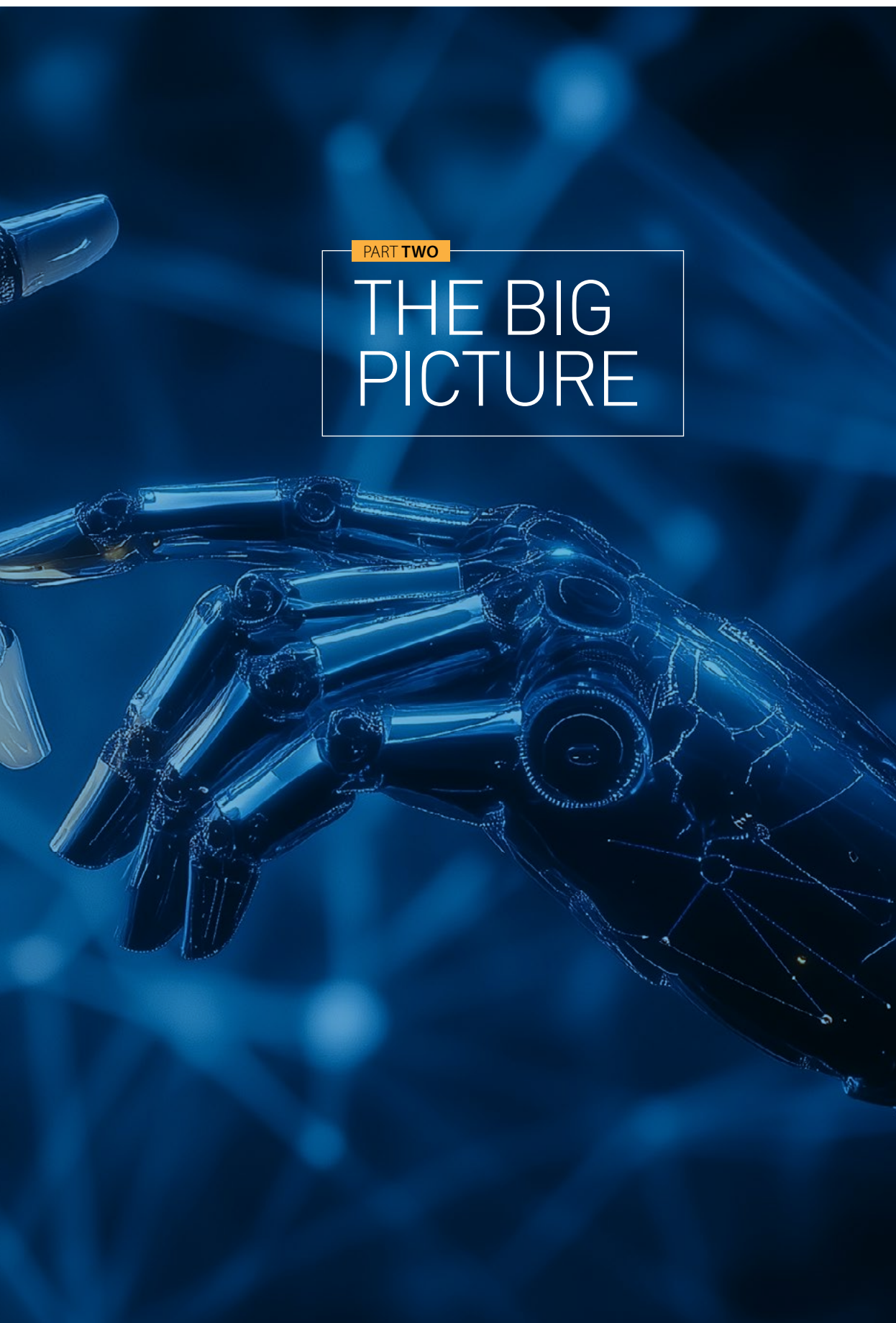






PART TWO

THE BIG PICTURE





Major technological advances in the global automotive sector

...And how they are relevant to Divgi-TTS

Electric vehicle growth

The shift towards electric mobility is accelerating, with manufacturers investing heavily in improving battery technology and mechanical efficiency to enhance range and reduce charging times.

Solid-state batteries are nearing commercialisation, promising higher energy density and faster charging capabilities.

Additionally, the expansion of ultra-fast charging networks aims to alleviate range anxiety among consumers.

The growth of electric vehicles is driving demand for advanced, efficient, and compact drivetrain solutions tailored to EV architectures.

Autonomous driving

Significant progress is being made in autonomous driving, with companies developing vehicles equipped with advanced driver assistance systems (ADAS).

Features such as lane-keeping assistance, adaptive cruise control, and automated parking are becoming more common, paving the way for higher levels of vehicle autonomy.

Autonomous driving demands highly integrated and precise drivetrain solutions to enable smooth, adaptive, and intelligent vehicle control.

Supportive government policies and incentives

Numerous governments worldwide are implementing policies to promote EV adoption, such as purchase rebates, tax exemptions, and subsidies.

In the United States, individuals can receive a tax credit of up to USD7,500 for qualifying new EVs and up to USD4,000 for qualifying used EVs.

Germany and France offer subsidies for qualifying new EV purchases, while China exempts battery EVs and hybrids from a purchase tax of up to USD4,175 per vehicle.

Supportive government policies and incentives accelerate the adoption of advanced drivetrain solutions by encouraging investment in EV and hybrid technologies.



Vehicle-to-everything communication

The integration of V2X technology enables vehicles to communicate with each other and with infrastructure, enhancing traffic management and safety.

The roll out of 5G networks is further boosting V2X capabilities, allowing real-time data exchange that contributes to accident prevention and efficient traffic flow.

Vehicle-to-everything (V2X) communication enhances drivetrain efficiency by enabling predictive control and real-time adaptation to traffic and road conditions.

Augmented reality interfaces

AR is being incorporated into vehicles through head-up displays (HUDs), projecting critical information like speed, navigation, and hazard warnings onto the windshield.

This technology enhances driver awareness and contributes to safer driving experiences.

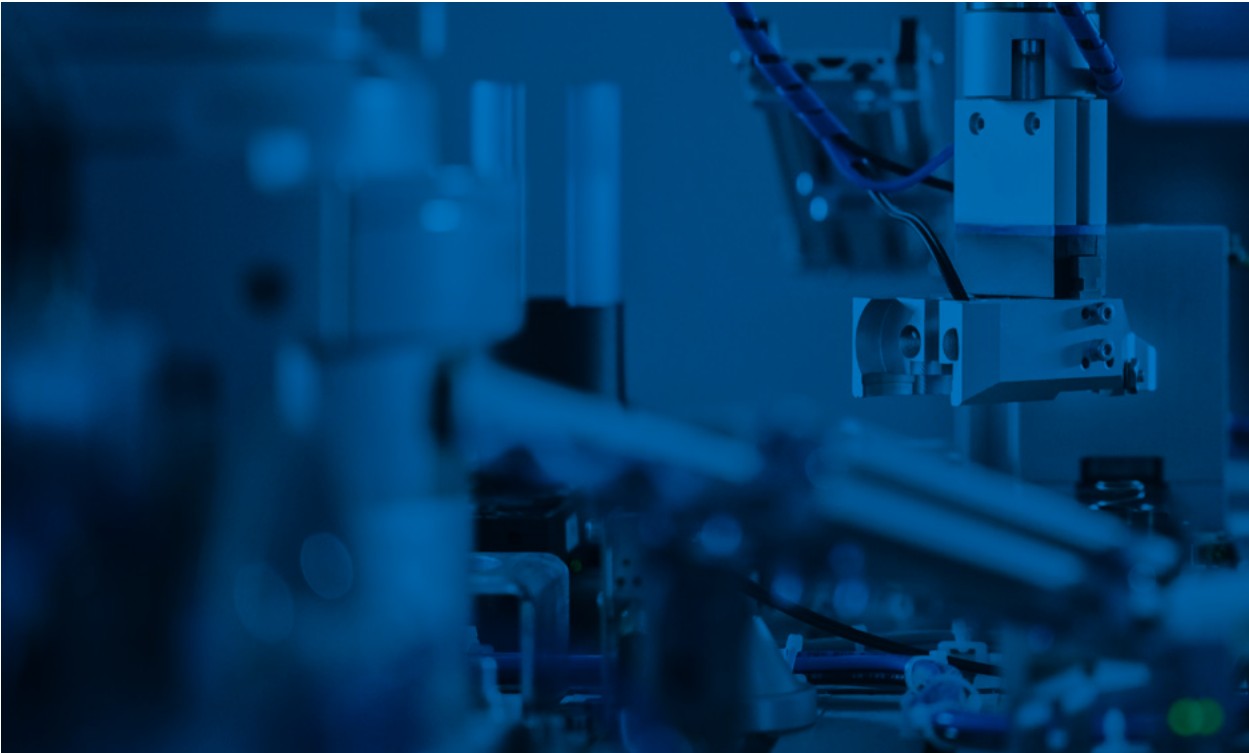
Augmented reality interfaces support drivetrain solutions by providing real-time performance data and diagnostics, enhancing driver interaction and system responsiveness.

Artificial intelligence for predictive maintenance

AI and machine learning algorithms are being utilised to analyse vehicle data, enabling predictive maintenance.

This approach helps in identifying potential issues before they become major problems, reducing unexpected breakdowns and maintenance costs.

Artificial intelligence for predictive maintenance enhances drivetrain reliability and lifespan by detecting issues early and optimising maintenance schedules.



Advancements in battery technology

Significant progress in battery technology, including the development of solid-state batteries, is enhancing EV performance by offering longer ranges and shorter charging times.

Companies like QuantumScape are developing batteries that could support a 400-mile range with a 15-minute charge, targeting prototype production by 2025.

Advancements in battery technology enable more efficient and compact drivetrain solutions by supporting higher power density and extended driving range.

Sustainable manufacturing

Automakers are increasingly focusing on sustainability by using eco-friendly materials and adopting greener manufacturing processes.

The use of recycled materials and natural fibres is becoming more prevalent, reducing the environmental impact of vehicle production.

Sustainable manufacturing supports drivetrain solutions by promoting eco-friendly materials and processes, reducing the environmental impact of production.

Bi-directional charging (vehicle-to-grid)

Bi-directional charging technology allows electric vehicles to not only draw power from the grid but also supply energy back to it.

This capability supports grid stability and offers potential cost savings for EV owners.

Bi-directional charging (vehicle-to-grid) requires adaptable drivetrain solutions capable of managing energy flow both to and from the grid, enhancing vehicle utility and grid stability.



Stringent emission regulations

Governments are enforcing strict emission regulations to reduce greenhouse gases.

For instance, the European Union aims to reduce CO₂ emissions from light and medium commercial vehicles by 15% before 2025, encouraging automakers to focus on EV production.

Stringent emission regulations drive the development of cleaner, more efficient drivetrain solutions, accelerating the shift toward electrified and hybrid powertrains.

Hydrogen fuel cell vehicles

Beyond battery electric vehicles, hydrogen fuel cell technology is gaining attention, especially for heavy-duty and long-distance transportation.

Fuel cell vehicles offer quick refuelling and long ranges, emitting only water vapor as a by-product.

Hydrogen fuel cell vehicles require specialised drivetrain solutions optimised for electric propulsion systems powered by fuel cells, enabling zero-emission performance.

Advanced driver monitoring

To enhance safety, vehicles are being equipped with systems that monitor driver behaviour and alertness, helping to prevent accidents caused by drowsiness or distraction.

Advanced driver monitoring enhances drivetrain performance by enabling adaptive control based on driver behaviour and safety conditions.



PART **THREE**

OUR MANAGEMENT'S VIEWS ON POSITIONING, PERFORMANCE, AND PROSPECTS



The Chairman's perspective



Praveen Kadle,
Chairman

I am optimistic
that the
Company
addresses an
exciting future

Overview

It has been more than two years since Divgi-TTS was listed on India's stock exchanges.

At the time of the listing the Company addressed an immediately positive outlook based on the growth plans announced by prominent Indian automobile companies. We believed that these growth plans would increase the Company's order book, revenues and profits. The Divgi-TTS management had indicated a consistent annual revenue growth of 20% accompanied by a 20% growth in profits.

The Company under-performed against these expectations in the last two years for reasons outside its control. The projected growth did not materialise due to demand volume not coming up to budgeted expectations. This was especially the case with our transfer case and EV products. The

continuing geopolitical situation in Ukraine prolonged the sanctions on Russia and prevented the restoration of our Russian business. On the export front, the launch of several new programme was delayed due to customer issues in transitioning from Chinese suppliers to Divgi-TTS. The launches are now underway in FY 2025-26.

The Company reported lower numbers than had been projected at the time of our going public. From peak revenues of ₹2,786.67 million in FY 2022-23, the Company reported progressively lower revenues across two successive years – ₹2,729.83 million in FY 2023-24 and ₹2,401.28 million in FY 2024-25. This translated into a lower valuation and for much of the last two years, the Company quoted at less than the valuation it enjoyed at the time of its listing.

What is creditable is how the Company responded to this



unexpected sectoral slowdown. The scenario of the last few years within the global automotive transmission sector was marked by technology changes, growing competition and China turning into an aggressive player across markets.

At Divgi-TTS, we recognised the need to strengthen our business through a range of initiatives, even as the external markets remained sluggish.

The Company deepened its technical talent pool with subject matter experts, reflecting its commitment to invest in the future and emerge future-ready.

The Company continued to invest in cutting-edge research, strengthening its capacity to graduate to advanced and value-added transmission systems.

The result is that the slowdown notwithstanding, the Divgi-TTS of today is better equipped, nimbler

and leaner to address a turnaround in market sentiment.

I am pleased to communicate that the turnaround has possibly begun. During the last quarter of the last financial year, the Company reported a 12% improvement in revenues over the immediately preceding quarter; the Company delivered a 7.14% EBITDA growth. During the first quarter of FY 2025-26, this growth appears to have been sustained and the outlook for the current year appears better than the last.

Divgi-TTS is attractively placed to capitalise as the automobile model launches planned by a number of Indian manufacturers are likely to transpire during the current financial year. The Company is attractively placed to capitalise by the virtue of the initiatives of the last couple of years beginning to mature. The Company enjoys a net cash position, which is creditable for a company of its size, complexity and capital intensity.

The Company enjoys active relationships with prominent Indian and global customers; the Company's focus will be on generating a higher wallet share of the customer's automotive transmission needs. I am confident that as our capacity utilisation rises, the pass-through will be most visible in the Company being able to report profitable growth and enhanced capital efficiency.

If there is an overarching message for shareholders, it is this: the management is grateful for your patience following the initial public offer. I am optimistic that during the current year, the Company will recover its growth momentum and vindicate your decision to remain invested.

Praveen Kadle,
Chairman



The Managing Director's perspective



Jitendra Divgi
Managing Director

The worst appears to be over; our best lies ahead

Overview

At Divgi-TTS, FY 2024-25 was the best of years; it was also the worst of years.

Each time we make a business forecast, it is influenced by variables within and outside our control. We make safe estimations of whether the factors outside of our control will materialise, influenced by business plans shared by our OEM customers. Thereafter, we announce a guidance based on these estimations with a reasonable safety buffer that some of our estimations may not materialise.

The performance of the year under review represented an unexpected setback. The positive production guidance issued by some of our prominent customers – large national and international automobile brands - were modified downwards during the last financial year. The orders promised to us were deferred; some of the orders that were to be outsourced were insourced within those companies; the global orders that we expected would arise out of the China + 1 shift

were extended into the current financial year.

Seldom did we encounter such a cumulative downside in any financial year.

When seen against this landscape, the Company performed creditably. EBITDA moderated 24.39% to ₹58.57 crore. Whereas this revenue decline would have turned into a loss for most companies, Divgi-TTS stayed liquid and profitable.

On the positive side, we protected our Balance Sheet. We reinforced our brand around 'technology-driven innovation'. In one of our most challenging years, we reported a profit in each quarter. EBITDA margin remained consistently more than 20%. Long-term debt remained zero. There was a 4.51x increase in exports. The cash on our books was a sizable ₹284.83 crore. We lived to fight another day.

If one studies multi-year cyclical trends of our business, one will discern that there is usually one down year in three. Between FY 2007-08 and FY 2009-10, the Company de-grew 15%; between



FY 2010-11 and FY 2012-13, revenues rebounded 17%; within just three years, the Company's turnover doubled, and the Company's margins rebounded within two years from 6% to 26% and never declined below 20% during the subsequent rebound years.

This trend was to recur. Between FY 14 and FY 16, sales growth remained sluggish, growing at 7%; between FY 17 and FY 19, revenues grew 18%. Between FY 2019-20 and FY 2021-22, revenue growth was a robust 19%, followed by a 13.83% decline between FY 2022-23 and FY 2024-25.

Like in the previous instances, a rebound is imminent at this point; when it transpires, it is expected to be vigorous, putting a premium on our capacity to remain resilient during the weak years.

The big message I seek to communicate is that if Divgi-TTS could report the kind of numbers it did during a down year in FY25, then the Company's business model continues to be robust and primed to recover with speed

when the business environment improves.

6-point charter of excellence

At Divgi-TTS, we reported a relatively creditable performance during the year under review for an important reason. We stayed true to the spirit of our six-point strategic charter. This helped deepen our responsibility, profitability, and sustainability.

One, we continued to champion a spirit of technology-led innovation.

Two, we deepened our product and application diversity.

Three, we widened our customer and geographic diversity.

Four, we continued to emphasise a spirit of manufacturing excellence.

Five, we built our business around financial discipline.

Six, we explored collaborative models around win-win propositions.

This charter was drawn from what we were, what we are and what we expect to be.

No overview of our company would be complete without a reference to this three-dimensional perspective.

At Divgi-TTS, our objective has been consistent: 'To create an unprecedented global automotive success story to come out of India!'

We are at the right place at the right time with the right competence to make this a reality.

If we are punching above our weight, it is because of an unprecedented convergence of positives in the global and Indian automotive sector. In the past, India's automotive competence was largely showcased for an Indian audience. The general – and dismissive – conclusion was that India was good enough only for India.

This perspective is beginning to change. Among the first decisive signals that a tentative Indian automotive sector sent out to the world was when it launched a small car at possibly the lowest cost in the world. India's competence has since extended beyond low-end wage arbitrage engineering; some



Some of our achievements have been: the development of transmission systems for electric vehicles. We addressed a prestigious order for one of the world's most visible EV companies

of India's high-end automotive offerings are now being produced in less than the time taken for similar global equivalents and at a cost considerably lower. The world is turning around; a market it had given up for too large a technology gap is beginning to surprise. From re-toolers and fabricators, Indian automotive companies are beginning to emerge as technology-driven engineering disruptors.

Enter Divgi-TTS, our company

For nearly two decades, we partnered a specialised global corporation called BorgWarner. What we consistently heard during our enriching apprenticeship was that 'There is a technology gap between multi-nationals and Indians that you will never be able to bridge' and that 'The deep pockets of multinational companies will prove too much for Indians' and 'What the large multinationals spend on research would be 5x the projected top line of Indian drivetrain players.'

Despite these caveats, Divgi-TTS possessed the courage to graduate from understudy to independence. We disengaged from BorgWarner, our partner, in 2016. The first recommendation to us was that we keep a low technology profile. We did the opposite; we focused on four segments – manual transmission, automatic transmission, 4-wheel drive and EV transmission. We created a proprietary eco-system (engineering, testing laboratory

and manufacturing excellence). We daringly positioned our company as a one-stop transmission system solutions provider.

We absorbed cutting-edge global drivetrain technology standards. We remained organisationally frugal. We grew through net worth, not debt. The result: when we performed well, we reported sizable cash flows. When we performed less than well, we did not report losses.

There was something else that transpired: We evolved into a curator of cutting-edge technologies that went into modern powertrain solutions. We own but we also outsource. This capability seeded a disruptive aspiration: make a better powertrain version than anyone. We were 'backed' by a private equity player that put precious net worth on our books. We added manufacturing capacity to impress prospective customers. We leveraged the Indian cultural adaptability to market in Russia, China, Korea, and US. We achieved one of the shortest turnaround times in the development of a range of automotive transmission systems (automatic and manual). We created superior prototypes at a fraction of the usual cost. We became holistically competitive (intellectual, financial, strategic, locational, and cultural). The result: we remain debt-free; we have emerged technology-agnostic; we are nimbler than ever.

Some of our achievements have been: the development

of transmission systems for electric vehicles. We addressed a prestigious order for one of the world's most visible EV companies; we serviced transmission system orders from the largest Indian EV company, from one of the fastest growing Indian automotive companies, from a Chinese brand working out of India and from a hybrid model launched by one of the largest Japanese automobile brands.

What has made us an effective force is that we have delivered more than just components and piece parts; we have delivered complete products – comprising dozens of components that have worked in unison - to them. We have designed and produced better/faster/cheaper. In less than a decade of turning independent, we are making complete transmission products at a cost lower than the global average. Even a few years ago, this would have been unthinkable.

This disproportionate outcome was the result of the six-point charter than we created, evolved, and deepened from the time we went independent. This had unforeseen outcomes: during the last financial year, even as our financials turned sluggish, we continued to strengthen our business. We had built a stronger company by the close of the last year; we are considerably more confident that our competencies will now translate into larger multi-year order books across the foreseeable future.



At Divgi-TTS, we believe that our R&D efforts have been holistic, comprehensive and definitive to finding a techno commercial solution adapted around India's ecosystem. Our ability to curate a solution that is commercially sustainable has put us in the league of serious negotiations with global leaders.

Our numbers may be temporarily weak; our body language is more confident than ever.

Technology-led innovation

At Divgi-TTS, our objective is not simply to make more; our objective is to make more of the different.

This perspective needs to be explained.

Automatic Transmission systems have been in India since the early 2000s but the stumbling block to wider dissemination was the absence of a locally manufactured solution. The result is that one turned to imports even as they were expensive.

At Divgi-TTS, we believe that our R&D efforts have been holistic, comprehensive and definitive in finding a techno-commercial solution adapted around India's ecosystem. Our ability to curate a solution that is commercially sustainable has put us in serious negotiations with global leaders. Our approach is based on achieving deep localisation and progressively increasing the indigenous share of know-how and know-why.

The strategic outcome of this approach will be our transmission product leadership in India accompanied by considerable and sustainable top line growth. The business will engineer solutions for global applications where volumes are presently lower than conventional global benchmarks

but could correct with speed. Our discussions and negotiations are at an advanced stage; we expect a positive decision by the end of this calendar year. Our ability to persuade global technology leaders to enter into agreements in assessing the economic feasibility of Indian localisation represents an expression of our competence in the pursuit of product leadership.

Over the years, we empowered our teams to explore cutting-edge technologies around the conviction that we could create better, faster, and more competitively. During the year under review, we validated this disruptive positioning – 'shake the market' – across customer engagements.

One, we developed a sophisticated transfer case for the Indian Army. This transfer case – earlier imported – was fitted into armour-plated high-speed tactical mobile platforms. This transfer case empowered the vehicle's four-wheel drive, comprising assembly coupled with an electronic controller and software. What made this engagement distinctive is that this is no projected possibility; the Company completed the delivery of 1500 units, covering the needs of three divisions, which are core to the Indian army. In the past, such transfer cases would be conceived and designed abroad; in this case, the entire product was designed and manufactured in India. The size of the order that we delivered represents a critical order mass, validating our competence

in delivering with scale, speed, and sophistication. More importantly, the order validates that we possess advanced technology capabilities to service demanding applications in challenging terrains, as was witnessed during Operation Sindoor, where the rapid and reliable deployment of mechanised units assumed strategic importance.

Two, we are working on licensing arrangements with two global leaders and proposals to drive strategic growth.

Three, by the close of the year under review, we were on the verge of completing the design for a transfer case for a prominent Japanese company.

Four, we are working on next generation four-wheel drive systems for India. What makes this engagement different is that we delivered the first prototype of Torque on Demand. This futuristic product infuses intelligence to sense the driver's requirement and responds with four-wheel drive impact on demand. This 'sensing' represents the next frontier; it does before being 'told'. The advanced car area network monitors all automobile variables and realities, and then communicates with other electronic control units. The result is a seamless driver solution.

Five, we developed new mechanical designs for a better ride and handling of 'Torque on Demand'. We invested a differential system inside the transfer case to empower the front and rear wheel axle speeds. The result is



We are developing a mechanical transmission system for pick-up truck applications that work outside the control of the emissions control regime. This is expected to widen our operational flexibility and market.

that the vehicle in question is now empowered to make a turn without jarring. This solution – the like of which has never been deployed in India – has been proposed in the next generation Mahindra Thar, graduating its brand recall in line with the best in the world. Besides, proposals of this advanced product have been sent to prominent global and Indian companies; we expect positive outcomes during the current year.

Six, we are developing a mechanical transmission system for pick-up truck applications that work outside the control of the emissions control regime. This is expected to widen our operational flexibility and market.

I am optimistic of these technology-driven spaces. For example, our manual transmissions proposal frees up assets and capital at India's largest pickup truck manufacturer and brings profound business value by giving the OEM a solution to re-engineer its business. The manual transmission segment appears positioned at an attractive cusp.

There are other optimism points: the speed with which the Company develops and customises products, a flexibility to changes in market needs, the capacity to innovate features (tactical, strategic, product design, engineering, process, supply chain or combination of all these), the ability to aggregate engineering

talent and the capacity to learn, unlearn and relearn.

The holistic outcome at our company is superior to the value of standalone components; in one instance, the Company developed a prototype for one of India's largest automobile companies within only eight weeks of the vehicle configuration having been finalised by the customer. We believe that this development speed is among the fastest in the world.

The EV-isation of the world

At Divgi-TTS, we see the onset of electric vehicles as the most seminal point in the global automotive sector in more than a century.

Several global governments have announced incentives to shift from the use of the conventional internal combustion engine sectors towards electric vehicles. The Indian government seeks to increase the EV market share to a significant number by 2030. Considering that the Indian automotive market is the third largest in the world, even a moderate increase in the EV market share could result in disproportionate EV revenues.

Divgi-TTS carved out a first-mover's position in drivetrain solutions for this EV space. In 2022-23 the Company established its credentials by delivering an EV solution for one of India's largest automotive companies.

The Company had banked on the sustenance of this order pipeline into the last financial year. The volume, however, was muted and did not come up to the level planned by the OEM customers.

However, what the Company had developed by the close of the last financial year was a robust credential: three drivetrain designs for electric vehicle applications that had been developed for one of India's largest automotive companies; in one case, the gear box design was localised for a large Indian customer, plugging a market gap. The Company entered into discussions with a large Japanese company (part of a USD 30 billion Group) to manufacture geared parts going into electric vehicles for the Indian market. Divgi-TTS was one of three global vendors shortlisted (from a field of 15) for the supply of an entire geared set for supply to one of America's largest OEM's vehicles across the world.

What makes Divgi-TTS an attractive destination for this rapidly growing segment is that it now possesses products for different EV segments; it is market-ready with standardised designs for each. This will enable the Company to deliver with speed, strengthening the business of its customers. Besides, by utilising the same equipment, talent and processes, the Company will leverage the power of amortisation, enhancing product development speed and capital efficiency.

What makes Divgi-TTS an attractive destination for this rapidly growing segment is that it now possesses products for different EV segments; it is market-ready with standardised designs for each.

The automatic transmissions niche

The global automatic transmission segment of the automobile sector is passing through one of its most dynamic phases. Urban drivers prefer automatic transmissions for convenience and enhanced driving experience on account of smoother gear shifts in congested driving environments. The complement of dual-clutch transmissions, continuously variable transmissions and advanced electronic control units has helped enhance fuel efficiency, engine performance, reliability, and emissions compliance. The increase in EV popularity adoption has generated a growing demand for advanced transmission systems, especially for plug-in hybrid electric vehicles that require sophisticated systems to synchronise power distribution between the electric motor and combustion engine.

Automatic transmission systems have been in India since the early 2000s. The high import content translated into a higher product cost, affecting market growth. Divgi-TTS localised this sophisticated product, handpicked global technology providers and created an Indian product benchmarked to global international standards.

The Company's competence is likely to be validated during the current financial year through agreements with international majors that license Divgi-TTS to use their technologies

to manufacture automatic transmission systems and market within India or the world over. These agreements, when signed, will validate the Company's engineering cum economic modelling; the majors trust that their proprietary knowledge, when complemented with Divgi-TTS's specialised engineering capabilities of frugality, agility, longevity and institutionalised memory, will create a superior value proposition for automatic transmission systems the world over.

The next orbit

At Divgi-TTS, we ride several positives.

India's defence Budget is growing each year; the need for mobility in defence preparedness is generating a larger demand cum outlay for defence sector vehicles. The Make in India direction is widening the country's industrial pool; there is a shift from imported to indigenous drivetrain solutions.

Besides, the Indian automotive market grew 12% during the last financial year; there is a preference for large automobiles; India produces world-class automobiles at globally competitive prices.

At Divgi-TTS, we remain prepared for an evolving world. The absence of long-term debt on our books has helped protect our attractive credit rating; we commissioned our third plant (India's largest dedicated to EV transmission systems) last year.

Tariffs are being raised, protectionism is increasing, global trade flows are being affected. This transforming environment warrants a different approach to doing business than the one we have seen in the last decade.

At Divgi-TTS, we are future-ready. The time has come for the Company to create a manufacturing presence in USA, and strengthen our global presence by providing a beachhead to address the world's largest automotive free market. We also see this as a seminal moment for our company and sector: an Indian automotive company extending its proprietary advanced technology to the US market.

During the current year, we will continue to navigate variables within our control and leverage our credentials towards an increased order book across customers, product segments and geographies (as outlined in our excellence mission). We are optimistic that our performance should rebound starting the current financial year; the more we increase our capacity utilisation, the higher will be our capital efficiency, the stronger our profitable growth and the higher the increase in stakeholder value.

The worst appears to be over; our best lies ahead.

Jitendra Divgi
Managing Director



Chief Financial Officer's
performance overview



**Sudhir Shridhar
Mirjankar**

Chief Financial Officer

A financial perspective into our business

**How we addressed challenging
business realities in FY 2024-25**

Overview

The automotive transmission sector is emerging as an exciting opportunity in India and the world over due to a convergence of technological shifts, changing mobility patterns, and economic growth drivers.

This sector is drawing attention from manufacturers, investors, and policymakers for various reasons.

One, rising vehicle production and sales. India is now the world's third-largest automobile market. Increasing demand for passenger vehicles, SUVs, and two-wheelers is fueling the need for advanced transmission systems.

Two, a shift towards automatic transmissions. Traditionally a manual transmission-dominated market, India is seeing rapid growth in Automated Manual Transmissions, Continuously Variable Transmissions and Dual Clutch Transmissions. Urban congestion and changing consumer preferences are pushing for more comfort and drivability, boosting demand.

Three, electrification and hybrid vehicles. EVs and hybrids use different power transmission architectures (e.g., single-speed gearboxes, eCVTs). India's EV push (under FAME-II and State EV policies) is creating a demand for new transmission innovations tailored to electric power trains.

Four, Make in India + global supply chain role. India is becoming a hub for transmission component manufacturing due to cost-effective skilled labour, growing supplier ecosystem and export potential to global OEMs.

Tier-1 and Tier-2 suppliers are investing in precision gearing, electronics integration, and lightweight materials.

Five, the Indian government's push for localisation. Production Linked Incentive schemes cover critical auto components, including transmission systems, encouraging domestic innovation and exports.

The sector is globally exciting for the following reasons:



Power train diversification: The global automotive landscape is rapidly diversifying across internal combustion engines, hybrids, plug-in hybrids and battery electric vehicles. Each requires different transmission strategies, putting a premium on innovation and modularity in transmission design.

Software-driven gearboxes: Modern transmissions are increasingly electronically controlled and integrated with vehicle software systems for efficiency optimisation, predictive shifting and connected vehicle features. This opens the market to mechatronics, AI-driven shift algorithms, and cloud-integrated diagnostics.

Light weighting and efficiency focus: Automakers worldwide are chasing fuel economy and emission reduction targets. Lightweight, multi-speed, high-efficiency transmissions help meet these regulations, especially in hybrid architectures.

Growing demand for Continuously Variable Transmissions, Dual-Clutch Transmission and Automated Testing Station: Markets like the U.S., China, and Europe are embracing automatic, dual-clutch gearboxes at scale. Transmission manufacturers are investing in modular platforms adaptable across vehicle segments.

Innovation opportunities: These comprise EV-specific gear systems (including two-speed transmissions for high-performance EVs), intelligent drive trains with adaptive torque control, integrated e-axes and motor-transmission units and high-

precision manufacturing using 3D printing and AI-based quality assurance.

Performance review

During a year marked by client deceleration and broader headwinds, Divgi-TTS protected its financial fundamentals. The Company continued to operate with virtually no debt, retained its technology standing, nurtured relationships with key stakeholders, and reinforced its groundwork for long-term growth. Divgi-TTS reinforced its commitment to financial discipline by focusing on priorities: technology investments, preserving cash, funding capex through earnings and reserves, lean costs, and generating a sizable revenue share from high-end product offerings.

Record revenues

In FY 2024-25, Divgi-TTS reported a decline in revenues by 12% to ₹240 crore from ₹273 crore, EBITDA declined 19%, and profit after tax declined 39%. This decline was on account of prominent customers selecting to defer their vehicle sales plans (in which Divgi-TTS had been committed to provide transmission systems).

However, there was a performance rebound during the last quarter of the year under review. Revenues increased 12% when compared with the preceding quarter. The Company's EBITDA margin rebounded from ₹13.5 crore to ₹14.7 crore, and profit after tax increased from ₹5.2 crore to ₹5.5 crore. This rebound was on account of a superior offtake of transfer cases and exports.

The Company’s capital efficiency has been driven by economies of scale, premiumisation, and attractive revenues per unit of capital employed. The Company consistently reinvested earnings to strengthen its competitive advantage.

Year	FY 23	FY 24	FY 25
Revenues (₹ crore)	278.67	272.98	240.13

Export revenues

In FY 2023-24, export revenues contributed 1.35% to the Company’s total revenues, which increased to 6.08% in FY 2024-25. Export revenues increased from ₹3.42 crore in FY 2023-24 to ₹13.33 crore in FY 2024-25. Historically, the Company has exported to the US, Russia, China, Korea, Portugal, and Mexico. Based on the existing order book, exports are projected to recover in the current financial year. The Company finished the year under review with an attractive export order book, which helped the Company generate 6.09% of its revenues from exports during the current financial year. The export earnings provide the Company with a natural hedge for imports.

Year	FY 23	FY 24	FY 25
Exports as a % of overall revenues	5.06	1.35	6.08

Domestic revenues

The share of domestic revenues in the Company’s overall revenue mix decreased from 98.75% in FY 2023-24 to 93.92% in FY 2024-25. Domestic revenues declined from ₹242.24 crore in FY 2022-23 to ₹238.58 crore in FY 2023-24, and ₹205.75 crore in FY 2024-25. A strong demand for transfer cases and EV transmission systems supported the offtake of value-added transmission products.

Capital efficiency

The Company’s capital efficiency has been driven by economies of scale, premiumisation, and attractive revenues per unit of capital employed. The Company consistently reinvested earnings to strengthen its competitive advantage. During the year under review, the Company recorded a Return on Capital Employed (ROCE) of 5.58%, EBITDA margin of 24.4% and a net profit margin of 10.16%. These numbers were achieved at a low-capacity utilisation during the last financial

year (60% for transfer cases and 25% for electric vehicle transmission systems). As capacity utilisation increases for these products during the current financial year, there could be a corresponding increase in capital efficiency.

Year	FY 23	FY 24	FY 25
EBITDA margin %	29.46	26.59	24.39
EBITDA (₹ crore)	82.10	72.58	58.57
Profit after tax (₹ crore)	51.16	39.74	24.39

Liquidity

At Divgi-TTS, financial liquidity empowers the Company to reinvest in capital expenditure, negotiate favourable terms with vendors, and attract credible stakeholders. The Company prioritises moderate-to-high revenue growth, supported by robust liquidity, rather than pursuing higher revenues at the expense of financial strain.

Liquidity is assessed using key indicators such as net cash (cash minus debt), interest coverage ratio (EBITDA divided by interest expense), and the debt-equity ratio. As of March 31, 2025, the Company’s net worth stood at ₹596.77 crore, with a total debt at ₹1.08 crore. This low reliance on debt, coupled with strong net worth position, offer a cushion in a volatile business environment. The Company’s debt-to-equity ratio remained attractively low at zero, while net worth increased by ₹16.43 crore during the year.

The Company nursed cash of ₹284.83 crore at the close of the financial year under review, a war chest for prospective acquisitions or capital expenditure.

Working capital hygiene

The Company focused on effective working capital management through a controlled receivables cycle. This was achieved through stable trade terms with customers, emphasis on high-demand product variants, promotion of value-added offerings, and an efficient collection of sales proceeds.

The Company strengthened its cash reserves from ₹264.31 crore as of March 31, 2024, to ₹284.83 crore as of March 31, 2025. Net worth saw consistent growth, rising from ₹551.28 crore in FY 2022-23 to ₹580.34 crore in FY 2023-24, and further to ₹596.77 crore in FY 2024-25.

The working capital cycle lengthened by 9 days, rising from 87 to 96 days in FY 2024-25, mainly due to a higher export inventory. Inventory turnover declined from 7.5 to 5.88, reflecting reduced customer offtake.

Working capital intensity

Year	FY 23	FY 24	FY 25
Working capital as % of total capital employed	62	56	57
Working capital in terms of days of turnover equivalent	69	87	96

Resources

The Company strengthened its cash reserves from ₹264.31 crore as of March 31, 2024, to ₹284.83 crore as of March 31, 2025. Net worth saw consistent growth, rising from ₹551.28 crore in FY 2022-23 to ₹580.34 crore in FY 2023-24, and further to ₹596.77 crore in FY 2024-25. The Company maintained an almost debt-free position, with only a negligible vehicle loan. As a result, the debt-equity ratio stood at zero at the end of the year under review, reflecting a substantial headroom for debt mobilisation if required. The Company nursed strong relationships with banks and private equity firms, ensuring an access to diverse funding channels whenever needed.

Capital allocation

Divgi-TTS made strategic capital investments to support the manufacturing of new product variants. As of March 31, 2025, the Company had invested ₹83.10 crore in its Shirwal Plant, representing 21.21% of its gross block. This investment, with a focus on transmission systems, is expected to drive profitable growth. By enhancing value-addition and economies of scale, the Company aims to report a lower capital cost per unit compared to typical greenfield projects.

Forex balance

The Company incurred ₹45.38 crore in foreign currency imports while generating ₹10.78 crore in foreign exchange earnings during the year. Over the next few years, the Company is expected to become net foreign exchange-positive, positioning it favourably to benefit from any depreciation of the Indian currency. Approximately 98% of the Company's foreign exchange earnings were denominated in US dollars.

Outlook

The automotive transmission sector is at the intersection of technology transformation, mobility evolution, and industrial opportunity. For India, this is a springboard to emerge as a global manufacturing and R&D hub. For the world, this represents a hotbed of innovation in the race toward efficient, intelligent, and electric mobility.

India's automotive transmission market is expected to grow at a CAGR of 7–9% through 2030. The global transmission market was valued at over USD 150 billion in 2024 and is projected to reach USD 200+ billion by 2030, largely driven by EV innovation and hybridisation. The Company aims to accelerate revenue growth as institutional demand revives in the transfer case and electric vehicle business segments.

The Company expects to capitalise on this sectoral outlook through an attractive order book that is expected to generate double-digit percent revenue growth during the current financial year, accompanied by steady margins.

Sudhir Shridhar Mirjankar
Chief Financial Officer



PART FOUR

OUR VALUE ENHANCEMENT INITIATIVES



Leveraging our strengths for sustainable success

Brand differentiation

Divgi-TTS is uniquely positioned in India's automotive components space, offering system-level solutions like transfer cases, torque couplers, and DCTs, backed by in-house software development. It supplies electronically controlled driveline systems to OEMs like Tata Motors and Mahindra & Mahindra.

Market leadership

The Company is India's sole exporter of transfer cases offering chain-driven and electronic shift-on-the-fly models and a pioneer in EV transmissions, DCT systems, and RWD manual gearboxes.

Strategic partnerships

Divgi-TTS collaborates with global leaders, including a German automotive player for DCT development, and firms like BorgWarner, FEV, and Hofer for prototype validation and technology exchange. It also supplies EV transmissions to a major Indian EV manufacturer.

Customer-centric approach

With competitive pricing and system-level expertise, Divgi-TTS serves leading OEMs and Tier I suppliers as a component kit provider and solutions partner.

Product innovation

The Company introduced India's first locally manufactured EV transmissions and developed five EV driveline products. It also commissioned India's first high-speed dynamometer for MT, EV, and 4WD applications.

Strategic presence

Its plants are located close to key OEMs, ensuring fast response times, lower logistics costs, and reduced supply disruptions.



Future-ready R&D

Significant investments in R&D have built the foundation for advanced mobility solutions. R&D spend stood at ₹136.53 million in FY 2024–25.

Premium manufacturing

Divgi-TTS aligns its facilities with global automation trends, supporting variable volumes and diverse drivetrain solutions through adaptable, high-precision infrastructure.

