



Divgi TorqTransfer Systems

Divgi TorqTransfer Systems Limited
CIN: U32201MH1964PLC013085
75, General Block, MIDC, Bhosari,
Pune 411 026, India
Tel: (+91-20) 63110100
Web: www.divgi-tts.com

Ref.: DTTS/Sec/23-24/28

May 24, 2023

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: Investor Presentation

Ref.: Regulations 30 of the LODR Regulations

Dear Sir / Madam,

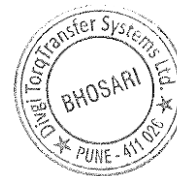
Pursuant to Regulation 30 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), please find enclosed herewith the Presentation on performance of the Company for the quarter and financial year ended March 31, 2023.

This is for your information and records.

Thanking you,

For **Divgi TorqTransfer Systems Limited**

Satish Chandrashekhkar Kadrolli
Company Secretary and Compliance Officer
M No.: A43677



Enclosure: As above



Divgi TorqTransfer Systems Limited (DTTS)

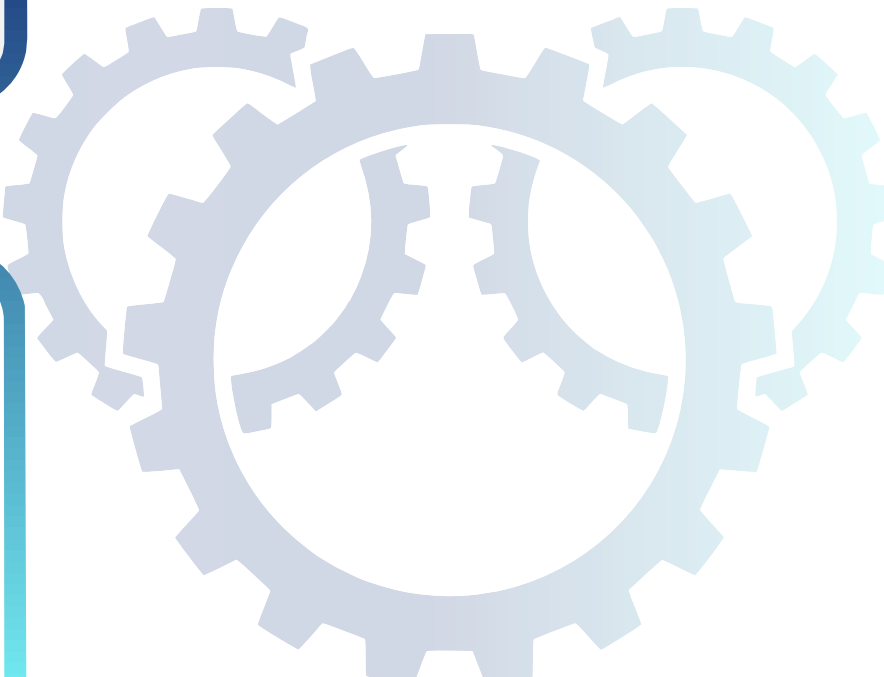
Corporate Presentation and business update for Q4 financials

Disclaimer and caution statement regarding forward-looking statements



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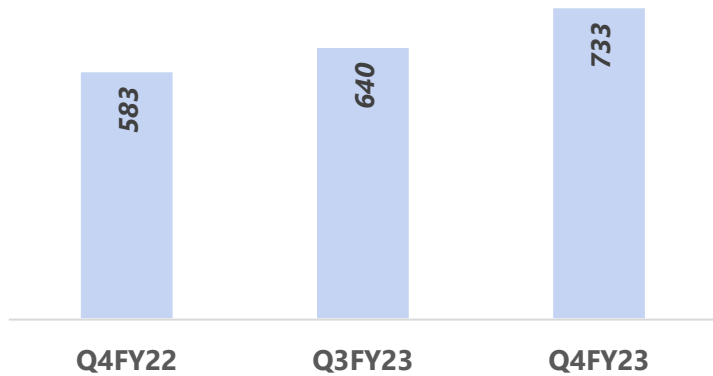
Q4 FY23 Financials and Business developments



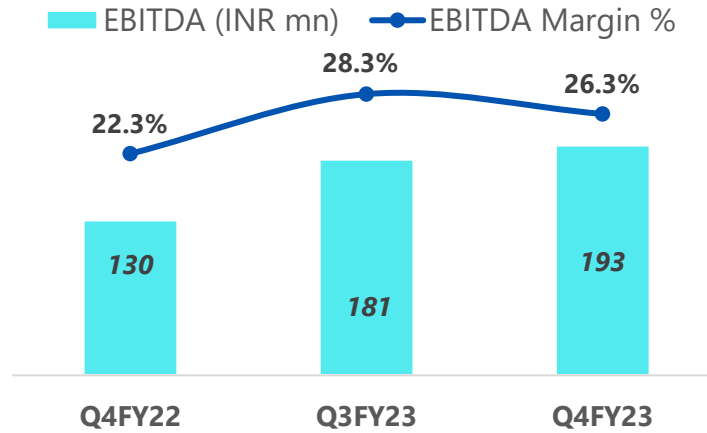
Financial Performance - Quarterly



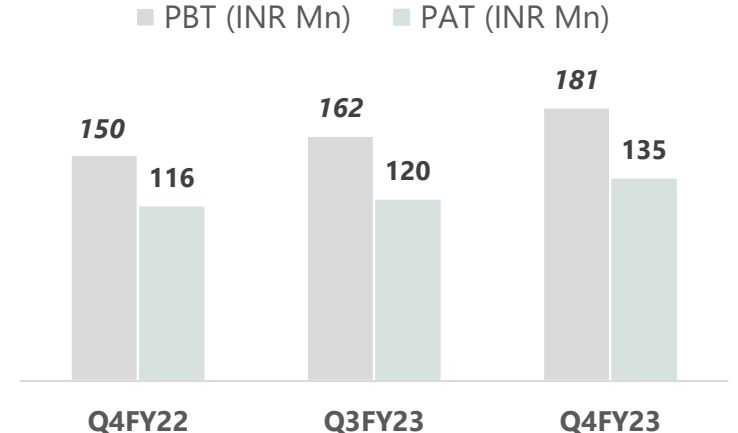
Revenue from Operations (INR mn)



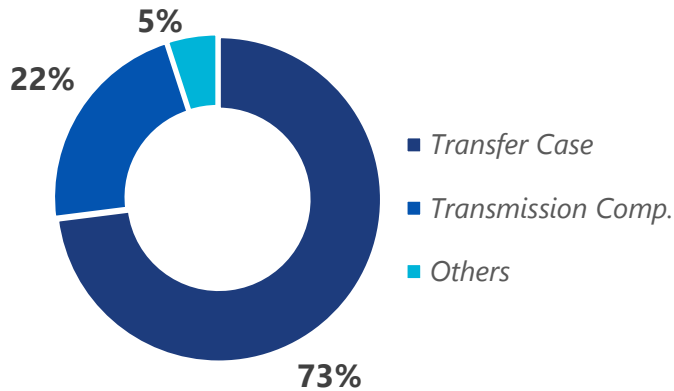
EBITDA and EBITDA Margins



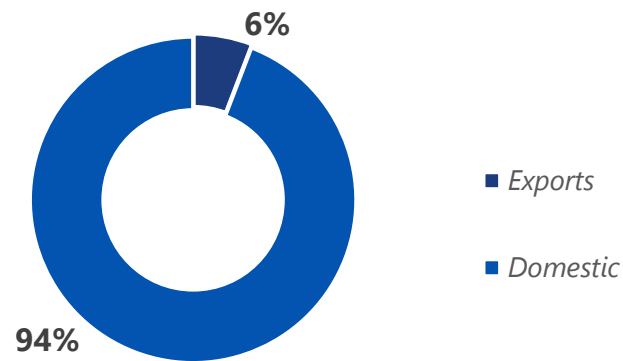
PAT and PAT Margins



Revenues from Operations from sale of products for 12 months ended March 31, 2023



