



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/24-25/53

August 28, 2024

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 Minutes of the 59th Annual General Meeting of the Company

Dear Sir / Madam,

Please find enclosed herewith the Minutes of the 59th Annual General Meeting of the Company held on Monday, July 29, 2024, at 03:00 PM at the Auditorium of Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D-Mart, Chinchwad, Pune – 411019.

Kindly take the same on your record.

Thanking you,

For Divgi TorqTransfer Systems Limited

Sanika Nirgude
Company Secretary and Compliance Officer
A71466

Enclosure: As above

DIVGI TORQTRANSFER SYSTEMS LIMITED
Registered Office: 75, General Block, MIDC, Bhosari, Pune – 411026

**MINUTES OF THE 59TH ANNUAL GENERAL MEETING OF THE MEMBERS OF
DIVGI TORQTRANSFER SYSTEMS LIMITED HELD ON MONDAY, JULY 29,
2024, AT AUDITORIUM OF AUTO CLUSTER DEVELOPMENT AND RESEARCH
INSTITUTE LOCATED AT H BLOCK, PLOT C-181, NEAR D-MART, CHINCHWAD,
PUNE – 411019 AT 03:00 P.M (IST).**

The Meeting commenced at 03:10 P.M. (IST).

Directors in attendance

	Name	Designation
1	Mr. Praveen Kadle	Chairperson Non-Executive Independent Director Chairperson- Stakeholders' Relationship Committee
2	Mr. Pradip Dubhashi	Non-Executive Independent Director Chairperson- Audit Committee Chairperson- Nomination and Remuneration Committee Chairperson- Risk Management Committee
3	Mr. Pundalik Kudva	Non-Executive Independent Director Chairperson- Corporate Social Responsibility Committee
4	Ms. Geeta Tolia	Non-Executive Independent Director
5	Mr. Jitendra Divgi	Managing Director
6	Mr. Hirendra Divgi	Whole Time Director
7	Mr. Sanjay Divgi	Non-Executive Non-Independent Director
8	Mr. Bharat Divgi	Non-Executive Non-Independent Director

Key Managerial Personnel in attendance

	Name	Designation
1	Mr. Sudhir Mirjankar	Chief Financial Officer
2	Ms. Sanika Nirgude	Company Secretary & Compliance Officer
3	Mr. Dipak Vani	Chief Operating Officer

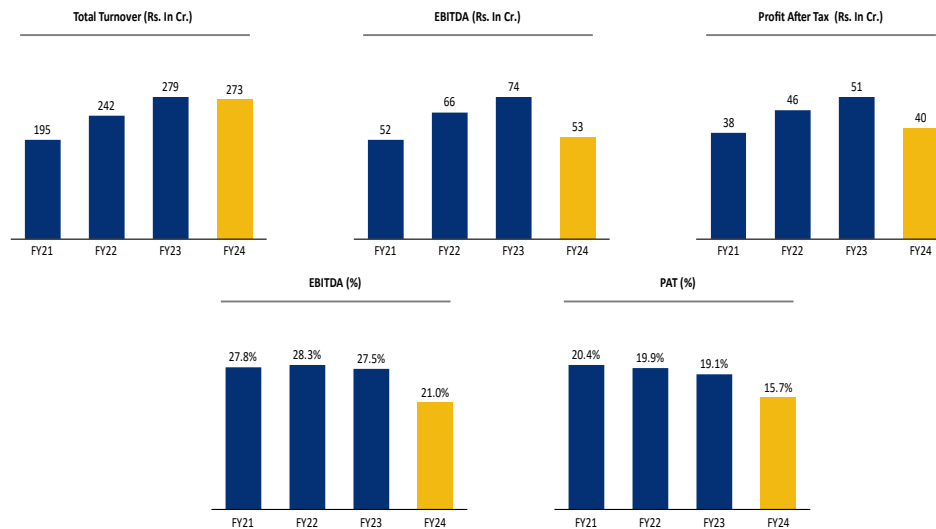
Auditors in attendance

	Name	Description
1	Mr. Amit Mahadik	Partner, B K Khare and Co., Chartered Accountants Statutory Auditors
2	Mr. Vinayak Khanvalkar	Partner, KANJ & Co. LLP, Practicing Company Secretaries, Secretarial Auditors

- In accordance with the Articles of Association of the Company, Mr. Praveen Kadle, the Chairperson of the Company, chaired the Annual General Meeting.
- The Chairperson of the Company welcomed the shareholders to the Meeting.

