



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/23-24/23

May 18, 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: Outcome of Board Meeting

Ref.: Regulations 30 and 33 of the LODR Regulations

Dear Sir / Madam,

Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that Board of Directors of the Company at their meeting held on **May 18, 2023**, inter-alia other matters, have approved:

1. Financial Results

- The Standalone Audited Financial Statements for the quarter and year ended March 31, 2023

2. Final Dividend

- Recommendation of final dividend at ₹ 3.35 per equity share of ₹ 5.00 each, for FY 2022-2023, subject to approval by Members at the ensuing Annual General Meeting.
- The dividend, if approved, shall be paid/dispatched to the shareholders within 30 days of its approval by the shareholders, at the ensuing Annual General Meeting.

3. Annual General Meeting

- The 58th Annual General Meeting of the members of the Company will be held on **Friday, July 28, 2023**.

In compliance with the Listing Regulations, we are enclosing herewith the said Financial Results and the Auditors' Reports for the quarter & year ended March 31, 2023.

The declaration that the Report of Statutory Auditors is with unmodified opinion with respect to Standalone Audited Financial Results for the year ended March 31, 2023 is also enclosed herewith.



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The said meeting commenced at 12:00 p.m. and concluded at 3:15 p.m on **May 18, 2023**.

Kindly take the same on your record and acknowledge.

Thanking you,

For **Divgi TorqTransfer Systems Limited**

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

Enclosure: As above

DIVGI TORQTRANSFER SYSTEMS LIMITED

CIN: U32201MH1964PLC013085

REGD OFFICE: P NO 75, GENERAL BLOCK, MIDC, BHOSARI, PUNE 411026

Email ID: companysecretary@divgi-tts.com Phone No. 020 63110114 Website: www.divgi-tts.com

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(₹ in million, unless stated otherwise)

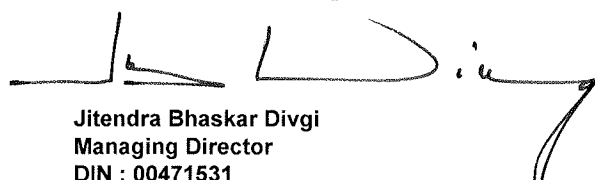
Sr. No	Particulars	Quarter ended			Year ended	
		31-Mar-23 Unaudited Refer note 7	31-Dec-22 Unaudited Refer note 7	31-Mar-22 Unaudited Refer note 7	31-Mar-23 Audited	31-Mar-22 Audited
1	Income					
	(a) Revenue from operations	733.40	639.85	583.08	2,710.43	2,337.77
	(b) Other income	26.19	11.73	49.43	76.24	80.97
	Total Income (a+b)	759.59	651.58	632.51	2,786.67	2,418.74
2	Expenses					
	(a) Cost of materials consumed	298.55	258.75	254.27	1,104.00	935.61
	(b) Changes in inventories of finished goods and work-in-progress	12.36	(5.41)	0.81	9.89	0.71
	(c) Employee benefit expense	55.70	56.42	52.61	244.95	225.42
	(d) Finance Cost	1.18	0.22	0.64	2.82	1.66
	(e) Depreciation and amortization expense	36.68	30.41	29.01	129.85	113.91
	(f) Other expenses	174.03	148.97	145.36	606.85	519.90
	Total expenses (a+b+c+d+e+f)	578.50	489.36	482.70	2,098.36	1,797.21
3	Profit before tax (1-2)	181.09	162.22	149.81	688.31	621.53
4	Tax expenses					
	a) Current Tax	44.76	40.10	39.49	176.87	162.30
	b) Deferred Tax	1.83	1.63	(5.74)	(0.18)	(2.28)
	Total tax expenses (a+b)	46.59	41.73	33.75	176.69	160.02
5	Net profit for the period / year (3-4)	134.50	120.49	116.06	511.62	461.51
6	Other comprehensive Income/ (loss) (OCI)					
	Items that will not be reclassified subsequently to statement of profit or loss					
	- Gain / (loss) on remeasurement of defined benefit plans (net of tax)	0.45	0.45	0.27	(1.62)	1.09
	Other comprehensive Income / (loss) for the period/ year, net of tax	0.45	0.45	0.27	(1.62)	1.09
7	Total comprehensive Income for the period / year (6+6)	134.95	120.94	116.33	510.00	462.60
8	Paid up equity share capital (Face value of ₹ 5 each)	152.91	137.66	137.66	152.91	137.66
9	Other equity (excluding revaluation reserve)	-	-	-	5,359.92	3,262.49
10	Earnings per equity share of face value ₹ 5 each					
	(Not annualised (or the quarters))					
	(a) Basic (in ₹)	4.75	4.38	4.22	18.45	16.76
	(b) Diluted (in ₹)	4.75	4.38	4.22	18.45	16.76