Quick updates on business and operations

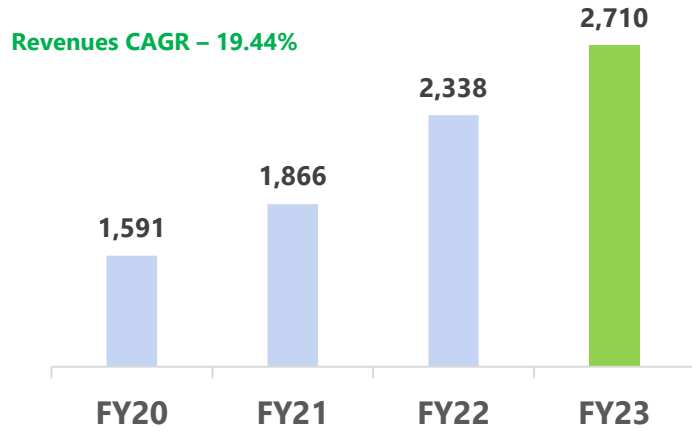


- Quarterly revenues were supported by strong performance in 4WD transfer case products
- We expect the volumes of EV gearboxes to pick-up substantially once our new facility at Shirwal becomes operational with ramp-up expected to be completed by Q2 FY24;
- We continue to see extremely good traction in our discussions for new business with all our major customers including BorgWarner, Tata Group, M&M as well as MG Motors; our export business is expected to start normalizing from Q4 FY24 onwards;
- We are in the process of ordering equipment as envisaged in the Prospectus and expect deliveries to start from Q2 FY24 onwards

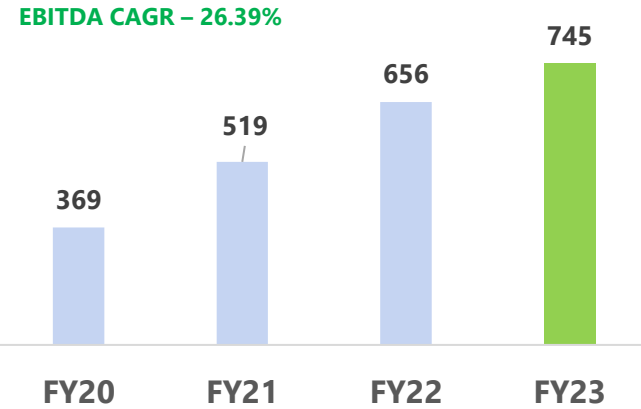
Consistent track record of revenue growth & profitability



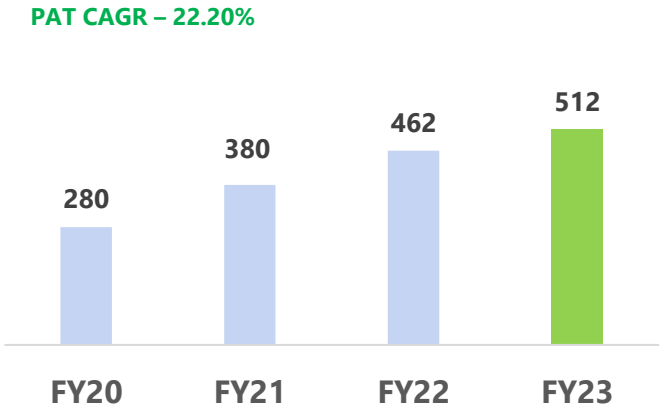
Revenue from Operations (INR mn)



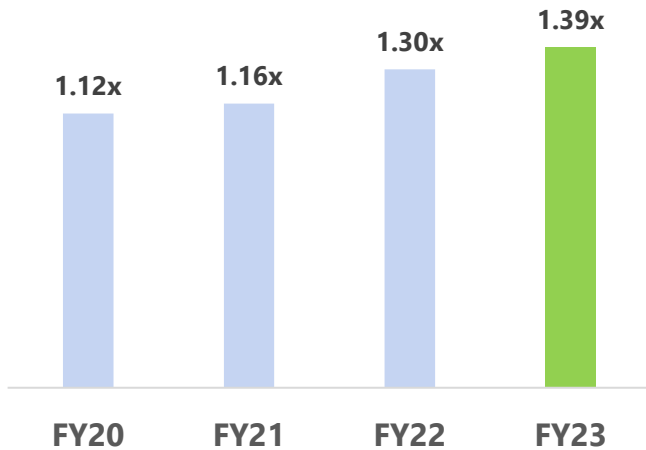
EBITDA



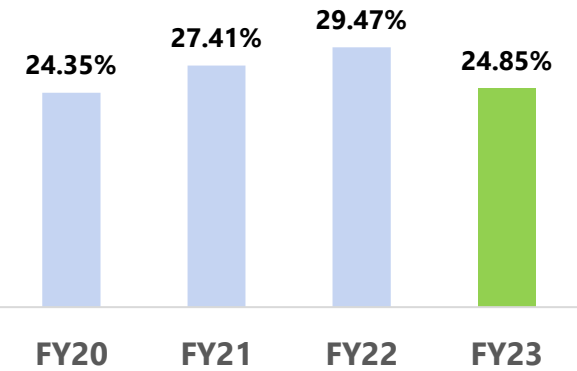
Profit after Tax



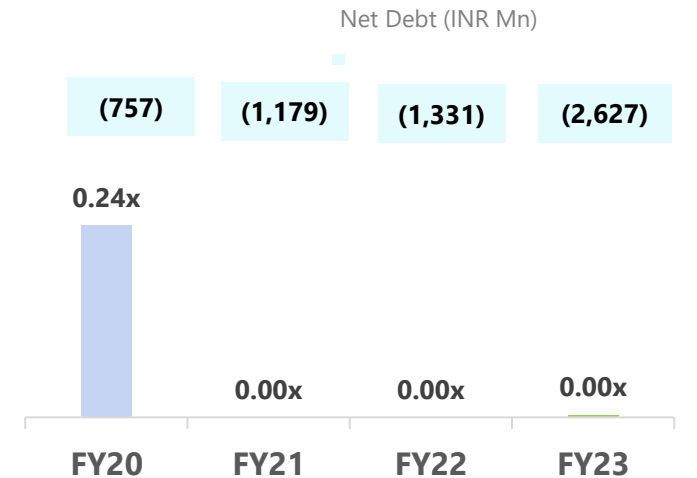
Fixed Asset Turnover Ratio (x)



Adjusted ROCE (%)



Leverage ratios & debt



Statement of Profit and Loss (Quarterly)



Particulars (₹ mn)	Q4FY23	Q3FY23	Q-o-Q %	Q4FY22	Y-o-Y %
Income					
Revenue from operations	733	640		583	
Other income	26	12		49	
Total income (I)	760	652	17%	633	20%
Expenses					
Cost of raw materials and components consumed	299	259		254	
Decrease/ (increase) in inventories of finished goods and work-in progress	12	(5)		1	
Employee benefits expense	56	56		53	
Finance costs	1	0		1	
Depreciation and amortization expense	37	30		29	
Other expenses	174	149		145	
Total expenses (II)	578	489		483	
Profit before tax (III) = (I - II)	181	162	12%	150	19%
Tax expense					
Current tax expenses	45	40		39	
Deferred tax charge / (Credit)	2	2		(6)	
Total tax expense (IV)	47	42		34	
Profit for the period (V) = (III - IV)	135	120	12%	116	15%

Statement of Profit and Loss (Annual)