- The requisite quorum being present, the Chairperson called the meeting to order and introduced to the shareholders all the Directors and Key Managerial Personnel of the Company along with the Auditors, present at the Meeting.
- 40 Members were present personally and/or through authorized representatives at the venue of the AGM to attend the Meeting. The requisite quorum as required under Section 103 of the Companies Act, 2013 was present throughout the meeting.
- One proxy was present on behalf of a Shareholder holding 25 shares.
- The Chairperson delivered a presentation and provided a slide summarizing the financials, as follows:

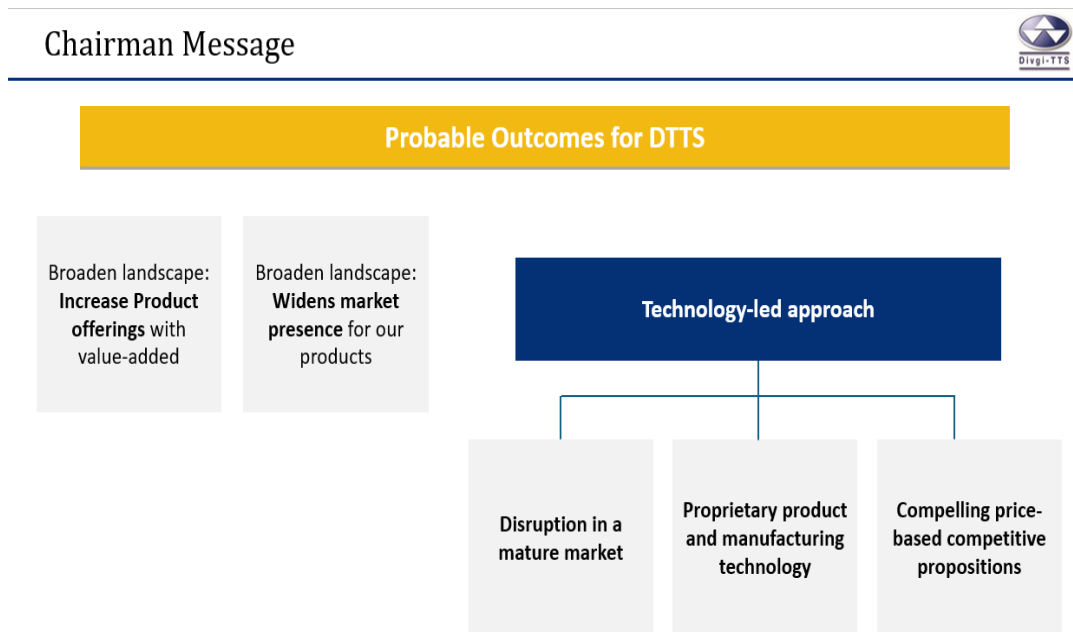
Summary of financials



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- He provided a summary of the financials, including total turnover, EBITDA, profit after tax, EBITDA percentage, and PAT percentage from FY21 to FY24, highlighting the healthy EBITDA margins. He also discussed recent trends in the automotive industry and mentioned that the Managing Director would provide further insights. He noted the increasing demand for premium and luxury vehicles and expressed concern about regulators' tightening emissions standards, particularly in India.

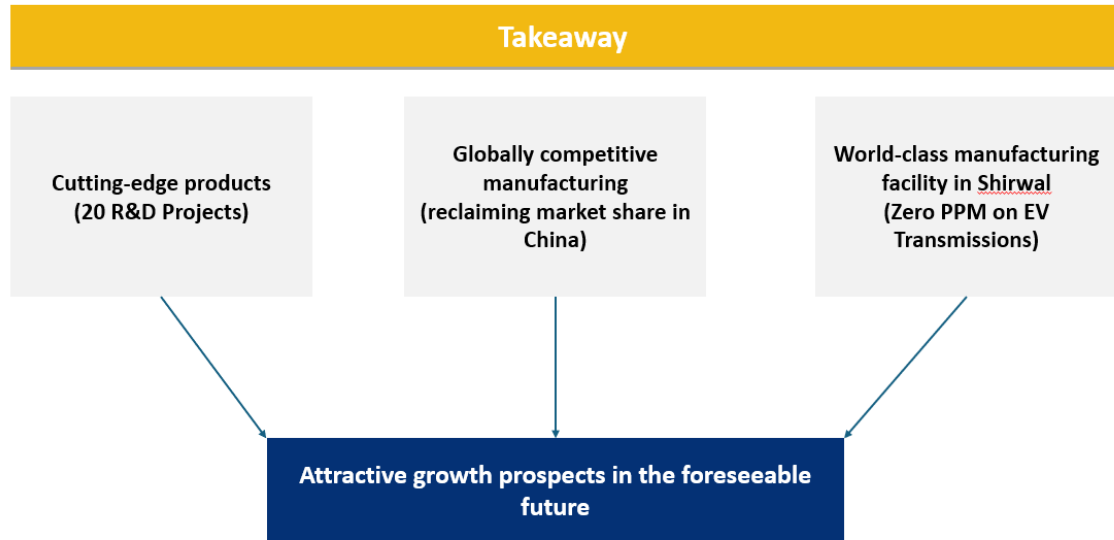
- He further explained the probable Outcome using the following slide:



- He added that the likely outcome for our Company involves expanding our product range to include value-added products with new technology or broadening our scope by operating globally. Technology will be crucial for executing these strategies. In conclusion, he mentioned that, although the Company had not yet achieved the promised 20% revenue growth outlined in the 2023 IPO, the management remains committed to reaching this goal. The Managing Director will provide further details on this commitment.

- The Takeaways of the Company were as follows:

Chairman Message



- After summarizing the key takeaways, the Chairperson concluded the presentation.
- The Chairperson then handed over the proceedings to Mr. Jitendra Divgi. Mr. Divgi began by greeting everyone present and then indicated that he would continue from where the Chairperson had left off. He aimed to provide a comprehensive and insightful overview of the past year, the current state of the Company, and long-term strategies. He reassured shareholders that there is consistency in the product and market development efforts to achieve growth and profitability targets.
- He began by discussing the Company's achievements in 2024, addressing some of the discrepancies that contributed to a slight disappointment in revenue and profitability. He also outlined the revival plan, focusing on the contracts the Company had secured.
- He presented a slide detailing the Company's achievements in FY2024 and highlighted that, in just 18 months, the management successfully established a new plant and managed the design, development, and launch of India's first mass-produced, fully indigenously designed and developed transmission for TATA Motors, which has a strong presence in the EV industry in India. Additionally, the Company developed three products within a year: a transmission for the Tiago, a transmission for the Punch vehicle, and a commercial delivery truck for Mahindra's popular Jeeto model, now electrified and called the E-Jeeto. He also noted that the Company has now developed a transmission for the Nexon and is the largest EV transmission manufacturer in India by capacity.

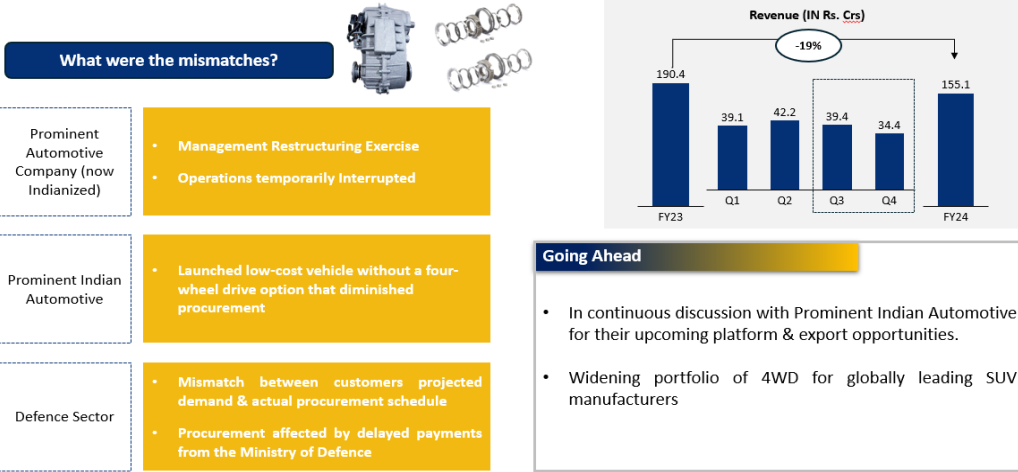
What we achieved in FY24

- ✔ Our new facility at Shirwal became operational, ramping –up operations.
- ✔ Introduced India's 1st Indigenously mass-produced EV transmission.
- ✔ Developed four EV transmission products internally
- ✔ Successfully launched India's 1st High speed Dynamometer for Manual Transmission, 4WD transfer case, EV transmission, and DCT
- ✔ Manufacturing facilities for export orders were commissioned to become competitive in global markets, new investments in machinery worth Rs. ~78 crores.
- ✔ Won export orders worth Rs. 75 crores for eight different products of component segment.

- The Managing Director also addressed the area where the Company experienced challenges: exports. He reviewed the Company's strong history in exports and explained the recent issues.

