



**DIRECTORS' REPORT**

To,  
The Members of  
Divgi Transmission Systems & Technologies Private Limited

The Directors have pleasure in presenting before you the Annual Report of the Company together with the audited annual financial statements for the year ended 31<sup>st</sup> March, 2021.

**1. ANNUAL RETURN AS PER SECTION 92(3):**

The company don't have website to place the annual return.

**2. NUMBER OF BOARD MEETINGS HELD:**

Four (4) meetings of the Board of Directors were held during the year under report.  
Attendance of directors:

Name of Director	26/06/2020	18/09/2020	01/12/2020	27/03/2021
Jitendra Bhaskar Divgi	Present	Present	Present	Present
Bharat Bhalchandra Divgi	Present	Present	Present	Present
Hirendra Bhaskar Divgi	Present	Present	Present	Present

**3. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of section 134(5) of the Companies Act, 2013, the Directors state that:

- in the preparation of the Annual Accounts for the year 31<sup>st</sup> March, 2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;



- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**4. NOMINATION AND REMUNERATION COMMITTEE AND COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

As the Company does not fall under the prescribed class of companies given under Section 178 of the Companies Act, 2013 and the Rules made there under, the provisions of the said section are not applicable to it.

**5. REPLY TO AUDITORS' QUALIFICATION OR REMARKS OR OBSERVATIONS:**

There is no qualification, remark or observation by the auditor in the Audit Report for the year under review.

**6. AUDITORS:**

- i. **Statutory Auditors:** In accordance with the provisions of section 139 of the Companies Act 2013 and the rules made thereunder M/s. U.L Swadi & Co. Chartered Accountant, (having Firm Registration Number 031803) were appointed as Statutory Auditors of the Company to hold office from the conclusion of the Annual General Meeting held in a year 2019 till the conclusion of the sixth consecutive Annual General Meeting to be held in the year 2024.
- ii. **Cost Auditors:** The Company is not required to appoint a cost auditor as per the provisions of section 148 of the Companies Act, 2013.
- iii. **Secretarial Auditors:** The Company being a private Company, the provisions of section 204 of Companies Act, 2013 regarding mandatory secretarial audit are not applicable to the company.



**7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

The Company has not given any loan or guarantee or security or made any investment during the financial year.

**8. PARTICULARS OF RELATED PARTY TRANSACTIONS:**

Particulars of related party transactions are as per Form AOC-2 attached to the report as Annexure I.

**9. FINANCIAL RESULTS:**

The performance during the period ended March 31, 2021 has been as under:

Particulars	2020-2021 (Rs.)	2019-20 (Rs.)
Revenue and other income	3,14,08,044	3,28,61,521
Total expenses	2,78,46,336	3,38,95,646
Profit/ (Loss) before tax	35,61,708	(10,34,125)
<b>Provision for taxes</b>		
Current tax	(5,55,626)	-
Deferred Tax	(1,32,513)	(40,069)
Net profit/ (loss)	<b>28,73,569</b>	<b>(10,74,194)</b>

**10. THE STATE OF COMPANY AFFAIRS:**

During the year under report, the Company earned a total income of Rs 3,14,08,044/- as compared to the total income of Rs. 3,28,61,521 /- earned during the previous year

After charging all expenses and taxes, the Company earned a profit of Rs. 28,73,569/- during the year under report as compared to the loss of Rs. 10,74,194/- earned during the previous year.

The directors are taking more efforts to improve the performance of the Company and are hopeful of an even better working in the current year.



**11. BUSINESS ACTIVITIES:**

Turnover of the company has decreased as compared to last year's turnover because of the COVID-19 pandemic. However, the directors are hopeful of a positive change in the market situations and a consequent increase in the revenue of the Company in the years to come.

**12. RESERVES:**

Company does not propose to transfer any amounts to reserve.

**13. DIVIDEND:**

Directors did not recommend any dividend during the year under report.

**14. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:**

There have been no material changes and Commitments affecting the financial position of the company since 31<sup>st</sup> March, 2021 till the date of this report.

**15. EVENT BASED DISCLOSURES IN DIRECTORS REPORT:**

- A. Company has not issued any shares with differential voting rights.
- B. The company has not issued any sweat equity shares.
- C. The company has not exercised any Employee Stock Option Scheme in the relevant financial year.
- D. Company has not provided any money to its employees for purchase of its own shares.



**16. DIRECTORS:**

There was no appointment, cessation or resignation of directors during the year under report. The management of the company is carried by following directors:

S. No.	Name of Director	Designation	Date of Appointment	Date of Cessation
1.	Jitendra Bhaskar Divgi	Director	02/08/2002	-
2.	Bharat Bhalchandra Divgi	Director	02/01/2009	-
3.	Hirendra Bhaskar Divgi	Director	02/01/2009	-

**17. APPOINTMENT OF INDEPENDENT DIRECTORS:**

The company being private company, the company is not required to appoint an independent director on its board of directors.

**18. APPOINTMENT AND OR RESIGNATION OF KEY MANAGERIAL PERSONNEL:**

The company being private company, it is not required to appoint a Key Managerial Personnel under section 203 of the Companies Act, 2013.

**19. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The company being private company, it is not required to make disclosures under section Section 177(8) of the Companies Act, 2013.

**20. EVALUATION OF BOARD OF DIRECTORS, COMMITTEES AND INDIVIDUAL DIRECTOR:**

The company being private company, it is not required to give a statement indicating the manner in which the formal annual evaluation has been made by the board of its own performance and that of its committees and individual directors.



