



# WE ARE READY

ON THE ROUTE TO RECOVERY

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## HANDLING COVID 19 IN DIVGITTS

I distinctly remember March 24, 2020, as India decided on the extreme step of a total lockdown and Prime Minister Modi made the initial announcements on TV. The full extent of the horror of COVID was yet to emerge and India needed to get ready. The speed with which events were unfolding told us that it would be impossible to comprehend the full extent of the contagion that was fast assuming pandemic proportions.

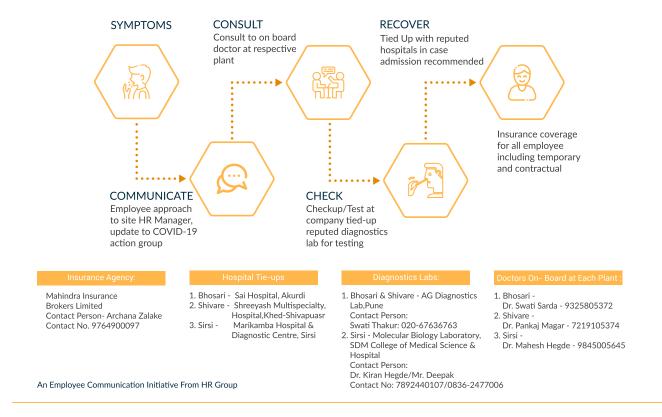
Just a month earlier, in the last 10 days of February 2020, I had been in the USA to examine options to invest in a front end presence in the state of South Carolina in the USA. At the investor conference in Greenville, South Carolina, speakers talked about possible COVID scenarios for China and the possible impact on the global automotive industry, but the US seemed an impervious and impregnable land, far away and safe from the chilling stories coming in on the TV news and social media. The following week in Detroit, there was news that the dreaded contagion had reared its head on the west coast of the US. But the numbers seemed trivial and the US it seemed had the medical technology and systems to counter this flu like scourge. But like a forest fire it crackled on, hogging more and more of our mind space. On the flight home, I transited at Frankfurt where COVID 19 had bared its fangs in Italy and the situation in Europe seemed tense. By the time I landed at Mumbai, the situation seemed relatively more alarming with people showing flu symptoms being segregated and incoming passengers being tracked through additional control documentation. In a few days

time in Pune, there were unmistakable signs that we were up against something that was invading the normalcy of life at an exponential pace. By March 24, COVID had changed gears and was moving at a disquieting speed across the world.

Our first response was to close ranks across our enterprise and work cohesively to communicate and coordinate from the apex level of our Board of Directors to the most elemental level of our enterprise. Within the first week, we took advantage of our cohesive Board of Directors and brainstormed on the possible adverse effects. At the Management Team level we formed a COVID Action Group comprised of myself, and the Heads of HR, Operations, Finance, Supply Chain (for quick resource mobilization) and Management Systems. We zeroed in on a possible worst-case scenario and started planning operations and financial control for the impending crisis.

The fastest way to implement social distancing was to encourage work-from-home. We sensed that this would need a dramatic scaling up of our digital resources. We activated our IT Help Desk and started mobilizing and marshalling resources with 24X7 coordination and follow-up. Tight communication was our mantra and the COVID Action Group would meet everyday, first thing in the morning. Gradually, from tactical ad-hoc responses we learned to build a more systematic response to face the challenge of COVID as the lockdown tightened its hold on society and the economy.

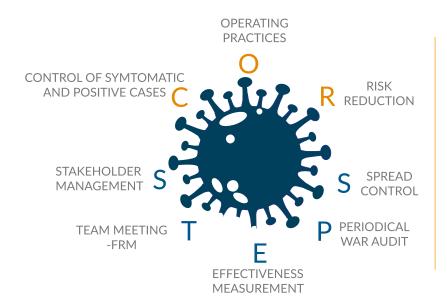
## **COVID REACTION PLAN**



The tools and processes of our Business Continuity and Sustainability Practice kicked in quite naturally. We drew on the vast experience of our Quality, Safety and Environmental Systems to learn how to conceive, design, implement, and execute our systemic response to the challenge of COVID 19. Our COVID System Basics, CSB, is

an integrated approach to battling the COVID pandemic and it has been quite successful in keeping COVID at bay to avoid a business discontinuity or, worse yet, a tragic fatality in the larger community of our employees and their families.