- Next, the Managing Director presented the following slides:

FY24 Review: Transfer Case Business



FY24 Review: EV Transmission Business



What were the mismatches?



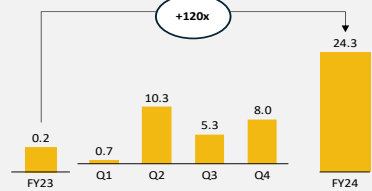
Largest Indian automotive

- Market demand was one-third of what had been originally estimated
- Demand shifted to the higher end that is currently imported and is under development at Divgi-TTS

Going Ahead

- Launched EV transmission products that are used in the Tata Tiago, Tigor and Punch model entry level.
- Developing a similar system for the popular Nexon model and the premium Curvv.
- Won an order to develop the transmission system in a record time, for a mass-produced four-wheeler vehicle called e-Jeeto.

Revenue (IN Rs. Crs)



- Current utilisation is ~25% which is expected to ramp up faster in the coming quarters on the back of new order wins.
- Utilisation adversely affected due to demand shift to the higher end of the product range
- Widening portfolio for EV products for OEMs globally.

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FY24 Review: Export Components Business



What were the mismatches?



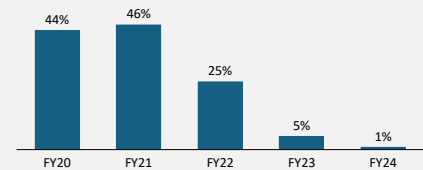
Fortune 500 Tier 1 client

- Exports declined on the back of life cycle changes on vehicle models that we were servicing
- China +1 resourcing due to delays in decision making and validation.

Going Ahead

- Company's export order book strengthened, which is expected to translate into revenues starting the current financial year.
- Engaged in active development projects, addressing request-for-quotes to the extent of Rs. 600 crore.
- Class leading manufacturing technology for four-wheel drive transfer case and EV transmission components.

Export Revenue (% of Total Revenue)



Projected Revenue Break-up

Year	Export (%)	Domestic (%)
FY25	16	84
FY26	21	79
FY27	22	78

- Further strengthening relationships with Tier I suppliers by expanding the product offerings from two marquee Tier I North American manufacturers of Gearboxes and Transmissions
- New products are at approval stage expected to convert to orders from H2FY25

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- The Managing Director added that the Company is awaiting feedback on the new Thar Rox, a five-door version of the Thar, which is expected to enhance future prospects. He noted that the defense segment is thriving, and the Company's unique products position is well for global expansion. He expressed optimism about these developments.

FY24 Review: Export Components Business



What were the mismatches?