Innovation-driven growth

By blending advanced engineering and manufacturing with lean operations, the Company has expanded into global markets like the US, China, Korea, and Russia.

Integrated operations

The Company's plants follow robust systems ensuring safety, quality, lean manufacturing, and on-time delivery supported by SAP ERP.

Trusted relationships

With long-standing ties to OEMs like Tata, M&M, and global players like BorgWarner, Divgi-TTS continues to grow its customer base through a strong reputation and portfolio.

Experienced leadership

An experienced Board and competent management team drive the Company's growth.

Financial strength

At the close of FY 2024–25, Divgi-TTS possessed ₹284.83 crore in cash with no debt.



Focused product strategy

- Address underserved and sustainable needs
- Offer an integrated product portfolio
- Prioritise environmentally responsible operations

Outcome: Stronger order pipeline and revenue visibility

Efficient procurement

- Build long-term supplier partnerships
- Source locally and cost-effectively
- Ensure consistent material quality

Outcome: Competitive input costs

Our sustainability framework



Robust financial management

- Maintain debt-free status
- Improve working capital efficiency
- Enhance margin-led reserve build-up

Outcome: Healthy cash reserves

Environmental responsibility

- Lower resource usage per unit
- Meet and exceed compliance norms
- Contribute to ecological balance

Outcome: Stronger ESG credentials and customer trust

Synergistic product basket

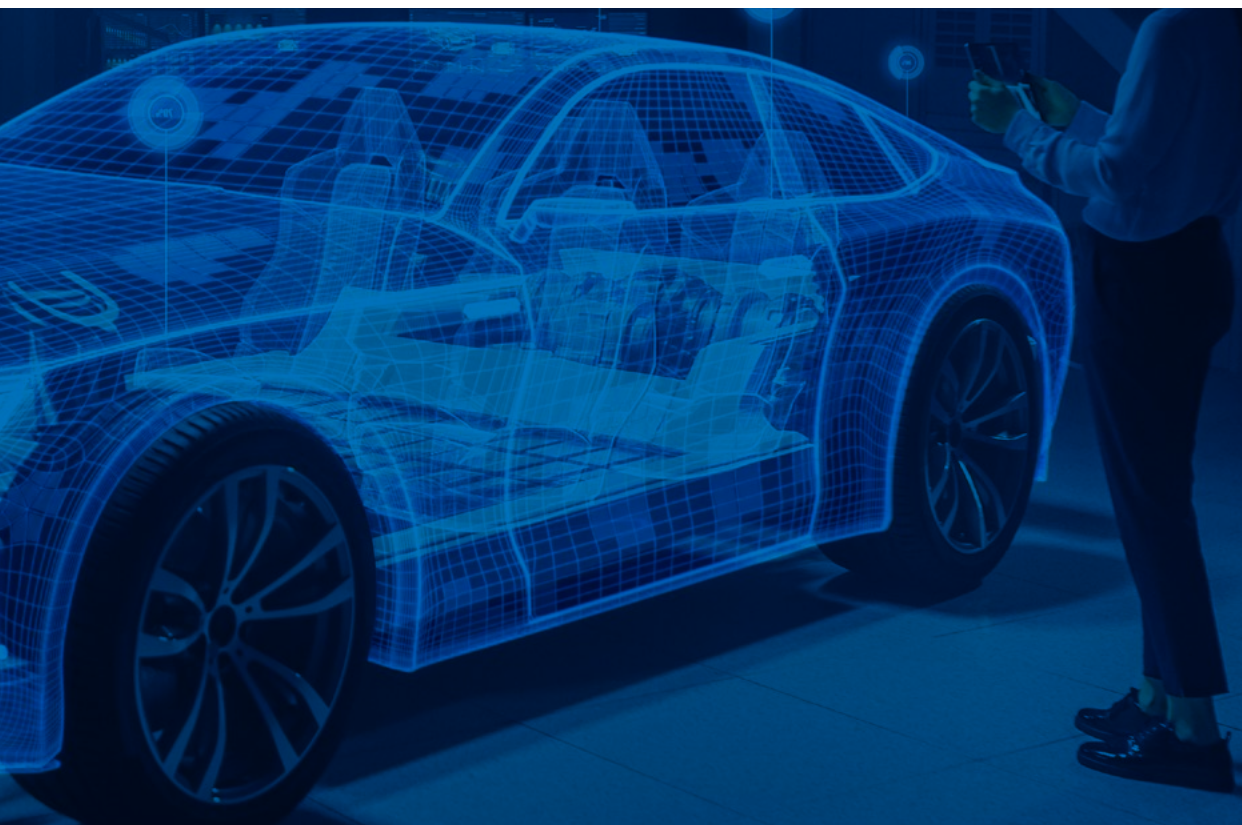
- Manufacture of three core product lines
- Enable product fungibility and operational flexibility

Outcome: Higher value creation

Manufacturing excellence

- Maximise plant productivity
- Invest in advanced technologies
- Consolidate output across fewer locations

Outcome: Leadership in solutions delivery



People development

- Boost productivity through skilling
- Cultivate expertise and commitment

Outcome: Higher individual and team performance

Community engagement

- Drive holistic community development
- Foster long-term social impact

Outcome: Shared prosperity beyond business boundaries



The Integrated Value-Creation Report

Divgi-TTS' positioning to drive sustainable long-term stakeholder value

Stakeholder value creation scorecard

Employee value		Customer value	
25.11	24.1	240.13	273.0
₹ crore, employee expenses, FY 2024-25	₹ crore, employee expenses, FY 2023-24	₹ crore, Revenues, FY 2024-25	₹ crore, Revenues, FY 2023-24
Community value		Exchequer value	
1.23	1.2	8.61	13.79
₹ crore, Spending, FY 2024-25	₹ crore, Spending, FY 2023-24	₹ crore, Tax payment, FY 2024-25	₹ crore, Tax payment, FY 2023-24

Overview

There is an increasing emphasis on evaluating companies through a comprehensive lens that comprises financial performance, management insights, governance practices, compensation policies, and sustainability efforts, moving beyond the traditional focus solely on profits.

This broader evaluation provides a deeper understanding of how the

Company creates value for all its stakeholders including employees, customers, suppliers, partners, communities, shareholders, creditors, and regulators rather than concentrating only on shareholder interests.

This holistic approach is reflected in the Company's Integrated Report, which communicates a wide-ranging perspective on its operations and impact.

Our sustainability foundation

Purpose and vision

- Develop cutting-edge products that shape the future
- Offer consumers a transformative driving experience
- Position the Company as a leading global supplier of automotive solutions

Comprehensive strategy

- Deliver fully integrated systems
- Meet national priorities such as biofuels and green energy initiatives
- Increase revenue share from advanced transmission technologies

Brand and customer focus

- Build the 'Divgi-TTS' brand around technological excellence
- Ensure consistent delivery of high-quality products on schedule
- Expand business with a commitment to responsible ESG principles

Technology-driven growth

- Attract and retain highly skilled professionals

- Internalise critical components and technical expertise
- Allocate significant resources to technological innovation

Global footprint expansion

- Strengthen international market presence
- Develop enduring customer partnerships based on long-term value
- Cultivate a diverse, multi-continental client base

Operational excellence

- Optimise capacity utilisation within business units
- Invest in state-of-the-art manufacturing infrastructure
- Establish integrated production hubs consolidating multiple product lines

Financial discipline

- Focus on maximising revenue per system delivered
- Improve working capital efficiency and reduce expenditures
- Maintain a debt-free balance sheet, funding growth through earnings

Environmental responsibility

- Lower resource use per production unit
- Manage water and energy consumption responsibly
- Adhere strictly to applicable environmental compliance standards

Enhancing talent productivity

- Foster a culture of continuous high performance
- Encourage empowerment, delegation, and innovation
- Invest in building expertise, knowledge, and enthusiasm

Community engagement

- Commit to responsible corporate citizenship
- Support integrated rural development initiatives
- Expand opportunities for shared prosperity
- Promote primary education, healthcare, and cultural heritage through dedicated programs

Creating value for our stakeholders

For shareholders

- Expand business sustainably using shareholder capital
- Reduce long-term debt while maintaining strong liquidity
- Improve all key profitability metrics

For customers

- Serve as a reliable and long-term partner
- Deliver quality products consistently

- Provide value through availability, accessibility, and affordability

For employees

- Offer stable, career-enhancing job opportunities
- Develop deep subject matter expertise and experience
- Maintain a meritocratic and empowering work environment

For communities

- Actively participate in community development

- Broaden the reach of shared prosperity
- Address critical unmet social needs

For government

- Contribute revenues to the public exchequer on time
- Support rural employment initiatives
- Operate with safety and sustainability as priorities



Overview

The Integrated Value-Creation Report evaluates measurable and intangible results by integrating various aspects of the Company, including financial performance, management perspectives, governance practices, remuneration details, and sustainability information. This comprehensive approach highlights how the Company generates increased value for all stakeholders, such as employees, customers, suppliers, partners, local communities, legislators, regulators, and policymakers.

How Divgi-TTS created value in FY 2024-25

Input Category	Description	Inputs	Outcomes / Outputs	Stakeholders impacted	Initiatives	SDG impacted
Financial Capital	Financial resources the Company holds or acquires through funding sources	Net Worth: ₹596.77 crore Capital employed (core business): ₹603.94 crore	Revenue from operations: ₹218.92 crore EBITDA: ₹58.57 crore PAT: ₹24.39 crore EPS: ₹7.98 Dividend rate Base on Face Value ₹5 Per Share Contribution to exchequer: ₹8.61 crore Return on Capital Employed: 5.58% Return on net worth: 4.14%	Shareholders Government	Prudent capital allocation State-of-the-art R&D Value engineering across the supply chain Process automation Robust governance framework	
Manufacturing Capital	Tangible assets utilised by the Company to operate its business	Number of manufacturing facilities (owned / leased / OEMs): 4 Gross block of assets: ₹391.78 crore Capex: ₹26.5 crore		Employees Suppliers	Focus on maximising productivity Leveraged technology and digitisation for operational excellence Partnership for excellence Sustainable product development, sourcing, manufacturing, and distribution Thrust on total cost management (TCM) Focus on culture building	
Intellectual Capital	Intangible, knowledge-based assets	Total registered IPRs: 6 R&D expenditure: ₹13.65 crore	IPR registered in FY 2024-25: 0 IPR applied for in FY 2024-25: 0	Consumers	Introduced new age R&D infrastructure Applied innovations along with environment-friendly and sustainable products New products were put into development (energy efficiency, consumer centric design) Focused on consumer-centric innovation	

Input Category	Description	Inputs	Outcomes / Outputs	Stakeholders impacted	Initiatives	SDG impacted
Human Capital	Employee knowledge, skills, experience, and motivation	Employees on roll: 261 Employees on contract: 383 Training hours: 6,149.6 Training programs in FY 2024-25: 279 % of employees trained in skill upgradation: 83% Investment in training (person-hours): 5.10	Employees onboarded during FY 2024-25: 46 % of employees associated for 5+ years: 123 Average employee training (person hours): 5.10 Employee retention: 93.86%	Employees	Diversified workforce Built an inclusive work environment Increased engagement through a spirit of collaboration and camaraderie Focus on capacity building Dedicated to talent management Encouraged training and development Focus on workplace safety Undertook women's empowerment initiatives	    
Social and Relationship Capital	Ability to share, relate and collaborate with stakeholders, promoting community development and well-being	CSR expenditure: ₹1.23 crore	Number of lives impacted: 1,000+	Value chain partners Community	Gained customer insights (improving response time, effective communication of product information) Value chain partners (sustainable supply chain, vendor training) Emphasis on community development (transforming lives through empowerment) Robust review mechanism Product and service excellence CSR initiatives focused on healthcare, education, hunger, poverty and malnutrition, social equity, disaster management relief and rehabilitation, traditional art	           
Natural Capital	Natural resources impacted by Company's initiatives	Energy consumption: 20,459.61 GJ units Water consumption: 16,296.25 (KL) Trees planted: 210	% of electricity consumed from renewable energy: 0 Emissions avoided due to renewable energy (tonnes): 0 CO ₂ emission intensity reduction (%): 0 Water recycled (% of million Litre): 0	Communities Employees	Energy and emissions management (sustainable product development, sustainable sourcing, sustainable manufacturing, sustainable distribution, extended producers' responsibilities, resource conservation, etc.)	      



How Divgi-TTS engages with its stakeholder family

Stakeholder	Why this stakeholder is important	How we engage with them	Frequency	
Investors / Shareholders	Provide feedback on the Company's strategies, financial and non-financial performance Helps influence the market valuation	- Quarterly earnings / analysts calls - Quarterly earnings presentation - Corporate presentation - Investors conferences, Analysts' days, Investors' days, one-on-one and/or group meetings with investors and/or analysts - AGMs and EGMs - Annual reports - Company's website - Emails - Disclosure to stock exchanges - Investor grievance redressal mechanism	Ongoing and need-based	
Consumer	Regular communication with customers to: (i) Understand their evolving needs and desires, and (ii) Provide quality and energy-efficient sustainable products.	- Customer satisfaction engagements and feedback sessions - Social media engagements	Ongoing and need-based	
Employees	Invested partners in the Company's success, who contribute to the Company's value creation	- Meetings / Town Hall briefings - Team building workshops, capacity building and training - Annual appraisal - Rewards and recognition - In-house newsletter - Employee satisfaction surveys	Ongoing	
Value chain partners (upstream and downstream)	Plays a role in various stages of the process that brings a product / service to the end consumer	- One-on-one and Group meetings - Periodical operational reviews - Value chain partners survey / feedback - Training programs - Contract negotiation - Value chain partners' Code of Conducts Policies and Standards - Conflict resolution mechanism - Performance feedback mechanism - Recognition and appreciation	Ongoing	
Community	The community's well-being and perception of the Company significantly impact the Company's success	- CSR initiatives - Community interactions with NGOs - Volunteering - Complaints and grievance mechanism	Ongoing and need-based	
Government and regulatory bodies	One of the important stakeholders playing a critical role in shaping the business environment	- Periodic compliance report - Periodic statutory audit - Participating in industry association	Periodic	

Their material issues	Key risks	Capital linkages	Value created	SDG impacted
- Growth-driven strategies - Prudent capital allocation - Long-term value creation - Consistent shareholders' payout - Robust governance practices - Transparent and ethical business practices - Succession planning	- Operating risks - Financial risks - Strategic risks - Compliance risks	- Financial capital - Social and relationship capital	- Dividend Rate base on Face Value ₹5 Per Share - Return on Capital Employed: 5.58% - Return on Equity (ROE): 4.14%	 
- Product stewardship - Consumer centricity - Data privacy and cyber security - Effective and efficient grievance redressal mechanism - Statutory compliance	- Operating risks - Strategic risks - Financial risks - Compliance risks	- Social and relationship capital - Intellectual capital	New Product launches – Exports – 3, Domestic – 4	
- Diversity, equity, and inclusion (DE&I) - Career progression - Ethical business practices - Occupational Health & Safety - Training and Development - Open Communication and Recognition - Work-life balance	- Operating risks - Strategic risks - Financial risks - Compliance risks	Human capital	- Improved employee engagement and retention - Enhanced employee productivity and performance - Attracting and retaining top talent - Enhancing the Company's reputation as a good employer	    
- Durable business with long-term prospects - Effective and efficient information dissemination, technical knowledge exchange and other collaborations - Responsible and ethical business practices - Fair and transparent contractual terms and conditions - Enforcement of contractual terms and conditions	- Operational risks - Strategic risks - Financial risks - Compliance risks	- Social and Relationship Capital - Manufacturing Capital	Enhancing the Company's reputation as a responsible and sustainable business partner for value chain partners	   
- Socio-economic development - Responsible and sustainable operations	- Operational risks - Strategic risks - Financial risks - Compliance risks	- Social and relationship capital - Human capital - Natural capital	Number of lives impacted: 1,000+	     
- Proactive compliance - Sustainability practices - Contribution in national development, employment generation and environment protection	- Operational risks - Strategic risks - Financial risks - Compliance risks	- Financial capital - Social and relationship capital - Natural capital	- Contribution to exchequer - CSR Expenditure	    



The resources sustaining value-creation

Environmental foundation:

Our operations rely on natural inputs water, raw materials, fossil fuels and are shaped by how responsibly we use them. We remain conscious of the environmental impact of our production and work within defined ecological limits to preserve resources.

Stakeholder trust: We are embedded in a network of vital relationships with communities, customers, regulators, and supply partners. These connections enable smooth operations,

regulatory compliance, and long-term business continuity.

Organisational intelligence:

Our edge lies in proprietary know-how, patents, and internal systems. These intellectual assets provide structure, efficiency, and competitive advantage, while ensuring that we maintain high standards of environmental and social responsibility.

People power: Our success stems from a skilled and motivated workforce. The ability to retain and nurture talent, foster a high-performance culture, and ensure

long-term engagement helps us deliver consistent value.

Capital pool: Our financial capacity is a combination of internal accruals and external financing. This pool of resources enables us to fund innovation, scale operations, and build resilience.

Operational infrastructure: Our physical assets factories, equipment, and systems form the backbone of our productivity. These resources help us deliver quality at scale and respond flexibly to market demands.

Drivers of our value

Our employees collectively embody the knowledge necessary for business growth across various functions such as materials procurement, manufacturing, quality control, finance, and more. We foster an engaging work environment, provide stable employment opportunities, and strive to boost productivity.

Our shareholders contributed capital when we started our business. Our primary goal is to generate free cash flow, improve Return on Capital Employed (RoCE), and thereby enhance the value of their investments.

Our vendors consistently supply credible and uninterrupted resources such as steel, sub-components, equipment, and services. We prioritise quality materials procurement, rewarding promptness and incentivising further collaboration.

Our customers sustain our operations by consistently purchasing our products, providing the financial resources needed to maintain our business. We prioritise expanding our customer base and retaining existing customers, thereby strengthening relationships.

Our communities contribute valuable social capital, including education, culture, and security. We actively engage with and support our communities to foster growth and development.

Our governments provide a stable structural framework ensuring law, order, and policies. We prioritise acting as responsible citizens within this framework.

Our value creation strategy

 Strategic focus	 Innovate and excel	 Cost leadership	 Supplier of choice	 Robust people practice	 Responsible corporate citizen	 Value-creation
Critical facilitators	Fostering a culture of operational excellence, evident in increased plant availability and improved crushing recoveries. This enables the Company to achieve greater throughput using existing capacities.	Divgi-TTS prioritises operational excellence and cost leadership. The Company stands as one of the lowest-cost producers due to economies of scale, resource proximity, and a conservatively leveraged balance sheet. The Company's capital cost per tonne of installed capacity is among the lowest in its automotive segment	Divgi-TTS strengthened customer engagements by ensuring adequate capacity, timely product delivery, and high product quality	Divgi-TTS employs a workforce of 684 individuals (both full-time and contractual) across its facilities. The Company's approach to people engagement is characterised by a culture of urgency, delegation, empowerment, responsibility, and accountability. The Company's invigorating workplace is marked by training, engagement, fair appraisal and attractive reward	Divgi-TTS is a socially responsible corporate entity. The Company is involved in community development initiatives in the vicinity of its manufacturing facilities. The Company spent ₹1.23 lakh across CSR activities in 2024-25	Divgi-TTS enriches the value proposition for each of its stakeholders. It produces goods that elevate both lifestyle and well-being. The Company designs and manufactures products that elevate mobility value, riding comfort, and fuel efficiency.
Material issues addressed	Advanced technology resulting in improved production efficiency and quality.	Establishing the foundation for long-term viability through competitiveness in any market cycle.	Enhancing revenue predictability through product importance, long-standing customer partnerships, PPAs, and alignment with national policies.	Creating a professional culture with authority, responsibility and accountability, with excellence	Community engagement; widening the prosperity circle	Stakeholders seek heightened value creation.
Capitals affected	Produced, Intellectual, Financial	Financial, Intellectual, Natural, Social and Relationship	Intellectual, Manufactured, Social and Relationship	Intellectual, Human	Social and Relationship, Natural	Intellectual, Manufactured, Social and Relationship



ESG commitment

Divgi-TTS: Responsible citizenship through a deeper ESG commitment



Our ESG policy

Divgi-TTS is committed to sustainable and responsible growth through strong Environmental, Social, and Governance (ESG) practices. The Company prioritises environmental stewardship by promoting water conservation, energy efficiency, and effective waste management. It upholds social responsibility by fostering employee well-being, community engagement, and workplace safety. Strong governance, transparency, and ethical conduct guide business decisions, reinforcing Divgi-TTS's dedication to long-term value creation.



Divgi's Environment commitment

The 'E' in ESG represents our commitment to environmental care through sustainable practices embedded in our operations. As a fast-growing small-cap company, now over nine years

into our independent journey, we are committed to responsible global citizenship. Aligned with the UN Sustainable Development Goals, our ESG-driven approach spans human rights, fair labour,

environmental care, and anti-corruption. Through these principles, we aim to create lasting stakeholder value while positively impacting society and the planet.

Environmental sustainability initiatives, FY 2024–25

- Implemented energy-efficient technologies to reduce energy consumption across plants.
- Installed high-speed Makino machining centers and advanced auto-loader machines for enhanced productivity.
- Adopted eco-friendly materials and processes, including synthetic coolants and dry-cutting scudding machines.
- Reused plastic boxes for dispatching transfer cases and EV gearboxes to minimise waste.
- Introduced sustainable packaging solutions using recyclable and biodegradable materials.

Health management

Divgi-TTS promotes employee well-being through regular health checks, yoga sessions, and inter-unit sports activities. The Company holds ISO 14001 and ISO 45001 certifications from DQS GmbH, underscoring its commitment to environmental, health, and safety standards. The Company remains committed to comprehensive EHS compliance, audits, waste disposal, maintenance, training, and safety events. Ongoing equipment modernisation has enhanced workplace safety and productivity.

Achievements, FY 2024-25

Zero safety incidences: The Company maintained a record of zero safety incidences, reflecting its commitment to a safe working environment.

CII National Quality Award: The Company won the Confederation of Indian Industry's National Quality Award for Excellence in Total Quality Management, which includes stringent health and safety standards.

Advanced safety protocols: The Company implemented advanced safety protocols and continuous improvement practices that enhanced workplace safety.

Employee training and engagement: Regular safety training and engagement programmes fostered a culture of safety among employees.

Investment in safety infrastructure: The Company invested in modern safety equipment and infrastructure.

Water management initiatives

Overview

Water, as a vital part of Natural Capital, underpins economic activities. With industries dependent on it, responsible water management is essential.

At Divgi-TTS, where parts are used in specialised automotive EV applications, maintaining the highest standards of cleanliness is essential. To eliminate or control contamination within acceptable limits, the organisation employs washing processes for aluminium and steel parts, as well as for

material handling trays and bins. Advanced filtration systems are utilised to recycle water effectively, ensuring optimal use while minimising waste.

Initiatives, 2024-25

- The Company implemented systems to recycle and reuse water within their manufacturing processes, significantly reducing the need for fresh water.
- The Company installed rainwater harvesting at the Shirwal plant to reduce its reliance on

external water sources (to be implemented at the Sirsi plant in FY 2025-26).

- The Company invested in advanced water management to control water use, minimising waste.
- The Company invested in advanced technologies (coolant filtration systems and reuse) to improve water monitoring and management, ensuring more efficient use and minimal wastage.



Outlook

Looking ahead, the Company will prioritise employee engagement and training to promote water conservation practices and raise

awareness about the importance of sustainable water use. Additionally, the Company aims to strengthen collaborations with

suppliers, customers, and other stakeholders to implement best practices in water conservation throughout the supply chain.

Annual water consumption (KL)

Year	FY 23	FY 24	FY 25
Water consumed	25,63,771	77,50,335	16, 296

Water consumed per unit of the end product (litres)

Year	FY 23	FY 24	FY 25
Water consumed per unit produced	0.0017	0.00117	0.0064

Water storage capacity (liters)

Year	FY 23	FY 24	FY 25
Water storage capacity (liters)	92,000	92,000	92,000

Investments in water conservation infrastructure (in ₹)

Year	FY 23	FY 24	FY 25
Water conservation infrastructure investment (₹)	25,00,000	77,50,335	0



Divgi's Social commitment

The 'S' in ESG highlights building strong relationships with employees, customers, suppliers, and communities through industrial relations, diversity, and inclusion. Divgi-TTS emphasises

employee well-being and safety, preparing for emergencies with regular safety meetings and audits. Ergonomics and safety are integrated into workstation design, supported by clear SOPs.

Employee-driven improvements, TPM machine safety tests, and regular fire drills further strengthen workplace safety.

Health management

Divgi-TTS promotes employee well-being through regular health checks, yoga sessions, and inter-unit sports activities. The Company holds ISO 14001 and ISO 45001

certifications from DQS GmbH, underscoring its commitment to environmental, health, and safety standards. The Company remains committed to comprehensive EHS

compliance, audits, waste disposal, maintenance, training, and safety events. Ongoing equipment modernisation has enhanced workplace safety and productivity.

Employee health and wellbeing initiatives, FY 2024-25

Structured safety management system: Implemented a robust safety framework aligned with ISO 45001:2018, including a formal EHS policy, risk assessments, Permit-to-Work procedures, and safety audits (internal and third-party).

Critical risk identification and mitigation: Identified safety-critical areas such as manufacturing, material handling, maintenance, and testing labs. Addressed risks like equipment malfunction, fire hazards, and ergonomic strain through lean manufacturing practices,

ergonomic workstations, and hazard-specific controls.

Employee training and awareness: Conducted regular safety training under initiatives like Project Saraswati, including operator licensing, fire drills, first aid, and emergency response drills.

Awareness was reinforced through campaigns, safety signage, and active participation in National Safety Week.

Health and wellness programs: Offered annual health check-ups, air quality controls (ventilation), PPE enforcement, and preventive care through hospital tie-ups. Promoted wellness through yoga sessions and physical activities integrated into employee engagement.

Safety governance and team structure: Maintained a

focused EHS team with defined roles, integrated safety into the Company's strategic priorities, and conducted periodic GEMBA walks by senior leadership. Safety metrics and outcomes were reported to internal stakeholders and reflected in ESG updates.

Infrastructure and equipment investment: Invested in safety equipment (PPE, fire extinguishers, alarms), ergonomic workstations, and safe material handling systems across facilities to enhance operational safety and reduce workplace hazards.

Performance monitoring and continuous improvement: Monitored safety performance through participation rates, near-miss reporting, injury trends, and audit results. Over five years, the Company recorded reduced incident rates and increased employee engagement in safety initiatives.

Accident tracking: The Company tracked workplace incidents and near-misses, maintaining accident-free man-hours as a key safety KPI.

Achievements, FY 2024-25

Zero safety incidences: The Company maintained a record of zero safety incidences, reflecting its commitment to a safe working environment.

CII National Quality Award: The Company won the Confederation of Indian Industry's National Quality Award for Excellence in Total Quality Management, which

includes stringent health and safety standards.

Advanced safety protocols: The Company implemented advanced safety protocols and continuous improvement practices that enhanced workplace safety.

Employee training and engagement: Regular safety

training and engagement programs have been instrumental in fostering a culture of safety among employees.

Investment in safety infrastructure: The Company invested in modern safety equipment and infrastructure.

Our safety certifications

ISO 45001:2018 – Occupational Health and Safety Management System (OHSMS):The world's leading standard for occupational health and safety, ISO 45001:2018 is designed to prevent work-related injuries and illnesses. It offers a structured approach to improving employee and visitor safety across all levels of the organisation.

ISO 14001:2015 – Environmental Management System (EMS):This globally recognised standard provides a framework for establishing an effective

Environmental Management System. It enables organisations to manage their environmental responsibilities systematically and sustainably, without prescribing specific performance criteria.

IATF 16949:2016 – Quality Management for Automotive Manufacturing: IATF 16949:2016 is a global quality standard for the automotive industry, covering design, development, production, and service of automotive products. It focuses on continuous improvement, defect prevention,

waste reduction, and meeting customer-specific requirements.

To foster a proactive safety culture, Divgi-TTS integrated behaviour-based mentoring into KYT and KYM sessions. Safety performance was tracked via the business scorecard, with every injury investigated by cross-functional teams to ensure corrective action. Layered Process Audits helped detect lapses, while all new employees underwent structured safety orientation with 15 Toyota-supported training modules, embedding safety from day one.

Plant	Certificate Validity		
	IATF 16949:2016	ISO 14001:2015	ISO 45001:2018
Bhosari	04.10.2027	02.10.2027	15.09.2025
Shivare	13.10.2027	02.10.2027	12.12.2027
Sirsi	23.10.2027	02.10.2027	15.09.2025
Shirwal	25.10.2027	Planned in FY 2025-26	Planned in FY 2025-26



Measurement of accidents and accident-free hours over the last five years

Year	Safety measures	Bhosari	Sirsi	Shivare	Shirwal	Enterprise level
2019-2020	Incident	0	3	0	NA	4
	Fatality	1	0	0	NA	0
2020-2021	Incident	1	2	0	NA	3
	Fatality	0	0	0	NA	0
2021-2022	Incident	1	1	0	NA	2
	Fatality	0	0	0	NA	0
2022-2023	Incident	2	0	0	NA	2
	Fatality	0	0	0	NA	0
2023- 2024	Incident	0	3	0	1	4
	Fatality	0	0		NA	0
2024-25	Incident	0	2	0	0	2
	Fatality	0	0	0	0	0

Case study 1 Project Saraswati

Reality: With rapid shop floor expansion and new operators joining across facilities, inconsistent safety awareness and operator errors were emerging as risks.

Challenge: Operators lacked standardised training and

licensing, increasing the potential for accidents and non-compliance.

Activity: Divgi-TTS launched Project Saraswati, a structured operator evaluation and licensing program focused on safety procedures, equipment handling, and compliance.

Outcome: The initiative significantly improved safety awareness, reduced operator-induced errors, and enhanced shop floor discipline.

Case study 2 Lean manufacturing integration

Reality: Legacy layouts and production setups led to cluttered workspaces, inefficient movement, and accident-prone zones.

Challenge: These inefficiencies posed ergonomic and safety

risks, impacting productivity and workplace safety standards.

Activity: Divgi-TTS implemented lean manufacturing principles, reorganising workflows, reducing

waste, and improving workstation ergonomics.

Outcome: The integration led to a cleaner, safer work environment, reduced physical strain on workers, and minimised hazard zones.

Case study 3 BorgWarner Production System (BWPS) implementation

Reality: As part of its strategic partnership with BorgWarner, Divgi-TTS needed to adopt global best practices in safety and operations.

Challenge: Embedding a culture of safety and continuous

improvement across legacy and new teams required systemic change.

Activity: Divgi-TTS implemented the BorgWarner Production System (BWPS), making safety

a foundational pillar of its operational framework.

Outcome: The initiative enhanced safety culture across all functions and resulted in measurable reductions in incident rates.

Case study 4

Supplier capability maturity model

Reality: Variability in safety practices among suppliers posed risks to Divgi-TTS's integrated operations and ISO 45001 compliance. Challenge: Ensuring end-to-end safety compliance across the supply chain was critical but	difficult due to diverse supplier maturity levels. Activity: The Company developed a supplier capability maturity model to assess and elevate supplier safety practices through audits, support, and alignment.	Outcome: The initiative improved supplier adherence to safety norms, strengthened overall ecosystem reliability, and ensured consistent standards across the value chain.
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Divgi's Governance commitment

Governance, the 'G' in ESG, reflects the framework of policies, controls, and decision-making structures	our company has put in place to manage its operations responsibly, ensure legal compliance, and	respond effectively to stakeholder expectations.
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Our governance platform

Transparency and accountability We prioritise clear, timely, and accurate disclosures to foster trust with our stakeholders. Robust internal controls and well-defined accountability structures ensure that decisions are made responsibly and with integrity.	Stakeholder inclusivity Our governance practices are shaped by the needs and expectations of our stakeholders—including shareholders, employees, customers, regulators, and the community. We strive to integrate stakeholder perspectives into our strategic decision-making.	Sustainability and ESG integration Embedding environmental, social, and governance (ESG) principles within our governance structure reflects our dedication to responsible business practices and sustainable growth. ESG priorities are monitored at the Board level and integrated into strategic planning.
Compliance and risk management Adherence to legal and regulatory requirements forms the foundation of our governance model. A proactive approach to risk management enables us to identify, assess, and mitigate potential risks across operational, financial, and reputational dimensions.	Board effectiveness and independence We focus on maintaining a well-composed and independent Board with diverse expertise to provide effective oversight. Continuous evaluation and capacity-building initiatives ensure the Board remains agile and forward-looking.	Ethical leadership and culture Our governance architecture is underpinned by a strong ethical foundation. We promote a culture of integrity, inclusivity, and respect across all levels of the organisation through codes of conduct, whistleblower mechanisms, and leadership by example.







Business excellence

Strengthening our manufacturing and R&D

Overview

At Divgi TorqTransfer Systems, R&D and Manufacturing Engineering are key to our leadership in advanced transmission systems. While R&D drives innovation and scalability, manufacturing ensures precision and quality through cutting-edge infrastructure. Together, they power our product leadership, global competitiveness, and alignment with the evolving demands of electrification, sustainability, and performance.

Highlights, FY 24-25

- Incurred ₹136.53 million in R&D expenditure, covering investment, prototyping, manpower, engineering, testing, and services.
- Executed key R&D projects: TOD Transfer Case, Centre Diff Locking, LH drop DOTC, TOD TC software, DHT and Sigma EV Design.
- Signed MoU with BITS for collaborative R&D and knowledge exchange.
- Established NVH labs, e-axle benches, and endurance test rigs.
- Published technical papers on NVH optimisation in EV transmissions.
- Introduced gear shaving, hobbing, and micro geometry innovations.
- Installed spline rack rolling (3-section), vertical turning, and CBN grinding technologies.
- Adopted shot peening to enhance gear fatigue strength.

Business excellence

Unleashing the power of sales and marketing

Overview

Sales and marketing play a crucial role at Divgi-TTS, serving as a link between the Company and customers. It involves identifying customer needs and communicating the value of Divgi-TTS drivetrain and transmission solutions. Through focused campaigns, customer engagement, and strategic communication, marketing supports brand recognition, customer loyalty, highlights unique capabilities and plays a key role in expanding market reach. By reinforcing the brand's reputation and aligning with its core values, marketing catalyses Divgi-TTS long-term sustainability.

Product strengths

End-to-end drivetrain solutions:

Divgi-TTS provides part-time and full-time 4WD Systems, AWD with 1-Speed/2-Speed TOD, and planetary differentials for optimised vehicle performance. The Company also offers proprietary Nextrac® Coupler and Auto Locking Hubs for enhanced drivetrain functionality.

Transmission systems: A key strength of Divgi-TTS is its diverse range of transmission systems, including 5/6-speed manual, dual clutch AT, and electric/hybrid transmissions.

Synchronizers: Divgi-TTS offers single, dual, and triple cone synchronizers, ensuring enhanced performance and efficiency across various vehicle platforms.

Highlights, FY 2024-25

- Divgi-TTS secured Sigma LR EV Transmission and reclaimed exports from international giants.
- Divgi-TTS showcased its innovation and expanded its global exposure at key events like Auto Expo 2025 in Dwarka, and Defence Expo 2024 in Pune.
- Divgi-TTS collaborated with Hofer Powertrain on the development of Dedicated Hybrid Transmissions and signed a MOU with Japan based global Tier 1 for localisation of Automatic Transmission for India market.
- Divgi-TTS deployed a Quality Resident Engineer at Mahindra plants to provide enhanced service and ensure the highest quality standards.

Business excellence

Widening our global footprint

Overview

Divgi-TTS has the capability to manufacture world-class products for global markets. Its competitiveness is reflected in revenues from countries like the USA, Russia, Korea, and others, backed by high manufacturing standards. With in-house expertise across the value chain, Divgi-TTS responds swiftly to customer needs, offers customised solutions,

and grow our wallet share. In FY 2024–25, it expanded exports, diversified its international base, and commissioned a U.S. office to strengthen customer trust, positioning us for sustained global growth.

Highlights, FY 2024–25

- Exports increased from ₹3.42 crore in FY 2023–24 to ₹13.33 crore in FY 2024–25.

- Exports as a percentage of revenues increased from 1.35% in FY 2023–24 to 6.09% in FY 2024–25.

- The Company exported to five countries.

Business excellence

Strengthening our supply chain

Overview

Divgi-TTS operates a streamlined supply chain focused on quality, precision, and timely delivery. It sources critical components from a blend of local and global vendors. Lean inventory practices and close supplier coordination ensures operational efficiency. A dedicated team oversees procurement, vendor management, and compliance.

Highlights FY 2024–25

- Achieved a 1.5% cost reduction to sales through efficient sourcing and process improvements.
- Launched a dedicated supplier communication portal for enhanced coordination and real-time tracking.
- Commissioned two new regional distribution centers

in Charleston (USA) and Silao (Mexico)

- Maintained an on-time delivery rate of 100%, despite global market volatility.

Business excellence

Empowering human our capital at Divgi-TTS

Overview

Divgi-TTS's human resources function played a strategic role in building a resilient, agile, and future-ready workforce aligned to the rapidly evolving dynamics of the automotive industry. With a focused approach on talent acquisition, leadership development, and employee engagement, HR served as an enabler of business continuity and growth, particularly during the ramp-up at the Shirwal plant and the rollout of new product programs.

HR's involvement in operational and business planning, combined with a culture of performance and learning, helped position the organisation for sustainable success in a competitive market.

Highlights, FY 2024–25

- Hired 35+ new employees, including 2 senior-level positions (HOD and Sr. Manager).
- Enabled six internal career moves to support talent transfer and retention.
- Conducted 228 Learning & Development (L&D) sessions, totalling 4,703 person-hours.

- Key programs included Product Leadership Competency Model, English proficiency program, IIM Kolkata program for senior sales & marketing leaders, MCCIA training in risk management, managerial effectiveness, and cost reduction, 4T Transformation Model (Team/Training/Travel/Transfer), sponsored global visits and exposure to suppliers and technology centers abroad and supported employee participation in expos, industry seminars, and technical workshops

Our dashboard

Employee cost

Year	FY 22	FY 23	FY 24	FY 25
Employee cost (₹)	225.42	244.95	241.39	251.14

Employees

Year	FY 22	FY 23	FY 24	FY 25
Employees	200	226	235	251

Training hours

Year	FY 22	FY 23	FY 24	FY 25
Aggregate person-training hours	7.4 hrs / emp / month	7.7 hrs / emp / month	6.7 hrs / emp / month	7.4 hrs / emp / month

Average age

Year	FY 22	FY 23	FY 24	FY 25
Average age	39	38	36	35

Women employees as % of total employees

Year	FY 22	FY 23	FY 24	FY 25
Women employees as % of total employees	3.5%	2.65%	2.46%	3.61%

Employee productivity (RPE)

Year	FY 22	FY 23	FY 24	FY 25
Revenue per employee (USD)	68431	75044	57802	51588

Our Directors' profile



Praveen Kadle, Chairman and Independent Director

Praveen Kadle holds a Bachelor's degree in Commerce and Accountancy and is a qualified Chartered Accountant (1982), Cost and Management Accountant (1983 – certificate of merit), and Company Secretary (1983). With extensive

experience at the Tata Group, he has been recognised with several accolades, including CFO of the Year and Best CFO in the Auto Sector.



Jitendra Divgi, Managing Director

Jitendra Divgi holds a Bachelor's degree in Mechanical Engineering (Honours) from BITS Pilani (1985) and a Master's in Manufacturing from the University of Massachusetts, USA (1986). He began his career at Digital Equipment Corporation

in Massachusetts before joining Divgi Metal Wares in 1994. He also served on the Board of BorgWarner, China, and was associated with BorgWarner until 2016.



Hirendra Divgi, Executive Director

Hirendra Divgi holds a Bachelor's degree in Mechanical Engineering from the University of Bangalore. He has been associated with the organisation since 1988, serving in various capacities

including New Product Development Manager and Controller – Operations.



Pradip Dubhashi, Independent Director

Pradip Dubhashi is an Electrical Engineer from Savitribai Phule Pune University and holds a Post-Graduate Diploma in Business Management from XLRI, Jamshedpur. He runs a consulting firm focused on strategy, operations, and

finance across sectors in India and overseas. Earlier, he worked with the Mahindra Group in manufacturing and corporate planning. With 26 years of experience as a Board Director, he has also chaired several key committees.



Pundalik Dinkar Kudva, Independent Director

Pundalik Kudva is an Honours graduate in Commerce from the University of Bombay and a practicing Chartered Accountant for 38 years. As a Partner at P.D. Kudva & Co., he specialises in advisory services, direct tax litigation, and legal representation. He

also serves as the Treasurer of the Zonal Transplant Coordination Centre, Pune, supporting organ transplant coordination across Maharashtra.



Geeta Tolia, Independent Director

Geeta Tolia is a Commerce graduate from the University of Bombay and a Fellow Member of the Institute of Chartered Accountants of India since 1989. She also holds a Master's in Leadership and Strategy from London Business School. She co-founded TFive Network

LLP and Gravitech Business Solutions Private Limited, supporting startups in strategy, customer relations, finance, and fundraising. Earlier, she served as the Global CFO of Sepam Group, an Irish EPC multinational with operations across several continents.



