



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/24-25/08

May 10, 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 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 Monitoring Agency i.e. ICRA Limited for the quarter ended March 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

Name of the Issuer: Divgi Torqtransfer Systems Limited

For quarter ended: March 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: 2024.05.10
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Parul Goyal Narang

Vice President & Head- Process Excellence

Analyst: Dhvani Vinchhi

QA: Parul Narang

1. Issuer Details

Name of the Issuer: Divgi Torqtransfer System Limited

Name(s) of the promoters:

Promoters
Hirendra Bhaskar Divgi
Jitendra Bhaskar Divgi
Divgi Holding Pvt Ltd

Source: BSE

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: INR 169.600 Crore (Excluding Issue Related Expenses) *

*The revised Net Proceeds account stood at INR 169.600 Crore as on 31st March 2024

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	<i>-Peer Reviewed CA-Certificate -Confirmation from management -Bank statement of the proceeds account</i>	<i>No deviation observed.</i>	
Whether shareholder approval has been obtained in case of material deviations [#] from expenditures disclosed in the Offer Document?	Not Applicable	<i>As confirmed by the Issuer's management</i>	<i>No comments</i>	
Whether the means of finance for the disclosed objects of the issue has changed?	No	<i>As confirmed by the Issuer's management</i>	<i>No comments</i>	
Is there any major deviation observed over the earlier monitoring agency reports?	No	<i>No deviation observed.</i>	<i>No comments</i>	
Whether all Government/ statutory approvals related to the object(s) have been obtained?	Not Applicable	<i>As confirmed by the Issuer's management</i>	<i>No comments</i>	
Whether all arrangements pertaining to technical assistance/ collaboration are in operation?	Not Applicable	<i>As confirmed by the Issuer's management</i>	<i>No comments</i>	
Are there any favorable events improving the viability of these object(s)?	No	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	
Are there any unfavorable events affecting the viability of the object(s)?	No	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	
Is there any other relevant information that may materially affect the decision making of the investors?	No	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	

[#] 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	<i>Funding capital expenditure requirements for the purchase of equipments/ machineries of our manufacturing facilities</i>	<i>Letter of Offer</i>	<i>150.707</i>	<i>-</i>	<i>No comments</i>			
2	<i>General Corporate Purpose</i>	<i>Letter of Offer</i>	<i>17.727</i>	<i>18.893</i>	<i>Revision in General Corporate Purpose is on account of actual offer related expenditure being lower than estimated by INR 1.166 Crore</i>			
	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	<i>Funding capital expenditure requirements for the purchase of equipments/ machineries of our manufacturing facilities</i>	<i>-Peer Reviewed CA-Certificate -Bank statement of the proceeds account</i>	150.707	20.936	4.797	25.733	124.974	No comments		
2	<i>General corporate purposes</i>	<i>Same as above</i>	17.727 (18.893) *	13.241	5.593	18.834	0.059	<i>Revision in General Corporate Purpose is on account of actual offer related expenditure being lower than estimated by INR 1.166 Crore</i>		
Total			169.600	34.177	10.390	44.567	125.033			

*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	<i>Fixed Deposit with SBI Bank</i>	125.00	<i>April 02, 2024</i>	<i>10.224</i>	7.85%	<i>135.224</i>
2	<i>Fixed Deposit with HDFC Bank</i>	0.097	<i>September 09, 2024</i>	<i>0.004</i>	7.30%	<i>0.101</i>
3	<i>Fixed Deposit with HDFC Bank</i>	0.230	<i>March 21, 2025</i>	<i>0.001</i>	6.60%	<i>0.231</i>
4	<i>Fixed Deposit with HDFC Bank</i>	0.870	<i>January 21, 2025</i>	<i>0.012</i>	6.60%	<i>0.882</i>
5	<i>Proceeds Account</i>	0.005	-	-	-	<i>0.005</i>
6	<i>Amount Retained by BRLM's</i>	0.140	-	-	-	<i>0.140</i>
Total		126.342*	-	10.241	-	136.583

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

*The additional unutilized amount of INR 1.309 crore pertains to Interest income net of withdrawals by Divgi TorqTransfer Systems Limited

(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 & FY25	Out of Rs. 36.120 Cr, the company spent INR. 25.733 Crore; the balance will be spent in FY25.	NA	No comments	No comments
<i>General corporate purposes</i>	FY24	On Schedule	NA	No comments	No comments

Source: As confirmed by the Issuer's management

[^]Refers to the latest estimate of the completion date

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	<i>Purchase of CNC External Cylindrical Grinding Machine</i>	0.994	<i>-Peer Reviewed CA- Certificate -Bank statement of the proceeds account</i>	No Comments	
2	<i>Retrofitting & Labour charges</i>	0.455	<i>Same as above</i>	No Comments	
3	<i>Fabrication & other works</i>	0.234	<i>Same as above</i>	No Comments	
4	<i>Rail Assly work for Heat Treatment</i>	0.091	<i>Same as above</i>	No Comments	
5	<i>Tooling & Fixtures of 5th/6th/7th M/C HMC Machines</i>	0.482	<i>Same as above</i>	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
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			
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	
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	

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
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			

6. Details of locked-in equity share capital held by the Promoters

Number of Equity shares held by the promoter group on the date of allotment of offer	Number of Equity shares held by the promoter as on 31-March-2024		Lock in release date	% Shareholding of the promoter group as on 31-March-2024	Regulatory stipulation for the % of promoter shares to be locked-in and Lock-in period end date	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
	Promoter name	Total Shares						
17,245,840	Divgi Holdings Private Limited	5,627,561	8/03/2026	20.10%	20% of the Promoters share post offer should be locked in for 3 years	Lock in certificate by depository	"The equity shareholding of the promoter group is in accordance with the lock-in requirements specified by SEBI"	-
	Hitendra Divgi	261,177						
	Jitendra Divgi	260,535						
	Divgi Holdings Private Limited	10,155,119	8/03/2024	36.28%	Shareholding in excess of 20% should be locked in for 1 year*	Lock in certificate by depository	"The equity shareholding of the promoter group is in accordance with the lock-in requirements specified by SEBI"	-
	Hitendra Divgi	471,303						
	Jitendra Divgi	470,145						
Grand Total		17,245,840						

*The lock in period of 1 year for shareholding above 20% has ended on March 08,2024