Particulars (₹ mn)	FY23	FY22	FY21	FY20
Income				
Revenue from operations	2,710	2,338	1,866	1,591
Other income	76	81	85	117
Total income (I)	2,787	2,419	1,950	1,707
Expenses				
Cost of raw materials and components consumed	1,104	936	689	560
Decrease/ (increase) in inventories of finished goods and work-in progress	10	1	(19)	22
Employee benefits expense	245	225	218	196
Finance costs	3	2	2	45
Depreciation and amortization expense	130	114	76	64
Other expenses	607	520	459	443
Total expenses (II)	2,098	1,797	1,425	1,330
Profit before tax (III) = (I - II)	688	622	526	378
Tax expense				
Current tax expenses	177	162	144	111
Deferred tax charge / (Credit)	(0)	(2)	1	(14)
Total tax expense (IV)	177	160	145	97
Profit for the period (V) = (III - IV)	512	462	380	280

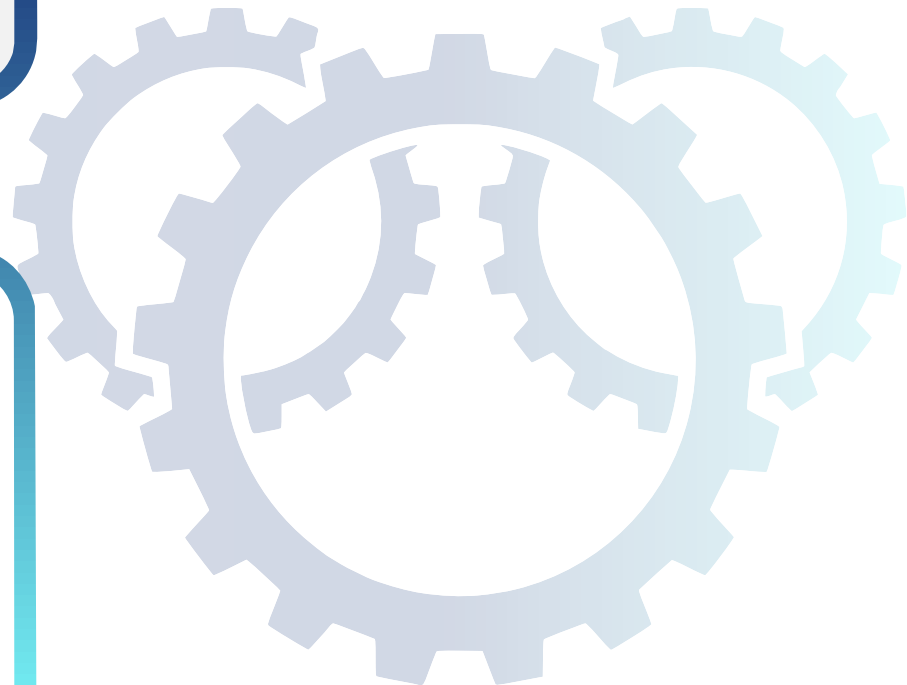
Balance Sheet - Snapshot



Particulars (₹ mn)	FY23	FY22	FY21	FY20
Assets				
Non-current assets				
Property, plant, and equipment	1,111	1,080	1,037	878
Capital work in progress	809	168	28	10
Right-of-use assets	25	8	13	11
Intangible assets	150	147	39	56
Financial assets				
a) Loans	0	0	0	0
b) Other financial assets	37	10	9	10
Other non-current assets	10	5	7	25
Total non-current assets	2,141	1,418	1,133	991
Current assets				
Inventories	319	301	267	208
Financial assets				
a) Trade receivables	732	526	548	234
b) Cash and cash equivalents	48	174	203	205
c) Bank balances other than Cash and cash equivalents	3,066	1,559	1,386	1,295
d) Other financial assets	43	34	31	52
Other current assets	71	42	62	53
Total Current Assets	4,279	2,635	2,496	2,046
Total assets	6,420	4,054	3,629	3,037

Particulars (₹ mn)	FY23	FY22	FY21	FY20
Equity and liabilities				
Equity share capital	153	138	69	60
Other equity	5,360	3,262	2,890	2,035
Total equity	5,513	3,400	2,959	2,095
Non-current liabilities				
Financial liabilities				
a) Borrowings	3	0	1	2
b) Lease liabilities	15	2	3	3
Provisions	33	48	48	44
Deferred tax liabilities (net)	4	5	7	6
Total Non- Current Liabilities	55	55	60	55
Current liabilities				
Financial Liabilities				
a) Borrowings	1	1	1	502
b) Trade payables	461	396	398	232
c) Lease Liabilities	6	2	5	4
d) Other financial liabilities	275	90	127	92
Other Current liabilities	23	29	4	8
Provisions	22	21	21	16
Current tax liabilities (net)	62	60	53	32
Total Current liabilities	852	599	610	886
Total equity and liabilities	6,420	4,054	3,629	3,037

About the Company



Divgi-TTS has 58+ years of Years of experience in the auto component industry#

Located in Pune and has 3 manufacturing plants in Maharashtra (including 1 plant under construction) and 1 plant in Karnataka

Divgi-TTS designs, develops, manufactures and supplies engineered, turnkey solutions and components for automotive OEMs across India, USA, China, Korea and Russia, amongst others.

Ability to provide and deliver system level solutions



4WD / AWD Systems



Dual Clutch Automatic Transmission



Transmissions for BEV



Manual Transmission



Synchronizer Systems



Components

Diverse capabilities enable DTTS to offer range of products to customers across passenger vehicles, utility vehicles and commercial vehicles



ICE
(4WD/AWD)



ICE
(Manual)




ICE
(Automatic)




Hybrid




Battery Electric Vehicle

 *Largest Supplier of Transfer Case systems to passenger vehicle manufacturers in India*

 *Awarded contract for EV transmission systems for one of the leading providers of EVs in India#*

 *Only manufacturer of Torque Coupler in India*

 *In process of launching domestically manufactured Dual Clutch Transmission Systems; therefore, DTTS will be the only manufacturer of DCT systems in India*

 *Brings manual transmission solutions using steel and carbon-based synchronizer systems*