Bharat Divgi, Non-Executive Director

Bharat Divgi holds an Honours Degree in Commerce from the Indian Institute of Management & Commerce, Hyderabad. With over 20 years of experience at the Company, he has served in multiple roles,

including Deputy Manager – Finance since 1985.



Sanjay Divgi, Non-Executive Director

Sanjay Divgi holds a Bachelor's degree in Engineering. Since 1986, he has served in several roles within the Company, including responsibilities in new

product development and managing manufacturing operations.

Corporate Information

BOARD OF DIRECTORS

Chairperson

Mr. Praveen Purushottam Kadle

Executive Directors

Mr. Jitendra Bhaskar Divgi- Managing Director

Mr. Hirendra Bhaskar Divgi- Whole Time Director

Non- Executive Directors

Independent Directors

Mr. Praveen Purushottam Kadle

Mr. Pradip Vasant Dubhashi

Mr. Pundalik Dinkar Kudva

Ms. Geeta Prafull Tolia

Non-Independent Directors

Mr. Sanjay Bhalchandra Divgi

Mr. Bharat Bhalchandra Divgi

KEY MANAGERIAL PERSONNEL

Chief Financial Officer

Mr. Sudhir Shridhar Mirjankar

Chief Operating Officer

Mr. Dipak Annasaheb Vani

Company Secretary and Compliance Officer

CS Sanika Surendra Nirgude

(resigned w.e.f May 31, 2025)

Aniket Arun Kokane

(appointed w.e.f June 01, 2025)

STATUTORY AUDITORS

M/s. B K Khare & Co.,

Chartered Accountants, Pune

INTERNAL AUDITORS

M/s. PricewaterhouseCoopers Pvt. Ltd.

SECRETARIAL AUDITORS

M/s Kanj & Co. LLP

Company Secretaries, Pune

REGISTRAR AND SHARE TRANSFER AGENT

MUFG Intime India Private Limited

(formerly known as Link Intime India Private Limited)

SEBI Registration No: INR000004058

Website: www.in.mpms.mufig.com

BANKER

HDFC Bank Limited

REGISTERED OFFICE

75, General Block, MIDC Bhosari,

Pune, Maharashtra, India 411026

Phone: 020-6311 0114

Email: companysecretary@divgi-tts.com

Website: www.divgi-tts.com

CIN: L32201MH1964PLC013085

FACTORIES

1. BHOSARI
2. SHIVARE
3. SHIRWAL
4. SIRSI

BOARD COMMITTEES

Audit Committee

Nomination & Remuneration Committee

Stakeholders' Relationship Committee

Corporate Social Responsibility Committee

Risk Management Committee

Independent Directors' Committee

Board’s Report

Dear Members,

Your Directors are pleased to present the 60th Annual Report of Divgi TorqTransfer Systems Limited ("Your Company /the Company") along with the Audited Financial Statements for the financial year ended March 31, 2025.

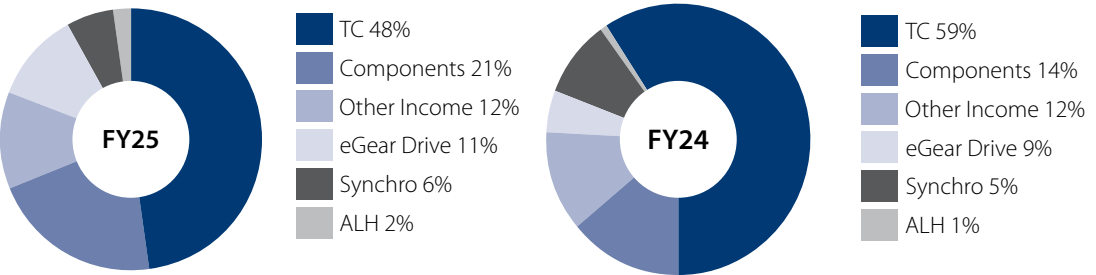
1. KEY FINANCIAL HIGHLIGHTS (Standalone):

Financial Highlights:			(₹ in millions)
Particulars	Financial Year	Financial Year	
	2024-25	2023-24	
Revenue from Operation	2189.17	2534.24	
Other Income	212.11	195.59	
Total Income	2401.28	2729.83	
Expenses excluding Finance Cost and Depreciation & Amortization Expenses	1815.59	2003.56	
Profit for the year before Interest, Depreciation & Amortization	585.69	726.27	
Finance Cost	3.82	4.07	
Depreciation & Amortization Expenses	251.83	186.88	
Profit for the year before exceptional items and tax	330.04	535.32	
Exceptional Items	-	-	
Profit before Tax	330.04	535.32	
Tax Expenses			
• Provision for Income Tax	74.86	116.25	
• Deferred Tax	11.26	21.72	
Profit for the Year	243.92	397.35	
Earnings Per Share			
• Basic	7.98	12.99	
• Diluted	7.98	12.99	

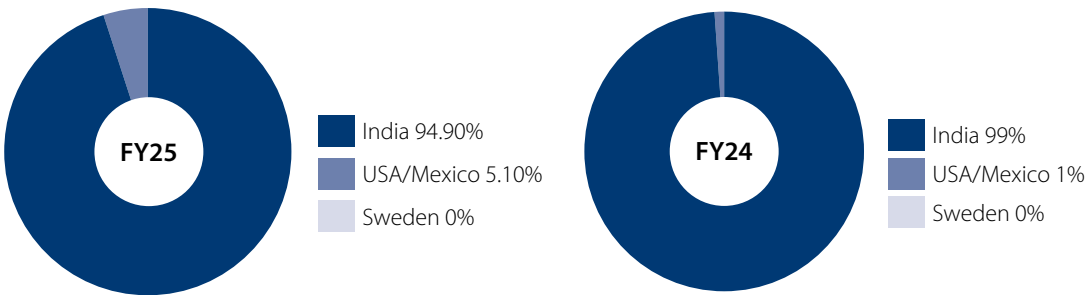
The above-mentioned figures are extracted from Financial Statements prepared in accordance with the Indian accounting standards (IND AS).

2. FINANCIAL AND OPERATIONS PERFORMANCE AND STATE OF AFFAIRS:

Revenue Mix – Product-wise FY25 vs FY24



Revenue Mix – Geography-wise FY25 vs FY24



The following table summarizes the Company’s revenues across product lines:

(₹ in millions)

Particulars	Financial Year	Financial Year
	2024-25	2023-24
Transfer Cases (TC)	1151.63	1622.12
Automatic Locking Hubs (ALH)	50.33	36.08
Transmission components	909.93	734.57
Other Operating Revenue	48.07	41.79
Sales of tools	30.86	99.69
Other Income	210.46	195.60
Total Revenue	2401.28	2729.84

Overview of the Financial Year:

The Board is pleased to inform you that the affairs of your Company are running smoothly and are in compliance with all the applicable laws and regulations.

Outlook of the business has been discussed in detail in the Management Discussion and Analysis Report which forms part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), is separately set out and forms part of this Annual Report.

3. UTILIZATION OF IPO PROCEEDS:

Issue size = ₹412.12 crores

OFS portion = ₹180.0 crores

Net proceeds = ₹169.60 crores

During the year under report, the Company has utilized the IPO proceeds as follows:

Sr. No	Quarter	Amount Utilized (₹ in Crores)
1.	1 st April 2024 to 30 th June 2024	3.261
2.	1 st July 2024 to 30 th September 2024	7.192
3.	1 st October 2024 to 31 st December 2024	9.185
4.	1 st January 2025 to 31 st March 2025	0.133
Total		19.771



4. DIVIDEND:

Your Directors are pleased to recommend dividend of ₹2.60 per equity share of face value of ₹5.00 each as Final Dividend out of the profits of the Financial Year ended March 31, 2025, for approval by the shareholders at the ensuing Annual General Meeting of the Company (AGM). The Dividend Distribution Policy is available on the website of the Company <https://divgi-tts.com/wp-content/uploads/2023/03/7.-Policy-on-Dividend-Distribution.pdf>

5. TRANSFER TO RESERVES:

We do not propose to transfer any amount to General Reserves during the financial year ended March 31, 2025.

6. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the Financial year ended March 31, 2025, there was no change in the nature of the Company's business.

7. PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposits) Rules, 2014.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There has been no material change and commitment affecting the financial position of your Company which has occurred between end of financial year to which the financial statements relate and the date of this Report.

9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

There were no loans, guarantees and investments made by the Company under Section 186 of the Act during the period under review.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts/ arrangements/ transactions entered into by the Company during the financial year under review with related parties were on an arm's length basis and were in the ordinary course of business. Such transactions form part of the notes to the financial statements provided in this Annual Report. All Related Party Transactions ("RPTs") are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee has been obtained for the RPTs which are repetitive in nature or when the need for these transactions cannot be foreseen in advance. The details of such transactions were placed before the Audit Committee for noting/review on quarterly basis. Further all Related Party Transactions are being approved only by members of the Audit Committee who are Independent Director

The information for Related Party Transactions as required under Rule 8(2) of the Companies (Accounts) Rules, 2014 in prescribed Form AOC-2 is enclosed as 'Annexure A' to this Report. Your attention is drawn to the Related Party disclosures set out in Note no. 34, of the Standalone Financial Statements.

Your Company has already adopted a Policy for dealing with Related Party Transactions which is subject to review and revision by the Audit Committee and Board. The policy on Related Party Transaction as approved by the Board has been displayed on the Company's website at <https://divgi-tts.com/policies-and-code-of-conduct/>

11. DEVIATION(S) OR VARIATION(S) IN THE USE OF PROCEEDS OF INITIAL PUBLIC ISSUE (IPO), IF ANY:

There were no instances of deviation(s) or variation(s) in the utilization of proceeds of IPO as mentioned in the objects of Offer in the Prospectus dated March 06, 2023, in respect of the IPO of the Company.

12. SHARE CAPITAL:

There was no change in the authorized share capital of the Company during the year under review.

The current Authorized Capital of the Company is ₹20,00,00,000/- (Rupees Twenty Crores Only) divided into 40,00,000 Equity shares of ₹5.00/- each.

The issued, subscribed and paid-up capital of the Company as on March 31, 2025 was ₹15,29,14,635 (Rupees Fifteen Crores Twenty nine lakh Fourteen thousand six hundred and thirty-five only) consisting of 3,05,82,927 equity shares of ₹5.00 each.

13. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANY:

The Company does not have any subsidiary, joint venture and associate company during the year under review.

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

DIRECTORS:

Your Company has an optimum combination of executive as well as non-executive Directors in compliance with Regulation 17 of the Listing Regulations as amended from time to time.

Sr. No	Name	Designation	Category
1	Mr. Praveen Purushottam Kadle	Chairperson	Independent Director
2	Mr. Pradip Vasant Dubhashi	Director	Independent Director
3	Mr. Pundalik Dinkar Kudva	Director	Independent Director
4	Ms. Geeta Prafull Tolia	Director	Independent Director
5	Mr. Jitendra Bhaskar Divgi	Managing Director	Executive Director
6	Mr. Hirendra Bhaskar Divgi	Whole Time Director	Executive Director
7	Mr. Sanjay Bhalchandra Divgi	Director	Non- Executive, Non-Independent Director
8	Mr. Bharat Bhalchandra Divgi	Director	Non- Executive, Non-Independent Director

KEY MANAGERIAL PERSONNEL:

During the year under review, there were no changes in the Key Managerial Personnel of the Company. In terms of Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of the Company:

Sr. No	Name	Designation
1	Mr. Jitendra Bhaskar Divgi	Managing Director
2	Mr. Hirendra Bhaskar Divgi	Whole Time Director
3	Mr. Sudhir Sridhar Mirjankar	Chief Financial Officer
4	Mr. Dipak Annasaheb Vani	Chief Operating Officer
5	CS Sanika Surendra Nirgude	Company Secretary & Compliance Officer

Directors liable to retire by rotation:

As per the provisions of the Act, Mr. Jitendra Bhaskar Divgi (DIN: 00471531), Managing Director and Mr. Hirendra Bhaskar Divgi (DIN: 01634431) Whole Time Director, are liable to retire at the ensuing Annual General Meeting ("AGM"), being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends their reappointment.

**Changes in Composition of Key Managerial Personnel After Year-End**

During the year under review, Ms. Sanika Nirgude, Company Secretary and Compliance Officer of the Company, tendered her resignation on March 01, 2025, and was subsequently relieved from her responsibilities at the close of business hours on May 31, 2025.

Subsequently, Mr. Aniket Kokane was appointed as the Company Secretary and Compliance Officer of the Company with effect from June 01, 2025.

16. DETAILS OF BOARD MEETINGS:

The Board met five (05) times during the financial year. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Act/ the Listing Regulations.

17. COMMITTEES OF THE BOARD:

As of March 31, 2025, the Board had 6 (six) committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and the Independent Directors' Committee.

A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance Report that forms part of this Report.

18. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

As a practice, all new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The Directors are usually encouraged to visit the manufacturing facilities of the Company and interact with members of Senior Management as part of the induction programme. The Senior Management makes presentations giving an overview of the Company's strategy, operations, products, markets, group structure, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management. Further details about familiarization program for Directors are provided in the Corporate Governance Report that forms part of this Annual Report.

19. CONTRIBUTION OF INDEPENDENT DIRECTORS TO THE GROWTH OF THE COMPANY:

The Board of Directors of your Company strategically comprises of Independent Directors who add value to the Company. The Company has been fortunate in having talented and experienced people as Independent Directors on its Board. All the Independent Directors have expertise and integrity and have earned vast experience and reputation in the industry. Our Independent Directors are experts in Business Operations, Finance, Information Technology, Commercial Laws, Corporate Governance, Audit and Human Resources. This expertise helps the Board to ensure that Company is at par with the global benchmarks in terms of ethics, corporate governance, best industry practices and transparency. In addition, their wealth of experience in the corporate world ensures that the Company benefits significantly from their advice.

20. DECLARATION BY INDEPENDENT DIRECTORS:

Your Company has received necessary declarations from each of the Independent Directors as required under Section 149(7) of the Act and regulation 25(8) of Listing Regulations, that he / she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations.

The Independent Directors have also given a declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Independent Directors fulfil the conditions specified in the Companies Act, 2013 read with the schedules and Rules issued thereunder as well as Listing Regulations and are independent from Management.

21. BOARD EVALUATION:

Annual performance evaluation of the Board of Directors, its committees and all the Directors individually was done in accordance with the performance evaluation framework adopted by the Company and a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation framework sets out the performance parameters as well as the process of the performance evaluation.

Pursuant to the provisions of the Companies Act, 2013, a separate Meeting of Independent Directors was held during the year to review (i) performance of the Non-Independent Directors and the Board of Directors as a whole (ii) performance of the Board Committees (iii) performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors (iv) assess the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board of Directors to perform its duties effectively and reasonably. The Board of Directors expressed satisfaction with the evaluation process.

22. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR:

Your Company has adopted the Guidelines on Board Effectiveness ("Governance Guidelines" or "Guidelines") which inter-alia cover the criteria for determining qualifications, attributes and independence of a director. The details of the Policy are stated in the Corporate Governance Report.

23. CORPORATE GOVERNANCE:

Your Company is committed to maintaining the highest standards of corporate governance. It believes in adherence to good corporate practices, implement policies and guidelines, and develop a culture of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters to enhance and retain investor trust, long-term shareholder value and respect minority rights in all our business decisions.

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Regulations are complied with. As per Regulation 34(3) Read with Schedule V of the Listing Regulations, a separate section on corporate governance, together with a certificate from the Company's Secretarial Auditors, forms a part of this Report.

24. ANNUAL SECRETARIAL COMPLIANCE REPORT:

Pursuant to SEBI Circular CIR/CFD1/27/2019 dated February 08, 2019, all listed entities shall, additionally, on annual basis, submit a report to the stock exchange(s) on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder within 60 days of end of financial year. Such report shall be submitted by a Company Secretary in practice to the Company in the prescribed format.

The Company has received this report from CS Vinayak Khanvalkar, Partner - M/s. Kanj & Co. LLP, Company Secretaries, Pune for the financial year ended March 31, 2025 and the same has been submitted to the Stock Exchanges within the stipulated timeframe. Copy of the said report is available on the website of BSE Limited www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com and also on the Company's website www.divgi-tts.com.

25. ANNUAL RETURN:

As per the requirement of Section 92(3) read with section 134(3)(a) of the Act, copy of the Annual Return of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the web link: <https://divgi-tts.com/general-meeting/>



26. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

a. Transfer of unclaimed Dividend to IEPF

During the year, Company has not transferred any unclaimed Dividend to IEPF since there is no unclaimed/unpaid dividend with the Company.

b. Transfer of shares to IEPF

During the year, Company has not transferred any shares to IEPF since there are no shares eligible to be transferred to IEPF as per section 124 and 125 of the Companies Act, 2013

27. AUDITORS:

a. Statutory Auditors

Pursuant to provisions of Section 139(1) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, M/s. B. K. Khare & Co., Chartered Accountants, Pune (Firm Registration No. 105102W) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 57th AGM of the Company held on July 20, 2022 until the conclusion of 62nd Annual General Meeting of the Company.

Further, the Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or reenactment(s) for the time being in force).

The Independent Auditors' Report for the financial year 2024-2025 on the financial statements of the Company is unmodified i.e. it does not contain any qualifications, reservations or adverse remarks. The observations of the Statutory Auditors in their Report are self-explanatory and therefore Directors don't have any further comments to offer on the same. The Auditors' Report is enclosed with the financial statements forming part of this annual report.

b. Secretarial Auditors

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s Kanj & Co. LLP, Company Secretaries, Pune for conducting the Secretarial Audit of the Company for the financial year 2024-25.

The Report of the Secretarial Audit is annexed herewith as an 'Annexure B' to this Report.

Pursuant to recent amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. LIST/COMP/14/2018 dated June 20, 2018, a certificate from Kanj & Co. LLP, Company Secretaries, Pune that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority is annexed to Corporate Governance Report.

c. Internal Auditors:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, and on the recommendation of the Audit Committee, M/s. Pricewaterhouse Coopers Pvt. Ltd were appointed by the Board of Directors in their meeting held on May 24, 2024 to conduct internal audit reviews of the Company for the Financial Year 2024-2025. The Internal Auditor functionally reports to the Audit Committee to ensure independence of the Internal Audit function. The scope and authority of the Internal Auditor is as per the terms of reference approved by Audit Committee. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

d. Cost records and Cost Audit:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

28. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, none of the Statutory Auditors, Internal Auditors, the Secretarial Auditors have reported to the Audit Committee, under Section 143 (12) of the Act, any instances of fraud committed by the Company or against your Company by its officers or employees, the details of which would need to be mentioned in the Boards' report.

29. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS:

There were no qualifications, reservations or adverse remarks made by the Statutory Auditor and Internal Auditor in their respective report.

The Secretarial Auditor has reported following observation:

1. There was a delay in filing Form MGT-14 with the Registrar Of Companies for Appointment of Secretarial Auditor for FY 2024-2025.

Management Response: Due to certain technical issues with MCA portal which were beyond the control of the Company.

30. INTERNAL FINANCIAL CONTROLS:

The Company has established a robust system of internal controls to ensure that assets are safeguarded, and transactions are appropriately authorized, recorded, and reported. The framework within the Company ensures the orderly and efficient conduct of business, which includes adherence to policies, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The internal control systems of the Company are adequate considering the nature of its business, size and complexity. The controls have been documented, digitized, and embedded in the business process. Assurance on the effectiveness is obtained through management reviews, controls self-assessment and periodic reporting of the in-house team that evaluates and provides assurance of its adequacy and effectiveness. The controls are also tested by the internal and statutory auditors during their audits.

The Statutory Auditors of the Company have expressed their opinion on adequacy of internal financial control with reference to financial statements for the year under review and operating effectiveness of such controls.

31. RISK MANAGEMENT:

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company has constituted Risk Management Committee which periodically assesses risk elements in the internal and external environment, along with the cost of treating such risk elements and incorporates risk treatment plans in its strategy, business and operational plans; the details of the Risk Management Committee and its meetings are included in the Corporate Governance Report which forms integral part of this report. As of the date of this report, the Company does not foresee any critical risk, which threatens its existence. Further Company has also formulated the Policy on Risk Management which can be accessed from the website <https://divgi-tts.com/policies-and-code-of-conduct/>

32. PARTICULARS OF EMPLOYEES:

Statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹1 crore 2 lakhs or more, or employed for part of the year and in receipt of ₹8.5 lakhs or more a month, and other employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as '**Annexure C-Part A**'.

The ratio of the remuneration of each director to the median employee's remuneration and other details prescribed in Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to this Report as '**Annexure C-Part B**'.

33. DIRECTORS & OFFICERS INSURANCE POLICY:

The Company has in place an insurance policy for its Directors & Officers with a quantum and coverage as approved by the Board.

34. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 forms part of this Report and is annexed herewith as '**Annexure D**'.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR):

The Securities and Exchange Board of India ('SEBI'), in May 2021, introduced new sustainability related reporting requirements to be reported in the specific format of Business Responsibility and Sustainability Report ('BRSR'). BRSR is a notable departure from the existing Business Responsibility Report ('BRR') and a significant step towards giving platform to the companies to report the initiatives taken by them in areas of environment, social and governance. Further, SEBI has mandated top 1,000 listed companies, based on market capitalization, to transition to BRSR from Financial Year 2022-23 onwards.

The BRSR disclosures form a part of this Annual Report is annexed to this Report as '**Annexure E**'.

35. COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Company is compliant with all the applicable mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.

36. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of CSR were applicable to your Company during the financial year under review, and accordingly your Company has formulated a CSR policy according to which the Board of Directors of the Company at regular intervals do monitor and review the CSR activities that are being taken up by the Company. Your Company believes in the principle of building a sustainable society and contributing to the long-term social welfare of the society.

In compliance of Section 135 of the Act read with CSR Rules as amended and applicable from time to time, detailed Annual Report on CSR Activities undertaken by the Company during the year is given as '**Annexure F**'. The CSR Policy is disclosed on the website of the Company <https://divgi-tts.com/policies-and-code-of-conduct/>

37. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Your Company has set up vigil mechanism viz. Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their genuine concerns, unethical behavior, actual or suspected fraud, irregularities or violation of Company's Code of Conduct, if any, noticed by them in the Company, which could adversely affect company's operations. This mechanism also provides safeguards against victimization of employees, who avail themselves of the mechanism and provides direct access to the Chairperson of the Audit Committee. The details of the same are explained in the Corporate Governance Report and also posted on the website of the Company at <https://divgi-tts.com/policies-and-code-of-conduct/>

All Directors and employees have access to the Chairperson of the Audit Committee. The policy with the name and address of Chairperson of the Audit Committee has been circulated to the employees. Further no personnel have been denied access to the Audit Committee during the period under review. The vigil mechanism is overseen by the Audit Committee and your Company is happy to inform you that during the year, there have been no Complaints received by the Audit Committee.

38. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:

Your Company has adopted policy on prevention, prohibition and redressal of sexual harassment at workplace, in line of the provisions of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The policy aims to provide protection to employees at the workplace and to prevent and redress complaints of sexual harassment and for matters connected and incidental thereto, with

an objective of providing a safe working environment where employees feel secure. The policy formulated by the Company for prevention of sexual harassment is available on the website of the Company at <https://divgi-tts.com/policies-and-code-of-conduct/>

The Company has complied with the provision relating to the constitution of Internal Committee under POSH, 2013. In the Board Meeting held on May 30, 2025, the Company had reconstituted the Internal Committee.

During the year under review, no complaint to sexual harassment at workplace has been received by the Company. Following are the details of complaints received during the financial year 2024–25:

Sr. No	Particulars	Number of Complaints
1	Number of complaints of Sexual Harassment received in the year	0
2	Number of complaints disposed off during the year	0
3	Number of cases pending for more than ninety days	0

39. DISCLOSURE RELATED TO INSOLVENCY AND BANKRUPTCY:

During the financial year under review, your Company has not made any application nor there is any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

40. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the Financial year, your Company has not initiated one time settlement with the Banks or Financial Institutions and therefore no details are required to be furnished.

41. Maternity Benefit Act, 1961

During the year, the Company has duly complied with the provisions of the Maternity Benefit Act, 1961, as amended from time to time. Necessary facilities and benefits as prescribed under the Act have been extended to eligible employees, ensuring their rights and welfare are safeguarded in accordance with the applicable laws. The Company remains committed to maintaining a supportive and inclusive work environment for all its eligible employees.

42. GENDER-WISE COMPOSITION OF EMPLOYEES

In alignment with the principles of diversity, equity, and inclusion (DEI), the Company discloses below the gender composition of its workforce as on March 31, 2025.

Male Employees	: 254
Female Employees	: 7
Transgender Employees	: 0

This disclosure reinforces the Company's efforts to promote an inclusive workplace culture and equal opportunity for all individuals, regardless of gender.

43. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (5) of the Act with respect to Directors' Responsibility Statement, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;



- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on going concern basis;
- v. they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

44. ACKNOWLEDGEMENT:

Your Directors wish to convey their gratitude and place on record their appreciation for all employees, workers and all the stakeholders of the Company at all levels for their hard work, dedication, solidarity, commitment during the year. Your directors sincerely convey their appreciation and gratitude for all the co-operation extended by government authorities, regulators, customers, shareholders, bankers, business associates and investors and all other stakeholders.

For and on behalf of the Board of Directors
Divgi TorqTransfer Systems Limited

Date: August 07, 2025
Place: Pune

Praveen Kadle
Chairperson
DIN: 00016814

Jitendra Divgi
Managing Director
DIN: 00471531

Key Financial Ratios:

Sr. No	Ratios	March 31, 2025	March 31, 2024	% Change
1	Trade Receivables Turnover Ratio	3.69	3.72	-0.80%
2	Inventory Turnover Ratio	5.88	7.50	-21.6%
3	Interest Coverage Ratio			
4	Current Ratio	7.00	6.94	0.86%
5	Debt Equity Ratio	0.00	0.00	0.00
6	Operating Profit Margin (%)			
7	Net Profit Margin (%)	10.16	14.56	-30.21%

Annexure A

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm’s length basis:

There are no related party contracts, arrangements or transactions of the nature mentioned in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm’s length.

2. Details of material contracts or arrangement or transactions at arm’s length basis:

Sr. No	Particulars	Details	
1	Name of the related party	Divgi Transmission Systems & Technologies Private Limited	Divgi Holding Private Limited (DHPL)
2	Nature of relationship	Company with Common directors	Holding Company
3	Nature of contract/ arrangement/transaction	a. Machining and Development charges b. Lease of Land & Building c. Lease of Machinery	Rent Income and Expenditure
4	Duration of contract/ arrangement/ Transaction	a. Machining and Development: On going (Continuous basis) b. Lease of Land & Building: 10 Years w.e.f. April 01, 2024 c. Lease of Machinery: 10 Years w.e.f April 01, 2024	a. Lease Deed for Land: 50 Years w.e.f. August 11, 1997 b. Renewal of Lease Agreement for Building: Five years w.e.f January 01, 2022
5	Salient terms of the contract or arrangement or transaction	a. Machining and Development: Based on respective Purchase Order b. Lease of Land & Building: Annual Lease of ₹39 Lakhs c. Lease of Machinery: Annual Lease of ₹7.8 Lakhs	a. Lease Deed for Land Rent receipt of ₹5,000/ annum. b. Renewal of Lease Agreement for Building: Rent Payment of ₹3.85 Lakhs/ month
6	Date of approval by the Board, if any	February 02, 2024	February 02, 2024
7	Amount paid as advances, if any	NIL	NIL

For and on behalf of the Board of Directors

Divgi TorqTransfer Systems Limited

Date: August 07, 2025

Place: Pune

Praveen Kadle

Chairperson

DIN: 00016814

Jitendra Divgi

Managing Director

DIN: 00471531

Annexure B
Form No. MR-3
Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
Members,
Divgi TorqTransfer Systems Limited
Plot no. 75, General Block MIDC, Bhosari
Pune 411026

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Divgi TorqTransfer Systems Limited (hereinafter called as "the Company or DTTSL"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, it's officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; No events occurred during the period which attracts provisions of these guidelines hence not applicable.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: No events occurred during the period which attracts provisions of these guidelines hence not applicable.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: No events occurred during the period which attracts provisions of these guidelines hence not applicable.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: No events occurred during the period which attracts provisions of these guidelines hence not applicable.



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: No events occurred during the period which attracts provisions of these guidelines hence not applicable.
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India:
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited;

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. There was a delay in filing Form MGT-14 with the Registrar Of Companies for Appointment of Secretarial Auditor for FY 2024-2025.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

We have been informed that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. During the year, Board also granted a general approval to receive notes on agenda items of the Board Meetings which are considered Unpublished Price Sensitive Information, however the Board mandated that the shorter notice shall not be shorter than 3 days.

All the decision in the board meetings were carried through by majority and it was informed to us that there were no dissenting views of the members and hence not captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has taken no such actions or enter into such events that would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **KANJ & Co. LLP,**
Company Secretaries,

Vinayak Khanvalkar
Partner

FCS No.: 2489

C P No.: 1586

UDIN: F002489G000950359

Firm Unique Code: P2000MH005900

Peer Review Certificate No. 6309/2024

Date: August 07, 2025

Place: Pune

This report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

Annexure A

To,
The Members of
Divgi TorqTransfer Systems Limited
Plot no. 75, General Block MIDC, Bhosari
Pune 411026

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KANJ & Co. LLP**,
Company Secretaries,

Vinayak Khanvalkar

Partner

FCS No.: 2489

C P No.: 1586

UDIN: F002489G000950359

Firm Unique Code: P2000MH005900

Peer Review Certificate No. 6309/2024

Date: August 07, 2025
Place: Pune

Annexure C

Particulars of Remuneration

Part A: Information pursuant to Section 197(12) of the Companies Act, 2013

[Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the financial year 2024-25:

Sr. No	Name of Director/KMP	Designation	Ratio of the Remuneration of each Director / Chief Financial Officer / Company Secretary to Median Remuneration of Employees	% increase in the remuneration of each Director / Chief Financial Officer / Company Secretary
1)	Mr. Jitendra Bhaskar Divgi	Executive Director	20.75	0
2)	Mr. Hirendra Bhaskar Divgi	Executive Director	10.78	0
3)	Mr. Sudhir Shridhar Mirjankar	Chief Financial Officer (CFO)	7.31	2.44
4)	Deepak Vani	Chief Operating Officer	10.34	20.78
5)	CS Sanika Surendra Nirgude*	Company Secretary and Compliance Officer	2.45	36.41

*CS Sanika Nirgude resigned from the position of Company Secretary and Compliance Officer w.e.f May 31, 2025.

Notes:

- The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and the limits approved by the Nomination and Remuneration Committee / Board Members. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase of remuneration for Non-Executive Directors are therefore not considered for the purpose above.
- The Median Remuneration of Employees of the Company: ₹4,62,939
- The number of permanent employees on the roll of Company as at March 31, 2025:261.
- Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The increments given to each individual employee is based on the employees' performance and retention & motivation policy of the Company. There are no exceptional circumstances for increase in the managerial remuneration.
- Affirmation that the remuneration is as per the Remuneration Policy of the Company: It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

For and on behalf of the Board of Directors
Divgi TorqTransfer Systems Limited

Praveen Kadle
Chairperson
DIN: 00016814

Jitendra Divgi
Managing Director
DIN: 00471531

Date: August 07, 2025
Place: Pune

Part B: Statement of Disclosure Pursuant to Section 197 of the Companies Act, 2013

[Read with Rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Names of top 10 employees in terms of remuneration drawn during the FY24-25

Sr. No	Name of the employee	Gross Salary(₹)*	Years of Experience	Age (years)	Designation	Permanent employee or otherwise	Professional Qualification	Previous Employment	Any family relationship amongst the directors, key personnel and management of the Company	Percentage of equity shares held by the employee in the company as on March 31, 2025
1	Mr. Jitendra Bhaskar Divgi	1,87,04,440	31 years	63	Managing Director	Permanent	B.E (Mech) M.S (Manufacturing)	1. Digital Equipment Corporation, Massachusetts 2. BorgWarner, China	Elder brother of Mr. Hirendra Divgi, Whole-time Director	2.39

*Gross Salary does not include reimbursement.

- B. Names of other employees who are in receipt of aggregate remuneration of not less than rupees one crore and two lakh during the FY24-25 or not less than rupees eight lakh and fifty-thousand per month (if employed for part of the FY24-25): NA
- C. If employed throughout the Financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: NA

Praveen Kadle
Chairperson
DIN: 00016814
Date: August 07, 2025
Place: Pune

For and on behalf of the Board of Directors
Divgi TorqTransfer Systems Limited
Jitendra Divgi
Managing Director
DIN: 00471531



Annexure D

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	• Monitoring electricity and minimizing the consumption when not in use. • Using energy efficient electrical equipment with higher star rating from BEE. Energy consumption is the key element while equipment and facility selection at design stage. • High velocity and low speed fans are provided in Shirwal facility resulting in minimized electricity. • Awareness given to employees during safety week, earth day celebration to responsibly use all electric equipment. • Your Company has continuous endeavor to conserve all type of energies and has implemented necessary measures to improve utilization and eliminate wastages
(ii)	the steps taken by the company for utilizing alternate sources of energy	Your Company is in the process of exploring alternate sources of energy in place of traditional resources like gas and electricity.
(iii)	the capital investment on energy conservation equipment's	Nil

(b) Technology absorption

(i)	the efforts made towards technology absorption	Your Company ensures to invest in such state-of-the-art machines/technologies as part of capacity enhancement and product leadership strategy, which are energy efficient as well as efficient in productivity with minimum OEE (Overall Equipment Effectiveness) achieved 84%.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Continuous improvements were made to improve product quality and performance, ensuring compliance with industry standards and customer expectations.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the capital investment on energy conservation equipment's	6.24% of revenue from operations

- (c) Foreign exchange earnings: ₹10.77 Crore
Foreign exchange Outgo: ₹45.38 Crore

For and on behalf of the Board of Directors
Divgi TorqTransfer Systems Limited

Praveen Kadle
Chairperson
DIN: 00016814

Jitendra Divgi
Managing Director
DIN: 00471531

Date: August 07, 2025
Place: Pune



Annexure E

Business Responsibility and Sustainability Report

A: General Disclosures



A.1: Details of the listed entity

1.	Corporate identity number (CIN) of the listed entity	L32201MH1964PLC013085
2.	Name of the listed entity	Divgi TorqTransfer Systems Limited
3.	Year of incorporation	16-12-1964
4.	Registered office address	Plot no. 75, General Block, MIDC Bhosari Pune Maharashtra, India 411026
5.	Corporate address	Plot no. 75, General Block, MIDC Bhosari Pune Maharashtra, India 411026
6.	E-mail	companysecretary@divgi-tts.com
7.	Telephone	020-63110100
8.	Website	https://divgi-tts.com
9.	Financial year for which reporting is being done	2024 - 2025
10.	Name of the stock exchange(s) where shares are listed	BSE, NSE
11.	Paid-up Capital (in ₹)	152914635
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Vijay J Warade, 8975760402, vjwarade@divgi-tts.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

A.2: Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
	Manufacturing of Automotive Drive train components and Systems	Manufacturer of transfer case, Interactive Torq Coupler, EV transmissions and Components	100

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC code	% of total turnover contributed
	Transfer Case	2930	52.7
	Auto Looking Hub	2930	2.3
	Transmission Components & Others	2930	33.2
	EV Transmission	2930	11.8

A.3: Operation

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	1	5
International	0	0	0

19. Markets served by the entity:

a. Number of locations:

Location	Number
National (No. of States)	5
International (No. of Countries)	3

b. What is the contribution of exports as a percentage of the total turnover of the entity?

6.10

c. A brief on types of customers:

Divgi TTS's customers can broadly be classified into domestic and international OEMs. Our customer base spans across various segments, including passenger cars, commercial vehicles and off-highway vehicles. Our strong domestic and global presence allows us to efficiently meet the unique needs and requirements of our customers across various markets.

Marquee customers includes - **Mahindra & Mahindra, TATA Motors, MG Motors, Toyota Kirloskar, Force Motors, Borg Warner.**

A.4: Employees

20. Details as at the end of the financial year:

a. Employees and workers (including differently abled):

No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
EMPLOYEES								
1.	Permanent (D)	259	252	97.29	7	2.70		0
2.	Other than Permanent (E)	24	21	87.5	3	12.5		0
3.	Total employees (D+E)	283	273	92.39	10	7.6	0	0
WORKERS								
4.	Permanent (F)	0	0	0	0	0		0
5.	Other than Permanent (G)	426	399	93.66	27	6.33		0
6.	Total workers (F+G)	426	399	93.66	27	6.33	0	0

**b. Differently abled employees and workers:**

No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
DIFFERENTLY ABLED EMPLOYEES								
1.	Permanent (D)	0	0	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0	0	0
3.	Total employees (D+E)	0	0	0	0	0	0	0
DIFFERENTLY ABLED WORKERS								
4.	Permanent (F)	0	0	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0	0	0
6.	Total workers (F+G)	0	0	0	0	0	0	0

21. Participation/inclusion/representation of women:

Leadership team	Total (A)	Number and percentage of females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50
Key Management Personnel	4	1	25.00

22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years):

Particulars	FY 2024 - 2025 (Turnover rate in current FY)				FY 2023-2024 (Turnover rate in previous FY)				FY 2022-2023 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	37	0	0	37	28	4	0	32	29.0	0	0	29.0
Permanent Workers	0	0	0	0	0	0	0		0	0	0	0

A.5: Holding, Subsidiary and Associate Companies (including joint ventures)**23. Details of holding/subsidiary/associate companies/joint ventures.:**

S. No	Entity name (A)	Entity type	% of shares held	Entity (A) participate in the BRSR initiatives of the parent entity?
	Divgi Holding Private Limited	Holding	51.68	No

A.6: CSR Details**24. CSR details of the company:**

a.	Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
b.	Turnover (in ₹)	2,401,280,000
c.	Net worth (in ₹)	5,967,720,000



26. Overview of the entity's material responsible business conduct issues. (Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.):

S. No.	Material issue identified	Indicate whether risk (R) or opportunity (O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1.	Climate protection	R	GHG emissions from manufacturing contribute to climate change and global warming. Manufacturing processes often require substantial amounts of energy for machinery, heating, cooling, and lighting. Reducing GHG emissions and optimizing processes for better energy efficiency can enhance environmental stewardship, operational efficiency, and the company's overall Sustainability.	Implementing strategic initiatives and working with plants to set and work towards energy conservation and renewable energy targets. Organisation installed high speed, energy efficient autoloading machine	Negative Implications
2.	Sustainable product design and life cycle management	O	Fostering a circular economy by addressing customer and societal demands for more sustainable products and services. Ensuring environmental regulations through product designing and lifecycle management.	-	Positive Implications
3.	Cybersecurity and data management	O	Cyber and data security as risk and business opportunity for the benefit of all. Management of risks related to collection, retention and use of sensitive, confidential and/or proprietary customer or user data.	-	Positive Implications
4.	Employee health and safety ESG	O	Creating safe and healthy work environment is crucial for protecting the physical and mental health and wellbeing of employees. Management system for identification, prevention, and minimization of potential ESG-risks	Implementing robust Occupational Health and Safety Management system ISO14001:2015 and Environment Management Systems ISO 14001: 2018 For identification, prevention, minimization of potential ESG-risks For employees medical insurance facility has been approved by the Management team, execution is pending.	Positive Implications
5.	Diversity, equity & inclusion	O	Diversity, Equity, and Inclusion (DEI) is crucial for driving innovation and creativity and is a key aspect of our workplace Policy and planning. Diversity across Gender, Age, background helps in decision-making, enhancing employee engagement and retention by fostering an inclusive work environment.	NA	Positive Implications

S. No.	Material issue identified	Indicate whether risk (R) or opportunity (O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
6.	Corporate Governance, Business ethics and transparency	R and O	Ethical business practices and transparency help build trust among key stakeholders, facilitate ethical decision-making across all levels of the organization, and ensure that business is conducted with the utmost integrity and accountability.	Established a strong corporate governance structure and mechanisms to ensure that business operations are conducted in an ethical, transparent and sustainable manner, including protecting stakeholders' interests. Management follows clear sustainability policy and guidelines for encouraging Sustainability practices across the plants	Positive Implications
7.	Regulatory Compliance	R and O	Maintaining high regulatory compliance standards can enhance corporate reputation, earning customer trust and loyalty. Non-compliance can lead to fines, legal penalties, and litigation, impacting financial health and reputation.	Management system for ensuring that the company and its employees follow all laws, regulations, standards, and ethical practices.	Positive Implications
8.	Sustainable supply chain	O	A sustainable supply chain enhances operational efficiency, transparency, and reduces adverse environmental impacts throughout the entire value chain. By adopting sustainable sourcing, the company can also ensure it maintains business relationships with suppliers who are committed to upholding environmental and social standards. We have an ESG guidance in place to strengthen our supply chain partners for driving sustainability performance.	-	Positive
9.	Employee Human Rights	O	Employee Human rights focuses on ensuring fair and ethical treatment of workers. Human rights and security issues including aspects like fair wages, working hours, and employee engagement, Prevention of Sexual Harassment (POSH), anti-discrimination, benefits like healthy meals are critical to creating a safe, inclusive, and respectful work environment for all employees and workers.	-	Positive

B: Management and Process Disclosures

B.1: Policy and management processes

1-6. Policy and management processes:

[illegible]

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements. (Listed entity has flexibility regarding the placement of this disclosure.):**

At Divgi TTS priority revolves around the adoption of the highest level of environmental, social and governance integrity enabling long-term sustainability.