## **COVID SYSTEM BASICS: CORONA STEPS**



- 1. Control of symtomatic and positive cases
- 2. Operating(Standardized) Practices
- 3. Reaction Plan-Risk Reduction
- 4. Stakeholder management
- 5. Team meeting -FRM
- 6. Effectiveness Measurement
- 7. Periodical WAR Audits
- 8. Special Control

#### CSB has 9 elements:

- Standardized operating procedures for various contingencies
- Continuous education and training for our employees
- Layered process audits
- Fast response meetings and communication
- Control of symptomatic and positive cases
- Continuous review for risk reduction
- Spread control
- Measurement for overall system effectiveness
- Stakeholder involvement and engagement

### This was augmented by having:

- Doctor on board for each of our three plants
- Comprehensive COVID insurance for all employees, including our trainees, apprentices and contract employees
- Continuous dissemination of awareness and simple methods for care and control
- Nonstop continuous monitoring on a daily basis by top management
- Contract with the best diagnostic services available in Pune and Hubli-Dharwad for rapid response to testing needs
- Arrangements with the best hospitals backed up by the aforementioned insurance scheme

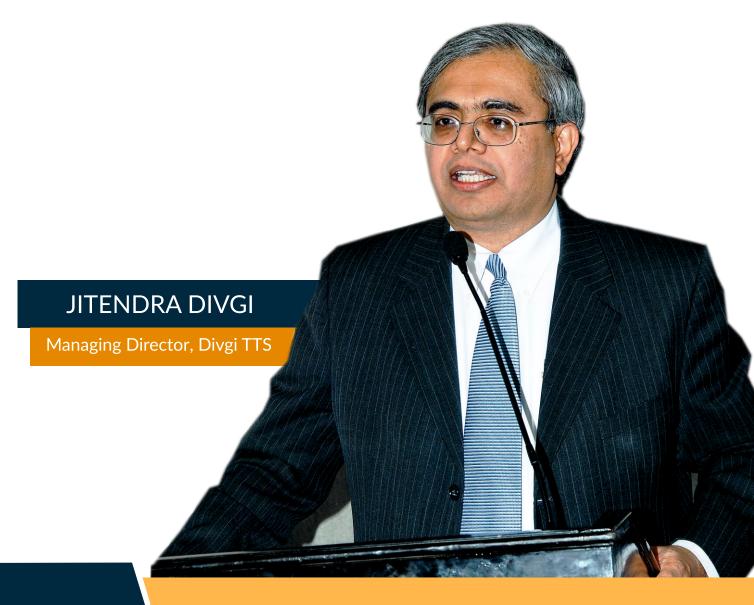
Quarantine arrangements were made at all plants for our truck drivers who were our frontline warriors in the interstate logistics at a time when there was strict control on movement of people. Our HR team put in a a lot of effort to quickly create material for creating awareness and for educational and training purposes. We created mutually exclusive groups for key and critical manufacturing operations, so that in the event that a group was infected the other group could stand in and sustain business continuity. At all locations we encouraged local community outreach and contributed our CSR resources to the local communities in the fight against the pandemic.

Not only did this reassure that top management was rock solid behind each employee but the attention paid in detail encouraged our employees to very often go beyond the call of duty and help the organization overcome many a challenge that threatened to overwhelm us. We are deeply indebted to the selfless dedication of many of our members and associates especially in our export operations where their efforts have contributed in a small but very effective manner to maintaining the company's and the country's image for dependability in countries like China, Russia, Korea, and the USA. At home in India, we successfully completed the development of the 4WD transfer case for the award-winning Mahindra Thar. We went on to launch the signature product that makes the Thar a Thar!

The net outcome of this approach has been that although there have been several cases of COVID, our systems have ensured that customers have not been affected while employees have got proactive care and support

from all quarters of the organization under the watchful supervision of top management. We believe this powerful expression of care has almost singularly ensured the morale and dedication of our employees. In turn, the top management team has learnt the discipline of allocating some time everyday to paying attention in detail to the safety and well-being of all our members and associates with absolutely no exception. We now plan to extend our CSB to an extended and more durable Health System Basics, HSB, for our employees as a continuing long term measure. The dreadful form of theis pandemic has brought home to us the fragility of our enterprise and that in the ultimate analysis our livelihoods depend on the linking together in an unbroken chain of the efforts of all our people.

This sustainability has enabled us to pay back all temporary arrears in salaries and payments of all our creditors and suppliers. There have been no job cuts and the business is back to normal revenue operations and will very likely recover to the pre COVID results in FY21 itself. This will no doubt lay the foundation for strong growth in FY22. Our capex plans are in place and by middle of 2021 we will complete a record investment in our business for future global growth. The people of Divgi TTS have shown another form of leadership and it has been quite like no other!