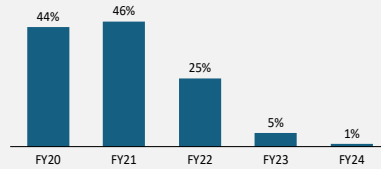
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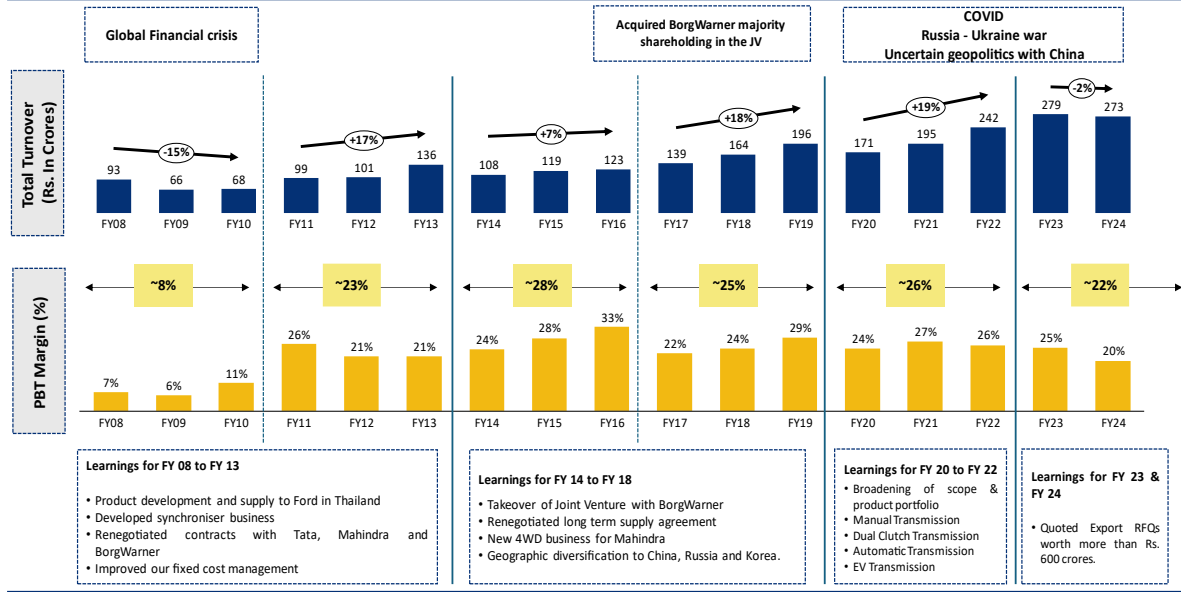
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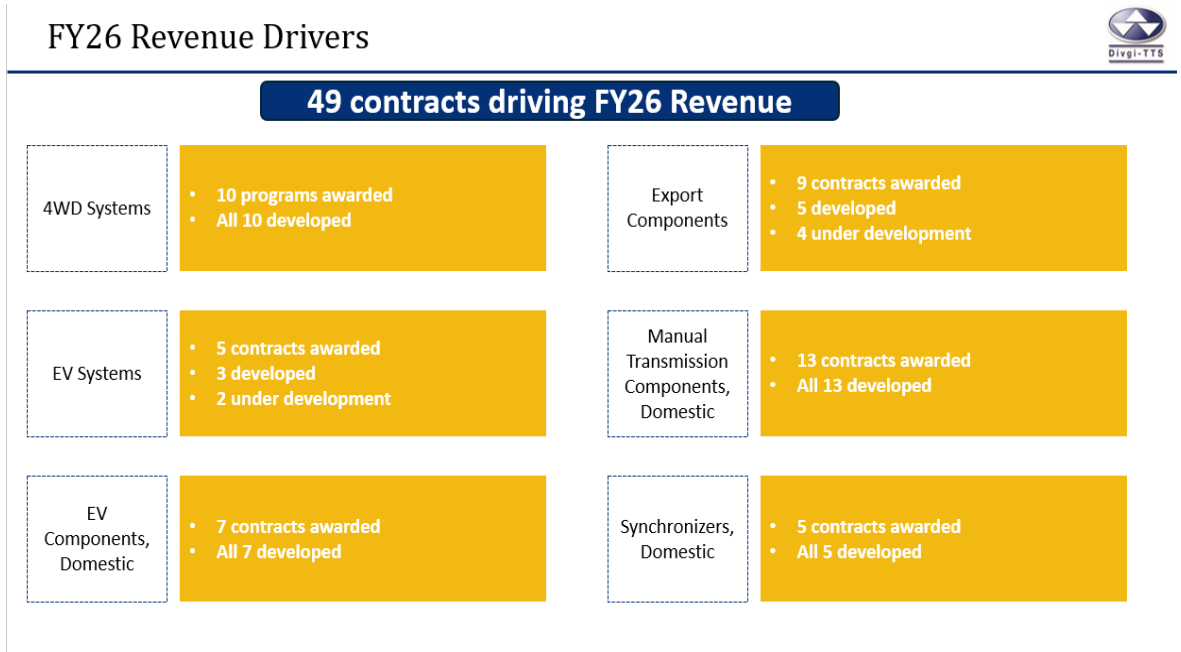
- Further strengthening relationships with Tier I suppliers by expanding the product offerings from two marquee Tier I North American manufacturers of Gearboxes and Transmissions
- New products are at approval stage expected to convert to orders from H2FY25

- The Managing Director remarked that the industry had overestimated the prospects for this stage of technological evolution, resulting in a market that fell short of expectations. He noted that the Company has invested in capacity of nearly 100,000 units but is currently utilizing only 25% of this capacity. Most of the transmissions are now localized, and the products developed by the Company were displayed outside the auditorium. He invited shareholders to view these products after the meeting and explained the reasons behind the Company's export strategy. He highlighted that the Company has been successful in generating inquiries and that the "China +1" strategy is benefiting the Company. He emphasized that developing a product and gaining market confidence takes time, and he provided a historical perspective on the Company's tenacity in overcoming unforeseen business challenges.