The Company is a market leader in the automotive drive train components and systems segment, delivering a wide variety of innovative, superior quality and cost

The Company has consciously put in efforts to develop sustainable and reliable products through its in-house design R & D team.

The Company focuses on innovations and moving forward enthusiastically to the upcoming new era of Electric Vehicles (EVs) and new technologies overcoming the environmental targets and has been accepting, adopting, and moving forward in this direction. With this goal the Company is venturing into new sustainability technologies.

The Company has exploring introducing usage of renewable energy, reduction in Consumption of fossil fuels introducing modes of goods transportation within intra plant through EV vehicles.

As a responsible corporate citizen, we are fully aware of the need for steering our growth plans in a sustainable manner, with greater thrust on reducing the environmental footprint of our business.

We will aim to achieve carbon neutrality goal by adopting automation, energy efficient practices, and aligning to the economic environment, energy, and Industrial policies.

Planting Trees, Ecosystem, biodiversity conservation activities at operating sites. Measures are continually undertaken to conserve energy and water through process improvements and installation of water recycling plants including monitoring performance parameters of pollution control equipment at all plants. We are also focussing on lowering hazardous waste generation, besides aiming to achieve zero waste to landfill. We strongly believe that sustainability-driven growth is the only way forward for businesses globally, if they are to survive and thrive in the new world of shifting priorities, where countries are moving individually and collectively towards a greener, leaner, and cleaner future.

8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy(ies).:

Mr. Jitendra Divgi, Managing Director and Mr. Hirendra Divgi , Whole-Time Director

9. Details about the entity's committee of the board/director responsible for decision making on sustainability related issues?

Yes, The ESG Steering Committee is a three-member Committee chaired by the Managing Director and have two senior Management members - CFO & COO , are responsible for decisions on all sustainability related issues.

B.2: Governance, leadership and oversight

10. Details of review of NGRBCs by the company:

a. Details about reviewing authority:

[illegible]



C: Principle Wise Performance Disclosures



C.1: Principle 1

Essential indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	The Board is familiarized of the principles of the NGRBC released by SEBI and Divgi TTS Conduct of conduct. The Board periodically reviews the BCG	100
Key Managerial Personnel	2	NGRBC principles and Divgi TTS Conduct of conduct and Sustainability policy guidelines	100
Employees other than BoD and KMPs	2	NGRBC principles and Divgi TTS Conduct of Conduct and Sustainability Policy guidelines	100
Workers	4	Divgi TTS Conduct of Conduct - Workers are required to undergo training during induction and periodic refresher	100

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

a. Monetary:

Penalties and Fees	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred?
Penalty/Fine	NA	NA	0	NA	No
Settlement	NA	NA	0	NA	No
Compounding fee	NA	NA	0	NA	No

b. Non-monetary:

Legal sanctions	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred?
Imprisonment	NA	NA	NA	No
Punishment	NA	NA	NA	No

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non- monetary action has been appealed.:

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	NA

4. Details about anti-corruption or anti-bribery policy.:

a. Does the entity have an anti-corruption or anti-bribery policy?:

Yes

b. If yes, provide details in brief.:

Divgi TTS has an Anti-Corruption and Anti-Bribery Policy and plays a vital role in the Company's aspiration to make ethical and responsible decisions in the interest of all stakeholders.

Divgi TTS is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on behalf of the Company is responsible for conducting the Company's business honestly and professionally.

Divgi TTS does not tolerate any form of bribery by, or of, its employees or any persons or companies acting for it or on its behalf.

c. If available, provide a web-link to the policy.:

<https://divgi-tts.com/policies-and-code-of-conduct/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Organizational roles	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Complaints type	FY 2024 - 2025 (Current Financial Year)		FY 2023-2024 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.:

Not Applicable

8. Number of days of accounts payables ((accounts payable*365)/Cost of goods or services procured) in the following format:

Question	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Number of days of accounts payables	65	60



9. **Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers/ distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0	0
	c. Loans & advances (Loans advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	0	0

Leadership indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1.	P1, P2, P3, P4, P5, P6, P8, P9 (suppliers onboarded are covered through the Divgi TTS Code of Conduct for Suppliers, QEHS Policy, Supplier quality manual requirements) AIAG Core tools, 8D, FMEA, MSA, SPC, PPAP, QSB and Lean.	100

2. Details about the processes in place to avoid/ manage conflict of interests involving members of the Board.:

a. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?

Yes

b. If yes, provide details of the same.:

To avoid/manage conflicts of interest, Divgi TTS obtains a mandatory declaration from the Members of its Board. The declaration ensures that the members of the Board are in compliance with the Code Conduct and Ethics Guidelines.

C.2: Principle 2

Essential indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.:

Expenditure type	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	13.65	15.19	NA
Capex	26.503	77,733	NA

2. Details about sustainable sourcing:

a. Does the entity have procedures in place for sustainable sourcing? : Yes

We have a Supplier Code of Conduct, and Supplier Quality Manual, which outlines our expectations and standards for suppliers to ensure that our business is conducted in a sustainable, transparent, and ethical manner. Suppliers are expected to fully comply with this Code and to encourage their subcontractors and partners to do the same. The current key focus areas of our Supplier Code of Conduct are more from social compliances which includes General Management, Child Labor & Employee Protection, Prevention of Sexual Harassment, Employee Rights and Participation, Working Hours and Overtime, Occupational Health and Safety, Environmental, Supply Chain Management, Anti-Bribery and Anti-Trust, and Grievance Redressal. Going forward we aim to include focus areas from Sustainability perspective.

As a part of this Code of conduct, suppliers are expected to ensure that their practices align with ethical sourcing principles, including the responsible sourcing of materials and goods.

b. If yes, what percentage of inputs were sourced sustainably? : 100

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for the following waste categories.:

Product type	Process description
a. Plastics (Including packaging)	Parts go to automotive OEM; OEM Service manual gives guidelines on recycling and safe disposal of products. Sustainable Product Life-cycle management involves in-depth analysis of all processes and systems from the stage of receiving RFQs and signing NBO till the products / services reach the end consumer. At the end of the lifecycle, plastics are given to the authorized waste vendor where some quantities of the plastics are reuse/recycle purpose. Product and parts supplied with specialize returnable packaging.
b. E-waste	Parts go to automotive OEM; OEM Service manual gives guidelines on recycling and safe disposal of products. At the end of the lifecycle, e-waste is given to the authorized waste vendor where the e- waste is disposed.



Product type	Process description
c. Hazardous waste	Parts go to automotive OEM; OEM Service manual gives guidelines on recycling and safe disposal of products. At the end of the lifecycle, hazardous waste is given to the authorized waste vendor where the hazardous waste is disposed.
d. Other waste	Parts go to automotive OEM; OEM Service manual gives guidelines on recycling and safe disposal of products. At the end of the lifecycle, all other waste is given to the authorized waste vendor for reusing, recycling and reclamation

4. Details about Extended Producer Responsibility (EPR):

Questions	Response
Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities.	No
If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?	
If not, provide steps taken to address the same.	NA

Leadership indicators

1. Details about the Life Cycle Perspective / Assessments (LCA):

- a. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? No
- b. If yes, provide details in the following format?:

NIC code	Name of product/ service	% of total turnover contributed	Boundary for which the Life Cycle Perspective /	Whether conducted by independent external agency	Results communicated in public domain	If yes, provide the web- link.
	NIL	NIL	NIL	NIL	NIL	NIL

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.:

Name of product/service	Description of the risk / concern	Action taken
	NIL	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).:

Indicate input material	Recycled or re-used input material to total material	
	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Waste Recycle	84	84.0

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Complaints type	FY 2024 - 2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	Re-Used	Recycled	Safely disposed	Re-Used	Recycled	Safely disposed
Plastics (including packaging)	0	0	5.16	0	10	5.54
E-waste	0	0	0.426	0	0	0.26
Hazardous waste	0	30	27.91	0	44	29
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	

C.3: Principle 3

Essential indicators

1. Details regarding well-being of employees and workers:

a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	252	0	0	252	100	0	0	0	0	0	0
Female	7	0	0	7	100	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	259	0	0	259	100	0	0	0	0	0	0
Other than permanent employees											
Male	21	0	0	21	100	0	0	0	0	0	0
Female	3	0	0	4	100	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	24	0	0	24	100	0	0	0	0	0	0

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Other than permanent workers											
Male	399	0	0	399	100	0	0	0	0	0	0
Female	27	0	0	27	100	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	426	0	0	426	100	0	0	0	0	0	0



c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Question	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Cost incurred on well being measures as a % of total revenue of the company	10	09

2. Details of retirement benefits for the current and previous financial year.:

Complaints type	FY 2024 - 2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	100	100	Yes	100	100	Yes

3. Accessibility of workplaces:

Questions	Response
Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	Yes, In accordance with the Equal Opportunity Policy, Divgi TTS is committed to fostering an inclusive work environment that is safe, flexible, and respectful for all employees and workers and promote diversity and inclusion in the workplace by implementing supportive work-life policies and cultivating a strong sense of belonging within the organization. The Company guarantees that necessary facilities and amenities are accessible to differently abled workforce.
If not, whether any steps are being taken by the entity in this regard.	NA

4. Details about equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.:

Questions	Response
Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?	Yes
If so, provide a web link to the policy.	https://divgi-tts.com/policies-and-code-of-conduct/ The Business code Conduct and sustainability, social accountability policy guidelines document declares the equal opportunity policy under the values of a Respect to each other. Divgi TTS also undertakes the responsibility of a working conditions for its employees and workers. The principles of equal opportunity and equal treatment are guaranteed without regard to any disability. These policy Guidelines are available on the company portal.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	100	100	0	0
Other	0	0	0	0
Total	100	100	0	0

6. a. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? : Yes

b. If yes, give details of the mechanism in brief.:

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent workers	Yes	Divgi-TTS has a Grievance Redressal Policy and committee
Other than permanent workers	Yes	The Company has a grievance redressal mechanism in line with the statutory framework under Industrial Dispute Act, 1947 for grievance redressal mechanism for the permanent workers where workers or their representatives can raise their grievances in areas like wages, discrimination, child labor, human rights related issues etc. POSH Policy, Divgi TTS Sustainability guidelines under the element Protection against discrimination, Social accountability policy in place.
Permanent employees	Yes	The Company has a grievance redressal mechanism in line with the statutory framework under Industrial Dispute Act, 1947 for grievance redressal mechanism for the permanent workers where workers or their representatives can raise their grievances in areas like wages, discrimination, child labor, human rights related issues etc. POSH Policy, Divgi TTS Sustainability guidelines under the element Protection against discrimination, Social accountability policy in place.
Other than permanent employees	Yes	The Company has a grievance redressal mechanism in line with the statutory framework under Industrial Dispute Act, 1947 for grievance redressal mechanism for the permanent workers where workers or their representatives can raise their grievances in areas like wages, discrimination, child labor, human rights related issues etc. POSH Policy, Divgi TTS Sustainability guidelines under the element Protection against discrimination , Social accountability policy in place.



7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2024 - 2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	Total employees/worker in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/worker in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (C/D)
Total permanent employees	259	0	0	246	0	0
Male	252	0	0	243	0	0
Female	7	0	0	3	0	0
Other	0	0	0	0	0	0
Total permanent workers	426	0	0	373	0	0
Male	399	0	0	344	0	0
Female	27	0	0	29	0	0
Other	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2024 - 2025 (Current Financial Year)					FY 2023-2024 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	%(B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	252	252	100	252	0	243	243	100	243	0
Female	7	7	100	7	0	3	3	100	3	0
Other	0	0	0	0	0	0	0	0	0	0
Total	259	259	100	259	0	246	246	100	246	0
Workers										
Male	399	399	100		0	344	344	100		0
Female	27	27	100		0	29	29	100		0
Other	0	0	0		0	0	0	0		0
Total	426	426	100	0	0	373	373	100	0	0

9. Details of performance and career development reviews of employees and workers:

Category	FY 2024 - 2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	Total (A)	Number (B)	% (B/A)	Total (C)	Number (D)	% (D/C)
Employees						
Male	252	252	100	243	243	100
Female	7	7	100	3	3	100
Other	0	0	0	0	0	0
Total	259	259	100	246	246	100
Workers						
Male	399	399	100	344	344	100
Female	27	27	100	29	29	100
Other	0	0	0	0	0	0
Total	426	426	100	373	373	100

10. Health and safety management system:

Questions	Response
a. Whether an occupational health and safety management system has been implemented by the entity	Yes
If yes, the coverage such system?	Divgi TTS has implemented an occupational health and safety management system certifiable to ISO 45001. Maintaining, fostering, and improving the safety and well-being of employees is enshrined in the Company-wide risk management and control process. Throughout the organization, safety is critical. There are 12 emergency situations identified, and preparedness is also available. Safety and ergonomic requirements are considered well in advance while designing a workstation and equipment selection during APQP programmed phase three. Standardized workstations are equipped with detailed operational guidelines in terms of SOS and JES. A layered process audit was conducted to check for and bring out deficiencies, if any. Corrective actions were tracked for effective implementation. Employees are encouraged to give suggestions, Kaizen and JDI are recorded, and management provides resources for implementing Kaizen. TPM ensures machine safety through periodic predictive tests like vibration and thermography for electrical fire hazards. Safety and fire mock drills are executed as per the EPRP plan and procedure. Management has given approval for upgrading the fire protection system.



Questions	Response
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	As part of implementation of ISO 45001 standard, procedures for Hazard Identification and Risk Assessment (HIRA) have been established and implemented within the business units. HIRA is conducted for routine and non-routine activities. Work related hazards are identified by people involved in the operations, The identified hazards are recorded, and control measures are discussed and defined as per hierarchy of controls. The CAPA (Corrective and Preventive Action) tracker is implemented to proactively identify safety risks in high-risk activities and implement engineering controls to mitigate the risks. A Cross Functional Team reviews high risk activity and implements engineering controls, as feasible to mitigate risks. The outcome from the CAPA tracker is reviewed quarterly. The teams daily FRM includes the agenda on safety performance and incidence, communication on corrective actions, and horizontal deployment. Periodic inspection of fire hydrants, fire extinguishers, safety audits, statutory and regulatory requirements, etc.is being done by competent person. Rule follow mechanism reporting established as part of ISO 45001 to report of Unsafe Acts, Unsafe Conditions, near misses and incident reporting. Same are analyzed in KYT /KYM, Corrective and preventive actions are initiated to mitigate safety risks, effectiveness status checked through LPA and MRM.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.	Yes, near miss incident monitoring and reporting in place.
d. Do the employees/ worker of the entity have access to non- occupational medical and healthcare services?	Yes

11. Details of safety related incidents, in the following format:

Safety incident/number	Category*	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Lost time injury frequency rate (LTIFR) (per one million- person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work- related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	2

* Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.:

The Company has a well-equipped fire control system through smoke detectors / sensors installed throughout the Company, apart from fire extinguishers installed on the shop floor and in office areas. Safety ERT (Emergency Response Team) conducts monthly audits, and safety meetings are held every month to analyze and sort out issues pertaining to safety. Regular training and mock drills on fire and emergency evacuation are conducted for all employees. All moving and rotating parts of the machines have been provided with safeguards. All machines on the shop floor have been equipped with safety sensors and two- hand operation so that no employee is injured while working on the machines providing safe and healthy workplace. has implemented â Zero Harm Cultures campaign to proactively ensure safe and healthy workplace.

13. Number of complaints on the following made by employees and workers:

Complaints type	FY 2024 - 2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	NA	0	0	NA
Health and safety	0	0	NA	0	0	NA

14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working conditions	100

15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.:

Focused training is conducted on Behavioral Based Safety (BBS) to promote awareness amongst third party and contractor employees to adopt safe work practices. Divgi TTS persistently evaluates all its manufacturing facilities to identify any potential health and safety hazards. Our manufacturing units hold OHSAS 45001:2018 certification, and we promptly take necessary actions to address any hazards we discover. To effectively manage these risks, we have established Health and Safety Committees at each manufacturing location.

**Leadership indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of:

Category	Response
Employees	Yes
Workers	Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.:

Yes, we do ensure that our associate partners pay statutory liabilities as they submit to us monthly PF, ESIC challan along with bills.

3. Provide the number of employees / workers having suffered high consequences for work-related injury / ill- health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)	FY 2024-2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? : Yes

5. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100
Working conditions	100

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.:

Improvement measures agreed upon with suppliers address either actual deviations from the business Code of Conduct or the need for better management systems and specific processes and guidelines.

C.4: Principle 4**Essential indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.:

Stakeholder groups are identified based on the nature of their engagement with the Divgi TTS , Annual review taken as IATF 16949 process . Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. Our stakeholders include Customers, Investors, Contractors, Shareholders, Suppliers, Statutory Bodies, R & D Institutions, Communities, Media, Academia etc.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.:

Stakeholder group	Whether identified as vulnerable & marginalized group	Channels of communication	Details of other channels of communication	Frequency of engagement	Details of other frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Other	E-Mail , Townhall Meeting , Employee of The Month, Plant FRM, Safety Meetings, Employee engagement Survey, Notice Board	Daily, weekly, monthly, quarterly and annually		Information about Company's business growth plans and KPI - business performance Top- down communication about important organization changes, policies, wellbeing initiatives Platform for gathering informal feedback. Build positive culture environment for work and to increase productivity by motivating workforce
Shareholders	No	Other	Email, Newspaper, Website, conference calls, virtual meetings		Need based , Quarterly	Shareholder related communication
Investors/ Analyst	No	Shareholder meeting Investor presentations Investor conferences, Press-releases, and newsletters	Email, conference calls, virtual meetings		Half-yearly plus as and when requested by investors	To understand the Company's results, major events and future direction. To discuss with investors about the performance of the Company, to update them about the latest development in the Company and industry and to address their queries. Plant visits are conducted to show our manufacturing capabilities



Stakeholder group	Whether identified as vulnerable & marginalized group	Channels of communication	Details of other channels of communication	Frequency of engagement	Details of other frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Other	Email, Website, Key Account Managers Visits, Auto Expo		As and when required	Information on Business offerings, Brand building and awareness among customers, awareness of our product portfolio.
NGOs & Communities	No	Other	Meetings Quarterly and Annual Reports	Quarterly		Initiating CSR project along with the community
Suppliers	No	Other	Supplier Manual, Monthly Score Card, Supplier Conference, Supplier Audits	Others à Please specify	As and when required, Monthly, Yearly	Sharing growth Vision and business targets and Quality, delivery and sustainability expectation. Ensure engagement with global supplier network and mitigating any disruptions/ negative impacts arising in supply chains. Ensuring business continuity.

Leadership indicators

- 1. Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.:**

The stakeholders are systematically engaged by various functions of the Company. The Board of Directors / Committee there takes feedback of the status of various functions and provide directions for improving processes / practices wherever applicable. The Company also regularly consults its internal and external stakeholders to identify and manage environmental and social topics and takes external help from institutional and experts on ESG improvement opportunity. Top Management encourages company employees to participate in Sustainability ESG workshops organized by OEM .

- 2. a. Whether stakeholder consultation is used to support the identification and management of environmental and social topics. : Yes**

- b.** If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:

Production diversification into EV segments, development, and manufacturing of precision quality products to improve the vehicle efficiency and reduction of greenhouse gas emissions. Setting targets for the usage of renewable energy to meet the carbon neutrality and decarbonization targets.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups:**

The Company's CSR initiatives focus on various aspects of community engagement and social welfare. The Company has been able to generate a positive social impact through its CSR initiatives that are focused on education, environmental restoration and sports training and welfare for youth athletes. The CSR strategy is

approved and periodically reviewed by CSR Committee of the board and believes in Optimizing Impact on Communities and Beneficiaries. For more information, kindly refer to the Corporate Social Responsibility Report mentioned in Annual Report and Sustainability Report for project details.

Since the ‘Responsibility to our Communities’ is one of our core values, Divgi-TTS strives the efforts in social and community development under the initiative of Corporate Social Responsibility with planned and systematic actions put in investment projects which focuses on below principles:

श्री VIDYADAAYINI

Promoting Education: Strengthen the educational and knowledge base, for promoting education based on the fundamental conviction that education can help provide the answers to some of the greatest challenges like poverty, inequality and environmental degradation. To inculcate and develop leadership qualities in underprivileged children through innovative and creative programs, by developing soft skills through music, games and sports.

Vidyavahini CSR Projects carried out in association with The society for Door Step School, Shree trust, Vedanta Culture, Saraswat Education Society, Guruprasad Education Society and Karla Education Trust. : Total Project Amount: - ₹6976062

श्री KALYANAM

Rural development: To improve the living standards of rural people by development of infrastructure in rural areas. Initiatives that will ease the stress of rural households and help in building better and progressive communities, youth development and better family living.

This project carried out with Pragati Foundation; -Total Project amount: - ₹2000000

श्री AAROGYAM

Promoting Health Care: Health Initiative to focus on the overall well-being of the underprivileged both in the rural and the urban communities. The health and wellness programs range from supporting institutions with diagnostic and monitoring equipment to other healthcare projects.

This project carried out with Inga Health Foundation; - Total Project amount: - ₹1250000

श्री SANSKRITI

National Heritage, Art and Culture: The initiative for the protection of our national heritage, art and culture. Programs for the promotion and development of traditional music, dance and handicrafts.

This project carried out with Bharat Itihas Sanshodhak Mandal; - Total Project amount: - ₹500000

श्री VASUNDHARA

Environment Protection: Programs designed for environmental sustainability, ecological balance, protection of flora and fauna, animal welfare and agroforestry.

This project carried out with Pani Panchayat Shirwal ; - Total Project amount: - ₹900000

C.5: Principle 5

Essential indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024 - 2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	259	259	100	246	246	100
Other than permanent	24	24	100	33	33	100
Total employees	283	283	100	279	279	100

3. Details of remuneration/salary/wages:

a. Median remuneration/wages

Category	Male		Female		Other	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	7	14000000	1	1400000	0	0
Key Managerial Personnel	2	4220500	1	1200000	0	0
Employees other than BoD and KMP	240	559940	3	559940	0	0
Workers	344	228984	29	228984	0	0

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Question	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Gross wages paid to females as % of total wages	1.65	2.25

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?
- Yes, the Cross-Functional Committee comprising of Corporate HR, CFO, COO and Plant(s) Head are responsible for resolving any human rights issues or violations reported. The Committee is responsible to assess the policies and accordingly resolve cases with appropriate action

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.:

Divgi TTS has a grievance redressal mechanism in line with the statutory framework under Industrial Dispute Act,1947 for grievance redressal mechanism for the permanent workers where workers or their representatives can raise their grievances in areas like wages, discrimination, child labor, human rights related issues etc. The Corporate HR Head is responsible for addressing human rights impacts or issues caused or contributed to by the business. Divgi TTS applies a value chain approach to address negative environmental and social impact created out of the business operations, Process owners and plant heads responsible to evaluate any environmental or social impact caused or contributed to by the business and mitigate them effectively. The Management Systems Head centrally maintains oversight for such impacts occurring across the value chain and ensures that all the processes are in place and the impacts if any are systematically mitigated.

To maintain this environment, the Company has following internal mechanisms in place to redress grievances related to human rights issues:

- Code of Conduct for Employees.
- POSH Policy.
- Grievance Redressal Policy.

Cases of human rights violation can be reported through the following means:

Email: gkdalvi@divgi-tts.com

Contact number: 9922909464.

Mailing address: Divgi-TTS Ltd, G-75 MIDC Bhosari, Pune-411026

6. Number of complaints on the following made by employees and workers

Category	FY 2024 - 2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	No complaint received	0	0	No complaint received
Discrimination at workplace	0	0	No complaint received	0	0	No complaint received
Child labour	0	0	No complaint received	0	0	No complaint received

Category	FY 2024 - 2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Forced labor/ involuntary labor	0	0	No complaint received	0	0	No complaint received
Wages	0	0	No complaint received	0	0	No complaint received
Other human rights related issues	0	0	No complaint received	0	0	No complaint received

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Question	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.:

For cases related to Sexual Harassment, there is an Internal Committee for redressal of the same. The POSH Committee takes concrete actions to ensure that every Complainant is protected. It maintains confidentiality of all complaints.

Cases of discrimination, bullying and harassment can be reported through the following means:

Email: gkdalvi@divgi-tts.com

Contact number: 9922909464.

Mailing address: Divgi-TTS Ltd, G-75 MIDC Bhosari, Pune-411026

9. Do human rights requirements form part of your business agreements and contracts? : Yes

10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.:

Since no risks were identified during assessments, no corrective actions were required to be undertaken.

Leadership indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.:

Not Applicable, as no grievances/complaints were received with respect to human rights during the reporting period

2. Details of the scope and coverage of any human rights due-diligence conducted.:

The scope and coverage of human rights due diligence is covered through Human right policy and Code of Ethics. During the year, through the statutory internal audit process, the areas of applicable human rights were covered for all the plants of Divgi-TTS.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? : Yes

4. Details on assessment of value chain partners:

Acknowledgment from suppliers for the “Supplier Code of Conduct” – 100% of value chain partners are assessed for workplace discrimination during onboarding

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	0
Discrimination at workplace	0
Child labour	100
Forced labour/involuntary labour	0
Wages	0

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above. : NIL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out assessment by external agency.

**C.6: Principle 6****Essential indicators****1. Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
From renewable sources			
Total electricity consumption (A)	GJ	0	0
Total fuel consumption (B)	GJ	0	0
Energy consumption through other sources (C)	GJ	0	0
Total energy consumed from renewable sources (A+B+C)	GJ	0	0
From non-renewable sources			
Total electricity consumption (D)	GJ	20459.61	19136.10
Total fuel consumption (E)	GJ	1132.79	1064.82
Energy consumption through other sources (F)	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	0	20200.92
Total energy consumed (A+B+C+D+E+F)	GJ	21592.4	20200.92
Energy intensity per rupee of turnover (Total energy consumed/ revenue from operations)	GJ/crore per turnover	85.20	75.51
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/revenue from operations adjusted for PPP)	GJ/crore per turnover	0	0
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/revenue from operations adjusted for PPP)	GJ/unit production	0	0
Energy intensity in terms of physical output	GJ/unit production	0.00804	0.0265
Energy intensity (optional) – the relevant metric may be selected by the entity		0	0
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?		No	No
If yes, name of the external agency.		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Y/N) If yes, name of the external agency.

No, the Company did not carry out assessment by external agency.

2. Details about Performance, Achieve and Trade (PAT) Scheme of the Government of India:

Questions	Response
Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?	No
If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.	NA

PAT scheme does not apply to Divgi-TTS

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Unit	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
(i) Surface water	kiloliters	0	0
(ii) Groundwater	kilolitres	1879.72	1643.1
(iii) Third party water	kilolitres	14416.53	9865.72
(iv) Seawater/desalinated water	kilolitres	0	0
(v) Others	kilolitres	0	0
Total volume of water withdrawal (i+ ii + iii + iv + v)	kilolitres	16296.25	11508.82
Total volume of water consumption	kilolitres	16296.25	11508.81
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	kilolitres/ crore per turnover	67.86	45.41
Water intensity per rupee of turnover adjusted for purchasing power parity (Total water consumption / Revenue from operations adjusted for PPP)	kilolitres/ crore per turnover	0	0
Water intensity in terms of physical output (Total water consumption / physical unit)	Kiloliters/ Product	0.0064	0.0159
Water intensity (optional) – the relevant metric may be selected by the entity		0	5.41
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?		No	No
If yes, name of the external agency		NA	NA



4. Provide the following details related to water discharged:

Parameter	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) To Seawater	0	0
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iii) Sent to third-parties	0	0
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?	No	No
If yes, name of the external agency.	NA	NA

5. Details about zero liquid discharge (ZLD):

Category	Response
Has the entity implemented a mechanism for zero liquid discharge (ZLD)?	Yes
If yes, provide details of its coverage and implementation.	Water being an important environmental resource, necessary initiatives are taken across all the manufacturing units to conserve and recycle water, thus ensuring the ZLD (Zero liquid Discharge). At all manufacturing locations suitable and sufficient wastewater treatment like sewage treatment plants (STP) are installed with primary, secondary, and tertiary treatment which include nano filtration / RO / UV treatment facilities to treat wastewater to usable quality water. The treated water is further used for flushing and gardening activities within the premises. This in turn has resulted in reduced use of freshwater.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
NOx	mg/Nm3	3.29	3.29
SOx	kg/day	0.72	0.86
Particulate matter (PM)	mg/Nm3	30.23	30.23
Persistent organic pollutants (POP)	mg/Nm3	0	0
Volatile organic compounds (VOC)	mg/Nm3	0	0
Hazardous air pollutants (HAP)	PPM	27.5	27.5
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?		Yes	Yes
If yes, name of the external agency.		Environment Test done by MoEFCC recognized laboratory, Third party verification during yearly surveillance audit by DQS India as per ISO 14001 standard requirements.	Environment Test done by MoEFCC recognized laboratory, Third party verification during yearly surveillance audit by DQS India as per ISO 14001 standard requirements.

This Environmental periodical test helps ensure efficient management of industrial operations and adherence to stringent air pollution control processes. As a practice, the Company ensures that all air pollution parameters are within the permissible limits, and compliant with the prevalent norms prescribed by the regional Pollution Control Boards.

7. Provide details of greenhouse gas emissions (scope 1 and scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Total scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	0	0
Total scope 2 emissions(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	0	0
Total scope 1 and scope 2 emission intensity per rupee of turnover (Total scope 1 and scope 2 GHG emissions / Revenue from operations)	tCO2e/crore per turnover	0	0
Total scope 1 and scope 2emission intensity per rupee of turnover adjusted for purchasing power parity (PPP)(Total scope 1 and scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tCO2e/crore per turnover	0	0
Total scope 1 and scope 2 emission intensity in terms of physical output	tCO2e/unit production	0	0



Parameter	Unit	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Total scope 1 and scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		0	0
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?		No	No
If yes, name of the external agency		NA	NA

8. Does the entity have any project related to reducing GHG emissions? If yes, then provide details.:

The Company recognizes the profound impacts of climate change, with a focused emphasis on GHG reduction as a core ESG priority.

Key initiatives include:

- Increasing renewable energy in the Company's energy mix to mitigate GHG footprint through on-site solar, open access power purchase agreements, and company-owned windmills. The Company continues to evaluate opportunities to increase its share of renewable sources further.
- Investment in new high end technology equipment and retrofitting existing machinery to enhance energy efficiency
- Optimization of natural light utilization by installing transparent roofing materials.
- Active CO2 sequestration efforts through tree plantation drives, extending beyond regulatory requirements for maintaining green belts.
- Optimizing the value chain logistics to reduce our fuel consumption.

9. Details related to waste management:

a. Different types of waste generated by the entity, in the following format:

Parameter	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Total waste generated (in metric tonnes)		
Plastic waste (A)	5.16	5.54
E-waste (B)	0.426	0.26
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any	0	0
Total (A+B+C+D+E+F+G+H)	5.586	5.8
Waste intensity per crore rupee of turnover (tonne/crore per turnover)	0.932	3.34
Waste intensity per crore rupee of turnover adjusted for Purchasing Power Parity (PPP) (tonne/crore per turnover)	0	0
Waste intensity in terms of physical output (tonne/unit production)	0	0
Waste intensity (optional) – the relevant metric may be selected by the entity	0	0

b. Different types of waste recovered or disposed of by the entity, in the current financial year:

Category of waste (in metric tonnes)	Recycled	Re-used	Other recovery operations	Incineration	Landfilling	Other disposal operations
Plastic waste	0	5.16	0	0	0	0
E-waste	0	0.426	0	0	0	0
Bio-medical waste	0	0	0	0	0	0
Construction and demolition waste	0	0	0	0	0	0
Battery waste	0	0	0	0	0	0
Radioactive waste	0	0	0	0	0	0
Other hazardous waste, if any	0	0	0	0	0	0
Other non-hazardous waste generated, if any	0	0	0	0	0	0
Total	0	5.586	0	0	0	0

c. Different types of waste recovered or disposed by the entity, in the previous financial year:

Category of waste (in metric tonnes)	Recycled	Re-used	Other recovery operations	Incineration	Landfilling	Other disposal operations
Plastic waste	0	5.54	0	0	0	0
E-waste	0	0.260	0	0	0	0
Bio-medical waste	0	0	0	0	0	0
Construction and demolition waste	0	0	0	0	0	0
Battery waste	0	0	0	0	0	0
Radioactive waste	0	0	0	0	0	0
Other hazardous waste, if any	0	0	0	0	0	0
Other non-hazardous waste generated, if any	0	0	0	0	0	0
Total	0	5.8	0	0	0	0

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.:

We have adopted waste management practices as per the statutory/regulatory requirements and ISO 14001. For managing all the waste coming from the operations, we have clearly bifurcated the hazardous and non-hazardous waste categories and separate collection bins are installed at each shop/cell. Waste always remains segregated, including during transit from floor to the storage and within the storage area. Relevant vendors have been identified and authorized to safely and sustainably manage the waste.

Recording and monitoring of waste generation and disposal selection and related waste processing agreements with waste collection agencies are in line with regulatory obligations. Recycling and disposal of hazardous waste are performed through MPCB-authorized agencies. Returnable packaging is used with customers thereby reducing waste generation in the value chain.



11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with?	If no, the reasons thereof and corrective action taken, if any.
	NA	NA		NA

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	Provide details of the non-compliance	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant web link
NA	NA	NA	No	No	NA

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non- compliances, in the following format: yes

S. No.	Specify the law/ regulation/guidelines which was not complied with	Type of operations	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	NA	NIL	NIL	NIL

Yes, all the Company's manufacturing units are compliant with the applicable environmental laws/regulations/ guidelines.

The Company uses a compliance management technology platform for monitoring a large range of applicable laws, regulations, and guidelines while monitoring compliance status. The Company has also ensured compliance validation through a maker checker mechanism.

Leadership indicators

1. Details of water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

a. Name of the water stress area and nature of operations:

Name of the area	Nature of operations
NA	NA

b. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Total waste generated (in metric tonnes)		
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1879.72	1643.1
(iii) Third party water	14416.53	9865.72
(iv) Seawater/desalinated water	0	0
(v) Others	0	11508.82
Total volume of water withdrawal (in kilolitres)	16296.25	11508.82
Total volume of water consumption (in kilolitres)	16296.25	11508.82

Parameter	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Water intensity per rupee of turnover// n(Water consumed/turnover)	67.86	45.41
Water intensity (optional) – the relevant metric may be selected by the entity	0	0
Water discharge by destination and level of treatment (in kilolitres)	0	0
(i) Into Surface water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Into Seawater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iii) Sent to third-parties		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?	No	No
If yes, name of the external agency.	NA	NA

2. Please provide details of total scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Total scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	0	0
Total scope 3 emissions per rupee of turnover	tCO2e/crore per turnover	0	0
Total scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		0	0
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?		No	No
If yes, name of the external agency.		-	-



3. With respect to the ecologically sensitive areas reported at Question 11 of essential indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along- with prevention and remediation activities.:

Currently no office or factory locations are part of ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiatives undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	Installation of storage oil skimmer at HMC Machines	NA	This resulted in an increase in the coolant life.
	Collection mechanism installed for collecting dripping water from air compressors.	NA	This water being used for gardening purpose after STP treatment
	Reusing of filter oil	NA	Oil consumption reduced by 50%, Saving 2000 Liters per year.
	Machine reconditioning and retrofitting of old machines	Total 14 machines reconditioned and retrofitted resulted in higher productivity and energy efficient.	Such efforts Contributed to overall energy saving.
	The organization partnered with a packaging solution provider for recyclable & reusable packaging.	For multiple to and fro transfer, Tegatai packaging introduced for the models EV transmission and W501	Such high volume recyclable packaging, which directly reduced the usage of single PP boxes and wooden boxes
	TPM activities	Taking reduce and elimination efforts for oil spillage and leakage through the TPM pillar, Kobetsu kaizen.	Arrested oil spillage and compressor air leakage.
	Energy Efficiency and GHG Emissions Reduction	Upgradation of IE 3 motors to IE 4 motors • Installation of LED lamps, magnetic resonators, energy efficient compressors, variable-frequency drive ("VFD") for hydraulic motors, timer-based controllers for auto shut off and auto changeover and heat recovery units in air compressors. • Use of gravity conveyors for material handling • Use of Programmable Logic Control ("PLC") for Assembly and manufacturing units. • Installation of auto shut-off timers for lighting systems of offices/ washrooms/meeting rooms. • Harvesting of natural lights by installing transparent sheets on the roof and side walls of factory sheds. • Compressed air arresting and optimization, Lighting automation (motion sensor), Demand load optimization	Contributed in overall Energy saving

5. Details about the disaster management plan.:

- a. Does the entity have a business continuity and disaster management plan? : Yes
- b. Give details in 100 words/ web link.:

We have developed an OEP (Onsite Emergency plan) for all our sites to ensure business continuity and adequate preparation for disaster management. We have identified potential emergencies and natural disasters such as Fire, Electrocution, Fall from height, Chemical/ Acid exposure, Earthquake, Natural disasters among others. In order to prevent any adverse impacts because of these events, we have incorporated the following key aspects:

- Formed emergency response teams in our plants
- Formed firefighting and first aider teams in our plants
- Deployment of minimum number of first aiders and fire fighters at all times in the plant
- Conducting mock drills and plant level evacuation at scheduled intervals

The Company's Business Continuity Plan (BCP) is based on ISO 14001, ISO 45001 , ISO 22301 and covers Mitigation and recovery plan for the following components: a. Environmental disasters b. Disaster recovery planning for IT Applications and Infrastructure, c. Situation specific business level BCP Mock drills are conducted twice a year.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.:

Divgi TTS ensures that there are no adverse impacts to the environment arising from its value chain, periodic audits at supplier premises or through self-assessment checklist , risk and measures are monitored.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. 65.0

C.7: Principle 7

Essential indicators

- 1. a. Number of affiliations with trade and industry chambers/associations. : 5
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1	Confederation of Indian Industry (CII)	National
2	MAHRATTA CHAMBER OF COMMERCE, INDUSTRIES AND AGRICULTURE (MCCIA)	State
3	Automotive Research Association of India (ARAI)	National
4	Birla Institute of Technology and Science (BITS)	National
5	College of Engineering Pune (COEP)	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.:

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

**Leadership indicators****1. Details of public policy positions advocated by the entity.:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain?	Frequency of review by board	Details of other frequency of review by Board	Web Link, if available
	The Company has diversified its product portfolio in EV segment, supplying E-gear transmission to top Indian OEM and contribute on specific sustainable business issues.	Through membership with trade and industry associations the Company shares its feedback on matters as mentioned in the adjacent cell.	Yes	Others a please specify		Not applicable

C.8: Principle 8**Essential indicators****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.:**

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant web link
NA	NA	NA	No		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of pro-ject for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
	NA	NA	NA	0	0	0

3. Describe the mechanisms to receive and redress grievances of the community.:

The CSR team actively engages with the local community surrounding manufacturing sites to address their issues. Any matters requiring Senior Management attention are promptly escalated and resolved by the appropriate authority

The Company has defined a process to ensure all the complaints and feedback from all stakeholders including communities are received and addressed. This defined process includes: (i) A dedicated contact page on the website (ii) Complaints / Feedback received on contact Email CFT team manage all the complaints and feedback to ensure timely response.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	20	15.47
Directly from within India	50	45.1

5. Job creation in smaller towns – disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost.:

Location	FY 2024 - 2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Rural	50	40
Semi-urban	0	0
Urban	20	30
Metropolitan	30	30

Leadership indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (reference: Q1 of essential indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.:

The Company does not have active CSR projects in any aspirational districts.