Long-term relationships## with marquee domestic and global OEMs

Continued business for over two decades



Received awards from



Technical tie-ups and partnerships

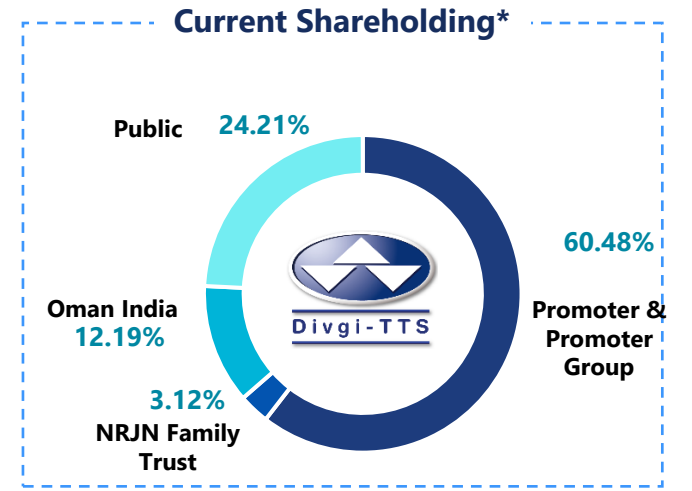
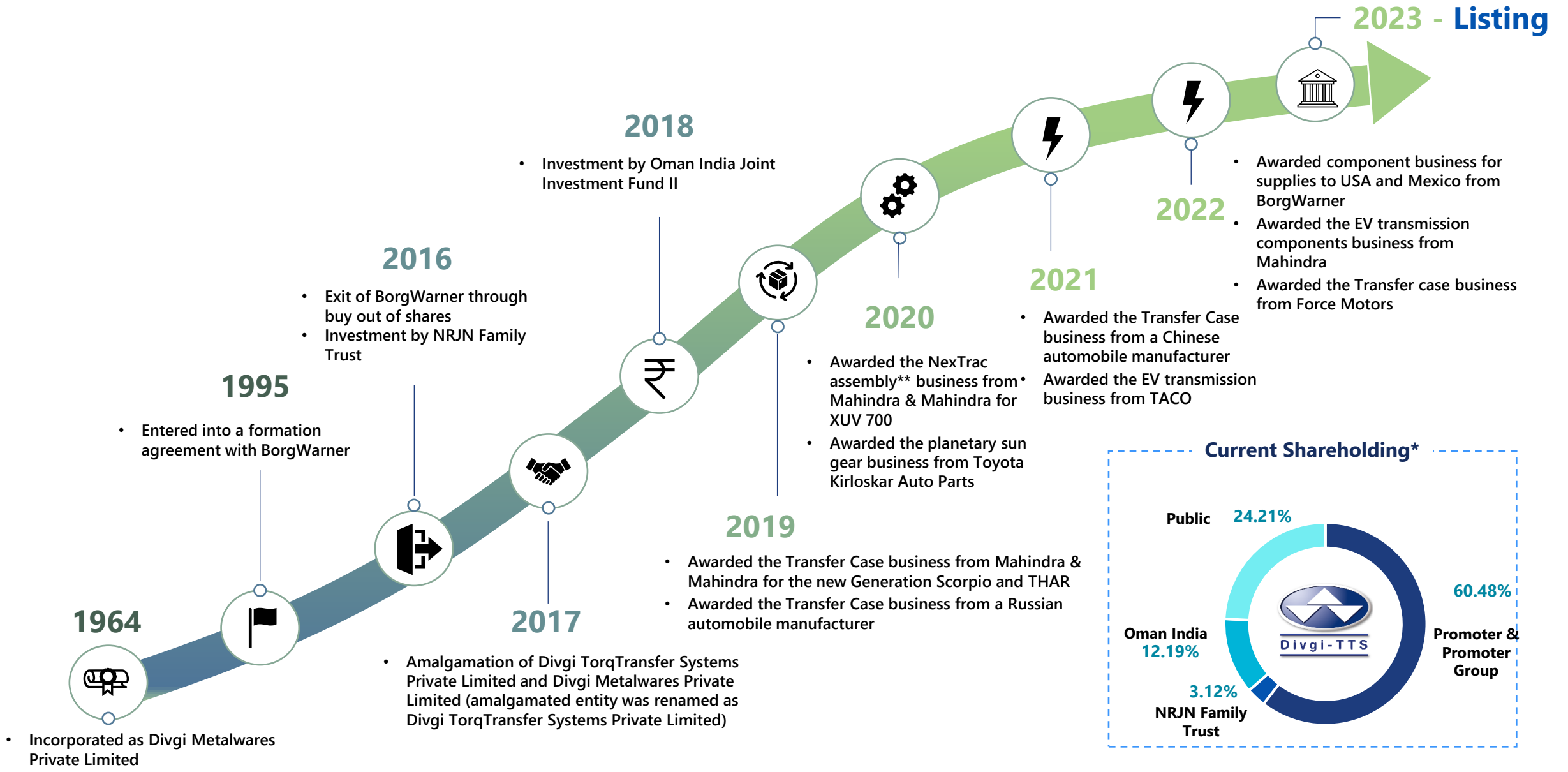


Product development & technology transfer agreement with German automotive company – DCT applications

Divgi-TTS | Major events and milestones in the history of the Company



2023 - Listing



Key Investment Highlights



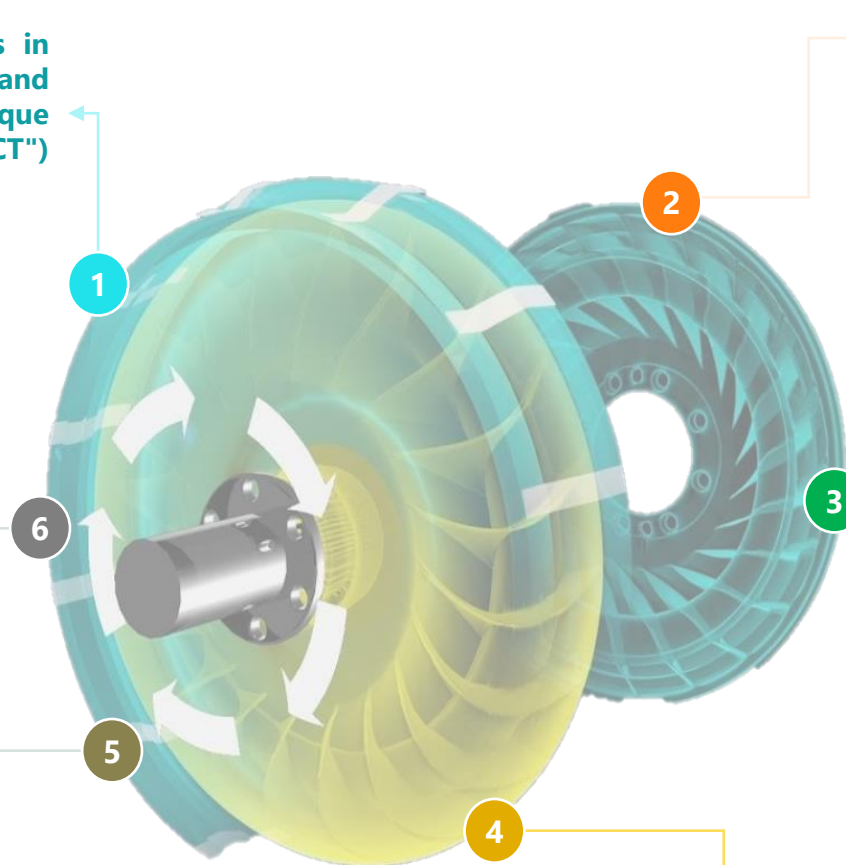
Amongst one of the very few suppliers in India who has the capability to develop and provide system level Transfer Case, Torque Coupler, Dual Clutch Transmissions ("DCT") solution



Established a track record of growth and financial performance, delivering adjusted ROCE* of >24% for each of the last three fiscals



Led by a highly experienced Board of Directors, and a professional and experienced management team with extensive experience in the automotive industry



Focus on R&D to manufacture diverse products and expand into products to serve new and emerging trends



Long-term relationships with marquee domestic and global OEMs



Strategically located manufacturing facilities capable of producing high-precision components meeting system-level design intent and enables localization of critical components which helps customers achieve quality and supply chain security at optimized cost

Manual Transmissions & Synchronizers



- Developed manual transmissions for rear-wheel-drive applications which can be configured either in 4X2 or coupled with our transfer cases to offer 4X4 solutions
- One of the leading manufacturers of steel synchronizers and one of the first few suppliers of steel and carbon-based synchronizer systems for the Indian markets

Torque Transfer Systems & Torque Coupler



- One of the leading players supplying Transfer Case systems in India and only player manufacturing & exporting Transfer Cases to global OEMs from India
- Only Manufacturer of Torque couplers in India

Transmissions for Electric Vehicles



- In-house design capabilities, benchmarking some of the best industry practices
- Evaluating development or in-licensing of an integrated electric drive unit, which will help integrate powertrain and the drivetrain components

Dual Clutch Transmission



- In the process of launching domestically manufactured DCT systems, therefore becoming the only manufacturer of DCT systems in India

