



Divgi TorqTransfer Systems

Divgi TorqTransfer Systems Limited

CIN: L32201MH1964PLC013085

75, General Block, MIDC, Bhosari,

Pune 411 026, India

Tel: (+91-20) 63110110

Web: www.divgi-tts.com

Ref.: DTTS/Sec/24-25/84

February 14, 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 |
|---|--|

Sub: Submission of Report of Monitoring Agency for the Initial Public Offer.

Dear Sir / Madam,

Pursuant to Regulation 41(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have attached herewith a Report of the Monitoring Agency i.e. ICRA Limited for the quarter ended December 31, 2024.

You are requested to take the same on your record.

Thanking you,

For Divgi TorqTransfer Systems Limited

Sanika Nirgude
Company Secretary and Compliance Officer
A71466

Enclosure: As above

MONITORING AGENCY REPORT**Name of the Issuer:** Divgi Torqtransfer Systems Limited**For quarter ended:** December 31, 2024**Name of the Monitoring Agency (MA):** ICRA Limited**(a) Deviation from the objects of the issue:**

No deviation - the utilization of the issuance proceeds is in line with the objects of the issue.

(b) Range of deviation:*Not Applicable***Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013. The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that we do not perceive any conflict of interest in such relationship/ interest while monitoring and reporting the utilization of the issue proceeds by the issuer. We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature:

PARUL
GOYAL
NARANG

Digitally signed
by PARUL
GOYAL NARANG
Date:
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Parul Goyal Narang

Vice President & Head- Process Excellence

Analyst: Adrita Sadhukhan**Quality Analyst:** Parul Narang

1. Issuer Details

Name of the Issuer: Divgi Torqtransfer System Limited

Name(s) of the promoters:

| Promoters |
|-------------------------------|
| <i>Hirendra Bhaskar Divgi</i> |
| <i>Jitendra Bhaskar Divgi</i> |
| <i>Divgi Holding Pvt Ltd</i> |

Source: Prospectus

Industry/ sector to which it belongs:

- Auto Components & Equipments

2. Issue Details

Issue Period: Opening date- March 01, 2023

Closing date- March 03, 2023

Type of Issue: Initial Public Offer

Type of specified securities: Equity shares

IPO Grading, if any: No credit rating agency registered with SEBI has been appointed in respect of obtaining grading for the offer.

Issue Size (Rs. Crore): 412.120

With OFS portion: INR 412.120 Crore

Excluding OFS portion: INR 180.000 Crore.

Net proceeds as per prospectus: INR 168.434 Crore (Excluding Issue Related Expenses) *

*The revised net proceeds stood at INR 169.600 Crore as on 31st December 2024 on account of lower issue related expenses

3. Details of the arrangement made to ensure the monitoring of issue proceeds.

| Particulars | Reply | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Comments of the Monitoring Agency | Comments of the Issuer's Board of Directors |
|---|-----------------------|---|--|---|
| Whether all utilization is as per the disclosures in the Offer Document? | Yes | -Peer Reviewed CA-Certificate -Confirmation from management -Bank statement of the proceeds account | No deviation observed. | |
| Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document? | Not Applicable | As confirmed by the Issuer's management | No comments | |
| Whether the means of finance for the disclosed objects of the issue has changed? | No | As confirmed by the Issuer's management | No comments | |
| Is there any major deviation observed over the earlier monitoring agency reports? | No | No deviation observed. | No comments | |
| Whether all Government/ statutory approvals related to the object(s) have been obtained? | Not Applicable | As confirmed by the Issuer's management | No comments | |
| Whether all arrangements pertaining to technical assistance/ collaboration are in operation? | Not Applicable | As confirmed by the Issuer's management | No comments | |
| Are there any favorable events improving the viability of these object(s)? | No | As confirmed by the Issuer's management | As understood from the Issuer's management | |
| Are there any unfavorable events affecting the viability of the object(s)? | No | As confirmed by the Issuer's management | As understood from the Issuer's management | |
| Is there any other relevant information that may materially affect the decision making of the investors? | No | As confirmed by the Issuer's management | As understood from the Issuer's management | |

Where material deviation is defined to mean:

(a) Deviation in the objects or purposes for which the funds had been raised.