## **COVID YODDHAS**

## **PLANT HEADS**



Girish Ronimathr



Vijay Warade



Parmeshwar Madival



Muralidhar Nagarkatte

## HR TEAM



Amar Shahagadkar



Smita Shanbhag



Manjunath Naik



Ramkrishna Talwar



Arif Shaikh



Premchand Ugrankar

#### **SECURITY TEAM**



Sandip Nigade



Anand Kamble



Ganapati Rane

## **HOUSE KEEPING TEAM**



Bapu Shinde



Vasant Kate



Suraj Gaikwad



Manikanta Gunaga

## THE THAR STORY

Since 2011 when the Mahindra Thar (Thar) was launched, Divgi-TTS has been an integral part of its success story. After all, a significant contributor to Thar's 4x4 muscle power is Divgi-TTS' Mechanical Shift Transfer Case, the product that enables 4WD on the vehicle.

Therefore, when Mahindra decided to phase out the Thar in the 2016-17 timeframe and introduce the All-New Mahindra Thar (New Thar) a few years later, Divgi-TTS' Transfer Case continued to remain in the forefront of Mahindra's 4x4 strategy. In the following years, Mahindra's plans for the launch of the New Thar in April, 2020 ran parallel with the phase-out plans for the "Generation 1" Mahindra Thar. At Divgi-TTS, its Engineering Team got into the act of reengineering its transfer case that will deliver optimum 4x4 performance alongside the new transmission planned on this New Thar. With the impending launch of the New Thar slated for April, 2020, in August, 2019, the production of the Thar was stopped as per Mahindra's plans. The last order of 700 transfer cases for the phasing-out Thar was handed over to Divgi-TTS, personally signed by Mr. Anand Mahindra.

The projections from Mahindra on the volumes for the new vehicle were astounding, from 500 per month being delivered for the Thar to 200 per day on the New Thar. Divgi-TTS was just as excited with the challenge posed. Events

unfolded like clockwork for both Mahindra and Divgi-TTS. In the early months of 2020, meticulous last minute planning was underway for the grand launch of the All-New Mahindra Thar in April of that year.

As March, 2020 dawned, a tiny microscopic virus - COVID 19 - brought the world to a complete halt - literally. Mahindra was forced to reschedule the launch of the New Thar, to be rolled out from its Nasik Plant, by 6 months – to October, 2020. Divgi-TTS' production of transfer cases, ramped up to meet the projections for the New Thar suddenly came to a standstill. Revenues plummeted to ZERO in April. The next two months, the Management was faced with an entirely new dimension for handling business - focusing on containing the spread of the virus, maintaining a skeleton workforce for the "well-being" of the operational state-of-the art machinery, adhering to evolving yet stringent government regulations, continuously communicating with customers spread across various plants to understand their specific evolving project plans while, all the time, keeping an eye on revenue figures for business sustenance and continuity. And all this with the untested work-from-home approach.



With an upturn in business in May and June as economies reopened, Divgi-TTS upped the ante. Executing the scheduled volumes for the launch of the New Thar in the remaining 4 months was a real tall order. Divgi remained unfazed. It immediately set up a Task Force to prioritize this project and deputed extensive resources to ensure a seamless launch. Furthermore as the New Thar was launched officially by Mahindra, it had a scintillating market response resulting in multi-fold increase to the earlier projected demand. Divgi-TTS immediately sprung up in action and went ahead with required additional investments to enhance the capacity to meet the revised demand. The investments included a new MAKINO Vertical Machining Center which was installed and commissioned within 12 weeks to support the New Thar production demand. Close coordination of our engineers with Mahindra's project execution team at its Nasik plant where the New Thar was being put together, ensured smooth ramp up and also addressing early teething issues.

The results speak for themselves. From zero revenue and production figures, revenues have soared and production has been rapidly ramped up even exceeding pre-COVID budget plans.

Going back 7 full years, to the Q4, 2013 issue of our Newsletter, Innovation Times, where we had captioned our cover story as CUSTOMER DELIGHT, RIGHT FIRST TIME, EVERY TIME!, we all at Divgi-TTS feel proud that we still stand by that commitment to our "DELIGHT" customer, Mahindra & Mahindra and will continue to do so at all times.



# WHAT POWERS A WINNER?



## 4WD TRANSFER CASE ON THE ALL-NEW MAHINDRA THAR

The Divgi-TTS 4WD Transfer Case on the All-New Mahindra Thar allows the driver to select between 2-wheel or 4-wheel drive options for paved road and off-road driving. In 4-wheel drive mode, the high and low gear options provide optimum traction and stability for that perfect off-roading experience.



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