"PDA" as well as "TTA" with a German automotive company for DCT systems

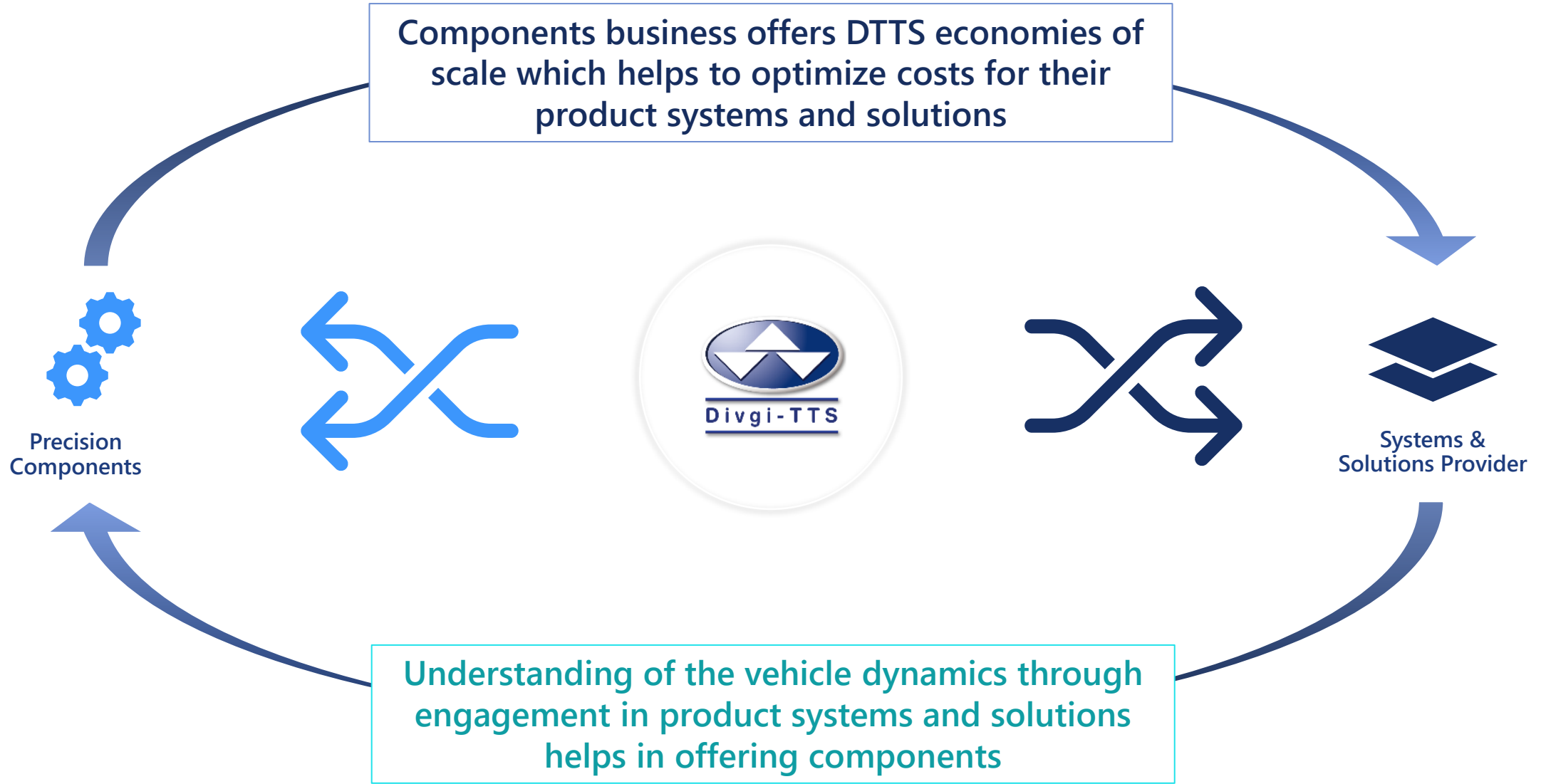


DTTS has developed 7 Speed Dual Clutch Automatic transmissions in collaboration with Hofer

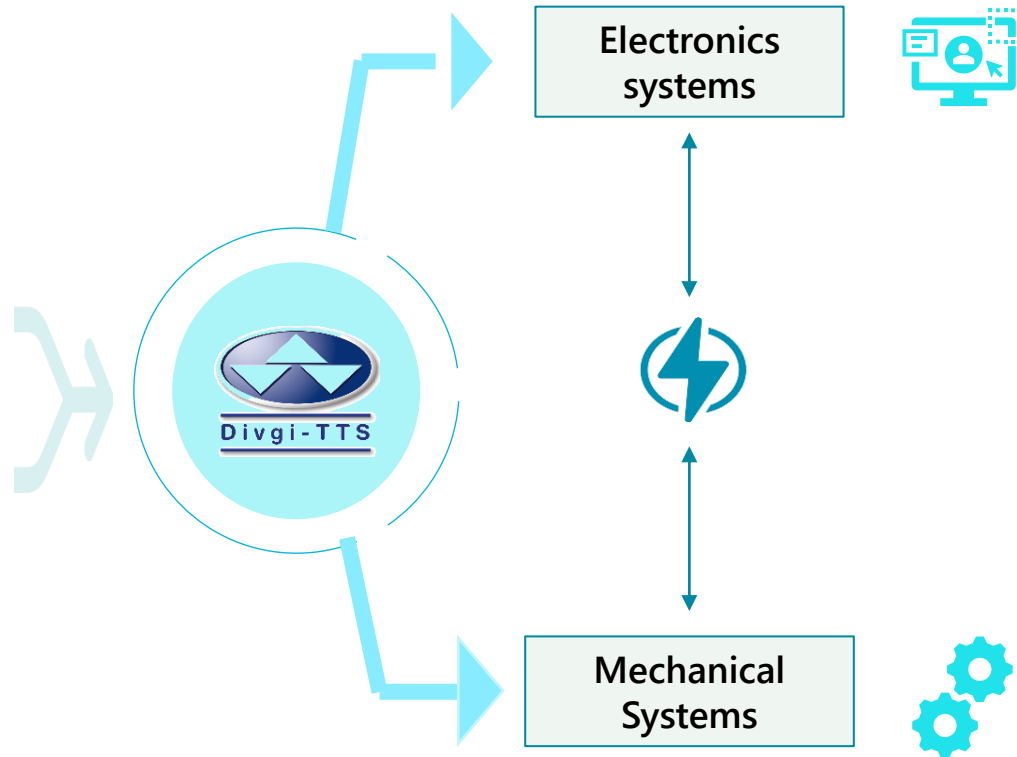


Engaged with leading OEMs in India, from the design and development stage to and also providing product development support