(b) Deviation in the amount of funds utilized by more than 10% of the amount specified in the offer document.

4. Details of the object(s) to be monitored.

(i) Cost of object(s)

| S.N. | Item Head | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Original cost (as per the offer document) [Rs. Crore] | Revised cost [Rs. Crore] | Comments of the Monitoring Agency | Comments of the Issuer's Board of Directors | | |
|------|--|---|--|-----------------------------|---|---|---------------------------|---------------------------------------|
| | | | | | | Reason for cost revision | Proposed financing option | Particulars of firm arrangements made |
| 1 | Funding capital expenditure requirements for the purchase of equipments/ machineries of manufacturing facilities | Prospectus | 150.707 | - | No comments | - | - | - |
| 2 | General Corporate Purpose | Prospectus | 17.727 | 18.893 | Revision in General Corporate Purpose is on account of actual offer related expenditure being lower than estimated by INR 1.166 Crore | - | - | - |
| | Total | | 168.434 | 169.600 | | | | |

(ii) Progress in the object(s)

| S.N. | Item Head* | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Amount as proposed in the offer document [Rs. Crore] | Amount utilized [Rs. Crore] | | | Total unutilized amount [Rs. Crore] | Comments of the Monitoring Agency | Comments of the Issuer's Board of Directors | |
|--------------|--|---|--|------------------------------------|--------------------|---------------------------|-------------------------------------|---|---|---------------------------|
| | | | | As at the beginning of the quarter | During the quarter | At the end of the quarter | | | Reasons for idle funds | Proposed course of action |
| 1 | Funding capital expenditure requirements for the purchase of equipments/ machineries of manufacturing facilities | -Peer Reviewed CA-Certificate -Bank statement of the proceeds account - Prospectus | 150.707 | 36.186 | 9.185 | 45.371 | 105.336 | No comments | - | - |
| 2 | General corporate purposes | Same as above | 17.727 (18.893) * | 18.834 | - | 18.834 | 0.059 | Revision in General Corporate Purpose is on account of actual offer related expenditure being lower than estimated by INR 1.166 Crore | - | - |
| Total | | | 169.600 | 55.020 | 9.185 | 64.205 | 105.395 | | | |

*Revised cost as per point 4(i) above.

(iii) Deployment of unutilized proceeds

| S.N. | Type of instrument and name of the entity invested in | Amount invested [Rs. Crore] | Maturity date | Earning [Rs. Crore] | Return on Investment [%] | Market Value as at the end of quarter [Rs. Crore] |
|--------------|--|-----------------------------|--------------------|---------------------|--------------------------|---|
| 1 | Fixed Deposit with SBI Bank | 9.200 | May 11, 2025 | 0.496 | 7.10% | 9.696 |
| 2 | Fixed Deposit with SBI Bank | 25.000 | September 02, 2025 | 0.645 | 7.75% | 25.645 |
| 3 | Fixed Deposit with HDFC Bank | 32.224 | April 05, 2025 | 1.816 | 7.40% | 34.040 |
| 4 | Fixed Deposit with HDFC Bank | 0.490 | December 01, 2025 | 0.003 | 6.60% | 0.493 |
| 5 | Fixed Deposit with Axis Bank | 50.000 | April 06, 2025 | 2.803 | 7.40% | 52.803 |
| 6 | Balance lying in Monitoring a/c as on 31 st December 2024 | 0.081 | - | - | - | 0.081 |
| 7 | Amount Retained by BRLM's | 0.140# | - | - | - | 0.140 |
| Total | | 117.135* | - | 5.763 | - | 122.898 |

Source: As certified by A.R Sulakhe & Company, Chartered Accountant (ICA).