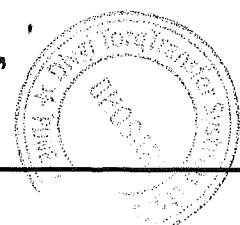
See accompanying notes to the financials results

For Divgi TorqTransfer Systems Limited

(formerly known as Divgi TorqTransfer Systems Private Limited)




Jitendra Bhaskar Divgi
Managing Director
DIN : 00471531



Place : Pune
Date : May 18, 2023

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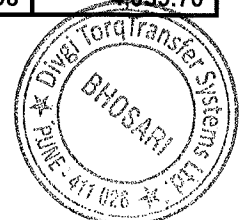
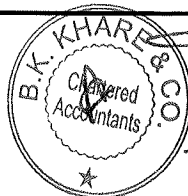
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AUDITED BALANCE SHEET AS AT MARCH 31, 2023

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,110.66	1,079.89
Capital work-in-progress	808.54	168.01
Right-of-use assets	24.53	7.78
Intangible assets	32.06	30.07
Intangible assets under development	118.32	116.95
Financial Assets		
Non-current investments	0.46	0.46
Other non-current financial assets	37.28	9.60
Other non-current assets	9.61	5.49
Total Non-Current Assets	2,141.46	1,418.25
Current Assets		
Inventories	318.85	300.75
Financial Assets		
i) Trade Receivables	732.35	526.25
ii) Cash And Cash Equivalents	47.59	173.53
iii) Bank Balances Other Than (ii) above	3,065.89	1,558.72
iv) Other current financial assets	43.06	33.99
Other Current Assets	70.78	42.21
Total Current Assets	4,278.52	2,635.45
TOTAL ASSETS	6,419.98	4,053.70
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	152.91	137.66
Other Equity	5,359.92	3,262.49
Total Equity	5,512.83	3,400.15
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
i) Borrowings	3.24	0.35
ii) Lease Liabilities	14.75	1.52
Long Term Provisions	32.87	47.76
Deferred Tax Liabilities (Net)	4.43	5.16
Total Non-Current Liabilities	55.29	54.79
Current Liabilities		
Financial Liabilities		
i) Borrowings	1.06	0.85
ii) Lease Liabilities	6.32	2.04
iii) Trade Payables		
total outstanding dues of micro enterprises and small enterprises	46.43	13.25
total outstanding dues of creditors other than micro enterprises and small enterprises	415.15	383.22
iv) Other Financial Liabilities	275.45	89.65
Other Current Liabilities	22.96	28.79
Provisions	22.07	21.22
Current Tax Liabilities (Net)	62.42	59.74
Total Current Liabilities	851.86	598.76
TOTAL EQUITY AND LIABILITIES	6,419.98	4,053.70