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? :

No procurement was done from marginalized/vulnerable groups.

b. From which marginalized/vulnerable groups do you procure? : Not applicable

c. What percentage of total procurement (by value) does it constitute? : 0

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual property based on traditional knowledge	Owned/acquired	Benefit shared	Basis of calculating benefit share
	Divgi TTS does not have (acquired or owned) Intellectual Property Rights based on the traditional knowledge during the reporting period.	No	No	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.:

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR projects:

S. No.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
i.	Gram Gourav Pratisthan-Water Structure Restoration (DONI) Project-Pani Panchayat	1050	100
ii.	Enabling Leadership, Pragatee Foundation- Project PLAY (Football)	415	100



S. No.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
iii.	The Society for Door Step School- Community Education Programme	1417	100
iv.	Vedanta Cultural Foundation	100	100
v.	Inga Health Foundation	18	100
vi.	Shree Trust- Parijnanashram Vidyalaya	249	100
vii.	Bharat Itihas Sanshodhak Mandal	1000	100
viii.	Guruprasad Education Society	110	100

C.9: Principle 9

S. No.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
ix.	Saraswat Education Society	540	100
x.	Karla Education Trust	34	100
xi.	Kalashree Music Academy	50	100

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.:

Divgi TTS has the customer support function which proactively work on customer complaint resolution and increasing customer satisfaction index. Customer Focus is one of the leadership principles of the Company. There are mechanisms in place that aim to minimize customer complaints and grievances, while ensuring prompt redressal. The Company primarily caters to automotive OEMs. There is a robust mechanism instituted in the Company to deal with issues and complaints reported by OEMs. Issues can be raised through their online portals, e-mail communications, during plant visits or at meetings. Customer complaint logged in Defect Tracking Sheet, and effective resolution made referring to customer complain handling procedure, 8D. An individual Key Account Manager is assigned to each customer to ensure that their complaint and feedback are duly received and adequately addressed in a timely manner.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about.:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

3. Number of consumer complaints in respect of the following.:

Category	FY 2024 - 2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0	No complaints received	0	0	No complaints received
Advertising	0	0	No complaints received	0	0	No complaints received

Category	FY 2024 - 2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Cyber-security	0	0	No complaints received	0	0	No complaints received
Delivery of essential services	0	0	No complaints received	0	0	No complaints received
Restrictive trade practices	0	0	No complaints received	0	0	No complaints received
Unfair trade practices	0	0	No complaints received	0	0	No complaints received
Other	0	0	No complaints received	0	0	Auto OEM Customer complaints. resolved

4. Details of instances of product recalls on account of safety issues.:

The products are sold to OEMs and aftermarkets and not directly to end customers

State	Number	Reasons for recall
Voluntary recalls	0	No recall cases registered
Forced recalls	0	No recall cases registered

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?:

Yes, the company has an internal Information Technology (IT) Policy that establishes guidelines for the Company's employees and end users regarding the use of the Company's IT facilities and services in the intranet. Data Security is one of the key elements of the policy, aimed at ensuring the confidentiality, integrity, and availability of data while effectively managing risks.

Questions	Response
Does the entity have a framework/ policy on cyber security and risks related to data privacy?	Yes
If available, provide a web-link of the policy.	https://divgi-tts.com/?s=Policy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.:

There were no consumer complaints on issues relating to advertising, delivery of essential services, cyber security, and data privacy of customers. The complaints in other category under indicator 5 of this principle pertains to Product supplied to customers (Auto OEM); all complaints resolved.

7. Provide the following information relating to data breaches.:

- a. Number of instances of data breaches. : 0
- b. Percentage of data breaches involving personally identifiable information of customers : 0
- c. Impact, if any, of the data breaches. : NA



Leadership indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://divgi-tts.com/products/> The information displayed on the product label is as per the applicable laws and in line with the prevalent market practice. The Company displays product information as required by the customer and AIAG traceability requirement. Apart from the mandated declarations, additional declaration are furnished on the products/ labels relating to the product and their usage in the service manual.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

The information displayed on the product label is as per the applicable laws and in line with the prevalent market practice. The Company displays product information as required by the customer and AIAG traceability requirement. Apart from the mandated declarations, additional declarations are furnished on the products/ labels relating to the product and their usage in the service manual. Frequent engagement with the dealers and customers for awareness on product related information and handling.

These are part specifications that are mutually agreed upon and signed off with customers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Divgi-TTS does not deal in essential product and services. However, risk are proactively taken care with FMEA (Failure mode and effect analysis) approach and warranty analysis. Risk of disruption/ discontinuation informs to consumer by email.

4. Details about display of product information.

Questions	Response
Does the entity display product information on the product over and above what is mandated as per If yes, provide details in brief.	Yes The information displayed on the product label is as per the applicable laws and in line with the prevalent market practise. The Company displays product information as required by the customer and AIAG traceability requirement. Apart from the mandated declarations, additional declaration are furnished on the products/ labels relating to the product and their usage in the service manual. Frequent engagement with the dealers and customer for awareness on product related information and handling. Customer satisfaction survey: A customer satisfaction survey is conducted every year and “customer satisfaction index” is plotted. Result of the survey are analysed to understand the area of improvement. Score card provided by customer is also a measure of customer satisfaction. Average customer satisfaction rating is above 90% and score card rating is Excellent.
Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?	Yes

Management Discussion and Analysis

GLOBAL ECONOMIC REVIEW:

Overview: Global economic growth declined marginally from 3.3% in 2023 to an estimated 3.2% in 2024. This was marked by a slowdown in global manufacturing, particularly in Europe and parts of Asia. This was driven by supply chain disruption and weak external demand. In contrast, the services sector demonstrated resilience, contributing to growth across economies. Inflation moderated in most regions.

Growth in advanced economies was expected at 1.8% in 2024 (projected at 1.9% in 2025 and 1.8% in 2026). Emerging and developing economies are likely to report a growth decline from 4.4% in 2023 to 4.2% in 2024 (projected at 4.2% growth in 2025 and 4.3% in 2026).

Global inflation was expected to decline from 6.1% in 2023 to 4.5% in 2024 (projected at 3.5% and 3.2% in 2025 and 2026 respectively). This decline is attributed to the declining impact of previous economic shocks, and labour supply improvements. Monetary policies anchored inflation, preventing wage-price spirals.

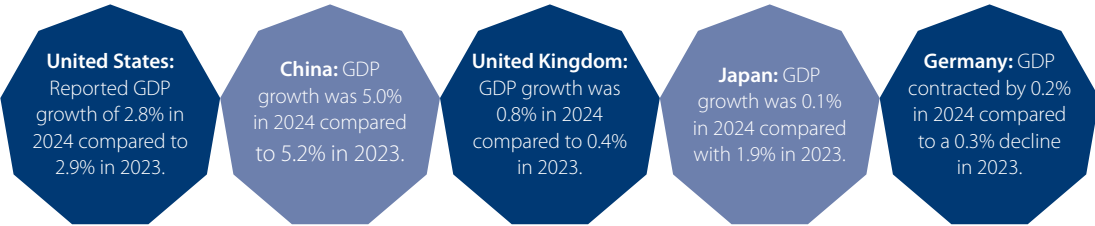
Global unemployment declined from 5.4% in 2023 to around 5.3% in 2024 (projected at 5.2% in 2025 and 2026).

The end of the calendar year was marked by the return of Donald Trump as the new US President. The new US government threatened to impose import tariffs on countries exporting to the US unless those countries lowered tariffs for the US to export to their countries. This enhanced global trade and markets uncertainty and could affect the outlook across 2025.

Regional growth (%)	2024-25	2023-24
World output	3.2	3.3
Advanced economies	1.7	1.7
Emerging and developing economies	4.2	4.4

(Source: IMF, KPMG, Press Information Bureau, BBC, India Today)

PERFORMANCE OF THE MAJOR ECONOMIES, 2024:



(Source: CNBC, China Briefing, ons.gov.uk, Trading Economics, Reuters)

Outlook: The global economy is anticipated to remain resilient with 3.3% growth in 2025 and 2026. This stability is likely to be influenced by disinflation, declining commodity prices, and easing monetary restrictions. However, conflicts, geopolitical tensions, trade restrictions and climate risks could emerge as challenges. (Source: IMF, United Nations)

INDIAN ECONOMIC REVIEW:

Overview

The Indian economy was projected to grow at 6.5% in FY 2024-25, compared to a revised 9.2% in FY 2023-24. This was a four-year low due to sluggish manufacturing and investments. Despite the slowdown, India retained its position as the world's fifth-largest economy.

India's nominal GDP (at current prices) was ₹331 trillion in FY 2024-25 (₹301.23 trillion in FY 2023-24). Nominal GDP per capita increased by ₹35,000 in FY 2024-25 compared to FY 2022-23, reflecting sustained economic expansion.

The Indian rupee weakened 2.12% against the US dollar in FY 2024-25, closing at ₹85.47 on the last trading day of FY25. In March 2025, the rupee recorded the highest monthly appreciation in the currency since November 2018, rising 2.39%.

Inflationary pressures eased, with CPI inflation averaging 4.8% in FY 2024-25, driven by moderating food inflation and stable global commodity prices.

India’s foreign exchange reserves reached a record high of \$640.3 billion as of December 31, 2024. This was the fourth consecutive year when rating upgrades outpaced downgrades on account of strong domestic growth, rural consumption, increased infrastructure investments and low corporate leverage (annualized rating upgrade rate 14.5% exceeded the decade-long average of 11%; downgrade rate was 5.3%, lower than the 10-year average of 6.5%).

Gross inward foreign direct investment revived in FY25, rising 20.6% YoY from \$51.8 billion in the first eight months of FY24 to \$62.5 billion during the same period in FY25. However, the net foreign direct investment in India declined from USD 7.84 billion in the first nine months of FY24 to USD 1.18 billion in the corresponding period in FY25, followed increased repatriation and overseas investments by Indian firms.

Growth of the Indian economy

	FY22	FY23	FY24	FY25
Real GDP growth (%)	8.7	7.2	9.2	6.5

(Source: MoSPI, Financial Express)

Growth of the Indian economy quarter by quarter, FY 2024-25

	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25
Real GDP growth (%)	6.5	5.6	6.2	7.4

(Source: The Hindu, National Statistics Office)

The banking sector continued its improvement, with gross non-performing assets (NPA) for scheduled commercial banks (SCBs) declining to 2.6% as of September 2024, down from 2.7% in March 2024. The capital-to-risk-weighted assets ratio for SCBs stood at 16.7% as of September 2024, reflecting a strong capital position.

India’s exports of goods and services are projected to reach \$800 billion in FY 2024-25, up from \$778 billion in the previous fiscal year. The Red Sea crisis impacted shipping costs, affecting price-sensitive exports. Merchandise exports were expected to grow 2.2% YoY, reaching \$446.5 billion.

India’s net direct tax collections increased 14.69%, totalling ₹17.78 lakh crore by February 2025. Gross GST collections for the first 11 months of FY 2024-25 stood at ₹20.13 lakh crore, a 9.4% increase YoY.

On the supply side, real gross value added (GVA) was estimated to expand 6.4% in FY 2024-25. The industrial sector was expected to grow 6.2%, supported by growth in construction activities, electricity, gas, water supply and other utility services.

India’s services sector grew an estimated 7.3% in FY25 (9.0% in FY24), driven by public administration, defence and other services (expanded at 8.8% as in the previous year). In the infrastructure and utilities sector, electricity, gas, water supply and other utility services grew a projected 6.0% in FY25, compared to 8.6% in FY24. Meanwhile, the construction sector expanded at ~8.6% in FY25, slowing from 10.4% in the previous year.

Manufacturing activity is expected to have remain subdued in FY25, with growth projected at 4.3%, lower than 12.3% in FY24. Moreover, due to lower public spending in the early part of the year, government final consumption expenditure (GFCE) is anticipated to have slowed down to 3.8% in FY25, compared to 8.1% in FY24.

The agriculture sector growth was estimated at 3.8% in 2024-25 (1.4% in 2023-24). Trade, hotel, transport, communication and services related to broadcasting segment were estimated to grow at 6.4% in 2024- 25 (6.3% in 2023-24).

From a demand perspective, private final consumption expenditure at constant prices was forecast to grow 7.3%, a rebound in rural demand and stronger consumer confidence.

The Nifty 50 and SENSEX recorded their weakest annual performances in FY 25 in two years, rising 5.3% and 7.5% during the year under review respectively. Gold rose 37.7% to \$3,070 per ounce, the highest increase since FY 2007-08, a reflection of growing global uncertainty.

Foreign portfolio investments (FPIs) in India experienced high volatility throughout 2024, with total inflows into capital markets reaching approximately \$20 billion by year-end. However, the final quarter witnessed significant

selling pressure, influenced by rising US Treasury yields, China's economic stimulus measures and high valuations of Indian stocks. Despite this, FPIs remained the net buyers of Indian equities, with net inflows of around \$50 million in 2024. The secondary market sell-off was largely offset by robust primary issuances, making 2024 a record-breaking year for Indian IPOs.

Outlook: India is expected to remain the fastest-growing major economy. Initial estimates project that India's economy could grow 6.3-6.8% during the current financial year, the US tariffs notwithstanding. The services sector is likely to sustain its momentum, manufacturing activity is expected to accelerate (driven by government initiatives to enhance logistics infrastructure and tax reforms). The following are some key growth catalysts for India in FY26.

Tax stimulus: The February 2025 Budget marked a shift in approach, with the government proposing substantial personal tax cuts. Effective April 1, 2025, individuals earning up to ₹12 lakh annually will be fully exempt from income tax. Economists estimate that the resulting ₹1 lakh crore in tax savings could boost consumption by ₹3-3.5 lakh crore, potentially increasing the nominal private final consumption Expenditure (PFCE) by 1.5-2% of its current ₹200 lakh crore.

Pay Commission impact: The 8th Pay Commission's awards could lead to a significant salary revision for nearly ten million central government employees. Historically, Pay Commissions have granted substantial pay hikes along with generous arrears. For instance, the 7th Pay Commission more than tripled its monthly salaries, raising the range from ₹7,000 to ₹90,000 to ₹18,000 to ₹12.5 lakh, triggering a widespread ripple effect.

Easing inflation: With El Niño dissipating by mid-2024 and the South-West monsoon delivering 8% above the normal rainfall, inflation has been on a downward trend. A 4-5% increase in agricultural output has helped cool food inflation, which dropped from 10.8% in October 2024 to 3.75% by February 2025.

Deeper rate cuts: In its February 2025 meeting, the Monetary Policy Committee (MPC) reduced policy rates by 25 basis points and omitted any reference to the 4% inflation target from its official statement. The committee emphasized balancing growth and inflation in its monetary policy approach. Under its new Governor, the RBI has shown greater willingness to inject liquidity into money markets. As a result, the yield on 1-year government bonds has declined from over 7% to 6.4% within a year, while 10-year gilt yields have fallen from 7.2% to 6.6%.

Lifting credit restrictions: In November 2023, the RBI increased risk weights on bank loans to retail borrowers and NBFCs, significantly tightening credit availability. This led to a sharp slowdown in retail credit growth from 20-30% to 9-13% between September 2023 and 2024. However, under its new leadership, the RBI has prioritized restoring credit flow. Recent policy shifts have removed restrictions on consumer credit, postponed higher liquidity requirements for banks, and are expected to rejuvenate retail lending.

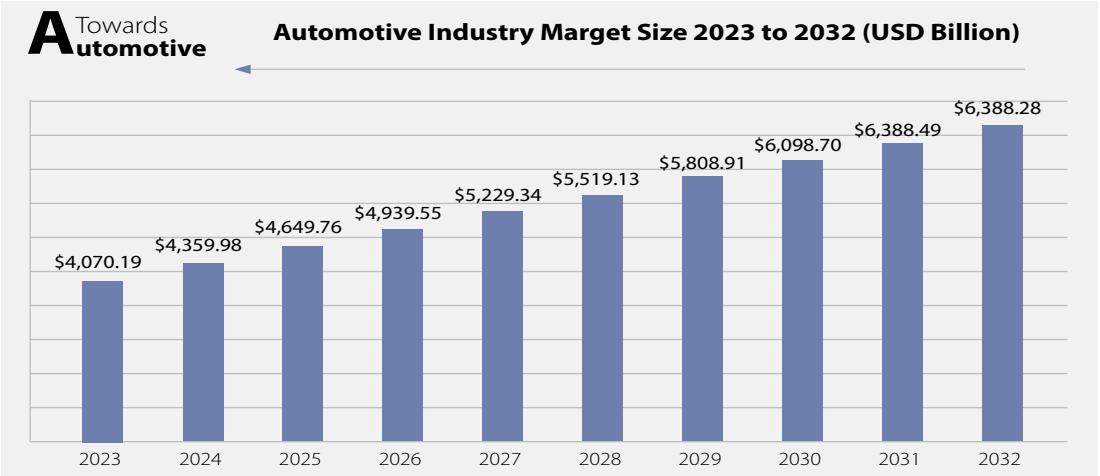
Union Budget FY 2024-25: The Union Budget 2025-26 laid a strong foundation for India's economic trajectory, emphasizing agriculture, MSMEs, investment, and exports as the four primary growth engines. With a fiscal deficit target of 4.4% of GDP, the government reinforced fiscal prudence while allocating ₹11.21 lakh crore for capital expenditure (3.1% of GDP) to drive infrastructure development. The MSME sector will benefit from revised classification criteria, customized credit cards for micro-enterprises, and sector-specific initiatives supporting footwear, leather, and toy manufacturing. Additionally, the budget prioritized human capital development with initiatives such as Atal Tinkering Labs, skilling programs, and a ₹20,000 crore R&D fund to foster innovation and technological advancement.

(Source: Pound Sterling, CNBC, Press Information Bureau, Business Standard, Economic Times, World Gold Council, Indian Express, Ministry of External Affairs)



GLOBAL AUTOMOTIVE INDUSTRY OVERVIEW:

The global automotive industry market size was USD 4,359.98 billion in 2024 and is expected to reach around USD 6,678.28 billion by 2032, growing at a CAGR of 5.66% from 2024 to 2032.



In today's rapidly evolving business landscape, marked by the proliferation of emerging markets, the rapid advancement of new technologies, stringent security regulations, and shifting customer preferences, the automotive industry finds itself at the nexus of transformative change. Digitalization and innovative business models are reshaping traditional paradigms, ushering in a new era of disruption in the automotive sector.

Four critical technological disruptions are mobility, autonomous driving, electric vehicles, and connected technologies which are poised to revolutionize the automotive landscape. While these disruptions are often viewed as independent phenomena, there is a growing consensus among business leaders and industry experts that they are intricately interconnected, complementing, and reinforcing each other. The industry, overall, is perceived as primed and ready for substantial transformation.

(Source: Fintech, Globe News Wire, Statista)

INDIAN AUTOMOTIVE INDUSTRY OVERVIEW:

India is the world’s third-largest automobile market, leading in three-wheeler, passenger vehicle, and second in two-wheelers. By 2030, it aims to lead in shared mobility and EV adoption, targeting 30% of new vehicle sales as electric. The automotive market is projected to grow from 5.1 million units in 2023 to 7.5 million units by 2030, with passenger vehicles reaching 6 million units, solidifying India’s position as the world’s third-largest passenger vehicle market.

Automobile retail sales grew 6.5% in FY 2024–25, driven primarily by a 5% rise in passenger vehicle (PV) sales, an 8% increase in two-wheeler numbers, and a 5% uptick in commercial vehicle (CV) sales. This compares to a growth of 10% for the industry in FY 24. However certain concerns emerged in March, as retail sales declined for second consecutive month — down to 0.7% compared from March 2024. The fall was attributed to a 2% slide in two-wheeler sales, a 6% drop in three-wheeler sales, and a 6% decline in tractor sales.

India’s automotive industry had benefited from low-cost skilled labour, strong R&D, and affordable steel, driving investment and job creation. The EV market is expected to reach ₹20 lakh crore by 2030. This growth could generate 5 crore jobs in the EV sector by 2030.

The EV sector market size is expected to grow from USD 396.49 billion in 2024 to USD 620.33 billion by 2030, at a CAGR of 7.7%. NITI Aayog and RMI estimate that India’s EV finance industry will reach USD 50 billion by 2030. The EV market is set to grow at a CAGR of 36% through 2026, with the EV battery market expanding at 30%.

India’s automotive mission plan 2047, released in August 2025 June 2025, aims to make India a global hub for automotive manufacturing and research and development (R&D). India being a leader in two-wheelers and third in medium and heavy commercial vehicles, is planning to add 4 million passenger vehicle production capacity by 2032.

(Source: IBEF, Forbes, Business Standard, Globe News Wire)

GLOBAL AUTO COMPONENTS INDUSTRY OVERVIEW:

The global auto components manufacturing market size had reached USD 2,250.5 Billion in 2024. Looking forward, IMARC Group expects the market to reach USD 2,761.1 Billion by 2033, exhibiting a growth rate (CAGR) of 2.3% during 2025-2033. The increasing global demand for automobiles, the rising governments initiatives and incentives promoting the automotive industry’s growth and sustainability, and the growing consumer demand for enhanced comfort, connectivity, and convenience features in vehicles are some of the factors propelling the market.

Auto components manufacturing is a vital industry that plays a crucial role in the automotive sector. It involves producing various components and systems essential for vehicles’ functioning and performance. Auto parts manufacturers employ advanced technologies, such as computer-aided design and manufacturing, to develop high-quality parts that meet the automotive industry’s stringent requirements.

(Source: IMARC)

INDIAN AUTO COMPONENTS INDUSTRY OVERVIEW:

The Indian auto component market is expected to grow by USD 259.03 billion, at a CAGR of 37% between 2025 and 2029. The industry is projected to grow by 8-10% in FY 2025-26, down from 14% in 2023-24, due to rising freight rates. Operating margins should remain stable at 11-12%, supported by operating leverage and value addition. Despite challenges such as rising ocean, freight rates affecting some exporters and importers, margins are expected to remain stable.

India’s auto components market share has expanded significantly, driven by increasing demand from the growing middle class and strong export performance. With a surge in demand for Indian auto components, both domestic and international players are entering the market. The industry is divided into organized and unorganized sectors; the unorganized sector primarily produces low-value items, while the organized sector caters to OEMs and includes high-value precision instruments.

India is rapidly becoming a global hub for auto component sourcing, with the industry exporting more than 25% of its annual production reaching US\$ 100 billion by 2030.

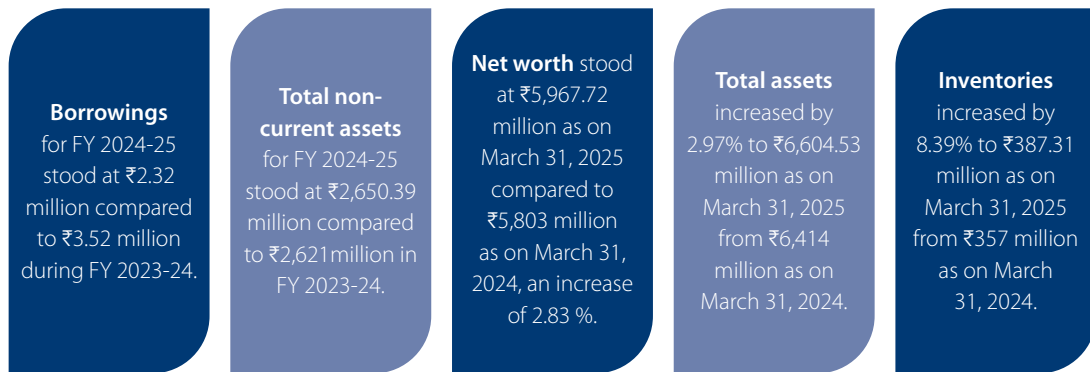
By FY 28, the Indian auto industry plans to invest US\$ 7 billion to enhance the localization of advanced components such as electric motors and automatic transmissions. This strategy aims to reduce imports while capitalizing on the ‘China Plus One’ trend.

(Source: IMARC, Technavio, PIB, Industry Outlook)

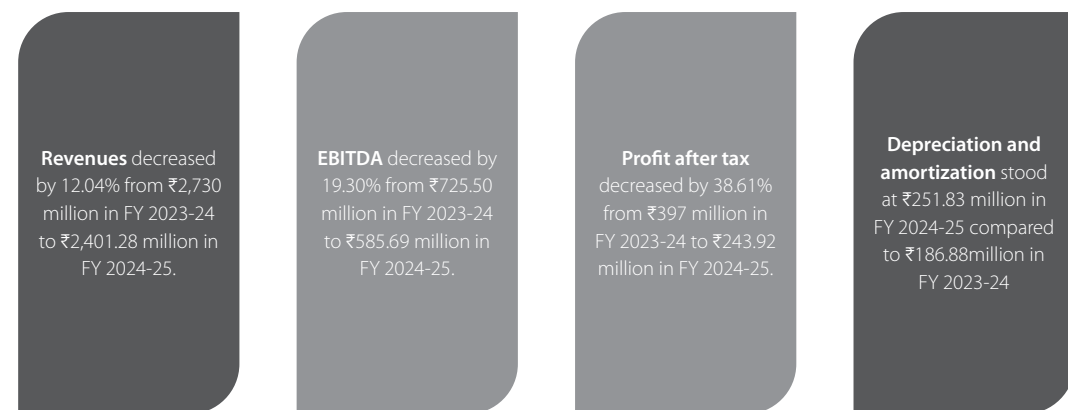


FINANCIAL ANALYSIS FY 2024-25:

Balance Sheet



Profit & Loss Statement



WORKING CAPITAL MANAGEMENT

Current assets as on March 31, 2025 stood at ₹3,954.14 million compared to ₹3,792.87 million as on March 31, 2024. Current ratio as on March 31, 2025 stood at 7 compared to 6.94 as on March 31, 2024. Inventories increased from ₹357.34 million as on March 31, 2024 to ₹387.31 million as on March 31, 2025. Current liabilities stood at ₹565.11 million as on March 31, 2025 compared to ₹546.65 million as on March 31, 2024. Cash and bank balances stood at ₹2,848.33 million as on March 31, 2025 compared to ₹2,643.06 million as on March 31, 2024.

KEY RATIOS:

Particulars	(₹ in Lakhs)	
	2024-25	2023-24
EBITDA/Turnover	24.39	26.59
EBITDA/Net interest	153.31	178.33
Debt-equity ratio	0.00	0.00
Return on equity (%)	4.14	7.02
Book value per share (₹)	195.13	189.76
Earnings per share (₹)	7.98	12.99

RISK MANAGEMENT AT DIVGI- TTS:

Key risks and their explanation	Mitigation measures
If consumer demand shifts, the company's focus on a specific niche segment could become a potential challenge.	The company is actively expanding its portfolio to include a wider range of products and applications, covering passenger vehicles, commercial vehicles, tractors, and construction equipment. It also aims to broaden its market presence across various consumer segments and regions.
An economic downturn could negatively affect the company's performance, as it may lead to a decline in automobile demand, which would, in turn, impact revenue.	To mitigate the risks associated with dependence on a single market, the company has expanded its presence to four countries. Moreover, it has broadened the applications of its products to reduce reliance on a limited number of markets.
Intense competition in the global market is driven by factors such as cost efficiency and production volume.	Divgi - TTS is a prominent leader in the market, renowned for optimizing cost management through the adoption of lean manufacturing principles.
A growing trend among global OEMs is the increased focus on evaluating the carbon footprint and conducting life cycle assessments of their suppliers' products, leading to the adoption of stricter screening criteria.	The company has expanded its network of knowledge partners while placing a strong emphasis on environmental responsibility. With multiple years of ISO 14000 certification, it has adopted the Global Reporting Initiative (GRI) framework for sustainability reporting. Furthermore, the company is a leader in the development of energy-efficient vehicles, working closely with some of the world's top brands in this sector.
The inability to attract and retain talent may present a threat to the company's long-term success and sustainability.	To attract and retain top talent, the company fosters a positive work environment and offers opportunities for professional development.
The use of child labour can lead to negative public perception and harm the company's reputation and goodwill.	The company has implemented policy measures to prohibit child labour, demonstrating its commitment to strong moral values and a robust code of conduct.



Key risks and their explanation	Mitigation measures
The tightening of environmental regulations could impact the company's growth prospects.	The company's investments in advanced research and development projects are focused on reducing the environmental impact of its products, while enhanced lean manufacturing practices have helped minimize raw material usage.
Innovations have the potential to replace existing technologies.	To remain competitive, the company continually invests in upgrading its technology.
Global OEMs are increasingly focusing on cost reduction while also enhancing quality.	The company has raised its quality standards by implementing a vendor development program using CMM and a supplier quality enhancement initiative. Moreover, it has invested in complementary capital equipment to drive cost reduction.

HUMAN RESOURCE MANAGEMENT:

The company cultivates a positive work environment that motivates high performance, emphasizing customer-centricity and innovation while maintaining the highest quality standards. It invests significantly in employee training and development to continually improve operational efficiency. Committed to attracting and retaining top talent, the company provides growth and learning opportunities, along with progressive policies and programs such as recognition and reward initiatives, engaging employee activities, and efforts to promote work-life balance. Notably, industrial relations have remained smooth and harmonious across all company plants over the past year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has a strong internal control system in place, ensuring proper authorization, recording, and reporting of transactions, while also protecting its assets. This system is essential for effective risk management and governance. Designed to fit the company's size and operational complexities, it is well-defined and robust. Over the past year, the system has functioned effectively, with both internal and external auditors regularly testing and certifying the controls across all offices, factories, and key business areas. Additionally, cross-functional teams within the factories play a vital role in controlling production operations, while system certifications further strengthen these controls.

Annexure F

The Annual Report on CSR Activities
for FY 2024-2025

[Pursuant to section 135 of the Companies Act, 2013 and the Companies
(Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

Operating in a responsible and sustainable manner is important. Whilst we run our business in line with the expectations of diverse global stakeholders, we also see Corporate Responsibility as a discipline that helps to manage risks and maximize opportunities presented to us in the changing world.

Divgi TorqTransfer Systems Limited (Divgi TTS) is committed to good corporate citizenship. We strive to supply goods and services of superior value to our customers; to create jobs that provide meaning for those who do them and to contribute generously of our talents and our wealth to the communities in which and for whom we do business.

Since the ‘Responsibility to our Communities’ is one of our core values, Divgi-TTS strives to take efforts in the area of social and community development under the initiative of Corporate Social Responsibility with planned and systematic actions put in investment projects which focuses on below principles:

- श्री Vidyadaayini (Promoting Education)
- श्री Kalyanam (Rural development)
- श्री Aarogyam (Promoting Health Care)
- श्री Sanskriti (National Heritage, Art and Culture)
- श्री Vasundhara (Environment Protection)

During the year under review, your Company had focused majorly on श्री Vidyadaayini, श्री Aarogyam and श्री Sanskriti principles with an attempt for a holistic social contribution by empowering the under-privileged stakeholders of our society. The Company’s CSR Policy, including overview of projects or programs undertaken or proposed to be undertaken, is provided on the Company’s website.

Our CSR initiatives are independent of the normal conduct of our businesses and are aligned to the activities listed in Schedule VII read with Section 135 of the Companies Act, 2013 and the allied CSR Rules.

2. Composition of CSR Committee:

During the year under review, the Composition of CSR Committee of the Board of Directors was as under:

Name of Director	Designation	Number of CSR Committee meetings held during year	No. of meetings of CSR Committee attended during the year
Mr. Pundalik Dinkar Kudva	Chairperson	2	2
Ms. Geeta Prafull Tolia	Member	2	2
Mr. Jitendra Bhaskar Divgi	Member	2	2
Mr. Hirendra Bhaskar Divgi	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR policy, and CSR projects approved by the board are disclosed on the website of the company:

- <https://divgi-tts.com/composition-of-committees/>
- <https://divgi-tts.com/policies-and-code-of-conduct/>

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹61,50,559,33.67
- (b) Two percent of average net profit of the company as per section 135(5): ₹12,30,11,18.6



- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (d) Amount required to be set off for the financial year, if any: NIL
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹1,23,01,118.6/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹1,16,86,062.67/-
- (b) Amount spent in Administrative Overheads: ₹6,14,033.96
- (c) Amount spent on Impact Assessment, if applicable: Nil
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹1,23,00,118.6/-
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer.
1,23,00,118.6	Nil	-	Nil	Nil	

- (f) Excess amount for set off, if any

Sr No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹1,23,01,118.6/-
(ii)	Total amount spent for the Financial Year	₹1,23,00,118.6/-
(iii)	Excess/(shortfall) amount spent for the financial year [(ii)-(i)]	₹0.00 /-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹0.00/-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Nil
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of Directors
Divgi TorqTransfer Systems Limited

Pundalik Kudva
Chairperson of CSR Committee Chairperson
DIN: 03385091

Jitendra Divgi
Managing Director
DIN: 00471531

Date: August 07, 2025
Place: Pune

Report on Corporate Governance

In compliance with the provisions of Regulation 34 read with Part C of Schedule V of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance comprises various laws, regulations, procedures, implicit rules and good corporate practices which ensure the Company's adherence to fair practices. Divgi-TTS believes that Corporate Governance is an ethically driven business process that is essential for maintaining sustained growth of the organization and for enhancing shareholder value.

Your Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Board has defined a set of Corporate Governance best practices and guidelines to help fulfill our Corporate Responsibility towards our Stakeholders based on the principles of good corporate governance viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. The Directors, as well as the Senior Management, have always considered Stakeholders' Engagement as a key driver of sustainable business. The Needs and Demands of the Stakeholders are always catered to as a priority.

The Company has established business module, systems and procedures to ensure that its Board of Directors are well-informed and well-equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term stakeholders value. The Company's value creation is based on equitable, inclusive, excellent, integrity, transparent and collaborative stakeholder practices. The Company promotes a safe, healthy and happy workplace for its employees. The Company's initiatives towards improving its Environmental, Social and Governance (ESG) performance and its contribution towards Sustainable Development Goals is placed in the Business Responsibility and Sustainable Report (BRSR) annexed to the Annual Report.

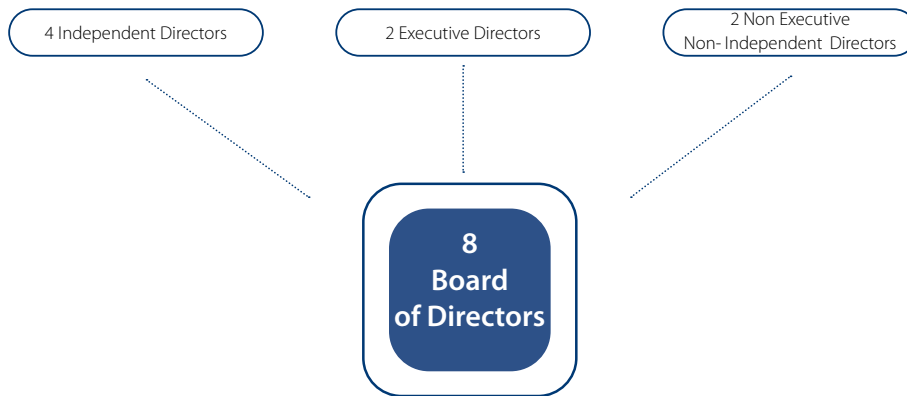
Your Company has adopted a Code of Conduct for Senior Management and the Board of Directors which is also available on the website of the Company. It also believes that good Corporate Governance is a key to preserving and enhancing trust bestowed by the investors and ensures long term relationships with other stakeholders which shall ultimately help the Company to achieve its objectives in the long run and strengthen the relations.

Your Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance and makes timely and transparent disclosures regarding financial positions, performances and other related matters to SEBI and the Ministry of Corporate Affairs and complies with all mandatory requirements of Corporate Governance laid down under the Listing Regulations.

2. BOARD OF DIRECTORS:

■ Composition of Board:

Your Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interests. The composition of the Board conforms with Regulation 17 of the Listing Regulations, read with Section 149 of the Companies Act, 2013 ("the Act") as amended from time to time with an ideal combination of Executive and Non-Executive Directors with a Woman Director. The composition of the Board as on March 31, 2025, stands as follows:



The Chairperson of the Company is a Non-Executive Independent Director and one of the Independent Directors is a Woman Director.

None of the Directors on the Board is a member of more than 10 Committees or Chairperson of more than 5 Committees across all Public Companies in which he/ she is a Director. The Executive Directors do not serve Independent Directorships in any of the listed entities. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies. The necessary disclosures regarding Committee positions have been made by all the Directors and the same has been reported to the Stock Exchanges through the Corporate Governance Report filed quarterly.

The number of Directorships and Committee Chairpersonships/Memberships held by the Directors in other Indian Public Limited Companies as on March 31, 2025, are given herein below.

Name of Director	Category	No. of Directorships in other Public Limited Companies	No. of Committee Membership In other Public Limited Companies	No. of Chairmanship In Committees in other public limited Companies	Names of the listed entities where the person is a director and the category of directorship	
					Name of Listed Company	Category of Directorship
Mr. Praveen Purushottam Kadle	Chairperson and Non-Executive Independent Director	03	02	01	- Persistent Systems Limited - Atul Limited - Veedol Corporation Limited	- Independent Director - Independent Director - Independent Director
Mr. Pradip Vasant Dubhashi	Non-Executive Independent Director	02	02	-	-	-
Mr. Pundalik Dinkar Kudva	Non-Executive Independent Director	-	-	-	-	-
Ms. Geeta Prafull Tolia	Non-Executive Independent Director	01	-	-	-	-
Mr. Jitendra Bhaskar Divgi	Managing Director	-	-	-	-	-
Mr. Hirendra Bhaskar Divgi	Whole-time Director	-	-	-	-	-

Name of Director	Category	No. of Directorships in other Public Limited Companies	No. of Committee Membership In other Public Limited Companies	No. of Chairmanship In Committees in other public limited Companies	Names of the listed entities where the person is a director and the category of directorship	
					Name of Listed Company	Category of Directorship
Mr. Bharat Bhalchandra Divgi	Non-Executive Non-Independent Director	-	-	-	-	-
Mr. Sanjay Bhalchandra Divgi	Non-Executive Non-Independent Director	-	-	-	-	-

Notes:

- a. In terms of the provisions of Regulation 26 of the Listing Regulations, total number of Directorships excludes directorship in the Companies, Foreign Companies, Private Companies, Companies formed under Sec. 25 of erstwhile Companies Act 1956 and under Sec. 8 of the Act.
- b. In terms of the provisions of Regulation 26 of the Listing Regulations, Chairmanship/ Membership of the Committees only includes the Audit and Stakeholders Relationship Committee in other Indian Public Companies (Listed and Unlisted)

■ **Independent Directors:**

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act along with the rules framed thereunder. The maximum tenure of the Independent Directors complies with the Act. All the Independent Directors have confirmed that:

- a. They meet the criteria of independence and fulfill the conditions specified in the Listing Regulations and Section 149 of the Act and are independent of the management.
- b. They are not aware of any circumstance or situation that exists or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence.
- c. Not being a director in more than ten public companies (to a limit of eight listed companies) and ten private companies, aggregating to not more than twenty companies.

Based on the declarations received, the Board of Directors confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. All the Independent Directors of the Company comply with the criteria's pertaining to the maximum number of directorships as per Regulation 17A of Listing Regulations.

Meetings of the Board of Directors:

The Notice of the Scheduled Meeting is sent to the concerned Directors well in advance. The Company Secretary intimates the date of the Board Meetings and its outcome to the concerned Stock Exchange as stated in Regulation 30 read with Part A of Schedule III of the Listing Regulations. The Directors are also given an option of attending the Board Meeting through video conferencing as the Company is equipped with Video Conferencing facilities.

During the Financial Year 2024-25, the Board of the Company met five (05) times on May 24, 2024, June 25, 2024, August 09, 2024, November 14, 2024, February 14, 2025 and with the consent from directors to convene the meeting on shorter notice, if any. The necessary quorum was present throughout, at all the Board Meetings. The name and categories of the Directors on the Board, their attendance at the Board



Meetings held during the year 2024-2025 and at the 59th Annual General Meeting held on July 29, 2024 are as follows:

Name	Category	Number of Board Meetings held during the Financial Year 2024-25			Whether attended the AGM held July 29, 2024
		Held	Entitled to attend	Attended	
Mr. Praveen Purushottam Kadle	Chairperson and Non-Executive Independent Director	05	05	04	Yes
Mr. Pradip Vasant Dubhashi	Non-Executive Independent Director	05	05	05	Yes
Mr. Pundalik Dinkar Kudva	Non-Executive Independent Director	05	05	05	Yes
Ms. Geeta Prafull Tolia	Non-Executive Independent Director	05	05	05	Yes
Mr. Jitendra Bhaskar Divgi	Executive Director- Managing Director	05	05	05	Yes
Mr. Hirendra Bhaskar Divgi	Executive Director	05	05	05	Yes
Mr. Bharat Bhalchandra Divgi	Non-Executive Non-Independent Director	05	05	05	Yes
Mr. Sanjay Bhalchandra Divgi	Non-Executive Non-Independent Director	05	05	05	Yes

The gap between the two board meetings did not exceed 120 days.

■ **Meetings of Independent Directors:**

According to the provisions contained in Regulation 25 of the Listing Regulations as amended from time to time, Board has constituted a separate Independent Directors Committee (IDC) of the Company w.e.f February 23, 2023 with all Independent Directors being the members and Mr. Praveen Purushottam Kadle as Chairperson of the said committee. The IDC met once during the financial year ended March 31, 2025 on February 07, 2025, without the attendance of non-independent directors to discuss, inter- alia:

- Review the performance of Non-Independent Directors and the Board as a whole for the financial year 2024-25.
- Review the performance of the Chairperson of the Company, taking into consideration, the views of Executive Directors and Non-Executive Directors; and
- Assess the quality, quantity and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

■ **Quorum:**

The quorum for Board as well as Committee Meetings is one third or two directors/members of committees, as the case may be, whichever is higher.