* The additional unutilized amount of INR 11.740 Crore pertains to Interest income, net of withdrawals

#The amount is likely to be released by Book running lead manager in Quarter 4 of FY2024-2025

(iv) Delay in the implementation of the object(s)

| Object(s) | Completion date | | Delay [Number of days or months] | Comments of the Issuer's Board of Directors | |
|---|---|--|--|---|------------------------------|
| | As per the offer document | Actual | | Reason for delay | Proposed course of action |
| <i>Funding capital expenditure requirements for the purchase of equipments /machineries of our manufacturing facilities</i> | FY24 (INR 36.120 Crores) FY25 (INR 114.587 Crores) | On schedule | - | <i>No comments</i> | <i>No comments</i> |
| <i>General corporate purposes</i> | FY24 (INR 18.893 Crore) | Out of Rs. 18.893 crore, the company has spent Rs. 18.834 crore; the remaining balance of Rs. 0.059 crore will be spent in FY25 | <i>12 months and will implement this object in Fiscal 2025</i> | <i>The public offer account is pending closure and the BRLM is working in this regard</i> | <i>No comments</i> |

Source: As confirmed by the Issuer's management

5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document

| S.N. | Item Head | Amount [Rs. Crore] | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Comments of the Monitoring Agency | Comments of the Issuer's Board of Directors |
|------------------------------|--|--------------------------|---|---|---|
| Utilization in Q3FY24 | | | | | |
| 1 | Purchase of CNC External Cylindrical Grinding Machine | 0.994 | -Peer Reviewed CA- Certificate -Bank statement of the proceeds account -Prospectus | No Comments | |
| 2 | Retrofitting & Labour charges | 0.455 | Same as above | No Comments | |
| 3 | Fabrication & other works | 0.234 | Same as above | No Comments | |
| 4 | Rail Assly work for Heat Treatment | 0.091 | Same as above | No Comments | |
| 5 | Tooling & Fixtures of 5 th /6 th /7 th M/C HMC Machines | 0.482 | Same as above | No Comments | |
| 6 | 5 th /6 th & 7 th M/c HMC machines | 0.493 | Same as above | No Comments | |
| 7 | Technical Testing of E Gear Drive | 0.241 | Same as above | No Comments | |
| 8 | HT Work supply | 0.069 | Same as above | No Comments | |
| 9 | Purchase of UPS 80KVA (2 Nos) | 0.141 | Same as above | No Comments | |
| 10 | Royalty Payment-Jan 2022-Dec 2022 | 5.596 | Same as above | No Comments | |
| 11 | 3 Dyno Test | 4.445 | Same as above | No Comments | |
| Total (A) | | 13.241 | | | |
| Utilization in Q4FY24 | | | | | |
| 12 | 3 Dyno Test stand | 2.413 | Same as above | No Comments | |
| 13 | NVH Testing of E drive & Additional support of 3 dyno test bench | 0.207 | Same as above | No Comments | |

| S.N. | Item Head | Amount [Rs. Crore] | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Comments of the Monitoring Agency | Comments of the Issuer's Board of Directors |
|--------------------------|--|--------------------------|---|---|---|
| 14 | Installation of fire fighting system | 0.161 | Same as above | No Comments | |
| 15 | Aluminium Fabrication Work-Window Shutters, Coating of windows | 0.102 | Same as above | No Comments | |
| 16 | Tools-Atlas Elect Driver, suspension Yoke, spring balancer, power focus controller | 0.080 | Same as above | No Comments | |
| 17 | EV Gear Box Technical testing | 0.073 | Same as above | No Comments | |
| 18 | Kitchen, pantry, Bathroom, Toilet work-Shriwal Facility | 0.047 | Same as above | No Comments | |
| 19 | Operator Licensing Module | 0.019 | Same as above | No Comments | |
| 13 | Purchase of CNC External Cylindrical Grinding Machine | 0.092 | Same as above | No Comments | |
| 14 | Civil work 10 th milestone | 0.366 | Same as above | No Comments | |
| 15 | UPS 80KVA (2 Nos) | 0.035 | Same as above | No Comments | |
| 16 | Induction Hardening Machine for Hub Reduction & Ring Gear | 1.998 | Same as above | No Comments | |
| Total (B) | | 5.593 | | | |
| Grand Total (A+B) | | 18.834 | | | |