Offering customized solutions & Components to OEMs in a cost-effective manner



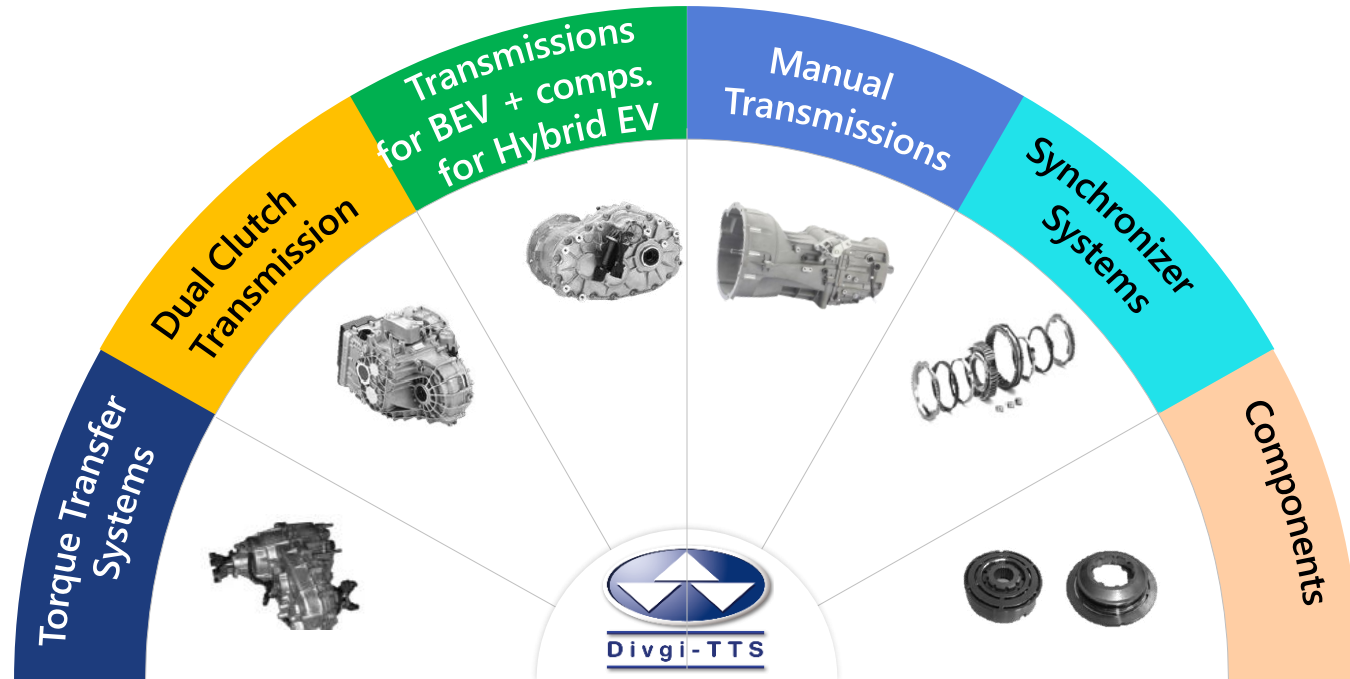
Strong focus on research and development and advanced in-house hardware and software capabilities



- System level solution provider and transfer case supplier is expected to bring in **mechatronic expertise** in the overall design and development phase of the transfer case
- The Company is invested in **defining its own logic, control algorithm and application software** with the help of global partners, and will continue to expand its efforts towards software development
- Successful R&D initiatives on software development by DTTS are **transfer case control logic, NexTrac torque intervention logic, thermal shut down logic to protect the applications, and park lock in EV application logic and control**
- In India, DTTS is amongst the very few suppliers who have the **capability to develop and provide system level Transfer Case, torque couplers and DCT solutions**
- Independently developed a **cost-effective 32-bit processor** for BorgWarner towards their transfer case application in replacement of their existing **8-bit technology**, with the company's team receiving an award of recognition from BorgWarner for this innovation

Complementing R&D efforts through continued Partnership with BorgWarner & Hofer

Manufacture and supply a variety of products under the broad categories



Category / Product	ICE (4WD/AWD)	ICE (Manual)	ICE (Automatic)	Hybrid	BEV
Torque Transfer Systems	✓	—	—	—	—
Manual Transmission	—	✓	—	—	—
Synchronizer Systems	✓	✓	✓	—	—
Dual Clutch Transmission	—	—	✓	—	—
Transmissions for BEV	—	—	—	—	✓
Components	✓	✓	✓	✓	✓

...and establish presence in fast-growing segments



Year	FY22		FY23		FY24		FY27		FY22-27
Product/Market	Volumes (in thousands)	Indian Market Size (INR bn)	Volumes (in thousands)	Indian Market Size (INR bn)	Volumes (in thousands)	Indian Market Size (INR bn)	Volumes (in thousands)	Indian Market Size (INR bn)	CAGR Market Size (%)
Transfer Case	89	3.6	131-133	4.8-5.8	151-153	5.5-6.5	270-275	11-13	25-28%
Torque Coupler	11	0.26	23-25	0.5-0.6	40-42	0.95-1.05	85-90	2.2-2.4	54-57%
Synchronizers	3,800	22.6	4,400-4,900	27-29	4,500-5,000	29-31	5,500-6,000	39-41	10-13%
Manual Transmission	3,100	113	3,500-4,000	133-138	3,600-4,100	138-143	4,200-4,700	185-190	8-11%
Dual Clutch Transmission	81	7.9	118-120	10-12	135-137	12-14	250-255	26-28	27-30%
EV Transmission	24.1	2.4	48-51	5-7	154-156	15-17	435-440	42-44	77-82%
Total market size*		149.76		180.3-192.4		200.45-212.55		305.2-318.4	

Positioning as a system and solution provider entrenches the Company into the OEM eco-system



Engaged right from the stage of design and development and providing product development support



Ability to manufacture and supply the components in accordance with the exact designs and specifications of customers



Track record of consistent delivery of quality and cost-competitive products over the years



BorgWarner

Business relation is now in its fourth decade

TATA Motors

- Strong, continued business since 1992
- Recently awarded the EV transmission business from TACO

Mahindra & Mahindra

- Actively involved in the flagship products of M&M including the XUV 700 & ScorpioN
- Automatic variant of one of the most popular SUVs, XUV 700 uses DTTS made Nextrac Torque Coupler
- Annual Commodity Award (Powertrain Proprietary - Automotive Division) by Mahindra Rise in recognition of superior performance
- Continued business for over two decades

TOYOTA Kirloskar Auto Parts

DTTS has been working with Toyota Kirloskar and received the "Supplier of the year" award in 2021



Aids developing a deeper interface with customer's product development & senior management team



Reducing the risk of purely price-based competition



"Product Development Agreement" and "Technology Transfer Agreement" with a German automotive company

(co-developing critical components and systems for DCT applications with exclusive rights for India)

...as validated by multiple awards from customers



Year		Key Recent Awards and Accreditations
2023		Toyota Quality and Delivery Award by Toyota Kirloskar Auto Parts
2022		Annual Commodity Award (Powertrain Proprietary - Automotive Division) by Mahindra Rise in recognition of superior performance
2022		Platinum Award by Confederation of Indian Industry for the Best HR Practices in Developing Future Leaders for the MSME category
2021		Supplier of the Year Award by Toyota Kirloskar Auto Parts
2021		Zero Defect Supplies Award by Toyota Kirloskar Auto Parts
2021		Outstanding Development for Gears and Synchronizers' certificate by Force Motors
2021		Special Appreciation Award by Mahindra Rise for Transfer Case for Thar
2020		Toyota Quality Award by Toyota Kirloskar Auto Parts
2020		Toyota Delivery Award by Toyota Kirloskar Auto Parts
2020		Zero Defect Supplies Award by Toyota Kirloskar Auto Parts
2019		1 st prize at the National HR Competition Circle organized by Confederation of Indian Industry
2019		Toyota's Quality Circle Competition Award by Toyota Kirloskar Suppliers Association
2018		1 st prize at the National HR Competition Circle organized by Confederation of Indian Industry
2018		Toyota Quality Award by Toyota Kirloskar Auto Parts
2017		Zero Defect Supplies Award by Toyota Kirloskar Auto Parts
2017		1 st runner up at the National HR Competition Circle organized by Confederation of Indian Industry
2015		Best Eco Kaizen Award awarded by Toyota Kirloskar Motor
2008		The BorgWarner Chairman's Operational Excellence Award by BorgWarner Production System
2008		Innovation Award for ECU development by BorgWarner*