■ **Information placed before the Board:**

The agenda of the meeting is set by the Company Secretary in consultation with the Chairperson. Agenda of the Board Meeting, along with the explanatory notes and annexures thereto and distribute in advance to the Directors before each meeting. The Company Secretary is responsible for collation, review and distribution of all the papers submitted to the Board and Committees thereof for their consideration. Information pursuant to Corporate Governance practices as required under Part A of Schedule II of the Listing Regulations has been made available to the Board from time to time.

The Management periodically places Compliance Reports concerning all applicable laws to the Company before the Board of Directors for its review.

■ **Directors with the material pecuniary or business relationship with the Company:**

The Independent Directors have no pecuniary relationship, other than sitting fees and commission, or where there is such transaction, the value of the same is not exceeding ten per cent of the total income of such director during the two immediately preceding financial years and during the current financial year.

■ **Disclosure of relationship between Directors inter-se:**

Mr. Jitendra Bhaskar Divgi is the elder brother of Mr. Hirendra Bhaskar Divgi and Mr. Bharat Bhalchandra Divgi is the elder brother of Mr. Sanjay Bhalchandra Divgi.

Mr. Jitendra Bhaskar Divgi and Mr. Hirendra Bhaskar Divgi are first cousins of Mr. Sanjay Bhalchandra Divgi and Mr. Bharat Bhalchandra Divgi.

■ **Number of shares held by Non-Executive Directors:**

Mr. Bharat Bhalchandra Divgi, Non-Executive Non-Independent Director and Mr. Sanjay Bhalchandra Divgi, Non-Executive Non-Independent Director hold 1,48,290 and 1,21,380 equity shares respectively. Mr. Praveen Kadle and Mr. Pundalik Kudva, Independent Directors hold 1000 and 4146 equity shares respectively.

■ **Familiarization Program for Independent Directors:**

As a practice, all new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The Directors are usually encouraged to visit the manufacturing facilities of the Company and interact with members of Senior Management as part of the induction program. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets, group structure, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

The Independent Directors are provided with necessary documents, reports and internal policies to enable them to familiarize themselves with your Company's procedures and practices.

The details of the familiarization program are explained in the Corporate Governance Report. The same is also available on the website of the Company at <https://divgi-tts.com/wp-content/uploads/2023/03/5.-Familiarization-Programme-for-Independent-Directors.pdf>

■ **Board Diversity**

The Board ensures that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board has an appropriate blend of functional and industry expertise.

Your Company has adopted a policy on Board Diversity. The same is also available on the website of the Company <https://divgi-tts.com/policies-and-code-of-conduct/>

■ **Company's policy on Directors' Appointment and Remuneration including criteria for determining Qualifications, Positive Attributes, Independence of a Director:**

Your Company has adopted the Guidelines on Board Effectiveness ("Governance Guidelines" or "guidelines") which inter-alia covers the criteria for determining the qualifications, attributes and independence of a director.

The remuneration policy of the Company is designed to attract, retain and motivate the employees and Directors to work towards achieving the business targets. According to provisions mentioned under Section 178 of the Act, the Nomination and Remuneration Committee ('NRC') has formulated a Remuneration Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of your Company. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to Executive and Non-Executive Directors of the Company.

The NRC takes into consideration the best remuneration practices in the industry while fixing appropriate remuneration packages and administering long-term incentive plans. Annual Increments of the Board

Members, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) are recommended by the NRC to the Board whenever seems necessary. Further, the compensation package of the Directors, KMP, SMP and other employees is designed based on the set of principles enumerated in the said policy.

The Remuneration Policy has been posted on website of the Company which can be accessed at <https://divgi-tts.com/policies-and-code-of-conduct/> and the Policy on Appointment of Directors, Key Managerial Personnel, Senior Management & Other Employees is available on the Company's website at <https://divgi-tts.com/policies-and-code-of-conduct/>

➤ **Evaluation of Individual Directors, the Board & its Committees:**

- **Evaluation of Individual Directors:**
 - » Pursuant to the provisions of the Act, the Listing Regulations and Guidance Note on Board Evaluation issued by SEBI vide Circular dated January 5, 2017, the Board has carried out the annual performance evaluation for the financial year 2024-25 of its performance, the Directors individually as well as the evaluation of the working of its committees.
 - » The performance review of the Non-independent Directors was evaluated for the financial year 2024-25 in the meeting of the 'Independent Directors'.
- **Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board has identified the following skills/expertise/competencies available to the Board regarding its business and industry:**

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Company has identified the following skills/expertise/competencies for the effective functioning of the Company:

Area of Expertise	Description
Strategic Thinking, Planning and Business Operations	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies and priorities. Experience in driving business success in the markets around the world with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and have a broad perspective on market opportunities
Finance	Ability to comprehend, interpret and guide on financial management, reporting, controls and analysis
Leadership	Ability to have vision, mission, execution, dynamism, and learning agility to lead the Corporate from the front.
Technology	Significant background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Governance and Risk Management	Experience in the application of Corporate Governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.
Human Resource	Ability to have integrity, patience, leadership, social responsibilities, ethical values and good communication skills.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance Company reputation.

The current composition of the Board comprises of following skills and expertise:

Name of the Director	Area of Expertise						
	Strategy, Planning & Business Operations	Finance	Leadership	Technology	Governance and Risk Management	Human Resources	Sales and Marketing
Praveen Purushottam Kadle	✓	✓	✓	-	✓	-	-
Jitendra Bhaskar Divgi	✓	✓	✓	✓	✓	✓	✓
Hirendra Bhaskar Divgi	✓	✓	✓	✓	✓	-	✓
Pradip Vasant Dubhashi	✓	✓	✓	✓	✓	-	-
Pundalik Dinkar Kudva	-	✓	-	-	✓	-	-
Geeta Prafullachandra Tolia	-	✓	✓	-	✓	-	-
Ajay Bhaskar Limaye	-	✓	-	-	✓	-	-
Sanjay Bhalchandra Divgi	✓	-	-	✓	-	-	-
Bharat Bhalchandra Divgi	✓	-	-	-	-	-	-

➤ **BOARD COMMITTEES:**

- As on March 31, 2025 Board has six (06) committees –
 - » Audit Committee;
 - » Nomination and Remuneration Committee;
 - » Stakeholders Relationship Committee;
 - » Corporate Social Responsibility Committee; and
 - » Risk Management Committee
 - » Independent Directors’ Committee

3. AUDIT COMMITTEE:

The composition of the Audit Committee complies with the provisions of Regulation 18 of the Listing Regulations, read with Section 177 of the Act. The committee acts as a link between the management, statutory auditors, internal auditors and the board. All the members of the Audit Committee are financially literate and possess accounting or related financial management expertise by virtue of their experience and background. The Chairperson of the Audit Committee was present at the Annual General Meeting of the Company held on Monday, July 29, 2024 to answer the shareholder’s queries.

During the Financial Year 2024-25, members of the Audit Committee met four (4) times on May 24, 2024; August 09, 2024; November 14, 2024 and February 14, 2025 and requisite quorum was present in every meeting.

The composition of the Audit Committee as on March 31, 2025 and the attendance of members in the meetings held during the Financial Year 2024-25 was as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Pradip Vasant Dubhashi	Chairperson	Independent Director	04
Mr. Praveen Purushottam Kadle	Member	Independent Director	03
Mr. Pundalik Dinkar Kudva	Member	Independent Director	04
Ms. Geeta Prafull Tolia	Member	Independent Director	04

■ **Terms of Reference:**

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed initial public offer by the Company;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutinising of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluating of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with internal auditors on any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;

- 19. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;
- 21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law;
- 22. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- 23. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services; and
- 24. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- 25. Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- 26. Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- 27. To review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively; and
- 28. Carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Audit Committee meetings are attended by Mr. Sudhir Mirjankar, Chief Financial Officer and Mr. Pravin Gavali, Finance Controller. The Statutory Auditors and Internal Auditors, upon invitation, attend the meetings.

Company Secretary acts as the Secretary to the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

The composition of the Nomination and Remuneration Committee is in conscience with the provisions of Regulation 19 of the Listing Regulations, read with Section 178 of the Act, as amended from time to time; and the Chairperson of the Committee is an Independent Director. The Chairperson of the Committee was present at the Annual General Meeting of the Company held on Monday, July 29, 2024 to answer the queries of Shareholders.

During the Financial Year 2024-25, Members of the Nomination and Remuneration Committee met 3 (three) times, on May 23, 2024; August 08, 2024 and February 07, 2025.

The composition of the Nomination and Remuneration Committee as on March 31, 2025 and the attendance of members in the meetings held during the financial year 2024-25 are as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Pradip Vasant Dubhashi	Chairperson	Independent Director	03
Mr. Praveen Purushottam Kadle	Member	Independent Director	03
Ms. Geeta Prafullachandra Tolia	Member	Independent Director	03



■ **Terms of Reference:**

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;
 3. Devising a policy on Board diversity;
 4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
 5. Reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;
 6. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the committee may:
 - (i) Use the services of an external agencies, if required;
 - (ii) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) Consider the time commitments of the candidates,
 7. evaluation and recommendation of termination of appointment of directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
 8. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 9. Analysing, monitoring and reviewing various human resource and compensation matters;
 10. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
 11. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
 12. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

- 13. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- 14. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
- 15. Periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;
- 16. Ensuring proper induction program for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;
- 17. Developing a succession plan for the Board and senior management and regularly reviewing the plan;
- 18. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and
- 19. Recommend to the Board, all remuneration, in whatever form, payable to senior management.”

5. STAKEHOLDERS’ RELATIONSHIP COMMITTEE:

The composition of the Stakeholder Relationship Committee is in conscience with the provisions of Regulation 20 of the Listing Regulations, read with Section 178 of the Act, as amended from time to time; and the Chairperson of the Committee is an Independent Director. The Chairperson of the Committee was present at the Annual General Meeting of the Company held on Monday, July 29, 2024 to answer the queries of Shareholders.

During the Financial Year 2024-25, Members of the Stakeholder Relationship Committee met one (1) time on August 08, 2024.

The composition of the Stakeholder Relationship Committee as on March 31, 2025 and the attendance of members in the meetings held during the financial year 2024-25 are as under: The composition of the Stakeholders Relationship Committee as on March 31, 2025 is as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Praveen Purushottam Kadle	Chairperson	Independent Director	01
Mr. Pradip Vasant Dubhashi	Member	Independent Director	01
Ms. Geeta Prafull Tolia	Member	Independent Director	01
Mr. Hirendra Bhaskar Divgi	Member	Executive Director	01

■ Terms of Reference:

- 1. Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- 2. Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- 3. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- 4. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- 5. To approve, register, refuse to register transfer or transmission of shares and other securities;



6. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
7. Allotment and listing of shares;
8. To authorise affixation of common seal of the Company;
9. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
10. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
11. To dematerialize or rematerialize the issued shares;
12. Ensure proper and timely attendance and redressal of investor queries and grievances;
13. Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
14. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

CS Sanika Nirgude, Company Secretary and Compliance Officer of the Company, acts as the secretary to Stakeholder Relationship Committee.

The details of Shareholder's Complaints received so far, resolved and pending during the financial year 2024-25 are as follows:

No. of complaints pending as on April 01, 2024	0
No. of complaints identified and reported during FY 2024-25	1
No. of Complaints disposed of during the year ended March 31, 2025	1
No. of pending complaints as on March 31, 2025	0

The abovementioned data has been collected and provided from the Website of SCORES <https://scores.gov.in/scores/Welcome.html>

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The composition of the Corporate Social Responsibility Committee is in consonance with Section 135 of the Act, as amended from time to time.

During the Financial Year 2024-25, Members of the Corporate Social Responsibility Committee met twice, on August 08, 2024 and March 12, 2025.

The composition of the Corporate Social Responsibility Committee as on March 31, 2025 and the attendance of members in the meetings held during the financial year 2024-25 are as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Pundalik Dinkar Kudva	Chairperson	Independent Director	02
Ms. Geeta Prafull Tolia	Member	Independent Director	02
Mr. Jitendra Bhaskar Divgi	Member	Managing Director	02
Mr. Hirendra Bhaskar Divgi	Member	Whole-time Director	02

■ Terms of Reference:

1. To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended;
2. Formulate and recommend an annual action plan in pursuance of its Corporate Social Responsibility Policy which shall list the projects or programmes undertaken, manner of execution of such projects, modalities of utilisation of funds, monitoring and reporting mechanism for the projects;
3. Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
4. Delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

- 5. Review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- 6. Assistance to the Board to ensure that the Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;
- 7. Providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;
- 8. Providing updates to the Board at regular intervals of six months on the corporate social responsibility activities;
- 9. To recommend the amount of expenditure to be incurred on the CSR activities, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy;
- 10. To monitor the CSR Policy and its implementation by the Company from time to time; and
- 11. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

7. RISK MANAGEMENT COMMITTEE:

The composition of the Risk Management Committee complies with provisions of Regulation 21 of the Listing Regulations. The Risk Management Committee of the Company consists of Four Members.; and the Chairperson of the Committee is a Non-Executive Director.

During the Financial Year 2024-25, Members of Risk Management Committee Meeting met twice(2), on August 08, 2024 and February 07, 2025.

The composition of the Risk Management Committee as on March 31, 2025, and the attendance of members in the meetings held during the financial year 2024-25 are as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Pradip Vasant Dubhashi	Chairperson	Independent Director	02
Mr. Pundalik Dinkar Kudva	Member	Independent Director	02
Ms. Geeta Prafull Tolia	Member	Independent Director	02
Mr. Hirendra Bhaskar Divgi	Member	Executive Director	02

■ Terms of Reference:

- 1. To formulate a detailed risk management policy which shall include:
 - i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - iii. Business continuity plan.
- 2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;



4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. To implement and monitor policies and/or processes for ensuring cyber security;
7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee."
8. To review and recommend potential risk involved in any new business plans and processes;
9. To review the Company's risk-reward performance to align with the Company's overall policy objectives;
10. Monitor and review regular updates on business continuity;
11. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
12. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

8. INDEPENDENT DIRECTORS' COMMITTEE:

Your Board has constituted separate committee of the Independent Directors' Committee in order to complies with regulation 25 of the Listing Regulations. The Independent Directors Committee all the four Independent Directors of the Company.

During the financial year 2024-25, members of the Independent Directors Committee held a meeting on February 07, 2025.

The composition of the Independent Directors Committee as on March 31, 2025 is as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Praveen Purushottam Kadle	Chairperson	Independent Director	01
Mr. Pradip Vasant Dubhashi	Member	Independent Director	01
Mr. Pundalik Kudva	Member	Independent Director	01
Ms. Geeta Prafull Tolia	Member	Independent Director	01

9. DETAILS OF REMUNERATION TO ALL DIRECTORS:

The remuneration of the Managing Director and the Whole Time Director is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and is within the limits approved by the members at their meeting held on June 10, 2022 in compliance with the applicable rules and regulations of the Act.

1. Details of managerial remuneration for the financial year 2024-25 are given below:

(₹ In million)

Name	Fixed	Variable	Total
Mr. Jitendra Bhaskar Divgi , Managing Director	12.38	6.32	18.7
Mr. Hirendra Bhaskar Divgi , Whole Time Director	6.18	3.16	9.34

2. Details of remuneration of Non-Executive Directors:

▪ Sitting fees and Commission:

In terms of provisions of Section 197(5) of the Act read with the Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company pays ₹75,000/- as sitting fees to each Non-Executive Director for attending every Board Meeting held of the Company, ₹50,000/-

as sitting fees to each Non -Executive Director for attending Committee meetings (except CSR Committee) and ₹25,000 to each Non-Executive member for attending the CSR Committee meeting

The details of Sitting Fees paid to Non-Executive Directors for the financial year 2024-2025 are as under:

(₹ In million)

Sr. No.	Name	Sitting fees	Commission*	Total
1	Mr. Praveen Purushottam Kadle	0.7	1.4	2.1
2	Mr. Pradip Vasant Dubhashi	0.925	1.4	2.32
3	Mr. Pundalik Dinkar Kudva	0.775	1.4	2.175
4	Ms. Geeta Prafull Tolia	0.975	1.4	2.375
5	Mr. Sanjay Bhalchandra Divgi	0.375	-	0.37
6	Mr. Bharat Bhalchandra Divgi	0.375	-	0.37
	TOTAL	4.125	5.6	9.71

*Commission paid to non-executive directors of the Company is within the overall limit as per Section 197 of the Act.
The Company has not provided any stock option to the Directors of the Company.

10. GENERAL MEETINGS:

a. Particulars of Annual General Meetings held during the last three years:

Financial Year	Date	Time	Venue	Special Resolutions passed, if any
2021-2022	July 20, 2022	10:00 AM	The meeting was conducted via Video Conferencing/ Other Audio-Visual manners as per the guidelines/circulars of the Ministry of Corporate Affairs and SEBI	-
2022-2023	July 31, 2023	03:00 PM	Auditorium of Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D'Mart, Chinchwad, Pune – 411019	Approval to continue the Directorship of Mr. Pradip Vasant Dubhashi (DIN: 445030) as Non-Executive Independent Director beyond the age of 75 years in his current tenure
2023-2024	July 29, 2024	03:00 PM	Auditorium of Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D'Mart, Chinchwad, Pune – 411019	-

b. Extra Ordinary General Meetings:

No extraordinary general meetings of members were held during the year under review.

c. Details of the special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Shareholders passed all the Resolutions set out in the respective Notices. No Special Resolution was passed last year through Postal ballots. There is no item on the agenda that needs approval by postal ballot in the forthcoming Annual General Meeting.

▪ Risk Management Framework:

Your Company faces both internal and external risks. Also, we focus on risks in the short, medium as well as long term. Risk management is an integrated aspect of the Company's business operations. Every year, an extensive risk assessment is conducted in which business lines and corporate functions identify all significant risks. The risks are then consolidated and assessed on their potential impact

and probability, which is then reported to the Board of Directors. Responsibilities are assigned for significant risks, and mitigating initiatives are established and tracked.

▪ **Disclosures by Management to the Board:**

Disclosures relating to financial and commercial transactions where senior management may have personal interests that might have been in potential conflict with the interest of the Company are provided to the Board.

Based on the disclosures received from the Senior Management Personnel; none of the Senior Management Personnel has entered into any transactions during the year in which he/she has a material financial and commercial interest or in which he/she may have a potential conflict of interest with the interest of the Company at large.

11. MEANS OF COMMUNICATION:

The Company recognizes the importance of communication with Shareholders and promptly disclosure of information on material corporate developments and other events as required under the Listing Regulations. Full and timely disclosure of information regarding Company's financial position and performance is an important part of your Company's corporate governance framework.

Quarterly/ Half-yearly/ Annual Results:

The quarterly/half-yearly/annual results are published within the timeline stipulated under SEBI Listing Regulations. The results are also uploaded on NEAPS and BSE online portal of National Stock Exchange of India Limited and BSE Limited respectively. The financial results are published within the time stipulated under the Listing Regulations in newspapers viz. Financial Express (in English) and Loksatta (in Marathi). The Financial Statements as stated above are also available on the website of the Company and can be accessed at the web link: <https://divgi-tts.com/quarterly-results/>

As a part of the Green initiative, the Annual Reports are sent by E-mail to Shareholders whose e-mail ids are registered with the Depositories/ RTA.

Analyst/Investor Meets:

The Managing Director, Whole Time Director, Chief Financial Officer and Chief Operating Officer periodically have conference calls with institutional investors and analysts. Official press releases and presentations made to institutional investors and analysts are uploaded on NEAPS and BSE Online Portal of National Stock Exchange of India Limited and BSE Limited respectively and posted on the Company's website. The transcripts of the call with analysts for quarterly/half-yearly/annual results are available on the Company's website at www.divgi-tts.com

Press releases, presentations, etc.:

Official press and media releases are sent to Stock Exchanges and are displayed on Company's website: www.divgi-tts.com

Management Discussion & Analysis Report:

The Management Discussion & Analysis Report forms a part of the Board's Report. All the matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

Company's Corporate Website:

The Company's website contains a separate section called "Investors" wherein all the information about the company is called for in terms of Regulation 46 of Listing Regulation and the same is being updated from time to time.

SCORES (SEBI Complaint Redress System):

The investor complaints are processed in a centralised web-based complaints redress system. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities, from lodging of a complaint to disposal, are carried out online automatically and the status of every complaint can be checked online at any time.

Our tentative calendar for declaration of results for the financial year 2025-26 is as given below:

Quarter / Year ended	Month of approval of Financial Statements
June 30, 2025	August, 2025
September 30, 2025	November, 2025
December 31, 2025	February, 2026
March 31, 2026	May, 2026

12. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting:

Particulars	Details
Date and Time	September 16, 2025, at 2:30 P.M.
Venue	Other Audio Visual Means ("OAVM")

2. Financial Year:

April 01, 2024 to March 31, 2025 as per Section 2(41) of the Act.

3. Dividend payment date:

The Board of Directors has recommended a dividend of ₹2.60 per equity share in the financial year 2024-25, subject to the approval of the Shareholders at the ensuing Annual General Meeting. The dividend, if declared shall be paid on or after September 16, 2025 (date of AGM).

4. Listing Details:

No. of securities listed :1 to 3,05,82,927

5. ISIN/Scrip Code/ Symbol:

Name, Address and Telephone Nos. of Stock Exchange	ISIN	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Tel.: (022) 22721233 / 34	INE753U01022	543812
National Stock Exchange of India Limited "Exchange Plaza" 5 th Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Tel. No: 022 2659 8100/ 2659 8114 / 66418100	INE753U01022	DIVGIITTS

Listing Fees for 2025-26: Paid within the due date

6. Market Price Data:

High/low of market price of the Company's shares traded on BSE and NSE during the year 2024-25 is furnished below:

Month	BSE		NSE	
	High Price ₹	Low Price ₹	High Price ₹	Low Price ₹
April 2024	860.0	763.3	860.0	760.6
May 2024	868.6	700.0	868.7	703.3
June 2024	737.3	639.6	746.0	639.2
July 2024	787.2	662.3	789.0	661.1
August 2024	696.9	611.0	698.5	610.5
September 2024	635.1	573.2	635.0	573.2
October 2024	665.1	571.1	666.0	572.0
November 2024	705.1	588.6	707.4	588.7
December 2024	719.5	605.0	712.0	604.1



Month	BSE		NSE	
	High Price ₹	Low Price ₹	High Price ₹	Low Price ₹
January 2025	639.0	567.6	641.5	561.3
February 2025	597.1	441.1	599.2	437.1
March 2025	503.8	427.0	505.9	437.5

7. Share performance v/s BSE Sensex and NSE Nifty (March 2025):

Month	Closing Price of Equity Shares at BSE ₹	BSE Sensex	Closing Price of Equity Share at NSE ₹	Nifty 50
April 2024	831.8	74,482.8	832.9	22,604.9
May 2024	713.8	73,961.3	713.4	22,530.7
June 2024	665.9	79,032.7	664.6	24,010.6
July 2024	668.5	81,741.3	669.8	24,951.2
August 2024	613.4	82,365.8	612.7	25,235.9
September 2024	586.6	84,299.8	587.2	25,810.9
October 2024	630.5	79,389.1	632.1	24,205.4
November 2024	686.6	79,802.8	689.3	24,131.1
December 2024	608.8	78,139.0	607.9	23,644.8
January 2025	586.7	77,500.6	588.7	23,508.4
February 2025	490.4	73,198.1	492.5	22,124.7
March 2025	444.3	77,414.9	445.3	23,519.4

8. During F.Y. 2024-25 the securities are not suspended from trading.

9. Registrar and Share Transfer Agent:

The Company has appointed M/s. MUFG Intime India Pvt. Ltd.(formerly known as Link Intime India Private Ltd.) as Registrar and Transfer Agents having their office at:

MUFG Intime India Pvt. Ltd.

247 Park, C-101, 1st Floor, LBS Marg, Vikhroli (W), Mumbai - 400083

Telephone No.: 91 8452811233

E-mail ID: www.in.mpms.mufig.com

Place for acceptance of documents:

Any document will be accepted at the Registrar and Share Transfer Agent's office, address as provided above. In addition, documents are also accepted at the Registered Office of the Company at Plot no. 75, General Block, MIDC Bhosari, Pune 411026, Maharashtra, India.

The Secretary has designated the following Email ID for investors' correspondence and redressal of their grievances and complaints.

Email: companysecretary@divgi-tts.com

Telephone No.: (020) 63110114

Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, change in bank mandate for NECS, etc. to their respective Depository Participant.

10. Share Transfer System:

The Company obtains an annual certificate from Practicing Company Secretaries as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchanges and available on the website of the Company. In terms of amended Regulation 40 of the SEBI Listing Regulations w.e.f. 1st

April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24 January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities. Vide its Circular dated 25 January 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service requests.

11. Distribution of shareholding as on March 31, 2025:

Distribution Of Shareholding (Shares) Report Type : ALL(NSDL+CDSL+Physical)

Sr. No.	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	21330	96.981	1094804	3.5798
2	501 to 1000	341	1.5504	261013	0.8535
3	1001 to 2000	155	0.7047	227146	0.7427
4	2001 to 3000	53	0.241	131365	0.4295
5	3001 to 4000	27	0.1228	97603	0.3191
6	4001 to 5000	19	0.0864	87422	0.2859
7	5001 to 10000	18	0.0818	116121	0.3797
8	10001 to 9999999999	51	0.2319	28567453	93.4098
	TOTAL	21994	100	30582927	100

Printed on : 02/04/2025 ISIN : INE753U01022 Data as of NSDL : 31/03/2025 CDSL : 31/03/2025

12. Shareholding Pattern as on March 31, 2025

Sr. No.	Category	DEMAT Securities	DEMAT Holders	Physical Securities	Physical Holders	Total Securities	Total Value	Percent
1	Alternate Invst Funds - II	3727360	1	0	0	3727360	18636800	12.1877
2	Alternate Invst Funds - III	294712	7	0	0	294712	1473560	0.9636
3	Body Corporate - Ltd Liability Partnership	15050	11	0	0	15050	75250	0.0492
4	FPI (Corporate) - I	29331	3	0	0	29331	146655	0.0959
5	FPI (Corporate) - II	507122	2	0	0	507122	2535610	1.6582
6	Hindu Undivided Family	75044	463	0	0	75044	375220	0.2454
7	Mutual Funds	3894802	12	0	0	3894802	19474010	12.7352
8	Non Resident (Non Repatriable)	29505	149	0	0	29505	147525	0.0965
9	Non Resident Indians	71638	175	0	0	71638	358190	0.2342
10	Other Bodies (Promoter Co)	15803980	1	0	0	15803980	79019900	51.6758



Sr. No.	Category	DEMAT Securities	DEMAT Holders	Physical Securities	Physical Holders	Total Securities	Total Value	Percent
11	Other Bodies Corporate	1040108	112	0	0	1040108	5200540	3.4009
12	Promoters	2714520	7	0	0	2714520	13572600	8.8759
13	Public	2379755	21051	0	0	2379755	11898775	7.7813
TOTAL :		30582927	21994	0	0	30582927	152914635	100

Printed on : 02/04/2025 Data as of NSDL : 31/03/2025 CDSL : 31/03/2025

13. The status of dematerialization of shares and liquidity as on March 31, 2025 is as under:

As on March 31, 2025, 100% of the total issued and paid-up share capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Type of Holding	Percentage to share capital For FY 2024-25		Percentage to share capital For FY 2023-24	
	Number of Shares	Percentage	Number of Shares	Percentage
Physical	0.00	0.00	0.00	0.00
Dematerialized				
NSDL	10356765	33.86	1,12,86,891	36.91
CDSL	20226162	66.13	1,92,96,036	63.09
TOTAL	3,05,82,927	100.00	3,05,82,927	100.00

Your Company's shares are regularly traded on BSE Ltd. and National Stock Exchange of India Limited as is indicated in the table containing market information. Demat ISIN Number for NSDL and CDSL: INE753U01022

14. Outstanding ADRs/ GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDR's/ADR's/Warrants or any convertible instruments in past and so, as on March 31, 2025, there are no such outstanding GDR's/ADR's/Warrants or any other convertible instruments.

15. Disclosure of commodity price risks and commodity hedging activities:

The Company is not dealing in commodities and hence disclosure relating to commodity price risk and commodity hedging activities is not required.

16. Plant Locations:

1. Bhosari (Maharashtra)

Plot no. 75, General Block, MIDC Bhosari, Pune 411026

2. Shivare (Maharashtra)

139/B, Village Shivare, Bhore, Pune - Satara Rd, Pune, Maharashtra 412205

3. Shirwal (Maharashtra)

Plot no. I-7, Gat no. 440 to 444 and 451, Chordia Industrial Park, Village Dhangarwadi, Satara, Maharashtra-412801

4. Sirsi (Karnataka)

236 and 233, Industrial Estate, Banavasi Rd, Sirsi, Uttara Kannada, Karnataka 581402

17. Address for correspondence:

Divgi TorqTransfer Systems Limited

Plot no. 75, General Block, MIDC Bhosari, Pune 411026

Tel: (020) 6311 0114

Email: companysecretary@divgi-tts.com

Web: <https://divgi-tts.com/>

18. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Since the Company does not have any debt instruments, fixed deposit programme, or any scheme or proposal involving mobilization of funds whether in India or abroad, obtaining a rating for the same is not applicable.

- 19.** The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 read with Part B of Schedule II of Listing Regulation. Accordingly, a certificate by Mr. Jitendra Bhaskar Divgi, Managing Director and Mr. Sudhir Mirjankar, Chief Financial Officer, in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was placed before the Board at their meeting held on August 07, 2025

20. Other shareholders related information:

▪ **Procedure for dematerialization of shares:**

Shareholders seeking Demat of their shares need to approach their Depository Participants (DP) with whom they maintain a Demat account. The DP will generate an electronic request and will send the physical share certificate to Registrar and Share Transfer Agent ("the Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request National Securities Depository Ltd. (NSDL) / Central Depository Services (India) Ltd. (CDSL) to confirm the Demat request. The Demat account of the respective shareholder will be credited with an equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

▪ **Transfer of Unclaimed / Unpaid amounts and shares to the Investor Education and Protection Fund (IEPF):**

- » Pursuant to Section 124 and 125 and all other applicable provisions, if any, of the Act, the amount of the dividend remaining unpaid or unclaimed for seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.
- » Members are requested to note that there is no Dividend which remained unpaid or unclaimed for seven years which is required to be transferred by the Company to the Fund in the Financial year 2024-2025.
- » In accordance with Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, amongst other matters, all shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority.
- » Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for seven years from the dates they became first due for payment. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Demat Account as per the applicable provisions of Act and rules made thereunder. The Member/ Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

During the financial Year 2024-25, no shares and dividend were transferred to IEPF.



13. OTHER DISCLOSURES:

a. Related Party Transactions:

During the financial year 2024-25, your Company had transactions with related parties as defined under the provisions of the Act and Regulation 23 of the Listing Regulations. The basis of related party transactions is placed before the Audit Committee. All these transactions with related parties were in the 'ordinary course of business' and on an 'arm's length basis'. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the repetitive transactions.

There were no material related party transactions during the year under review. Necessary disclosure as required has been made in Note No. 34 (b) of the Financial Statements.

The Company's Policy on Related Party Transactions has been uploaded on the Company's website at <https://divgi-tts.com/policies-and-code-of-conduct/>

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

The Company has complied with all applicable provisions of the SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI and Stock Exchanges. No penalties or strictures are imposed on your Company by SEBI or the Stock Exchanges or any statutory authority on any matter related to the capital markets.

c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee:

Please refer details mentioned in para 38 of the Board's report.

d. Details of compliance with the mandatory requirements and adoption of the non-mandatory requirements:

Your Company has complied with all mandatory requirements laid down under the Listing Regulations.

Necessary disclosures and explanations concerning observations of Secretarial and Statutory Auditors are given in the Boards' Report.

Your Company has complied with the non-mandatory requirements of the Listing Regulations to the extent possible.

e. Weblink where policy for determining 'material' subsidiaries is disclosed:

The Company does not have any subsidiary and hence, no disclosure is required. The policy is uploaded on <https://divgi-tts.com/policies-and-code-of-conduct/>

f. Weblink where Policy on Related Party Transactions has been disclosed:

The same has been uploaded on the Company's website <https://divgi-tts.com/policies-and-code-of-conduct/>

g. Disclosure of commodity price risk and commodity hedging activities:

Details provided in point no. 16 of this report.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

During the period under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

i. A certificate from Kanj and Co. LLP, Company Secretaries (attached and which forms an integral part of this report) confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

j. **Disclosure in relation to recommendation made by any Committee which was not accepted by the Board:**

There were no such instances during FY 2024-25 when the Board had not accepted any recommendation of any committee of the Board.

k. **Total fees for all services paid/payable by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditors is a part are given below:**

Sr. No.	Particulars	FY 2024-25 (₹)
1	Statutory Audit and Limited review	22,00,000
2	Tax Audit Fees	1,50,000
TOTAL		23,50,000

l. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the financial year 2024-25	Number of complaints disposed of during the financial year - 2024-25	Number of complaints pending as on end of the financial year 2024-25
NIL	NIL	NIL

m. **Disclosure by listed entity and its subsidiaries of ‘Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:** The said clause is not applicable to the Company as it has not provided any loan or advances in the nature of loan to firms/companies in which directors are interested.

n. **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** The said clause is not applicable to the Company as it does not have any subsidiaries.

o. **Code of Conduct:**

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management personnel of the Company. The Code has also been posted on the website of the Company <https://divgi-tts.com/policies-and-code-of-conduct/>. All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct for the Financial Year 2024-25.

An annual declaration signed by the Managing Director of the Company affirming compliance to the Code by the Board of Directors and the Senior Management is annexed to this Report. The Code of Conduct is available on website of the Company.

p. **Policy on Determination of Materiality for Disclosure of Events or Information:**

The Company in compliance with the Listing Regulations has adopted a ‘Policy on Determination of Materiality for Disclosure of Events or Information’. The same has been posted on the website of the Company: <https://divgi-tts.com/policies-and-code-of-conduct/> as required under the Listing Regulations.

The Policy encourages information related to the Company’s business, operations, or performance which has a significant effect on securities investment decisions (hereinafter referred to as “material information”) that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

q. **Policy on Preservation of Documents:**

The Company in compliance with the Listing Regulations has adopted a ‘Policy on Preservation of Documents. The policy has been posted on the website of the Company: <https://divgi-tts.com/policies-and-code-of-conduct/> as required under the Listing Regulations. The Policy facilitates stakeholders to retrieve past information which is statutory for a period as disclosed in the Policy.



r. Compliance with Accounting Standard:

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

s. CFO Certificate:

In compliance with Regulation 17(8) of the Listing Regulations, a certificate from the Chief Financial Officer of the Company to the Board of Director as specified in Part B of Schedule II of the said regulations is annexed to this Report.

14. NON-COMPLIANCE WITH ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) OF SCHEDULE V (C) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

NIL

15. EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS SPECIFIED IN PART E OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 HAVE BEEN ADOPTED:

Details are provided in clause "12 (d)" of this report.

16. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT:

Required disclosures are provided in clause "12 (d)" of this report.

CFO Certification

To,
The Members of
Divgi TorqTransfer Systems Limited

1. I have reviewed the Audited Financial Statements and the cash flow statement of Divgi TorqTransfer Systems Limited ("Company") for the financial year ended on March 31, 2025 and to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2025 which are fraudulent, illegal or violative of the Code of Conduct of the Company.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in the Company's internal control over financial reporting, during the financial year ended on March 31, 2025;
 - (ii) Significant changes in accounting policies, if any, during the financial year ended on March 31, 2025 have been disclosed in the notes to the Financial Statements; and
 - (iii) Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

For **Divgi TorqTransfer Systems Limited**

Sudhir Shridhar Mirjankar
Chief Financial Officer

Date: August 07, 2025
Place: Pune



Declaration Signed by the Managing Director Stating that the Members of Board of Directors and Senior Management Personnel have Affirmed Compliance with the Code of Conduct of Board of Directors and Senior Management:

As required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down a Code of Conduct for Directors and Senior Management Personnel of the Company. The Code has been circulated to all the members of the Board and Senior Management.

The Company has received affirmation of compliance from Directors and Senior Management Personnel of the Company for the financial year ended March 31, 2025.

The said Code is posted on the Company's website <https://divgi-tts.com/policies-and-code-of-conduct/>

Declaration on Compliance with the Company’s Code of Conduct

To,
The Members of
Divgi TorqTransfer Systems Limited

I, Jitendra Bhaskar Divgi, Managing Director of Divgi TorqTransfer Systems Limited, hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them for the year ended March 31, 2025.

For **Divgi TorqTransfer Systems Limited**

Mr. Jitendra Divgi
Managing Director

Date: August 07, 2025
Place: Pune



Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Divgi TorqTransfer Systems Limited
Plot no. 75, General Block, MIDC Bhosari,
Pune - 411 026

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Divgi TorqTransfer Systems Limited having CIN: L32201MH1964PLC013085 and having registered office at Plot no. 75, General Block, MIDC Bhosari, Pune - 411 026 (hereinafter referred to as 'the Company' or 'DTTSL'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C

Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on

March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sanjay Bhalchandra Divgi	00471465	29/07/2024
2.	Hirendra Bhaskar Divgi	01634431	10/06/2022
3.	Jitendra Bhaskar Divgi	00471531	10/06/2022
4.	Geeta Tolia	06931660	14/10/2021
5.	Pundalik Dinkar Kudva	03385091	14/03/2022
6.	Pradip Vasant Dubhashi	01445030	14/03/2022
7.	Praveen Purushottam Kadle	00016814	14/03/2022
8.	Bharat Bhalchandra Divgi	00471587	29/07/2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Kanj and Co. LLP**
Company Secretaries

Vinayak Khanvalkar
FCS No: 2489
C P No: 1586
UDIN: F002489G000950403
Firm Unique Code: P2000MH005900
Peer Review Certificate No. 6309/2024
Date: August 07, 2025
Place: Pune

Practicing Company Secretary's Certificate on Corporate Governance

To,
The Members of
Divgi TorqTransfer Systems Limited
Plot no. 75, General Block, MIDC Bhosari,
Pune - 411 026

We have examined all the relevant records of Corporate Governance of Divgi TorqTransfer Systems Limited (the Company) for the year ended 31st March 2025, for the purpose of certifying compliance of the conditions of Corporate Governance as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 34 (3) read with regulations 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations for the period 1st April 2024 to 31st March 2025.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. The certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to explanations given to us and based on the representations made by the Directors, Company Secretary and the Management, we certify that the Company has complied with the provisions of Corporate Governance specified in Regulation 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company and this Certificate is issued solely for the purpose of complying with the aforesaid LODR and may not be suitable for any other purpose.

For **Kanj and Co. LLP**
Company Secretaries

Vinayak Khanwalkar
Partner
FCS No.: 2489
CP No.: 1586
UDIN: F002489G000950436
Firm Unique Code: P2000MH005900
Peer Review Certificate No. 6309/2024
Date: August 07, 2025
Place: Pune



Notice

Notice is hereby given that the 60th (Sixtieth) Annual General Meeting ("AGM") of the Members of Divgi **TorqTransfer Systems Limited** ("the Company") will be held on **Tuesday, September 16, 2025, at 2:30 PM (IST)** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Accounts

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, together with Reports of the Board of Directors and Auditors thereon.

Ordinary Resolution:

DTTS/AGM/2025-26/01

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, and the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. Declaration of Final Dividend

To consider and declare Final Dividend of ₹2.60/- (Rupees Two and Sixty Paise Only) per equity share of face value ₹5 each, of the Company for the Financial Year ended March 31, 2025.

Ordinary Resolution:

DTTS/AGM/2025-26/02

"RESOLVED THAT pursuant to the recommendation made by the Board of Directors, a dividend at the rate of ₹2.60/- (Rupees Two and Sixty Paise Only) per equity share be and is hereby declared out of profits of financial year 2024-25 to the equity shareholders of the Company whose names appear in the Registrar of Members of the Company as on Monday, September 08, 2025."

3. Re-appointment of Director retiring by rotation:

To appoint a director in place of Mr. Jitendra Bhaskar Divgi (DIN: 00471531), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-

appointment and being eligible, offers himself for re-appointment and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

DTTS/AGM/2025-26/03

"RESOLVED THAT pursuant to the provisions of section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provisions, if any of the Companies Act, 2013, Mr. Jitendra Bhaskar Divgi (DIN: 00471531), who is liable to retire by rotation at the 60th (Sixtieth) Annual General Meeting and being eligible has offered himself for appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. Re-appointment of Director retiring by rotation:

To appoint a director in place of Mr. Hirendra Bhaskar Divgi (DIN: 01634431), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

DTTS/AGM/2025-26/04

"RESOLVED THAT pursuant to the provisions of section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provisions, if any of the Companies Act, 2013, Mr. Hirendra Bhaskar Divgi (DIN:01634431) who is liable to retire by rotation at the 60th (Sixtieth) Annual General Meeting and being eligible has offered himself for appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

5. Appointment of Secretarial Auditor:

To consider and approve the appointment of **M/s. KANJ & Co. LLP**, a Peer Reviewed Firm of Company Secretaries, as the Secretarial Auditor of the Company for a period of 5 (five) consecutive financial years commencing from FY2025-26 and to fix remuneration thereon.