Growing Sustainably over the years



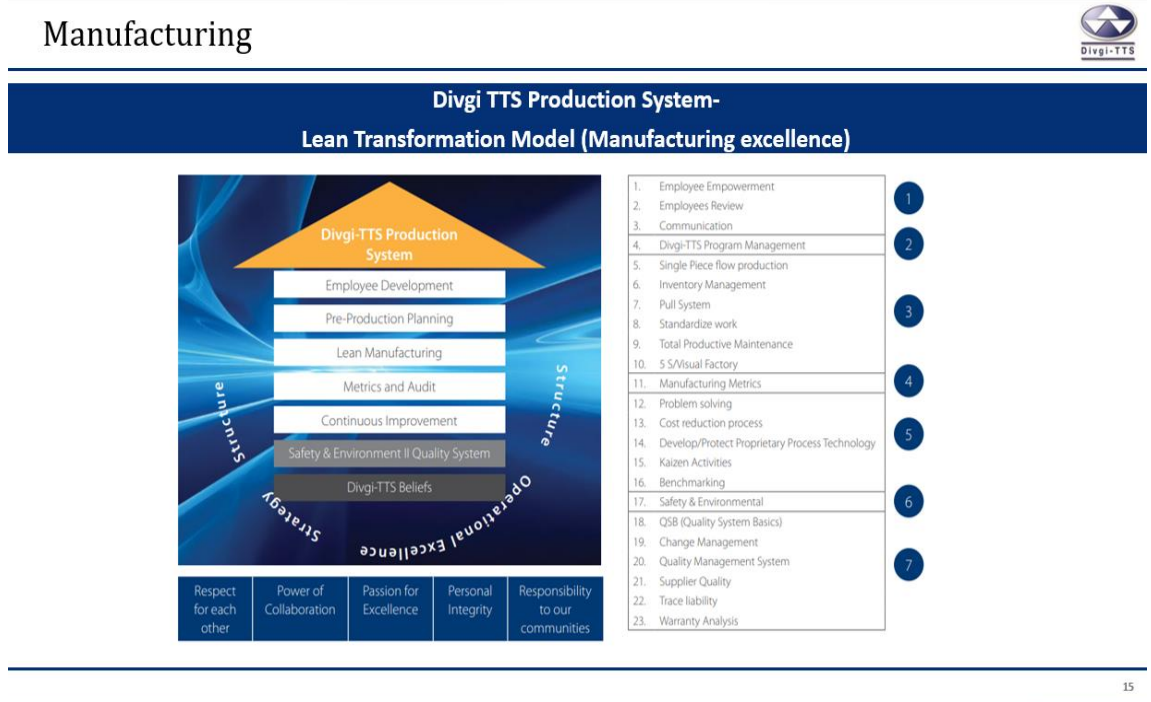
- He noted that, although the year was disappointing compared to the previous performance, the Company is now well-positioned with resources for development, investment in promising ideas, and a strong order book and equipment. He added that FY25 would build on FY24, but the Managing Director remained optimistic about the future and presented the following slide:



- The Managing Director provided an overview of the contracts expected to drive revenue in FY26 and assured that the Company is on track to achieve a compound annual growth rate (CAGR) of at least 15%. He also updated on developments in automatic transmission and electrification, noting a challenge with the Company's infrastructure for batteries. Specifically, the current setup may deter consumers from adopting battery electric vehicles (BEVs). If an OEM is unable to sell BEVs alongside internal combustion engine (ICE) vehicles, it might struggle to meet emission standards.

Therefore, hybrids are needed, and the Company is working hard to engage OEMs in proof-of-concept programs. Additionally, he provided an update on the Corporate Average Fuel Economy (CAFE) standards.

- He also provided an update on the India Manufacturing Technology Global (IMTG) and mentioned that, despite some discrepancies, he believes growth is inevitable if the Company meets certain preconditions. Regarding manufacturing, he noted that the Company has won the Supplier of the Year award twice and the Zero PPM award from Toyota, which is a significant achievement, as many peers are not part of Toyota’s supply chain. He then presented a schematic outlining the Company’s production system, as follows:



- Explaining the vision, he stated that the Company aims to demonstrate to the world that it is possible to create a world-class benchmark brand for transmission systems from India, ensuring that all stakeholders receive appropriate recognition and rewards. He also highlighted the Company's global presence, from California and Mexico in the west to Korea in the east. He mentioned that, had it not been for the conflict between Russia and the U.S., the Company might have become Russia’s leading manufacturer of four-wheel-drive systems. He concluded by discussing the near-term focus on expanding EV transmissions, leveraging the significant development efforts made by the Company, emphasizing the importance of the export business, and continuing to concentrate on core expertise. He thanked the shareholders for attending and listening. The Chairperson thanked the Managing Director for giving a comprehensive strategy of the Company.