Special Appreciation Award by Mahindra Rise for Transfer Case for Thar



Toyota Quality Award by Toyota Kirloskar Auto Parts



Zero Defect Supplies Award by Toyota Kirloskar Auto Parts



The BorgWarner Chairman's Operational Excellence Award

...as validated by multiple awards from customers



Toyota Supplier Award CY21



**Mahindra Annual Commodity Award CY22
(Powertrain Proprietary - Automotive Division)**

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



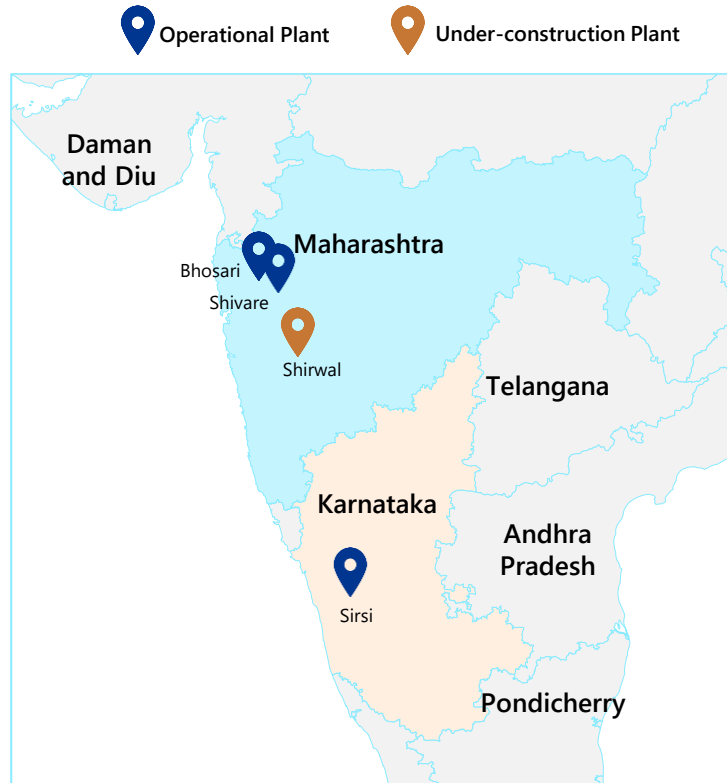
Purchased 10 acres of land at Shirwal near Pune in Maharashtra and commenced construction which will help in expanding manufacturing capacity including for manufacture of DCT and EV transmissions (expected to be fully completed by Fiscal 2024)



Facility at Shivare houses grinding and superfinishing equipment to achieve standards in precision and accuracy including those demanded by EV and DCT applications globally



Facilities are located close to key customers to enable meeting demand schedules and logistical advantages for the Company's customers and to insulate them from local supply or other disruptions.



Purchased 10 acres of land at Shirwal and commenced construction which will help in expanding manufacturing capacity for manufacture of DCT and EV transmissions.

Robust Infrastructure in Place



70,000 Transfer Cases (ESOF + Mech)
*Installed capacity in pieces**



12,000 ITM Coupler-Nextrac
*Installed capacity in pieces**



2,50,000 Synchronizers
*Installed capacity in pieces**



10,00,000 Components
*Installed capacity in pieces**

Capable of handling varying production volumes and the multipurpose nature of infrastructure, enabling DTTS to manufacture various precision automotive drivetrain systems

State-of-the-art manufacturing facility...



Upcoming facility at Shirwal, Pune

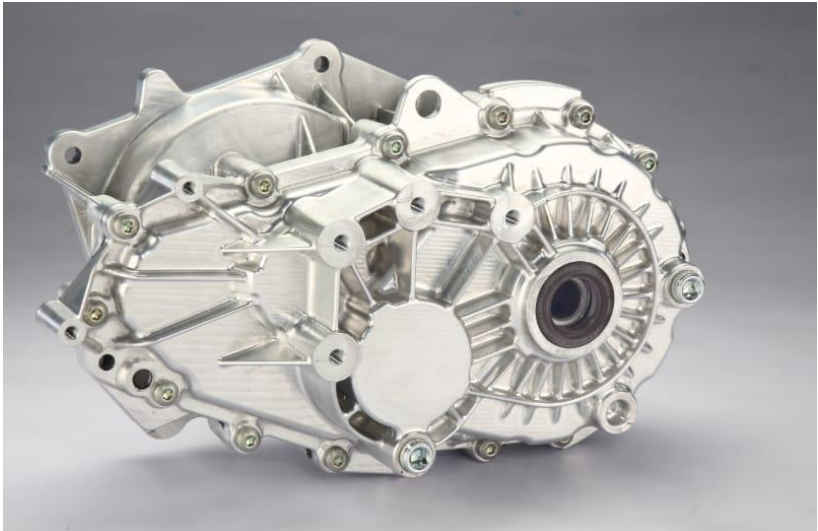
...housing modern and diverse manufacturing equipment...



...and a well-equipped Assembly Line



Divgi is the partner of choice for Tata Motors for their EV programme



Experienced Board of Directors & Management Team



Praveen Purushottam Kadle – Chairman and Independent Director

- Has received a number of awards in recognition of his outstanding contribution to Tata Motors Limited. Was Managing Director of Tata Capital Limited in 2008 and Advisor to Tata Sons in 2018
- Bachelors' degree in Commerce, Accounting & Auditing from the University of Bombay and has qualified as a CA, CS & CMA



Jitendra Bhaskar Divgi – Managing Director

- Served on the Board of Directors of BorgWarner, China in 2000, and was associated with BorgWarner till 2005
- Degree in Mechanical Engineering from BITS Pilani and an MSc Degree in Manufacturing from the University of Massachusetts



Hirendra Bhaskar Divgi – Whole-time Director

- Served in various capacities such as the new product development manager and has also worked in the role of controller operations at the Company
- Bachelors' degree in Mechanical Engineering from the University of Bangalore



Sanjay Bhalchandra Divgi – Non-Executive Director

- Served in various capacities at the Company since 1986 which included new product development and managing manufacturing operations



Bharat Bhalchandra Divgi – Non-Executive Non-Independent Director

- Served in various capacities at the Company since 1981 including the position of Deputy Manager, finance in 1985
- Hons. Graduate in Commerce from Indian Institute of Management & Commerce, Hyderabad



Pradip Vasant Dubhashi – Independent Director

- Previously associated with the State Industrial and Investment Corporation of Maharashtra Limited as a senior development officer and currently director in Entuple E-Mobility Private Limited, Unmanned and Autonomous Vehicles Association
- Electrical Engineer from Savitribai Phule, Pune University and also holds a post-graduate diploma in business management from XLRI Jamshedpur



Ajay Bhaskar Limaye – Non-Executive Non-Independent Nominee Director

- Nominee Director appointed by Oman India Joint Investment Fund II
- Previously associated with CEAT Limited as a senior executive (systems); Gujarat Venture Finance Limited as a deputy manager (projects); SICOM Capital Management Limited as an assistant vice president; Tata Capital as principal – investments (special situations investments); KSK Energy Company Private Limited as a principal; and OIIF as a director-investments



Pundalik Dinkar Kudva – Independent Director

- Partner in P. D. Kudva & Co., specializing in advisory services, direct tax litigation, and legal representation. He was a Treasurer of Zonal Transplant Co-ordination Centre Pune which co-ordinates deceased donor organ transplant in Pune and other cities of Maharashtra
- Chartered Accountant by Profession and has been in practice for 37 years



Geeta Prafullachandra Tolia – Independent Director

- Completed her Masters' in science in leadership and strategy from London Business School in 2013 and worked as the Chief Financial Officer of Sepam Qatar W.L.L. and Sepam Middle East WLL
- Graduated with a Bachelor of Commerce degree from Gujarat University in 1988 and was admitted as an associate in the Institute of Chartered Accountants of India in 1989



Executive Directors



Non-Executive Directors



Balu Narayan Patil – Head - Group Operations

- Previous work experience includes years at Bajaj Auto Limited, Ognibene India Private Limited, Perciforge & Gears, Kalyani Technoforge Limited and SAM Hitech Components Private Limited
- Diploma in Mechanical Engineering from the Board of Technical Examinations, Maharashtra and a master's degree in Business Administration and PhD in Philosophy from the Open International University of Complementary Medicines and Medicina Alternativa