To consider and it thought fit, to pass the following resolution, with or without modification(s), as an

Ordinary Resolution:

DTTS/AGM/2025-26/05

"RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 and all other applicable provisions (including any amendments or modifications thereof), and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, the approval of shareholders be and is hereby accorded for appointment of M/s. KANJ & Co. LLP having Firm Unique Identification No. P2000MH005900, a Peer reviewed Firm of Company Secretaries as the Secretarial Auditors

of the Company for a period of 5 (five) years commencing from FY 2025-26 till FY 2029-30 at a fee of ₹3,00,000/- (Rupees Three Lakh Only) for FY 2025-26 (plus taxes as applicable) and remuneration for the subsequent years as may be decided by the Board of Directors in consultation with the Secretarial Auditor of the Company.

By Order of the Board
For **Divgi TorqTransfer Systems Limited**

Aniket Kokane

Company Secretary and Compliance Officer
Membership No. 51571
Date: August 07, 2025
Place: Pune

Registered Office:

75, General Block, MIDC, Bhosari,
Pune, Maharashtra, India 411026
CIN: L32201MH1964PLC013085
Website: www.divgi-tts.com

E-mail ID: companysecretary@divgi-tts.com

**NOTES:**

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated 5th May 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No.09/2024 dated 19th September 2024 (collectively referred to as 'MCA Circulars') and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/2024/ 133 dated October 3, 2024 ("SEBI Circular") and other applicable circulars and notifications issued including any statutory modifications or reenactment thereof for the time being in force as amended from time to time, has permitted the Companies to conduct the Annual General Meeting ('AGM') through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') without the physical presence of Members at a common venue till 30th September 2025. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 60th (Sixtieth) AGM of the Company shall be conducted through VC/OAVM. MUFG Intime India Private Limited will be providing facilities in respect of: (a) voting through remote e-voting; (b) participation in the AGM through VC/ OAVM facility; (c) e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained in the subsequent paragraphs.
2. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business of the Notice is annexed hereto. Requisite declarations have been received from Director(s) for seeking appointment/re-appointment.
3. Pursuant to Section 113 of the Act, Institutional / Corporate members (i.e., any Body Corporate) may appoint its representative to attend the AGM on their behalf and to vote electronically either during the remote e-voting period or during the AGM. For this necessary Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at scrutinizer@divgi-tts.com with a copy marked to companysecretary@divgi-tts.com
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of determining the quorum [Section 103 of the Act]. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cutoff date will be entitled to vote at the AGM
5. In Compliance with MCA circulars, the Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis.

The attendance through VC/OAVM is restricted. However, as per the MCA Circulars attendance of Members holding more than 2% of the shares of the Company, Institutional Investors as on the Cut-off Date, Directors, Key Managerial Personnel and Auditors will not be restricted on first come first served basis.
6. In accordance with the provisions of Article 25 of Articles of Association of the Company,

Mr. Jitendra Bhaskar Divgi (DIN: 00471531) and Mr. Hirendra Bhaskar Divgi (DIN: 01634431) will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to Section 118(10) of the Act and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI). Additional information in respect of Directors retiring by rotation seeking re-appointment at the AGM is given in the Corporate Governance Section of this Annual Report.
7. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars on holding AGM through VC/ OAVM mode, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
8. Queries on financial statements and/or operations of the Company, if any, may please be sent to the Company at email ID: companysecretary@divgi-tts.com 7 (Seven) days in advance of the Meeting so that the answers may be made available at

- the AGM. Members who would like to express their views or ask questions during the AGM may raise the same at the meeting or send them (mentioning their name and Folio no. / DP ID and Client ID) at least 3 days prior to the date of the AGM by an e-mail to companysecretary@divgi-tts.com."
9. The applicable Statutory Registers of the Company under provisions of the Companies Act, 2013, will be available electronically for inspection by the Members before as well as during the AGM. Members seeking to inspect such documents can send an e-mail to companysecretary@divgi-tts.com
 10. Record date for determining entitlement of Members to final dividend for the financial year of the Company and cut-off date for e-voting will be Monday, September 08, 2025.
 11. As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities which shall be effected only in dematerialised form w.e.f. January 24, 2022. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or MUFG Intime India Private Limited (Earlier Link Intime India Private Limited), Company's Registrar and Transfer Agents for assistance in this regard.
 12. Transfer of Unclaimed/Unpaid amounts and shares to the Investor Education and Protection Fund (IEPF):
 - a. Pursuant to Section 124 and 125 and all other applicable provisions, if any, of the Companies Act, 2013, ('The Act') the amount of the dividend remaining unpaid or unclaimed for a period of 7 (Seven) years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.
 - b. Further, in accordance with Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, amongst other matters, all shares in respect of which dividend has remained unclaimed or unpaid for 7 (Seven) consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. The shareholder is requested to provide DP ID, Client ID, the name of dividend i.e. interim/Final while sending email to the Company and quote name of the Company in Subject line while sending email to RTA for claiming their unpaid dividends, if any.
 - c. Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of 7 (Seven) years from the dates they became first due for payment. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Demat Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder. The Member/ Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.
 13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, bank mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at rnt.helpdesk@in.mpms.mufg.com in case the shares are held in physical form, quoting your folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
 14. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar & Transfer Agents (RTA) at rnt.helpdesk@in.mpms.mufg.com in case the shares are held in Physical Form, quoting your Folio No.



15. Members may note that as per SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/ 2024/37 dated May 7, 2024, it is mandatory for all holders of physical securities in listed entities to update their KYC and choice of Nomination with the Registrar and Share Transfer Agent ('RTA'), in case they have not updated the same. As per the SEBI Circular, effective from April 1, 2024, RTA will attend to all service requests of the shareholders with respect to transmission, dividend, etc., only after updating the above details in the records. As per the aforesaid SEBI Circular, members holding securities in physical form may note that any future dividend payable against their shareholding would be withheld if their KYC and choice of Nomination are not updated with the RTA. For the purpose of updation of KYC and choice of Nomination, members are requested to send the necessary forms (ISR-1, ISR-2 and SH-13) along with the necessary attachments mentioned in the said Forms to RTA. Members may please note that listed companies shall issue Letter of confirmation against any request received in respect to Issue of duplicate securities certificate; exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.
16. The format of the Register of Members prescribed by the MCA under the Act requires the Company/ Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for Payment of Dividend etc. Members holding shares in physical form are requested to submit the filled in form to the Company at companysecretary@divgi-tts.com or to the Registrar in physical mode or in electronic mode at rnt.helpdesk@in.mpms.mufig.com, as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or MUFG Intime India Private Limited (Earlier Link Intime India Pvt. Limited), Registrar & Transfer Agents of the Company.
17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar & Transfer Agents, the details of such folios together with the share certificates for consolidating their holdings in one folio. Letter of Confirmation for consolidated share certificate will be issued to such Members after making requisite changes.
18. Members who wish to inspect the relevant documents referred above and those in the Notice can send an email to companysecretary@divgi-tts.com up to date of this AGM.
19. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
20. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
21. In compliance with the MCA Circulars and SEBI Circular No SEBI/HO/CFD/CFD-PoD2/P/ CIR/2023/167 dated October 07, 2023, and SEBI Circular No SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2024/133 dated October 3, 2024, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice along with Annual Report has been disclosed on the website of the Company at <https://divgi-tts.com/> and also available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and on the website of MUFG at <https://www.in.mpms.mufig.com/>
22. The physical copy of the Annual Report will be sent to the Shareholders based on the specific request received. As per Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended, a letter containing the web-link, including the exact path, where complete details of the Annual Report are available, is being sent to all the Shareholders who have not registered their Email IDs with the Company or Depository Participants or MUFG Intime India Private Limited (Earlier Link Intime India Private Limited), Registrar & Transfer Agent (RTA) of the Company.
23. Non-Resident Indian Members are requested to inform the Company/Depository Participant, immediately of:

- a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete Bank Name, Branch, Account Type, MICR number, Account Number and Address of the bank with pin code number, if not furnished earlier.
24. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal (“ODR Portal”) for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrar& Transfer Agents.
25. Voting through electronic means:
- 1. The complete details of the instructions for e-voting are annexed to this Notice. These details form an integral part of the Notice.
 - 2. In compliance with provisions of Section 108 of the Companies Act, 2013 and rules framed there under, as amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to offer e-voting facility to the Members to exercise their right to vote by electronic means on all Resolutions set forth in the Notice convening the 60 (Sixtieth) Annual General Meeting through MUFG.
 - 3. The e-voting facility is available at the link <https://instavote.linkintime.co.in/> The remote

e-voting facility will be available during the following voting period:

Start Day, Date & Time	End Day, Date & Time
September 13, 2025 at 9:00 A.M. (IST)	September 15, 2025 at 5:00 P.M. (IST)

- 4. The remote e-voting module shall be disabled by MUFG for voting thereafter. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast vote again.
- The Members can opt for only one mode of remote e-voting i.e. either prior to the AGM or during the AGM. The Members present at the Meeting through VC/OAVM who have not already cast their vote by remote e-voting prior to the Meeting shall be able to exercise their right to cast their vote by remote e-voting during the Meeting. The Members who have cast their vote by remote e-voting prior to the AGM are eligible to attend the Meeting but shall not be entitled to cast their vote again.
- 5. The voting rights of Members (for voting through e-voting or voting at the meeting) shall be in proportion to their share(s) in the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, September 08, 2025. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Monday, September 08, 2025, only shall be entitled to avail the facility of e-voting as well as voting at the AGM.
 - 6. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as on the cut-off date i.e., Monday, September 08, 2025, may follow the instructions for e-voting mentioned below. In case such Member has not updated his or her PAN with the Company or the Depository Participant, may obtain the sequence number by sending a request at rnt.helpdesk@in.mpms.mufg.com
 - 7. For the benefit of Members present at the Meeting and who have not cast their votes through remote e-voting, the facility for



e-voting will be available during the Meeting. The Members who have cast their votes by remote e-voting may attend the Meeting but shall not be entitled to cast their vote again at the AGM.

8. The Board of Directors of the Company has appointed Ms. Rucha Kale having membership no. ACS: 55485 of M/s KANJ & Co. LLP, Practicing Company Secretaries Pune to act as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
9. The Scrutinizer immediately after the conclusion of the AGM, will unblock the votes cast through remote e-voting and e-voting at the AGM and shall make a consolidated scrutinizer's report of the total votes cast in

Favour or Against, Invalid Votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairperson or a person authorized by him, within 48 (FortyEight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

10. The results declared along with the Scrutinizer's Report will be placed on the Company's website: <https://divgi-tts.com/> and on the website of MUFG <https://www.in.mpms.mufg.com/> immediately after their declaration and the same shall be simultaneously communicated to BSE Limited and National Stock Exchange of India Limited.

Remote E-voting Instructions

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/ CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access remote e-Voting facility.

Login method for Individual shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode with NSDL

Shareholders not registered for IDeAS facility:

- To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".
- Enter the last 4 digits of your bank account / generate 'OTP'
- Post successful registration, user will be provided with Login ID and password. Follow steps given above in points (a-d).

Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



METHOD 2 - NSDL e-voting website

- Visit URL: <https://www.evoting.nsdl.com>
- Click on the "Login" tab available under 'Shareholder/Member' section.
- Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.
- Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.
- Enter the OTP received on your registered email ID/ mobile number and click on login.
- Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders registered with CDSL Easi/ Easiest facility

METHOD 1 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

METHOD 3 - NSDL OTP based login

- Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>
- Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com & click on New System Myeasi Tab.



- b) Enter existing username, Password & click on "Login".
- c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration/> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields for registration.
- c) Post successful registration, user will be provided username and password. Follow steps given above in points (a-c).

METHOD 2 - CDSL e-voting page

- a) Visit URL: <https://www.cdslindia.com>
- b) Go to e-voting tab.
- c) Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) Post successful authentication, user will be able to see e-voting option. The evoting option will

have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, user shall navigate through "e-voting" option.
- c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- d) Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

STEP 1: LOGIN / SIGNUP to InstaVote

Shareholders registered for INSTAVOTE facility:

- a) Visit URL: <https://instavote.linkintime.co.in> & click on "Login" under 'SHARE HOLDER' tab.
- b) Enter details as under:
 - 1. User ID: Enter User ID
 - 2. Password: Enter existing Password
 - 3. Enter Image Verification (CAPTCHA) Code
 - 4. Click "Submit".

(Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	
		User ID is <u>Event No + Folio no.</u> registered with the Company

Shareholders not registered for INSTAVOTE facility:

a) Visit URL: <https://instavote.linkintime.co.in> & click on “Sign Up” under ‘SHARE HOLDER’ tab & register with details as under:

1. User ID: Enter User ID

2. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is <u>Event No + Folio no.</u> , registered with the Company

3. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)

4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- o Shareholders holding shares in NSDL form, shall provide ‘D’ above
- o Shareholders holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

5. Set the password of your choice.

(The password should contain minimum 8 characters, at least one special Character (!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

6. Enter Image Verification (CAPTCHA) Code.

7. Click “Submit” (You have now registered on InstaVote).

Post successful registration, click on “Login” under ‘SHARE HOLDER’ tab & follow steps given above in points (a-b).

D. After selecting the desired option i.e. Favour / Against, click on ‘Submit’.

E. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

NOTE: Shareholders may click on “Vote as per Proxy Advisor’s Recommendation” option and view proxy advisor recommendations for each resolution before casting vote. “Vote as per Proxy Advisor’s Recommendation” option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Guidelines for Institutional shareholders (“Custodian / Corporate Body/ Mutual Fund”)

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

A. Visit URL: <https://instavote.linkintime.co.in>

B. Click on “Sign Up” under “Custodian / Corporate Body/ Mutual Fund”

C. Fill up your entity details and submit the form.

D. A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person’s email ID. (You have now registered on InstaVote)

STEP 2: Steps to cast vote for Resolutions through InstaVote

A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the “Notification for e-voting”.

B. Select ‘View’ icon. E-voting page will appear.

C. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).



STEP 2 – Investor Mapping

- A. Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- B. Click on “Investor Mapping” tab under the Menu Section
- C. Map the Investor with the following details:
 - 1) ‘Investor ID’ – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.
 - 2) ‘Investor’s Name - Enter Investor’s Name as updated with DP.
 - 3) ‘Investor PAN’ - Enter your 10-digit PAN.
 - 4) ‘Power of Attorney’ - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

- D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on “Votes Entry” tab under the Menu section.
- c) Enter the “Event No.” for which you want to cast vote.

Event No. can be viewed on the home page of InstaVote under “On-going Events”.

- d) Enter “16-digit Demat Account No.”
- e) Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link). After selecting the desired option i.e. Favour / Against, click on ‘Submit’.
- f) A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

METHOD 2 - VOTES UPLOAD

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will see “Notification for e-voting”.
- c) Select “View” icon for “Company’s Name / Event number”.
- d) E-voting page will appear.
- e) Download sample vote file from “Download Sample Vote File” tab.
- f) Cast your vote by selecting your desired option ‘Favour / Against’ in the sample vote file and upload the same under “Upload Vote File” option.
- g) Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending request at evoting@nsdl.co.in or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on “Login” under ‘SHARE HOLDER’ tab.
- Click “forgot password?”
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click “forgot password?”
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI

etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

General Instructions - Shareholders

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

InstaMeet VC Instructions:

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19.09.2024, the Companies can conduct their AGMs/ EGMs on or before 30 September 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).



Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

b) Visit URL: <https://instameet.in.mpms.mufg.com> & click on "Login".

c) Select the "Company Name" and register with your following details:

d) Select Check Box - **Demat Account No. / Folio No. / PAN**

- Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
- Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.
- Shareholders shall select check box – PAN and enter 10-digit Permanent Account Number (PAN). Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided by MUFG Intime, if applicable.
- Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.

e) Click "Go to Meeting"

You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

d) Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

*Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET
- c) Click on 'Submit'.
- d) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- e) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- f) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/

Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.



Explanatory Statement in Respect of the Special Business Pursuant to Section 102 of the Companies Act, 2013 And Secretarial Standard – 2 on General Meeting issued by the Institute of Company Secretaries of India in Respect of items of Special Business Set Out in the Notice Convening the Sixtieth (60th AGM) of the Company.

Item No. 5: Appointment of Secretarial Auditor

Pursuant to notification of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) (Third Amendment) Regulations, 2024 dated December 12, 2024, and SEBI circular- SEBI/HO/CFD-PoD-2/ CIR/2024/188 dated December 31, 2024, as per regulation 24A Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity. Further on the recommendation of the Board of directors, a listed entity shall appoint or re-appoint:(i) An individual as Secretarial Auditor for not more than one term of five consecutive years; or(ii) a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, With the approval of its shareholders in its Annual General Meeting Based on the recommendation of the Audit Committee, the Board of Directors of the Company, at its meeting held on August 07, 2025, has proposed the appointment of M/s Kanj & Co. LLP, Company Secretaries , a Peer Reviewed Firm of Company Secretaries, as the Secretarial Auditor of the Company for a period of five consecutive financial years commencing from FY2025-26 to FY2029-30 at a fee of ₹3,00,000/- (Rupees Three Lakh Only) for FY 2025-26 (plus taxes as applicable) and remuneration for the subsequent years as may be decided by the Audit Committee/Board of Directors in consultation with the Secretarial Auditors of the company M/s Kanj & Co. LLP has consented to the aforesaid appointment and confirmed that their appointment, if made, will be in accordance with the provision of the Section 204 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details as required under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:-

The fee proposed to be paid to M/s Kanj & Co. LLP (Name of firm) towards secretarial audit for financial year 2025-26 shall be ₹3,00,000/- (Rupees Three Lakh Only) plus taxes as applicable) and remuneration for the subsequent years as may be decided by the Audit Committee/ Board of Directors in consultation with the Secretarial Auditor of the Company.-

There is no material change in the proposed fee for the auditor.-

The Audit Committee and the Board of Directors, while recommending the appointment of M/s Kanj & Co. LLP, Pune as the Secretarial Auditor of the Company, have taken into consideration, among other things, the necessary expertise, experience and eligibility criteria prescribed under the Act. M/s Kanj & Co. LLP, Pune ("the Firm") is incorporated in India and registered with the Institute of Company Secretaries of India ("ICSI") Holding No. 6309/2024(Certificate No.).

The firm was established in March 20, 2018 with its registered office in 3-4, 'Aishwarya Sankul', S. No. 17, Opp. Joshi Railway Museum, Kothrud Pune -411 038. The Firm has a valid Peer Review certificate. None of the Directors, Key Managerial Personnel (KMPs), or any of their relatives are, in any way concerned or interested, whether financially or otherwise, in this resolution. The Board of Directors recommends the resolution for approval of the shareholders of the Company, as set out at Item No. 5 of the Notice.

Annexure to Notice to Annual General Meeting – 1

Details of Directors Seeking Appointment / Re-Appointment at the Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard – 2 on General Meetings]

Name	Mr. Jitendra Divgi	Mr. Hirendra Divgi
Designation	Managing Director	Whole-Time Director
Director's Identification Number(DIN)	00471531	01634431
Age	63	61
Qualification	Mr. Jitendra Divgi holds a bachelors' degree in Mechanical Engineer (Honours) from BITS Pilani (1985) and Master's in Manufacturing from the University of Massachusetts, USA (1986).	Mr. Hirendra Divgi holds a Bachelor's degree in Mechanical Engineering from the University of Bangalore.
Experience	He has worked at Digital Equipment Corporation, Massachusetts. He has also served on the Board of Directors of BorgWarner, China in 2000.	He has served in various capacities since 1988, which included new product development manager and has also worked in the role of controller operations at Company.
Terms & Conditions of appointment / re-appointment	Managing Director for a period of 5 years with effect from June 10, 2022, liable to retire by rotation.	Whole-Time Director for a period of 5 years with effect from June 10, 2022, liable to retire by rotation.
Remuneration Details	Basic Salary and other allowance	Basic Salary and other allowance
Date of first Appointment on the Board of the Company	December 01, 1994	January 01, 1998
Shareholding in the Company	730680	732480
Relation with other Directors, Manager or KMP	He is the elder brother of Hirendra Divgi . He is the first cousin of Sanjay Divgi and Bharat Divgi	He is the younger brother of Jitendra Divgi. He is the first cousin of Sanjay Divgi and Bharat Divgi.
No. of Meetings of Board attended during the year	5	5
Brief profile, skills, expertise and capabilities required for the role and the manner in which meets such requirements	Strategy planning and business operations, Technology, Governance and risk management.	Strategy planning and business operation, Finance, Governance and risk management.
Other Directorship, Membership/ Chairmanship of committee of other Boards.	Other Directorship: - Nandu Chemicals Private Limited - Divgi Transmission Systems and Technologies Private Limited - Divgi Holdings Private Limited	Other Directorship: - Divgi Transmission Systems and Technologies Private Limited - Tejal Transmission Private Limited - Divgi Holdings Private Limited
Listed entities from which the person has resigned in the past three years	-	-
Disclosure of relationships between the director's inter-se	- Jitendra Divgi is the elder brother of Hirendra Divgi. - Jitendra Divgi is first cousin of Sanjay Divgi and Bharat Divgi	- Hirendra Divgi is the younger brother of Jitendra Divgi. - Hirendra Divgi is first cousin of Sanjay Divgi and Bharat Divgi.



Financial Statements

Independent Auditors' Report

To
The members of
Divgi TorqTransfer Systems Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Divgi TorqTransfer Systems Limited** (Formerly known as Divgi TorqTransfer Systems Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on consideration of the reports of other auditors, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters..

Key Audit Matter	Our Principal Audit Procedures
Revenue Recognition: Revenue is measured at the consideration received or receivable as reduced by discounts and other similar allowances. Volume discounts are assessed based on anticipated sales. Further, timing of revenue recognition is dependent on the terms agreed with customers in relation to passing of risk and rewards of ownership.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: ▪ Understood the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes. ▪ Analyzed and discussed significant contracts with management including contractual terms and conditions related to discounts, incentives and rebates. ▪ Reviewed the volume discounts and its accounting treatment in the books of account.



Key Audit Matter	Our Principal Audit Procedures
The application of Indian Accounting Standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognized.	- Performed cut-off procedures to ensure that revenue is accounted in the correct period. - Selected a sample of contracts and performed the following procedures: - Analysed and identified the distinct performance obligations in these contracts. - Compared such performance obligations with that identified and recorded by the Company. - Reviewed contract terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration. - Reviewed disclosures included in the notes to the accompanying financial statements.

Information other than the Financial Statements and Auditors’ Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the Directors’ Report and the related annexures, but does not include the Financial Statements and our Auditors’ Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the

Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 37 to the Financial Statements.
 - (ii) The Company did not have any long-term contracts including derivative

contracts for which there were any material foreseeable losses;

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

- (v) The dividend declared/paid/declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- (vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered

with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Place: Pune
Date: May 30, 2025
Membership No. 125657
UDIN: 25125657BMLXTN5140



Annexure A to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Divgi TorqTransfer Systems Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit

of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to financial

statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Place: Pune
Date: May 30, 2025
Membership No. 125657
UDIN: 25125657BMLXTN5140



Annexure B to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

- (i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the Company has physically verified certain property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, the inventory comprising of raw materials, work-in-progress, finished goods, traded goods, packing materials and stores and spare parts (retain only those as applicable) has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.
 - (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, the reporting under Clause 3 (ii) (b) is not applicable to the Company.
 - (iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
 - (iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.
 - (v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees’ State Insurance, Income-tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in few cases. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of

- our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees’ State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect Provident Fund, Employees’ State Insurance, Income Tax, Service tax, Sales Tax, Duty of Customs, Duty of Excise, Cess and any other material statutory dues as at March 31, 2025, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us and records of the Company examined by us, the particulars of dues of Goods and Service Tax which have not been deposited as on March 31, 2025 on account of disputes are as under:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Unpaid (Rs. In Million)
Good and Service Tax	Tax, Interest	Assistant Commissioner of CGST	F.Y.2017-22	1.63

- (viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.
- (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.
- (e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and based on the



audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

- (x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial

Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

- (xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has no Core Investment Companies.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting

under Clause 3(xviii) of the Order is not applicable to the Company.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as

on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.
- (b) According to the information and explanations given to us, there are no ongoing projects relating to corporate social responsibility. Accordingly, the reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner

Place: Pune
Date: May 30, 2025

Membership No. 125657
UDIN: 25125657BMLXTN5140



Balance Sheet as at 31st March, 2025

(All amount in INR Millions unless otherwise stated)

Particulars	Note No.	As at 31 st March, 2025	As at 31 st March, 2024
Non-Current Assets			
Property, plant and equipment	4(a)	2,434.17	2,116.71
Capital work-in-progress	4(d)	15.52	254.49
Right-of-use assets	4(b)	11.69	15.47
Intangible assets	4(c)	108.78	138.71
Intangible assets under development	4(e)	2.22	2.64
Financial Assets			
Non-current investments	5	0.46	0.46
Other non-current financial assets	6	39.06	38.31
Other non-current assets	7	38.49	54.24
Total Non-Current Assets		2,650.39	2,621.03
Current Assets			
Inventories	8	387.31	357.34
Financial Assets			
i) Trade Receivables	9	554.63	630.95
ii) Cash And Cash Equivalents	10 (a)	154.36	315.74
iii) Bank Balances Other Than Cash And Cash Equivalents	10 (b)	2,693.97	2,327.32
iv) Other current financial assets	11	133.11	135.04
Other Current Assets	12	30.76	26.48
Total Current Assets		3,954.14	3,792.87
TOTAL ASSETS		6,604.53	6,413.90
Equity			
Equity Share Capital	13	152.91	152.91
Other Equity	14	5,814.81	5,650.52
Total Equity		5,967.72	5,803.43
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
i) Borrowings	15	1.41	2.70
ii) Lease Liabilities	16	4.41	8.43
Long Term Provisions	17	28.64	26.67
Deferred Tax Liabilities (Net)	18	37.24	26.02
Total Non-Current Liabilities		71.70	63.82
Current Liabilities			
Financial Liabilities			
i) Borrowings	19	0.91	0.82
ii) Trade Payables			
total outstanding dues of micro enterprises and small enterprises	20	13.22	23.74
total outstanding dues of creditors other than micro enterprises and small enterprises	20	389.49	352.54
iii) Lease Liabilities	16	4.02	3.68
iv) Other Financial Liabilities	21	88.61	88.94
Other Current Liabilities	22	8.72	20.48
Provisions	23	18.93	21.05
Current Tax Liabilities (Net)	24	41.21	35.40
Total Current Liabilities		565.11	546.65
TOTAL EQUITY AND LIABILITIES		6,604.53	6,413.90
Summary of material accounting policies	1-2		
Summary of significant accounting judgements, estimates and assumptions	3		
The accompanying notes are an integral part of these financial statements.			

For **B. K. Khare & Co.**
Firm Registration Number: 105102W
Chartered Accountants

For and on behalf of the Board of Directors of
Divgi TorqTransfer Systems Limited
(Formerly known as Divgi TorqTransfer Systems Private Limited)

Amit Mahadik
Partner
Membership Number: 125657
Date: May 30, 2025
Place: Pune

Praveen P Kadle
Chairman
DIN: 00016814
Date: May 30, 2025
Place: Pune

Jitendra B Divgi
Managing Director
DIN: 00471531
Date: May 30, 2025
Place: Pune

Sudhir Mirjankar
Chief Financial Officer

Date: May 30, 2025
Place: Pune

Sanika Nirgude
Company Secretary and
Compliance Officer
(ACS - A71466)
Date: May 30, 2025
Place: Pune

Statement of Profit and Loss for the year ended 31st March, 2025

(All amount in INR Millions unless otherwise stated)

Particulars	Note No.	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Income			
Revenue from Operations	25	2,189.17	2,534.24
Other Income	26	212.11	195.59
Total Income		2,401.28	2,729.83
Expenses			
Cost of raw material and components consumed	27	936.97	1,116.89
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in Progress	28	(56.11)	(54.81)
Employee Benefits Expense	29	251.14	241.39
Finance Costs	30	3.82	4.07
Depreciation and Amortization Expense	31	251.83	186.88
Other Expenses	32A	683.59	700.09
Total Expenses		2,071.24	2,194.51
Profit before Tax		330.04	535.32
Tax expense			
For the year			
Current tax	32B	74.86	116.25
Deferred tax charge/(credit)		11.26	21.72
		86.12	137.97
Profit for the year		243.92	397.35
Other Comprehensive Income			
(A) Items that will not be reclassified subsequently to profit and loss			
Remeasurements of the defined benefit plans		(0.14)	(0.52)
Income tax on above.		0.03	0.13
Total other comprehensive income		(0.11)	(0.39)
Total comprehensive income for the year		243.81	396.96
Earnings per share (in Rs.)	35		
Basic earnings per share (in Rs.)		7.98	12.99
Diluted earnings per share (in Rs.)		7.98	12.99

Summary of material accounting policies 1-2

Summary of significant accounting judgements, estimates and assumptions 3

The accompanying notes are an integral part of these financial statements

For **B. K. Khare & Co.**
Firm Registration Number: 105102W
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Date: May 30, 2025
Place: Pune



Cash Flow Statement for the year ended 31st March, 2025

(All amount in INR Millions unless otherwise stated)

Particulars	Year ended 31 st March, 2025	Year ended 31 st March, 2024
A) Cash flows from operating activities		
Profit/(Loss) before tax	330.04	535.32
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	251.83	186.88
Interest Expenses	2.88	2.58
Unwinding of discounting (lease obligations)	0.94	1.50
Interest income	(204.06)	(190.92)
Loss/(gain) on sale / discard of assets (net)	(0.28)	(0.29)
Changes in:		
Trade and other receivables	71.28	144.68
Inventories	(29.97)	(38.49)
Trade and other payables and provisions	(1.48)	(173.39)
Cash generated from operations	421.18	467.87
Income taxes paid (net)	(69.05)	(143.26)
Net cash inflow / (outflow) from operating activities	352.13	324.61
B) Cash flows from / (used in) investing activities		
Purchase of Fixed Assets	(265.03)	(777.33)
Sale of Fixed Assets	0.42	0.51
Interest received	205.98	98.94
Term deposit with banks, matured / (placed) (net)	(366.66)	738.57
Net cash flows (used in) investing activities	(425.29)	60.69
C) Cash flows from/ (used in) financing activities		
Net proceeds' from issue of equity shares	-	(3.91)
Short Term Borrowings availed / (repaid) (net)	0.09	(0.24)
Long Term Borrowings availed / (repaid) (net)	(1.29)	(0.55)
Dividend paid	(79.52)	(102.45)
Lease rentals paid	(4.62)	(7.42)
Interest paid	(2.88)	(2.58)
Net cash flows from financing activities	(88.22)	(117.15)
Net increase / (decrease) in cash and cash equivalents	(161.38)	268.15
Cash and cash equivalents at the beginning of the year	315.74	47.59
Cash and cash equivalents at the end of the year	154.36	315.74

Reconciliation of cash and cash equivalents as per the cash flow statement:

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Cash and cash equivalents (Note 10 (a))	154.36	315.74
Balances as per Cash flow statement	154.36	315.74

For **B. K. Khare & Co.**
Firm Registration Number: 105102W
Chartered Accountants

For and on behalf of the Board of Directors of
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Membership Number: 125657
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Sanika Nirgude
Company Secretary and
Compliance Officer
(ACS - A71466)
Date: May 30, 2025
Place: Pune

Statement of Changes in Equity

A Equity Share Capital

(All amount in INR Millions unless otherwise stated)

Particulars	Note No.	As at 31 st March, 2025	As at 31 st March, 2024
Balance at the beginning of the year	13	152.91	152.91
Changes in equity shares capital during the year		-	-
Balance at the end of the year		152.91	152.91

B Other Equity

Particulars	Reserves and surplus			Total Other Equity
	Capital reserve	Retained earnings	Securities premium	
As at April 1, 2023	7.37	2,493.63	2,858.92	5,359.92
Expense related to capital raising			(3.91)	(3.91)
Profit for the year	-	397.35	-	397.35
Other Comprehensive Income (net)	-	(0.39)	-	(0.39)
Total comprehensive income	-	396.96	(3.91)	393.05
Dividends paid	-	(102.45)	-	(102.45)
As at March 31, 2024	7.37	2,788.14	2,855.01	5,650.52
Profit for the period	-	243.92	-	243.92
Other Comprehensive Income (net)	-	(0.11)	-	(0.11)
Total comprehensive income	-	243.81	-	243.81
Dividends paid	-	(79.52)	-	(79.52)
As at March 31, 2025	7.37	2,952.43	2,855.01	5,814.81

For **B. K. Khare & Co.**

Firm Registration Number: 105102W

Chartered Accountants

For and on behalf of the Board of Directors of

Divgi TorqTransfer Systems Limited

(Formerly known as Divgi TorqTransfer Systems Private Limited)

Amit Mahadik

Partner

Membership Number: 125657

Date: May 30, 2025

Place: Pune

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Date: May 30, 2025

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Chief Financial Officer

Date: May 30, 2025

Place: Pune

Sanika Nirgude

Company Secretary and

Compliance Officer

(ACS - A71466)

Date: May 30, 2025

Place: Pune



Notes to the Financial Statements

1. Corporate information

Divgi TorqTransfer Systems Limited (Formerly known as Divgi TorqTransfer Systems Private Limited) (the 'Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956 of India. The Company is engaged in the manufacture and sale of transfer cases, automatic locking hubs, synchronizers and components thereof (transmission components) and related services to automotive Original Equipment Manufacturers (OEMs) and other customers in the Indian and global market.

2. Material accounting policies

2.1. Basis of preparation and measurement

a) Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Act) as applicable to the financial statements

The preparation of the financial statements requires the use of certain critical accounting judgements, estimates and assumptions. It also requires the management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention except for the following:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value
- Defined benefit plans – plan assets measured at fair value.

2.2. Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Financial Statements

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

(b) Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

(c) Foreign Currencies

- Functional and presentation currency

The functional and presentation currency of the Company is Indian rupee.

- Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss unless they are relating to qualifying cash flow hedges in which case they are deferred in equity.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(d) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Notes to the Financial Statements

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for significant judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(e) Property, Plant and Equipment

Property, plant and equipment (PPE) and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any. All significant costs relating to the acquisition and installation of PPE are capitalised. Subsequent costs/replacement costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of profit and loss during the financial year in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation on PPE is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Certain assets which are internally developed, all the incidental costs directly attributable to such machinery are capitalized.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain classes of assets. The following useful lives are adopted by the management:

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Factory buildings	30	30
Plant and equipment	5 to 10	15 to 20
Roads	10	5 to 10
Office equipment	5	15
Furniture and fixtures	10	10
Computers and data processing units	3 to 6	3 to 6
Vehicles	8	8

The residual values, useful lives, and methods of depreciation of PPE are reviewed on a regular basis and changes in estimates, when relevant, are accounted for on a prospective basis.

Notes to the Financial Statements

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized. A summary of amortization rates applied to the Company's Intangible assets is as below: -

Asset Category	Life (Years)
Computer Software	5
Technical Know-How	5

Research and development costs

Research expenditure is recognised as an expense as incurred. The cost incurred in development projects (associated with the design and testing of new products or product upgrades) are recognised as an intangible asset when the success of the development is deemed probable taking into account its technical and financial resources to do so, has the ability to use or sell the asset and generate potential economic benefits and the costs involved may be reliably estimated. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development cost with a finite useful life that have been capitalised are amortised from the start of commercial production of the product on a straight-line basis over the period in which it is expected to generate economic benefits, which does not exceed ten years.

(g) Equity investments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income

subsequent changes in the fair value. The Company makes such an election on an instrument-by-instrument basis, at initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on the sale of the investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

(h) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises material cost, direct labour and manufacturing expenses which is determined using absorption costing method. Net realisable value is the



Notes to the Financial Statements

estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Write down of inventories are calculated based on an analysis of foreseeable changes in demand, technology, market conditions and ageing of inventories.

(i) Revenue recognition

Initial Recognition

Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

Revenue from operation excludes Goods & Service Tax

Sale of goods

Timing of recognition:

Sales are recognised when control parameters as laid down in Ind AS 115 are satisfied. Control means customer has accepted the product, legal title has been transferred, transfer of significant risk and rewards, right to receive the payment and transfer of physical possession.

Measurement of revenue:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer. Any change resulting in increase or decrease in estimated revenue or cost are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

Transaction price is the amount of consideration expected to be entitled to in exchange for transferring of goods and services excluding the amount collected from third party.

Revenue from sales is based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. The volume discounts are assessed based on anticipated annual purchases.

No element of financing is deemed present as the sales are made with an average credit term of 45-60 days, which is consistent with market practice.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Operating Income

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in proportion to the depreciation charged over the expected useful life of the related asset. The Company recognize for export incentives for export of goods only after establishment of reasonable assurance and conditions precedent to claim are fulfilled.

Notes to the Financial Statements

(j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

Financial Assets

Classification

On initial recognition the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset

Initial Recognition & Measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset .

Financial Assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets are held to collect (HTC Business Model) contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance costs/income in the Statement of Profit or Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognised in the statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or



Notes to the Financial Statements

- c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets (Other than Fair Value)

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. For trade receivables only, Company performs credit assessment for customers on an annual basis. Company recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than twelve months.

Equity investments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income (Subsequent changes in the fair value). The Company makes such an election on an instrument-by-instrument basis, at initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on the sale of the investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss

Initial Recognition

Financial Liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Terms of trade payables i.e. non-interest bearing and generally settled in 30 to 60 days to be included.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Notes to the Financial Statements

(k) Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(l) Share capital

Equity shares issued to shareholders are classified as equity. Incremental costs directly attributable to the issue of new equity shares are recognized as a deduction from equity, net of any related income tax effects.

(m) Taxes on Income

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(n) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of



Notes to the Financial Statements

the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets in which case, they are capitalized in accordance with principles of borrowing cost specified in Ind AS 16.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from an operating lease is recognized on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The Company has adopted Ind AS 116-Leases, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Notes to the Financial Statements

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Lease contracts entered by the Company majorly pertains for land and buildings taken on lease to conduct its business in the ordinary course.

(o) Impairment of assets- Non-Financial Assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e., higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(p) Provisions and Contingent Liability

a) Recognition

Provisions for legal claims, service warranties and volume discounts are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

b) Product warranty expenses

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

(q) Employee Benefits

Defined contribution plans

Superannuation: The Company has defined contribution plans for post-employment benefits in the form of superannuation fund for certain class of employees, which is administered through Life Insurance Corporation (LIC). The Company has no further obligation beyond its contribution.



Notes to the Financial Statements

Provident Fund: The Company has defined contribution plan for post-employment benefits in the form of provident fund for all employees, which is administered by the Regional Provident Fund Commissioner. The Company has no further obligation beyond its monthly contributions.

Defined benefit plans

Gratuity: The Company has a defined benefit plan for post-employment benefit in the form of gratuity for all employees, which is partially administered through Life Insurance Corporation (LIC). Liability for above defined benefit plan is provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of profit and loss in subsequent periods.

Past service costs are recognized in the Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

In respect of encashment of leave, the Defined Benefit Obligation is calculated taking into account all type of the decrement and qualifying salary projected up to the assumed date of encashment.

(r) Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company assesses the financial performance and position of the Company and makes strategic decisions. The board of directors of the Company have been identified as being the chief operating decision maker. Chief financial officer of the Company assists board of directors in their decision-making process. The Company is in the business of manufacture and sale automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment.

Notes to the Financial Statements

(s) Earnings Per Share:

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive Potential Equity Shares.

3. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements included in relevant notes together with information about the basis of calculation of each different line item in the financial statements.

The areas involving critical estimates or judgements are:

- Estimation of useful life of asset (Refer note 2.1.(e),(f))
- Estimation of provision and for contingent liabilities (Refer note .2.1.(p))
- Estimation of provision for warranty obligation (Refer note 2.1.(p.b))
- Accounting for arrangements in the nature of lease (Refer note 2.1.(n))
- Estimation of defined benefit obligation (Refer note 2.1.q)
- Estimation of expected credit Losses on trade receivables (Refer Note 2.1.j)

3.2. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on March 31, 2025, MCA has not amended the Companies (Indian Accounting Standards) Amendment Rules, 2023 and hence reporting under this section is not applicable.