- The following businesses were transacted at the Meeting:

1. Ordinary Business (Ordinary Resolution)

(i) Adoption of Accounts

The Chairperson informed that the Ordinary Resolution for Item No. 1 of the Notice was pertaining to adoption of the Audited Financial Statements the financial year ended March 31, 2024. The following resolution, approving the financial statements for the year ended March 31, 2024, was passed by the shareholders with requisite majority:

Resolution No.01/AGM/2024-25

“RESOLVED THAT the Audited financial statements of the Company for the year ended March 31, 2024, and the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.

RESOLVED FURTHER THAT any one of the Executive Directors and the Company Secretary of the Company be and are hereby severally authorized to take all steps and digitally sign and file the e- forms with the Registrar of Companies/Ministry of Corporate Affairs and do all such acts, deeds, things and matters as may be necessary to give effect to the above-mentioned resolution.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company be and is hereby authorized to certify the true copy of the aforesaid Resolutions and the same may be forwarded to any concerned authorities for necessary action.”

(ii) Declaration of Final Dividend

The Chairperson informed that the Board of Directors in their meeting held on May 24, 2024 had recommended a dividend of ₹ 2.60 per share for FY 2023-2024 i.e. a dividend of 52% on face value of ₹5.00 per share. The following resolution, declaring the final dividend, was passed by the shareholders with requisite majority:

Resolution No.02/AGM/2024-25

“RESOLVED THAT pursuant to the recommendation made by the board of directors, a dividend at the rate of INR 2.60/- per equity share be and is hereby declared out of profits of financial year 2023-24 to the equity shareholders of the Company whose names appear in the Registrar of Members of the Company as on Monday, July 22, 2024.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Jitendra Bhaskar Divgi, Managing Director, Mr. Sudhir Mirjankar, Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorized, on behalf of the Company, to do all acts, deeds, matters and things as deemed necessary, proper or desirable in order to give effect to this resolution.”

(iii) Reappointment of Director retiring by rotation- Mr. Sanjay Bhalchandra Divgi (DIN:00471465)

The Chairperson informed the Members that pursuant to Section 152 of the Company Act, 2013 and Rules thereunder, Mr. Sanjay Bhalchandra Divgi (DIN:00471465), Managing Director of the Company, was liable to retire by rotation and based on the terms of his appointment and being eligible has sought reappointment as a Director of the Company. The following resolution, reappointing Mr. Sanjay Bhalchandra Divgi as a Director of the Company, was passed by the shareholders with requisite majority:

Resolution No.03/AGM/2024-25

“RESOLVED THAT pursuant to the provisions of Section 152 and other rules made thereunder (including any statutory modifications and re-enactment thereof) and other applicable provisions, if any of the Companies Act, Mr. Sanjay Bhalchandra Divgi (DIN:00471465) who is liable to retire by rotation at 59th 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.”

(iv) Reappointment of Director retiring by rotation- Mr. Bharat Bhalchandra Divgi (DIN:00471587)

The Chairperson informed to the Members that pursuant to Section 152 of the Company Act, 2013 and Rules thereunder, Mr. Bharat Bhalchandra Divgi (DIN: 00471587), Whole Time Director of the Company, was liable to retire by rotation and based on the terms of his appointment and being eligible has sought reappointment as a Director of the Company. The following resolution, reappointing Mr. Hirendra Bhaskar Divgi as Whole Time Director of the Company, was passed by the shareholders with requisite majority:

Resolution No.04/AGM/2024-25

“RESOLVED THAT pursuant to the provisions of Section 152 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provision, if any of the Companies Act, 2013, Mr. Bharat Bhalchandra Divgi (DIN:00471587) who is liable to retire by rotation at the 59th 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.”

- The Chairperson then mentioned that a shareholder, Mr. Tushar Sodha, had submitted nine questions to the Company. He read out these questions, with some answered by the Managing Director, others by the Chief Financial Officer, and the remaining by the Chairperson. He added that any shareholder with questions could ask them but was requested to keep their queries brief.
- One of the shareholders, Mr. Rajiv Baheti, asked the following questions:
 1. Will there be any arrangements for shareholders to visit the Shirwal plant?
 2. What is the current book value and market price of the Company.
 3. Given the heavy reliance on TATA and Mahindra, is the Company approaching other potential clients? If so, are these other companies responding positively?