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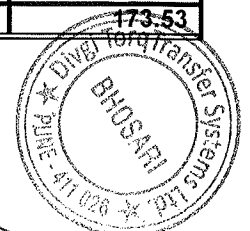
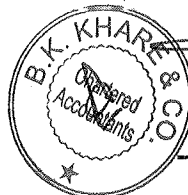
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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
A) Cash flows from operating activities		
Profit before tax	688.31	621.53
Adjustments for		
Depreciation and amortization expenses	129.85	113.90
Interest Expenses	0.84	1.13
Unwinding of discounting (lease obligations)	1.98	0.54
Interest income	(69.22)	(64.43)
Operating profit before working capital changes	751.76	672.67
Changes in working capital :		
Trade and other receivables	(262.36)	40.80
Inventories	(18.10)	(33.66)
Trade and other payables and provisions	111.09	(13.49)
(Increase) in Other non-current assets		
Cash generated from operations	582.39	666.32
Income taxes paid (net)	(174.18)	(155.55)
Net cash flow generated from operating activities - Total (A)	408.21	510.77
B) Cash flows from investing activities		
Payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances	(684.31)	(399.26)
Interest received	60.15	61.05
Term deposit with banks, matured / (placed) (net)	(1,507.17)	(172.57)
Net cash (used) in investment activities - Total (B)	(2,131.33)	(510.78)
C) Cash flows from financing activities		
Net proceeds' from issue of equity shares	1,694.91	-
Short Term Borrowings availed / (repaid) (net)	0.21	(0.36)
Long Term Borrowings availed / (repaid) (net)	2.89	(0.99)
Dividend paid	(92.23)	(21.21)
Lease rentals paid	(7.76)	(5.64)
Interest paid	(0.84)	(1.13)
Net cash flow from/ (used) in financing activities - Total (C)	1,597.18	(29.33)
D) Net decrease in cash and cash equivalents (A)+(B)+(C)	(125.94)	(29.34)
E) Cash and cash equivalents at the beginning of the year	173.53	202.87
F) Cash and cash equivalents at the end of the year (D)+(E)	47.59	173.53
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Balances in current accounts	47.53	173.09
Cash on hand	0.06	0.44
Balances per statement of cash flows	47.59	173.53

(See accompanying notes to the financial results)



[Handwritten Signature]

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NOTES TO STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

1. The above results were reviewed and recommended to the Board of Directors by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 18, 2023, The statutory auditors have expressed an unmodified opinion on these results.

2. The above financial results of Divgi TorqTransfer Systems Limited ("the Company") have been prepared in accordance with and complied in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the act") read with relevant rules issued there under and in terms of Regulations 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended.

3. The equity shares of the Company were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f March 14, 2023. The company completed its Initial Public Offering (IPO) of 69,85,090 equity Shares of face value of Rs. 5 each at an issue price of Rs 590 per equity share, consisting of an offer for sale of 39,34,243 equity shares by the selling shareholders and fresh issue of shares of 30,50,847 equity shares.

4. The company has received an amount of INR 1684.34 million (excluding issue related expenses) from proceeds out of fresh issue of equity shares. The utilisation of net IPO proceeds is summarised below:

Objects of the issue as per Prospectus	Amount to be utilised as per prospectus	Utilisation upto 31/03/2023	Unutilised upto 31/03/2023
Funding capital expenditure requirements for the purchase of equipments/ machineries of our manufacturing facilities	1,507.07	-	1,507.07
General corporate purposes	177.27	-	177.27
Total	1,684.34	-	1,684.34

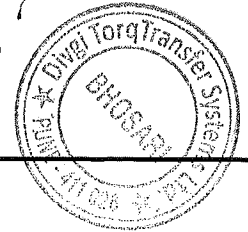
Net IPO proceeds that were unutilized as of March 31, 2023, were temporarily invested in deposits with scheduled commercial banks

5. The company operates in a single reportable business segment, "Auto Components and Parts".
6. The Board of Directors has recommended a final dividend of Rs. 3.35 per share (financial year 2021-22 Rs 3.35 per share) for the financial year 2022-23 which is subject to approval of shareholders.
7. Figures for the quarter ended 31 March, 2023 and corresponding quarter in the previous year as reported in these financial results are balancing figures between audited figures in respect of full financial year and the unaudited year to date figures up to the end of third quarter of the relevant financial year.
8. This Financial Results are also available on the stock exchange websites www.bseindia.com, www.nseindia.com and on our website www.divgi-tts.com.