Sudhir Shridhar Mirjankar – Chief Financial Officer

- Bachelors' degree in Commerce from the University of Pune and a Post Graduate Diploma in Business Administration from Symbiosis Centre for Distance Learning. Qualified as a certified management accountant from the Institute of Management Accountants, United States
- Also completed the CFO program from Indian Institute of Management, Kolkata



Gopal Krishna Dalvi – HR & Organization Development Head

- Previous work experience includes years at Keihin Fie Private Limited and Spicer India Limited
- Diploma in Mechanical Engineering from Government Polytechnic, Kolhapur and a Master's in Business Studies from University of Pune



Satish Chandrashekar Kadrolli – Company Secretary & Compliance Officer

- Previous work experience includes years at Rajkumar Forge Limited, Western India Forgings Private Limited (Group) and Corpage India Advisors Private Limited
- Bachelors' degree in Commerce from, Savitribai Phule Pune University and a certificate of membership from The Institute of Company Secretaries of India



Dipak Annasaheb Vani – Head of Purchase & Global Supply Management

- Over 15 years of experience in production, quality, quality systems, supply chain management, purchase, global supply management and strategic sourcing in the Company
- Bachelor's Degree in Production Engineering form Shivaji University, Kolhapur



Rakesh Rameshchandra Sharma – Head of Growth & Launch Management

- Previously worked at Divgi Warner Private Limited as a Senior Engineer from 1999 to 2002 and at Divgi Metalwares Private Limited as the COO from 2015 to 2018
- Bachelor's Degree in Mechanical Engineering from Babasaheb Ambedkar Marathwada University, Aurangabad



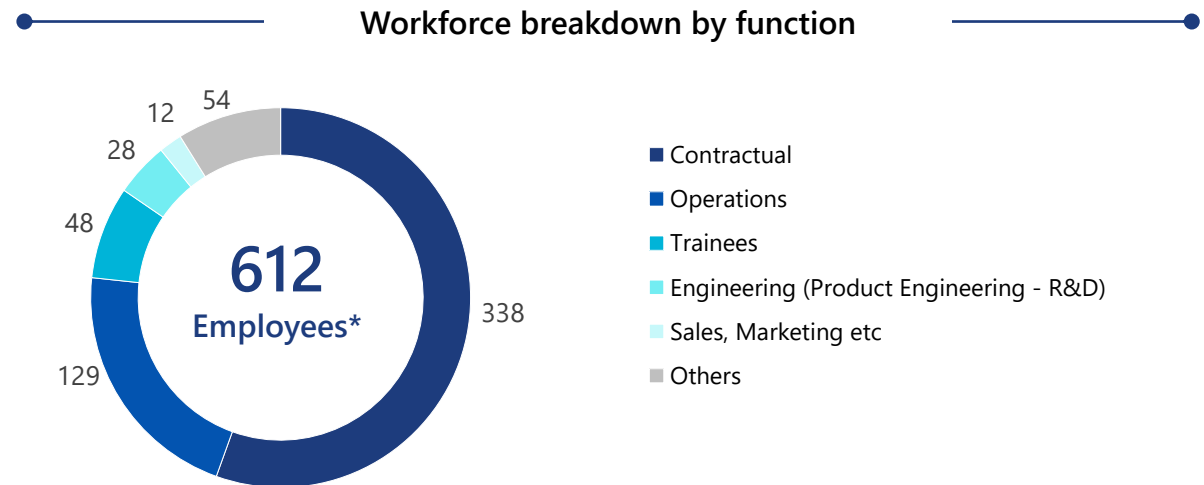
Prasannakumar Bhaskarrao Deshpande – Head of Engineering

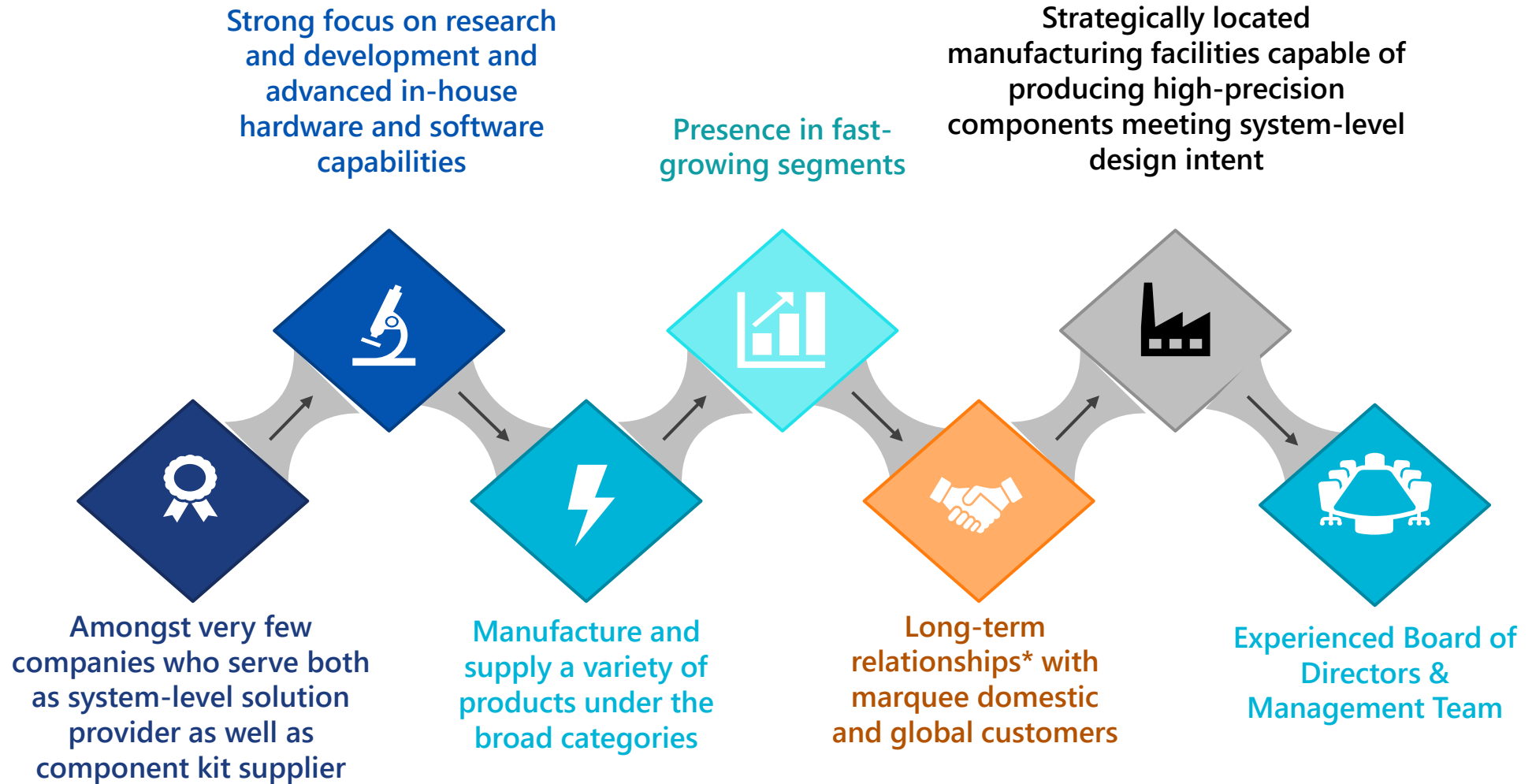
- Associated with the Company since 1997
- Bachelors' degree in Mechanical Engineering from Gulbagra University, Gulbagra



Zubair Kachi – Head of Sales, Marketing & Business Development

- 17+ years of experience in the area of Marketing, Business Development, Purchase and Supplier Development.
- Bachelor's Degree in Industrial & Production Engineering from BVB College of Engineering & Technology, Hubli







Thank You!