- The Managing Director responded by stating that all the questions were valid. He added that, in addition to TATA and Mahindra, Toyota is a growing customer. Among the Company's peers, it is the only one supplying parts to Toyota, not complete systems. With new emission norms driving the need for electrification technology—technology not available from Maruti—the Company's technology sourced from Toyota will likely lead to opportunities with Maruti as well. He further explained that the Company's most advanced technological product is supplied to a Chinese customer in India, which required some restructuring to secure the contract. He emphasized that the Company should evaluate what more needs to be done. Additionally, the Company has customers such as Ashok Leyland and Force and works with major multinational Tier 1 companies like Aisin, Magna, and BorgWarner. He assured the shareholders that the Company is actively pursuing these opportunities. The Whole-Time Director added that the management has received several business awards in recent quarters, but the impact is yet to be fully realized due to the gestation period between awarding contracts and generating revenue.
- Mr. Rajiv Baheti inquired about the Sirsi plant and its capacity utilization. The Managing Director explained that it is a component plant and noted that, given the current downturn in the market, the utilization of the plant could be improved. The Whole-Time Director added that Ms. Neha Shroff from SGA would assist in coordinating visits to the Sirsi plant at a convenient time. The Managing Director also mentioned that the Company welcomes shareholder visits to its plants as a way to educate and inform them, and that the Company is committed to this transparency. Mr. Rajiv thanked the Managing Director for the information.
- The Chief Financial Officer explained that the decline in Return on Invested Capital (ROIC) was due to the investments made by the Company for growth.
- The Chairperson informed the shareholders that if there were any further questions it can be emailed to Companysecretary@divgi-tts.com.
- The Chairperson informed that the Company had appointed Link Intime India Private Limited ("LI IPL") for providing remote e-voting facility to all the members holding shares as on the Cut-Off date i.e. Monday, July 22, 2024. He further stated that the remote e-voting facility was made available to the shareholders during the period commencing from 09:00 AM on Friday, July 26, 2024, till 05:00 PM on Sunday, July 28, 2024 and the Members attending the meeting who had the right to vote but had not cast their votes through remote e-Voting may vote using the e-voting platform provided at the venue of the AGM.
- The Chairperson added that in pursuance of section 108 of Companies Act, 2013 and the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CS Mrunmayee Sathaye, Partner, KANJ & Co. LLP, Practicing Company Secretaries, had been appointed as the scrutinizer to scrutinize the votes cast through remote e-voting and via the e-voting facility provided at the venue of the meeting. The Scrutinizer's Report will be available within 2 working days of the conclusion of this AGM. Upon receipt of the voting results along with Scrutinizer's Report, the same shall be submitted to the Stock Exchanges and uploaded on the websites of LI IPL and the Company.
- The Chairperson then declared closure of the 59th Annual General Meeting at 05:00 P.M. and thanked all the shareholders for their participation. He also expressed gratitude to Mr. Ajay Limaye, a former director and representative of the Oman Investment Fund, for his contributions to the management. The Chairperson noted that Mr. Limaye had stepped down from his director position to avoid any potential conflict of interest, given his representation of Oman Investment, a shareholder in the Company.

- The e-voting facility was then kept open, for 30 minutes after the conclusion of proceedings of the Meeting, for those shareholders who had not cast their vote via remote e-voting.
- The detailed voting results of the resolutions proposed in the AGM are annexed to these Minutes as Annexure No. 01.

Chairperson

Date of entry:

Date of signing:

Place:

ANNEXURE NO. 01 TO THE MINUTES OF THE 59TH ANNUAL GENERAL MEETING OF THE MEMBERS OF DIVGI TORQTRANSFER SYSTEMS LIMITED HELD ON MONDAY, JULY 29, 2024 AT AUDITORIUM OF AUTO CLUSTER DEVELOPMENT AND RESEARCH INSTITUTE LOCATED AT H BLOCK, PLOT C-181, NEAR D-MART, CHINCHWAD, PUNE – 411019 AT 03:00 P.M (IST).

The Scrutinizer, CS Mrunmayee Sathaye, Partner, KANJ & Co. LLP, Practicing Company Secretaries, submitted the report containing the combined results of remote e-voting and electronic voting conducted at the venue of the AGM on Wednesday, July 31, 2024.

A summary of the said report is given hereunder:

Resolution		Title of resolution	No. of Votes			
No.	Type		For	%	Against	%
1	Ordinary	Adoption of Accounts	26611632	100	5	0
2	Ordinary	Declaration of Final Dividend	26611632		5	0
3	Ordinary	Re-appointment of Director retiring by rotation- Mr. Sanjay Bhalchandra Divgi (DIN: 00471465)	25345695	97.2117	726992	2.7883
4	Ordinary	Re-appointment of Director retiring by rotation- Mr. Bharat Bhalchandra Divgi (DIN: 00471587)	25295695	97.0199	776992	2.9801