For Divgi TorqTransfer Systems Limited
(formerly known as Divgi TorqTransfer Systems Private Limited)

Jitendra Bhaskar Divgi
Managing Director
DIN : 00471531



Place : Pune
Date : May 18, 2023

INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF QUARTERLY AND ANNUAL FINANCIAL RESULTS

To the Board of Directors of Divgi TorqTransfer Systems Limited

Opinion

We have audited the Financial Results for the quarter and year ended March 31, 2023 ("Financial Results") included in the accompanying "Statement of audited Financial Results for the quarter and year ended March 31, 2023" of Divgi TorqTransfer Systems Limited (Formerly known as Divgi TorqTransfer Systems Private Limited) being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the quarter and year ended March 31, 2023:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information for the quarter and year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the audit of the Financial Results for the quarter and year ended March 31, 2023' 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 Results for the quarter and year ended March 31, 2023 under the provisions of the Act and the Rules 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.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them. The Statement has been compiled from the related audited financial statements as at and for the year ended March 31, 2023 and interim financial information



Pune

T : +91 020 25648885/8446011005
+91 020 8446031006/8446031009
F +91 020 2542 0212
E bkpun@bkkhareco.com
2nd Floor, Demech House,
814, B Wing, Law College Road,
Pune - 411 004. India

Bengaluru

T +91 80 4110 5357
E bkbengaluru@bkkhareco.com
101, Money Chambers,
1st Floor, #6 K. H. Road,
Shanthinagar,
Bengaluru - 560027, India

New Delhi

T +91 011 4905 7624
E bkkdelhi@bkkhareco.com
1405-06, 38, Ansal Tower,
Nehru Place,
New Delhi - 110 019,
India

Chennai

T + 044 4862 9299
E bkkchennai@bkkhareco.com
2nd Floor, Crown Court,
Cathedral Road,
Chennai - 600 086,
India

for the quarter ended March 31, 2023. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2023 that give a true and fair view of the net profit and total comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are 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 the Board of Directors 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 financial reporting process of the Company.

Auditors' Responsibilities for the audit of the Financial Results for the quarter and year ended March 31, 2023

Our objectives are to obtain reasonable assurance about whether the Financial Results for the quarter and year ended March 31, 2023 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

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 Results, 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 control.
- Obtain an understanding of internal 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 with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 Statement 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 content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the Company to express an opinion on the Financial Results.

Materiality is the magnitude of misstatements in the Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Results 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 Results.

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 control 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.



Other Matter

The Statement includes the results for the quarter ended March 31, 2023 and corresponding quarter of previous year being the balancing figures between audited figures in respect of the full financial year and the year to date unaudited figures up to the end of third quarter of the relevant financial year.

Our opinion on the Statement is not modified in respect of this matter.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W



Aniruddha Joshi
Partner
Membership No.040852
UDIN: 23040852BGURCY5438
Place: Pune
Date: May 18,2023





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DECLARATION

Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with SEBI circular CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare that the Statutory Auditors of the Company have issued audit report with an unmodified opinion on Annual Audited Financial Results of the Company for the financial year ended March 31, 2023.

Request you to take the same on your record.

Thanking you,

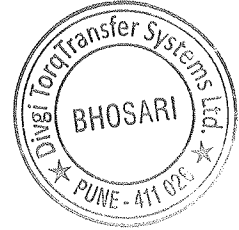
Yours faithfully,
For **DIVGI TORQTRANSFER SYSTEMS LIMITED**



JITENDRA B DIVGI
MANAGING DIRECTOR
DIN: 00471531



SUDHIR S MIRJANKAR
CHIEF FINANCIAL OFFICER



Date: May 18, 2023
Place: Pune