Notes to the financial statements

(All amount in INR Millions unless otherwise stated)

4 (a) Property, plant and equipment

Particulars	Freehold Land	Factory Building	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
Gross carrying amount								
Balance as at 1st April, 2023	330.70	93.97	1,496.41	7.29	10.78	39.42	38.99	2,017.56
Additions	135.15	317.32	685.51	1.81	10.70	9.17	11.88	1,171.54
Disposals	-	-	0.30	-	-	4.92	-	5.22
Balance as at 31st March, 2024	465.85	411.29	2,181.62	9.10	21.48	43.67	50.87	3,183.88
Additions	-	18.72	507.15	0.94	2.37	1.49	1.38	532.05
Disposals	-	-	2.22	-	-	1.36	-	3.58
Balance as at 31st March, 2025	465.85	430.01	2,686.55	10.04	23.85	43.80	52.25	3,712.35
Accumulated Depreciation								
Balance as at 1st April, 2023	-	51.04	784.36	6.57	9.38	22.32	33.23	906.90
Charge during the year	-	11.13	143.77	0.54	0.99	4.02	4.82	165.27
Disposals/ transfers	-	-	0.30	-	-	4.70	-	5.00
Balance as at 31st March, 2024	-	62.17	927.83	7.11	10.37	21.64	38.05	1,067.17
Charge during the year	-	16.46	186.28	0.78	1.52	4.46	4.98	214.48
Disposals/ transfers	-	-	2.21	-	-	1.26	-	3.47
Balance as at 31st March, 2025	-	78.63	1,111.90	7.89	11.89	24.84	43.03	1,278.18
Net carrying amount								
Balance as at March 31, 2025	465.85	351.38	1,574.65	2.15	11.96	18.96	9.22	2,434.17
Balance as at March 31, 2024	465.85	349.12	1,253.79	1.99	11.11	22.03	12.82	2,116.71

The title deeds of Immovable properties are in the name of the Company. Further the Company has not re-valued its assets for the period stated above

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

4 (b) Right- of- use assets

Particulars	Leasehold Land	Building	Total
Gross carrying amount			
Balance as at 1st April, 2023	6.33	43.06	49.39
Additions	-	-	-
Disposals/ Transfers/ Adjustments	-	24.55	24.55
Balance as at 31st March, 2024	6.33	18.51	24.84
Additions	-	-	-
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2025	6.33	18.51	24.84
Accumulated depreciation			-
Balance as at 1st April, 2023	1.88	22.98	24.86
Charge during the year	0.07	5.93	6.00
Disposals/ Transfers/ Adjustments	-	21.49	21.49
Balance as at 31st March, 2024	1.95	7.42	9.37
Charge during the year	0.07	3.71	3.78
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2025	2.02	11.13	13.15
Net carrying amount			
Balance as at March 31, 2025	4.31	7.38	11.69
Balance as at March 31, 2024	4.38	11.09	15.47

The Company has taken certain assets on lease which have been accounted in accordance with Ind AS 116-Leases under right of use assets. Refer note 36 for further disclosure on leases.

4 (c) Intangible assets

Particulars	Computer Software	Technical Know-How	Total
Gross carrying amount			
Balance as at 1st April, 2023	54.65	-	54.65
Additions	4.87	117.39	122.26
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2024	59.52	117.39	176.91
Additions	3.64	-	3.64
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2025	63.16	117.39	180.55
Accumulated depreciation			
Balance as at 1st April, 2023	22.59	-	22.59
Charge for the year	9.82	5.79	15.61
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2024	32.41	5.79	38.20
Charge for the year	10.09	23.48	33.57
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2025	42.50	29.27	71.77
Net carrying amount			
Balance as at March 31, 2025	20.66	88.12	108.78
Balance as at March 31, 2024	27.11	111.60	138.71

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

4 (d) Capital work in progress (Ageing schedule)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As at 31st March 2025					
Projects in progress	14.35	1.17	-	-	15.52
Projects temporarily suspended	-	-	-	-	-
Grand Total	14.35	1.17	-	-	15.52
As at 31st March 2024					
Projects in progress	188.52	65.97	-	-	254.49
Projects temporarily suspended	-	-	-	-	-
Grand Total	188.52	65.97	-	-	254.49

There are no projects as on each reporting period where activity had been suspended. Considering the nature, there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue

Break-up

	As at 31 st March, 2025	As at 31 st March, 2024
Land & Factory Building	0.48	6.12
Plant & Machinery	15.04	248.37
	15.52	254.49

Particulars	Land & Factory Building	Plant & Machinery	Total
Balance as at 1st April, 2023	381.01	427.53	808.54
Additions	77.58	506.35	583.93
Disposals/ Transfers/ Adjustments	452.47	685.51	1,137.98
Balance as at 31st March, 2024	6.12	248.37	254.49
Additions	13.08	273.82	286.90
Disposals/ Transfers/ Adjustments	18.72	507.15	525.87
Balance as at 31st March, 2025	0.48	15.04	15.52

4 (e) Intangible assets under development (ageing schedule)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As at 31st March 2025					
Projects in progress	2.22	-	-	-	2.22
Projects temporarily suspended	-	-	-	-	-
Grand Total	2.22	-	-	-	2.22
As at 31st March 2024					
Projects in progress	2.64	-	-	-	2.64
Projects temporarily suspended	-	-	-	-	-
Grand Total	2.64	-	-	-	2.64

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

Particulars	Rs
Balance as at 1st April, 2023	118.32
Additions	6.58
Disposals/ Transfers/ Adjustments	122.26
Balance as at 31st March, 2024	2.64
Additions	3.22
Disposals/ Transfers/ Adjustments	3.64
Balance as at 31st March, 2025	2.22

5 Non current investments

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Unquoted		
Equity instruments at cost		
5,000 equity shares (March 31, 2024 - 5,000) of Rs 10 each fully paid, held in Saraswat Co-operative Bank Limited	0.05	0.05
40,000 Equity Shares (March 31, 2024 - 40,000) of Rs 10 each fully paid, held in Tejal Transmission Pvt. Ltd.	0.40	0.40
Aggregate amount of Unquoted Investments	0.45	0.45
Others	0.01	0.01
Total	0.46	0.46

6 Other non-current financial assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Security Deposits	40.61	39.86
Less:Provision for doubtful deposits	(1.55)	(1.55)
Total	39.06	38.31

7 Other non-current assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Capital Advances	38.49	54.24
Total	38.49	54.24

8 Inventories

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Raw Materials	186.23	212.37
Work-in-Progress	143.27	131.46
Finished Goods	88.36	44.06
Less : Provision for non-moving inventory	(30.55)	(30.55)
Total	387.31	357.34
Goods in transit (included above)		
Raw Materials	19.29	10.60



Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

9 Trade receivables

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Trade receivables	554.63	630.95
Total trade receivables	554.63	630.95
Current portion(net of provisions)	554.63	630.95
Non Current portion	-	-

Break-up for security details

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Unsecured, considered good	554.63	630.95
Trade Receivables - credit impaired	5.11	5.11
Total	559.74	636.06
Less: Allowance for doubtful debts	(5.11)	(5.11)
Total Trade Receivables	554.63	630.95

Trade receivables include receivables from related parties (Refer note 34).

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person or any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member except as reported in note 34-Related Party Disclosures.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Refer note 41 for information about credit risk and market risk of trade receivable

Trade receivables Ageing Schedule:

Outstanding for following periods from due date of payment as at 31st March 2025

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	554.63	-	-	-	-	554.63
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	5.11	5.11
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

Outstanding for following periods from due date of payment as at 31st March 2024

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	629.19	-	-	-	1.76	630.95
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	5.11	5.11
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-

10 (a) Cash and cash equivalents

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash on hand	0.19	0.09
Balances with Banks -		
- In current accounts	154.17	315.65
Total	154.36	315.74

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and previous period.

10 (b) Bank Balances other than cash and cash equivalents

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Long-term Deposits (with maturity of more than 3 months but less than 12 months)	2,693.97	2,324.52
Others	0.00	2.80
Total	2,693.97	2,327.32

11 Other current financial assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
At amortized cost		
Interest accrued but not due on deposits with banks	133.11	135.04
Total	133.11	135.04

12 Other current assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Balance with government authorities		
Considered good	11.30	8.96
Considered doubtful	3.53	3.53
Less: Provision for doubtful balances	(3.53)	(3.53)
(a)	11.30	8.96



Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

12 Other current assets (Contd.)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advances to Suppliers		
Considered good	12.17	10.16
Considered doubtful	0.19	0.19
Less: Provision for doubtful balances	(0.19)	(0.19)
(b)	12.17	10.16
Export incentive receivable	-	0.10
Prepaid Expenses	6.82	7.10
Others	0.47	0.16
(c)	7.29	7.36
Total (a+b+c)	30.76	26.48

13 Share capital

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Authorised		
4,00,00,000 (March 31, 2024 - 4,00,00,000) equity shares of Rs. 5 each (March 31, 2024 - 05 each)	200.00	200.00
Issued, subscribed and fully paid up		
Equity Share Capital		
30,582,927 (March 31, 2024 - 30,582,927) equity shares of Rs. 5 each (March 31, 2024 - 5 each) fully paid-up	152.91	152.91
	152.91	152.91

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Equity shares outstanding at the beginning of the year		
Number of shares	3,05,82,927	3,05,82,927
Amount	152.91	152.91
Equity shares outstanding at the end of the year		
Number of shares	3,05,82,927	3,05,82,927
Amount	152.91	152.91

(b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

13 Share capital (Contd.)

(c) Number of equity shares held by the holding company

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Divgi Holding Pvt. Ltd	1,58,03,980	1,57,82,680
Total	1,58,03,980	1,57,82,680

(d) Details of shareholders holding more than 5% of shares in the Company

Equity Shares

Name of the shareholder	As at 31 st March, 2025	As at 31 st March, 2024
i) Divgi Holding Pvt. Ltd		
No. of shares	1,58,03,980	1,57,82,680
%	51.68%	51.61%
ii) NRJN Family Trust		
No. of shares	9,23,885	9,23,885
%	3.02%	3.02%
iii) Oman India Joint Investment Fund II		
No. of shares	37,27,360	37,27,360
%	12.19%	12.19%

(e) Promoter Shareholding

Shareholding of promoters as on 31 March 2025 (Face value of Rs 5 each)

Promoter name	As at 31 st March, 2025		
	Number	% holding	% change during the period
Equity shares			
Mr. Jitendra Divgi	3,27,840	1.07%	No Change
Mr. Hirendra Divgi	3,29,720	1.08%	No Change
Divgi Holdings Private Limited	1,58,03,980	51.68%	0.07%
Mr. Jitendra Divgi Jointly with Divgi Holding Pvt. Ltd	4,02,840	1.32%	No Change
Mr. Hirendra Divgi Jointly with Divgi Holding Pvt. Ltd	4,02,760	1.32%	No Change
Total	1,72,67,140	56.47%	

Shareholding of promoters as on 31 March 2024 (Face value of Rs 5 each)

Promoter name	As at 31 March 2024		
	Number	% holding	% change during the period
Equity shares			
Mr. Jitendra Divgi	3,27,840	1.07%	No Change
Mr. Hirendra Divgi	3,29,720	1.08%	No Change
Divgi Holdings Private Limited	1,57,82,680	51.61%	No Change
Mr. Jitendra Divgi Jointly with Divgi Holding Pvt. Ltd	4,02,840	1.32%	No Change
Mr. Hirendra Divgi Jointly with Divgi Holding Pvt. Ltd	4,02,760	1.32%	No Change
Total	1,72,45,840	56.40%	

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

14 Other equity

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Reserves and surplus		
Capital reserve (a)	7.37	7.37
Securities Premium		
Balance as at the beginning of the year	2,855.01	2,858.92
Expense related to capital raising	-	(3.91)
Balance as at the end of the year (b)	2,855.01	2,855.01
Retained earnings		
Balance as at the beginning of the year	2,788.14	2,493.63
Profit for the year	243.92	397.35
Dividend paid	(79.52)	(102.45)
Remeasurement of defined benefit obligations, net of tax	(0.11)	(0.39)
Balance as at the end of the year (c)	2,952.43	2,788.14
Total Reserves and Surplus (a+b+c)	5,814.81	5,650.52

Capital reserve

Represents reserve on amalgamation of Divgi TorqTransfer Systems Private Limited (formerly Divgi Warner Private Limited) with the Company with effect from 1 April 2016 as per scheme of amalgamation approved by the National Company Law Tribunal Mumbai Bench.

The amount of Rs. 7.37 million arising out of the difference between the book value of the net assets of the Transferor Company taken over, the fair valuation of assets of the Transferee Company as mentioned in a) above and cancellation of intercompany investments between the Transferor Company and the Transferee Company has been recorded as Capital Reserve in the Balance Sheet.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

15 Borrowings

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Non- current		
(Secured)		
Term Loans (Refer note (a) below)		
From Banks	2.32	3.17
Less:Current Maturities	(0.91)	(0.82)
	1.41	2.35
(Unsecured)		
Loan from Divgi Holding Pvt. Ltd.*	-	0.35
	1.41	2.70

* There is no loan to or from promoter except as reported in note 15

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

(a) Nature of security and terms of repayment for secured borrowings

Nature of security	Terms of Repayment
Vehicle loan of Rs 2.32 Mn (March 31, 2024 Rs.3.17 Mn) from The Saraswat Co-operative Bank Limited. The loan is secured by first charge on vehicles (MG Gloster)	Repayable in 60 equal monthly installments from the date of disbursement of loan along with interest @7.50%p.a.

16 Lease liabilities

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Current	4.02	3.68
Non-current	4.41	8.43
Total	8.43	12.11

17 Long term provision

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Gratuity (Refer note 33)	-	0.18
Compensated Absences	28.64	26.49
Total	28.64	26.67

18 Deferred Tax Assets/ Deferred Tax (Liabilities) (Net)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Deferred Tax Asset on account of:		
Provision for doubtful debts, inventory, advances	10.30	10.30
Employee Benefit	11.48	10.93
Other Timing difference	2.57	2.26
	24.35	23.49
Deferred Tax Liability on account of:		
Property, plant and equipment and Intangible assets	61.59	49.51
	61.59	49.51
Net deferred tax assets/(Liabilities)	(37.24)	(26.02)

19 Borrowings

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Current*		
Current Maturities of long term debt		
- Term loan from bank	0.91	0.82
Total short term borrowings	0.91	0.82

*There is no loan to or from promoter



Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

20 Trade payables

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Total outstanding dues of micro and small enterprises	13.22	23.74
Total outstanding dues of creditors other than micro and small enterprises*	389.49	352.54
Total	402.71	376.28

*refer note 34 for related party balances

Trade payable ageing schedules

As at March 31, 2025	Outstanding for following periods from due date of payment					
Particulars	Unbilled Dues	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total
Total outstanding dues of micro enterprises and small enterprises	5.25	7.97	-	-	-	13.22
Total outstanding dues of creditors other than micro enterprises and small enterprises	153.17	231.33	0.12	3.43	1.44	389.49
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

As at March 31, 2024	Outstanding for following periods from due date of payment					
Particulars	Unbilled Dues	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total
Total outstanding dues of micro enterprises and small enterprises	2.94	20.80	-	-	-	23.74
Total outstanding dues of creditors other than micro enterprises and small enterprises	172.57	152.37	14.56	5.69	7.35	352.54
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

(a) Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

	As at 31 st March, 2025	As at 31 st March, 2024
Amount outstanding as at on account of:		
Principal amount	7.97	20.80
Interest due thereon	0.83	0.04
Total interest paid on all delayed payments during the year under the provisions of the MSMED Act		-
Payment made to supplier beyond the appointed day	97.28	135.17

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

20 Trade payables (contd.)

(a) Dues to Micro and Small Enterprises (contd.)

	As at 31 st March, 2025	As at 31 st March, 2024
Interest due on principal amounts paid beyond the due date during the year	1.52	1.38
Interest accrued but not paid	5.25	2.94

21 Other current financial liabilities

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Salaries and benefits payable	59.55	72.15
Capital creditors	25.60	10.07
Other	3.46	6.72
Total	88.61	88.94

22 Other Current liabilities

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advances from Customers	1.10	13.70
Other Statutory Liabilities	7.62	6.78
Total	8.72	20.48

23 Short term provision

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Gratuity (Refer Note 33)	4.84	7.93
Compensated Absences	3.04	3.03
Super Annuation	2.53	2.85
Warranties (Note a)	8.52	7.24
Total	18.93	21.05

Movement in warranty provisions

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Balance at the beginning as on 1 April	7.24	5.75
Additional provision recognised	1.48	1.67
Paid/Utilised during the year	(0.20)	(0.18)
Closing balance at the year end March 31	8.52	7.24

- a) Provision for warranties: A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims.

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

24 Current Tax Liabilities (Net)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Provision for Current Taxation	41.21	35.40
Total	41.21	35.40

25 Revenue from operations

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from sale of products	2,134.49	2,404.65
Revenue from sale of tools	30.86	99.69
	2,165.35	2,504.34
Other Operating Revenue		
Sale of Scrap	19.40	29.77
Export incentives	4.42	0.13
Total	2,189.17	2,534.24

26 Other Income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income	204.06	190.92
Rental Income	4.69	2.41
Vendor liabilities no longer required written back	1.64	0.40
Profit on sale of fixed assets (net)	0.28	0.56
Miscellaneous Income	1.44	1.30
Total	212.11	195.59

27 Cost of raw material and components consumed

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Raw Materials and Components Consumed		
Inventories at the beginning of the year	181.81	198.13
Add: Purchases	910.83	1,100.57
	1,092.64	1,298.70
Inventories at the end of the year	155.67	181.81
Total	936.97	1,116.89

28 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Stock		
Work-in-Progress	131.46	103.97
Finished Goods	44.06	16.74
Closing Stock		
Work-in-Progress	143.27	131.46
Finished Goods	88.36	44.06
	(56.11)	(54.81)

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

29 Employee Benefits Expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, Wages and Bonus	216.15	208.21
Contribution to Provident and Other Funds	20.43	19.64
Staff Welfare Expenses	14.56	13.54
Total	251.14	241.39

30 Finance Costs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on Loan	0.21	0.27
Interest Others	3.61	3.80
Total	3.82	4.07

31 Depreciation and amortization expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation of property, plant and equipment (note 4 (a))	214.48	165.27
Depreciation of right-of-use assets (note 4 (b))	3.78	6.00
Amortization of intangible assets (note 4 (c))	33.57	15.61
Total	251.83	186.88

32A Other Expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of Stores and Spare Parts	102.74	96.13
Contract Labour Charges	100.06	97.71
Machining and development charges	108.87	113.30
Power and Fuel	73.68	66.98
Rent [Refer Note 36]	0.94	1.08
Repairs and Maintenance		
Buildings	0.73	3.60
Plant and Machinery	34.44	34.42
Others	20.33	15.19
Insurance	4.97	5.36
Rates and Taxes	1.93	2.91
Legal and Professional Charges	72.22	65.99
Auditors' Remuneration [Refer Note 32A(a)]	2.35	2.35
Corporate Social Responsibility[Refer Note 32A(b)]	12.30	12.24
Travelling and Conveyance	29.50	25.87
Printing and Stationery	4.28	4.15
Royalty	26.78	54.91
Warranty	1.48	1.67
Housekeeping Expenses	8.67	6.81
Freight and Forwarding	15.88	9.36
Testing & Inspection Charges	8.23	12.70



Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

32A Other Expenses (Contd.)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Warehouse Expenses	5.05	-
Security Charges	11.52	8.70
Bank charges	2.17	1.64
Engineering and project services	25.86	46.25
Loss on foreign exchange fluctuation (net)	-	1.28
Communication Expenses	3.23	4.05
Exhibition & Conference Charges	3.15	1.63
Miscellaneous Expenses	2.23	3.81
Total	683.59	700.09

(a) Payment to auditors

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
As auditor		
As auditors	2.20	2.20
As tax auditor	0.15	0.15
Total	2.35	2.35

(b) Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Gross amount required to be spent by the company during the year as per Section 135 of the Act	12.30	12.24
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (Education & Health)	11.69	12.72
a. included in other expenses (includes provision of unspent amount)	11.69	12.24
b. administrative expenses included in employee benefit expenses	0.61	0.48
	12.30	12.72
Amount yet to be spent	0.00	(0.48)
Reason for Shortfall	Not Applicable	Not Applicable

32B Income Tax Expense

a) Income Tax Expenses

(i) Statement of Profit and Loss section	Year ended March 31, 2025	Year ended March 31, 2024
Current tax	74.86	116.25
Deferred tax	11.26	21.72
Total income tax expense recognised in the Statement of Profit and Loss	86.12	137.97

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

32B Other Expenses (Contd.)

a) Income tax expenses (Contd.)

(ii) Other Comprehensive Income (OCI) section	Year ended March 31, 2025	Year ended March 31, 2024
Deferred tax related to items		
- Net gain or loss on remeasurements of defined benefit plans	(0.03)	(0.13)
Total income tax expense recognised in Other Comprehensive Income	(0.03)	(0.13)

(b) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Accounting profit before tax	330.04	535.32
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.17%	83.07	134.74
- Others (includes Donations & Other permanent differences)	3.04	3.23
Effective tax	86.12	137.97
Income tax expense reported in the Statement of profit and loss	86.12	137.97

33 Gratuity

A. Defined contribution plans

The Company has recognised the following amounts in the Statement of Profit and Loss during the year:

	March 31, 2025	March 31, 2024
Contribution to Employees Provident Fund	12.60	11.48
Contribution to Superannuation Fund	2.57	2.83
	15.17	14.31

B. Defined benefit plan

The following figures are as per actuarial valuation, as at balance sheet date, carried out by an independent actuary.

i. Changes in the Present Value of Obligation

	March 31, 2025	March 31, 2024
(a) Opening defined benefit obligation	53.42	47.77
(b) Interest Cost	3.90	3.58
(c) Current Service Cost	4.13	3.65
(d) Benefit Paid	(3.63)	(2.46)
(e) Actuarial (Gain)/Loss	0.53	0.88
Closing defined benefit obligation	58.35	53.42



Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

33 Gratuity (Contd.)

ii. Changes in the Fair value of Plan Assets

	March 31, 2025	March 31, 2024
(a) Opening fair value of plan assets	45.33	31.25
(b) Expected Return on Plan Assets	3.28	2.34
(c) Actuarial Gain/ (Loss)	0.40	0.36
(d) Employers Contribution	8.13	13.26
(e) Benefit Paid	(3.63)	(1.88)
Closing fair value of plan assets *	53.51	45.33

* Fair value of plan assets represents balance as confirmed by the insurer managed fund.

iii. Amount recognised in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation (i) and the Fair Value of Assets (ii)

	March 31, 2025	March 31, 2024
(a) Present Value of Benefit Obligation	58.35	53.42
(b) Fair Value of Plan Assets	(53.51)	(45.33)
(c) Net (Asset)/Liability recognised in the Balance Sheet	4.84	8.09

iv. Expenses recognised in the Statement of Profit and loss

	March 31, 2025	March 31, 2024
(a) Current Service Cost	4.13	3.65
(b) Interest Cost	3.90	3.58
(c) Expected Return on Plan Assets	(3.28)	(2.34)
(d) Net actuarial (Gain)/Loss	0.14	0.52
Total Expenses recognised in the Statement of Profit and Loss	4.89	5.41

v. The Company has a defined benefit plan for post-employment benefit in the form of gratuity, which is administered through Life Insurance Corporation (LIC).

vi. The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

vii. Principal actuarial assumptions used as at the balance sheet date

	March 31, 2025	March 31, 2024
(a) Discount Rate	6.79%	7.23%
(b) Expected Rate of Return on Plan Assets	6.79%	7.23%
(c) Salary Escalation Rate	10.00%	10.00%
(d) Attrition rate	5.00%	5.00%

The estimates of future salary increases considered of actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

33 Gratuity (Contd.)

viii. Amounts recognised in current year and previous years

	As at 31 st March, 2025	As at 31 st March, 2024
Defined Benefit Obligation	58.32	53.42
Plan Asset	53.49	45.33
Surplus / Deficit	4.83	8.09
Experience adjustments in plan liabilities	(1.41)	(0.22)
Experience adjustments in plan assets	0.40	0.36

ix. Current and Non-Current Liability

	As at 31 st March, 2025	As at 31 st March, 2024
Current Liability	4.84	7.93
Non-Current Liability	-	0.18
	4.84	8.11

x. Expected contribution to the gratuity fund in the next year

	As at 31 st March, 2025	As at 31 st March, 2024
Gratuity	8.24	7.93

34. Related Party Disclosures

(a) List of related parties

Parties where control exists

Divgi Holdings Private Limited, Holding Company

Key Management Personnel

Mr. Jitendra B. Divgi, Managing Director

Mr. Hirendra B. Divgi, Executive Director

Mr. Sudhir Mirjankar, Chief Financial Officer

Ms. Sanika Nirgude, Company Secretary

Mr.Dipak Vani, COO

Relatives of Key Management Personnel

Ms. Jyothi Bharat Divgi

Parties where key management personnel have significant influence

Divgi Transmission Systems & Technologies Private Limited

Divgi Holdings Private Limited

Enterprise over which a relative of key management personnel has significant influence

The Quixotic Studios



Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

34. Related Party Disclosures (Contd.)

(b) Transactions during the year :

	31-Mar-25	31-Mar-24
(i) Machine and Development charges		
Divgi Transmission Systems & Technologies Private Limited	32.96	35.70
	32.96	35.70
(ii) Rent expense*		
Divgi Holdings Private Limited	4.62	4.62
	4.62	4.62

*This has been reflected under finance cost and amortisation expenses as per the requirements of IND AS 116.

(iii) (a) Remuneration - Key Management Personnel		
Mr. Hirendra Divgi	6.18	6.18
Mr. Jitendra B. Divgi	12.38	12.38
Mr. Dipak Vani	4.92	3.68
Mr. Sudhir Mirjankar	3.23	3.02
Mr. Satish Kadrolli	-	0.35
Ms.Sanika Nirgude	1.00	0.89
	27.71	26.50
(b) Remuneration - Relatives of Key Management Personnel		
Ms. Jyothi Bharat Divgi	0.48	0.48
	0.48	0.48
(iv) Rent Income		
Divgi Holdings Private Limited	0.01	0.01
Divgi Transmission Systems & Technologies Private Ltd	4.68	2.40
	4.69	2.41
(v) IT Services		
The Quixotic Studios	0.18	-
	0.18	-

(c) Amounts outstanding

	31-Mar-25	31-Mar-24
(i) Trade Payable		
Divgi Transmission Systems & Technologies Private Ltd	7.09	6.93
Divgi Holdings Private Limited	0.43	0.42
	7.52	7.35
(ii) Trade Receivables		
Divgi Transmission Systems & Technologies Private Ltd	0.46	1.58
Divgi Holdings Private Limited	0.00	0.25
	0.46	1.83
(iii) (a) Remuneration Payable - Key Management Personnel		
Mr. Hirendra Divgi	4.59	4.59
Mr. Jitendra B. Divgi	9.19	9.19
Mr. Dipak Vani	0.80	0.65
Mr. Sudhir Mirjankar	0.40	0.39
Ms.Sanika Nirgude	0.13	0.12

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

34. Related Party Disclosures (Contd.)

	31-Mar-25	31-Mar-24
	15.11	14.94
(b) Remuneration Payable - Relatives of Key Management Personnel		
Ms. Jyothi Bharat Divgi	0.04	0.04
	0.04	0.04

35 Earnings per share

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Basic earnings per equity share of Rs. 5 Each		
Net profit/(loss) for calculation of EPS	243.92	397.35
Weighted average number of equity shares (Number in millions)	30.58	30.58
Basic earnings per share (in Rupees)	7.98	12.99
Diluted earnings per equity share of Rs. 5 Each		
Net profit/(loss) for calculation of EPS	243.92	397.35
Weighted average number of equity shares (Number in millions)	30.58	30.58
Diluted earnings per share (in Rupees)	7.98	12.99

36 Leases

i) Operating lease: Company as lessee

The Company has significant operating lease arrangements for premises. These lease arrangements range for a period between 1 to 5 years, which are cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Carrying amounts of lease liabilities and the movements during the year.

	As at 31 st March, 2025	As at 31 st March, 2024
At the beginning of the year	12.11	21.07
Additions	-	-
Disposals	-	3.29
Payments made	3.68	5.67
As at lease liabilities	8.43	12.11
Current portion	4.02	3.68
Non-current portion	4.41	8.43
Total	8.43	12.11

Details of amounts recognised in statement of profit and loss

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Depreciation expense of right-of-use assets	3.71	5.93
Interest expense on lease liabilities(included in finance cost-Interest others)	0.94	1.50
Expense relating to short-term leases (included in other expenses)	0.94	1.08
Lease payments recognised in the Statement of Profit and Loss during the year	5.59	8.51

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

36 Leases (Contd.)

ii) Operating lease: Company as lessor

The Company has leased certain plant and machinery on operating leases. These lease arrangements range for a period between 1 to 7 years, which are cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Lease income received for the year	4.69	2.41

37 Contingent liabilities

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Bank Gurantee	20.00	20.00
Goods Service Tax	1.63	1.03
Stamp Duty (Including penalty)	24.40	24.40
Claims against the Company, not acknowledged as debts		
Dues related to employees	10.08	10.08
Others	4.15	5.30
	60.26	60.80

38

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Estimated amount of contracts remaining to be executed (net of advance payments)	169.75	257.64

39 Segment Reporting

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations		
Sale of products	2,134.49	2,404.65
Sale of tools	30.86	99.69
Other operating revenue		
- Scrap sales	19.40	29.77
- Export benefits	4.42	0.13
	2,189.17	2,534.24

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

39 Segment Reporting (Contd.)

Segment reporting

i. Primary segment

The Company operates only in one business segment viz. Auto Components and Parts.

ii. Secondary segment

The secondary segment is based on geographical demarcation, i.e. domestic and exports

Information about secondary segment is as follows:

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Segment Revenue (net)		
Domestic	2,055.84	2,515.08
Export	133.33	19.16
	2,189.17	2,534.24

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Segment Assets		
Domestic	495.20	630.09
Export	59.43	0.86
	554.63	630.95

Note: The Company's tangible assets other than trade receivable considered above are located entirely in India.

40 Fair value measurements

a) Category of financial instruments and valuation techniques

(i) Financial assets

Details of financial assets carried at amortised cost

	As at 31 st March, 2025	As at 31 st March, 2024
Trade receivables	554.63	630.95
Other financial assets	172.17	173.35
Cash and cash equivalents	154.36	315.74
Bank balances other than cash and cash equivalents (includes fixed deposits with banks)	2,693.97	2,327.32
Total	3,575.13	3,447.36
Current assets	3,536.07	3,409.05
Non-current assets	39.06	38.31
Total	3,575.13	3,447.36

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

The fair values of the quoted shares are based on price quotations at the reporting date as at the reporting date.



Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

40 Fair value measurements (Contd.)

(ii) Financial liabilities

Details of financial liabilities carried at amortised cost

	As at 31 st March, 2025	As at 31 st March, 2024
Borrowings	2.32	3.52
Trade payable	402.71	376.28
Other liabilities (includes lease obligations)	97.04	101.05
Total	502.07	480.85
Current liabilities	496.25	469.72
Non current liabilities	5.82	11.13
Total	502.07	480.85

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Particulars	Fair Value Hierarchy (Level)	As at 31 st March, 2025	As at 31 st March, 2024
Financial assets			
Investments			
Equity instruments	3	0.45	0.45

41 Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

"Risk is inherent in the Company's activities but it is managed through a process of on going identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the years ended March 31, 2025, years ended and March 31, 2024. The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

I Market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all investments traded in the market.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

41 Financial risk management (Contd.)

i Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not currently exposed significantly to such risk.

ii Foreign currency risk

Foreign exchange risk arises when future commercial transactions and relevant assets and liabilities are denominated in a currency that is not the Company's functional currency. Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign exchange risk is managed on the basis of limits determined by management and a continuous assessment of current and expected exchange rate movements.

Particulars of hedged and unhedged foreign currency exposures as at the reporting date:

Particulars	Currency	As at 31 st March, 2025		As at 31 st March, 2024	
		Foreign Currency	INR	Foreign Currency	INR
Unhedged foreign currency exposures					
Trade Receivables	EUR	0.05	4.49	-	-
	USD	0.64	54.94	0.01	0.89
Trade Payables	EUR	0.02	1.87	0.21	18.95
	USD	0.52	44.83	0.33	27.51
	CHF	-	-	0.01	0.71
	YEN	37.00	21.23	-	-
Net Exposure	EUR	(0.03)	(2.63)	0.21	18.95
Net Exposure	USD	(0.12)	(10.10)	0.32	26.61
Net Exposure	CHF	-	-	0.01	0.71
Net Exposure	YEN	37.00	21.23	-	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, CHF, GBP and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

Impact on profit before tax	Impact on profit before tax	
	31 st March, 2025	31 st March, 2024
EURO Sensitivity		
INR/ EURO - Increase by 1%	0.03	(0.19)
INR/ EURO - Decrease by 1%	(0.03)	0.19
USD Sensitivity		
INR/ USD - Increase by 1%	0.10	(0.27)
INR/ USD - Decrease by 1%	(0.10)	0.27
CHF Sensitivity		
INR/ CHF - Increase by 1%	-	(0.01)
INR/ CHF - Decrease by 1%	-	0.01
CNY Sensitivity		
INR/ YEN - Increase by 1%	(0.21)	-
INR/ YEN - Decrease by 1%	0.21	-

Favourable impact shown as positive and adverse impact as negative.

The exposure to other foreign currencies is not significant to the Company's financial statements.

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

41 Financial risk management (Contd.)

II Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on losses as per historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 9. The charge of impairment to Statement of profit and loss is disclosed in note 9 above.

Financial instruments and bank deposits

Credit risk from balances with banks, loans and other financial assets are managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties having a good market reputation and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for bank balances and deposits as at March 31, 2025, March 31, 2024 is the carrying amounts as disclosed in the financial statements.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. The management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at operating segments level in the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting future cash flows and considering the level of liquid assets necessary to meet these and monitoring balance sheet liquidity ratios against internal requirements.

(i) Maturities of financial liabilities-

The tables below summarises the Company's financial liabilities into relevant maturity profile based on contractual undiscounted payments :

31 st March, 2025	< 1 year	1 to 3 years	> 3 years
Non- derivative			
Borrowings	0.91	1.41	-
Trade Payables	402.71	-	-
Other financial liabilities			
Lease obligation	4.02	4.41	-
Other payables	88.61	-	-

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

41 Financial risk management (Contd.)

31 st March, 2024	< 1 year	1 to 3 years	> 3 years
Non- derivative			
Borrowings	0.82	2.28	0.42
Trade Payables	376.28	-	-
Other financial liabilities			
Lease obligation	3.68	8.43	-
Other payables	88.94	-	-

42 Disclosure of ratios

Sr. No	Particulars	As at	
		31 st March, 2025	31 st March, 2024
	Financial Ratios		
1	Current Ratio	7.00	6.94
	% Change from previous year	0.8%	38.1%
	Reason for Variance more than 25%:	Refer note below	Owing to increase in bank fixed deposits resulting from IPO proceeds.
2	Debt-Equity Ratio	0.00	0.00
	% Change from previous year	0.0%	0.0%
	Reason for Variance more than 25%:	Refer note below	Refer note below
3	Debt Service Coverage Ratio	67.31	68.97
	% Change from previous year	-2.4%	-16.2%
	Reason for Variance more than 25%:	Refer note below	Refer note below
4	Return on Equity	4.14%	7.02%
	% Change from previous year	-41.0%	-38.8%
	Reason for Variance more than 25%:	The decline is primarily due to reduction in net income	The decline is primarily due to reduction in net income
5	Inventory turnover ratio	5.88	7.50
	% Change from previous year	-21.6%	-14.4%
	Reason for Variance more than 25%:	Refer note below	Refer note below
6	Trade Receivables turnover ratio	3.69	3.72
	% Change from previous year	-0.7%	-13.8%
	Reason for Variance more than 25%:	Refer note below	Refer note below
7	Trade Payables turnover ratio	5.62	6.05
	% Change from previous year	-7.1%	-4.3%
	Reason for Variance more than 25%:	Refer note below	Refer note below
8	Net working capital turnover ratio	3.80	4.22
	% Change from previous year	-9.8%	-20.5%
	Reason for Variance more than 25%:	Refer note below	Refer note below
9	Net profit ratio	10.16%	14.56%
	% Change from previous year	-30.2%	-20.7%
	Reason for Variance more than 25%:	The decline is primarily due to reduction in net income	Refer note below



Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

42 Disclosure of ratios (Contd.)

Sr. No	Particulars	As at	
		31 st March, 2025	31 st March, 2024
10	Return on Capital employed	5.58%	9.27%
	% Change from previous year	-39.8%	-25.7%
	Reason for Variance more than 25%:	The decline is primarily due to reduction in net income	The decline is primarily due to reduction in net income
11	Return on investment	8.13%	7.08%
	% Change from previous year	14.8%	136.5%
	Reason for Variance more than 25%:	Refer note below	Owing to increase in bank fixed deposits resulting from IPO proceeds.
12	Return on Invested Capital	4.15%	10.97%
	% Change from previous year	-62.2%	-57.2%
	Reason for Variance more than 25%:	The decline is primarily due to reduction in net income	The decline is primarily due to reduction in net income

Note: Since the change in ratio is less than 25%, no explanation is required to be disclosed.

Explanations to items included in computing the above ratios:

1. Current Ratio: Current Asset over Current Liabilities
2. Debt-Equity Ratio: Debt (includes Borrowings and Current & Non-Current Lease Liabilities) over total share holders equity (including Reserves & Surplus) and excluding preference share capital
3. Debt Service Coverage Ratio: EBITDA (includes other income) over Principal + Interest
4. Return on Equity Ratio: Profit After Tax over average Equity (including Reserves & Surplus)
5. Inventory turnover ratio: Revenue from operations over average Inventory
6. Trade Receivables turnover ratio: Revenue from operations over average Trade Receivable
7. Trade payables turnover ratio: Revenue from operations over average Trade Payable
8. Net working capital turnover ratio: Revenue from operations over average working capital [average working capital = Inventory + Receivables - Payables]
9. Net profit ratio: Profit After Tax over Total Income
10. Return on Capital employed: Profit Before Interest & Tax over Capital employed (Capital employed includes total share holders equity, borrowings, short term and long term lease liabilities)
11. Return on investment: Interest income on fixed deposit + Mutual fund investment gain over average investments (investments includes investments in mutual funds, margin money and other bank deposits)
12. Return on Invested Capital: Profit Before Interest, Tax and Interest Income over Capital employed (Capital employed includes total share holders equity, borrowings, short term and long term lease liabilities less cash & cash equivalents and bank balances).

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

43 Capital Management

The Company's objective for capital management is to maximise long term shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long- term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. No changes were made in the objectives, policies or processes during the years ended March 31, 2025 and March 31, 2024. Capital represents equity attributable to equity holders of the Company.

	31 st March, 2025	31 st March, 2024
Borrowings (Non Current)	1.41	2.70
Trade payables	402.71	376.28
Less: Cash and cash equivalents (includes deposits with maturity of more than 3 months but less than 12 months)	(2,693.97)	(2,324.52)
Net (surplus) / debt (A)	(2,289.85)	(1,945.54)
Equity	5,967.72	5,803.43
Capital and net debt (B)	3,677.87	3,857.89
Gearing ratio (1:(B/A))	1 :-1.61	1 :-1.98

44 Dividend

The final dividend proposed for the year is as follows:

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Dividend		
On Equity Shares		
Amount of Dividend	79.52	79.52
Dividend per Equity Share	Rs 2.6 per share	Rs 2.6 per share
Face Value of Share	Rs. 5 per share	Rs. 5 per share

45 Other Statutory Information

Below disclosures are not given since there are no such transactions

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- There is no Scheme of Arrangement approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

45 Other Statutory Information (Contd.)

- (g) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (h) The Company has complied with the the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (i) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.

46 The Company uses an accounting software for maintaining its books of accounts which have the feature of recording an Audit Trail (Edit Log) facility and the same has operated through out the year for all relevant transaction recorded in the software. Further no instance of audit trail feature being tempered with was noted in respect of accounting software. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

47 Details of utilisation of net Initial Public Offer (IPO) proceeds of INR 1,696.62 million*, are as follows:

Objects of the issue as per Prospectus	Amount to be utilised as per prospectus	Utilisation upto 31/03/2025	Unutilised upto 31/03/2025
Funding capital expenditure requirements for the purchase of equipments/ machineries of our manufacturing facilities	1,507.07	455.04	1,052.03
General corporate purposes*	189.55	188.34	1.21
Total	1,696.62	643.38	1,053.24

*Revision in General Corporate Purpose is on account of actual offer related expenditure being lower then estimated by INR 12.28 million

Net IPO proceeds which were un-utilised as at March 31, 2025 were temporarily invested in deposits with scheduled commercial banks and in monitoring agency account.

For **B. K. Khare & Co.**
Firm Registration Number: 105102W
Chartered Accountants

For and on behalf of the Board of Directors of
Divgi TorqTransfer Systems Limited
(Formerly known as Divgi TorqTransfer Systems Private Limited)

Amit Mahadik
Partner
Membership Number: 125657
Date: May 30, 2025
Place: Pune

Praveen P Kadle
Chairman
DIN: 00016814
Date: May 30, 2025
Place: Pune

Jitendra B Divgi
Managing Director
DIN: 00471531
Date: May 30, 2025
Place: Pune

Sudhir Mirjankar
Chief Financial Officer

Date: May 30, 2025
Place: Pune

Sanika Nirgude
Company Secretary and
Compliance Officer
(ACS - A71466)
Date: May 30, 2025
Place: Pune



Divgi TorqTransfer Systems

Registered Office

Plot No. 75, General Block, MIDC,
Bhosari, Pune 411026