**21. DISCLOSURE OF REMUNERATION OR COMMISSION RECEIVED BY A MANAGING OR WHOLE-TIME DIRECTOR FROM THE COMPANY'S HOLDING OR SUBSIDIARY COMPANY:**

There were no such instances during the relevant financial year requiring the disclosure under section 197(14) of the Companies Act, 2013.

**22. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:**

The company has been addressing various risks impacting the company and the policy of the company on risk management is in place. The company does not foresee any specific risk which would threaten the very existence of the company.

**23. DEPOSITS:**

The Company has not accepted any deposits under the provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 as amended.

**24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information required under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given herein below:

**A) Conservation of energy:**

Steps taken / impact on conservation of energy, with special reference to the following:

- I. Steps taken or impact on conservation of energy – N.A.
- II. Steps taken by the company for utilizing alternate sources of energy- The Company does not utilize alternate source of energy.
- III. Capital investment on energy conservation equipment- The Company has not made any capital investments on energy conservation equipment.



B) Technology absorption:

- I. Efforts, in brief, made towards technology absorption:
- II. Benefits derived like product improvement, cost reduction, product development or import substitution: N.A.
- III. Information of Imported Technology (imported during the last 3 years reckoned from the beginning of the financial year),
  - (a) Details of technology imported. - N.A.
  - (b) Year of import. – N.A.
  - (c) Whether the technology been fully absorbed – N.A.
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.
- IV. Expenditure incurred on Research and Development-

C) Foreign exchange earnings & outgo:

Foreign exchange earned in terms of actual inflows during the year: NIL  
Foreign exchange outgo during the year in terms of actual outflows: NIL

**25. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The company being private company, it is not required to frame CSR policy or spend amount on CSR as per the provisions of section 135 of Companies Act, 2013.

**26. SECRETARIAL AUDIT REPORT:**

The company being private company, the provisions of section 204 of Companies Act, 2013 regarding mandatory secretarial audit are not applicable to the company.



**27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There were no instances during the year attracting the provisions of Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014.

**28. DETAILS OF IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company being private company, it is not required to appoint an internal Auditor as per the provisions of section 138 of the Companies Act, 2013

**29. CORPORATE GOVERNANCE CERTIFICATE:**

The company being private company, it is not required to obtain compliance certificate from the practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement.

**30. VIGIL MECHANISM:**

The company being private company, it is not required to establish vigil mechanism Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013.

**31. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:**

During the year under review, as stated by the management the Company had complied with all the secretarial standards to it from time to time.

**32. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company as required under the provisions of Section 22 and 28 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has in place an Anti-Sexual Harassment Policy in line with the requirements of the Act. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding





## Divgi Transmission Systems & Technologies Private Limited

Divgi Transmission Systems & Technologies Pvt. Ltd.  
Banavasi Road, Sirsi-581 401,  
Karnataka, India  
Tel : (08384) 226630  
Fax : (08384) 225253

sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21

No of complaints received: NIL

No of complaints disposed off: NIL

### 33. ACKNOWLEDGEMENT:

Directors take this opportunity to express their sincere appreciation for the services rendered by the Company's Bankers, Consultants and Advisors, Material Suppliers, Customers and Shareholders for their continued support and guidance. The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

### FOR DIVGI TRANSMISSION SYSTEMS & TECHNOLOGIES PRIVATE LIMITED

**Jitendra Bhaskar Divgi**  
Director  
DIN: 00471531  
Omkar, 273/1/2, Baner Road  
Pune 411045

**Hirendra Bhaskar Divgi**  
Director  
DIN: 01634431  
Flat No. 17, Kanchanjunga Hsg. Society,  
Marutrao Gayakwad Nagar, Aundh  
Pune 411007

Place: Pune

Date: 31<sup>st</sup> October, 2021.



**FORM AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

**1. Details of contracts or arrangements or transactions not at Arm's length basis:**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name of the Related Party & Nature of Relationship	NIL
2	Nature of contracts/arrangements/transaction	NIL
3	Duration of the contracts/arrangements /transaction	NIL
4	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
5	Justification for entering into such contracts or arrangements or transactions	NIL
6	Date of approval by the Board	NIL
7	Amount paid as advances, if any	NIL
8	Date on which the special resolution was passed in General meeting as required under the proviso to Section 188	NIL



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### 2. Details of contracts or arrangements or transactions at Arm's Length basis:

Sr. No.	Particulars	Name of the party	
1.	Name(s) of the related party	Divgi TorqTransfer Systems Private Limited	Divgi Holding Private Limited
2.	Nature of relationship	Company having common directors	Company having common directors
3.	Nature of contracts/ arrangements/ transactions	Labour Charges Received  Payment of lease rent on Building and Machinery	Deputation Charges Paid
4.	Duration of contracts/ arrangements or transactions	Continuous	Continuous
5.	Salient terms of contracts or arrangements or transactions	Labour charges: Rs. 2,53,49,340/-  Payment of lease rent: 1.Machinery: Rs.12,00,000 2.Building: Rs.12,00,000	Deputation Charge: Rs. 6,25,831/-
6.	Date of approval by the Board	-	-
7.	Amount paid as advances, if any	-	-

FOR DIVGI TRANSMISSION SYSTEMS & TECHNOLOGIES PRIVATE LIMITED

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Director  
(DIN: 00471531)  
Omkar 273/1/2,  
Baner Road,  
Pune 411045

Hirendra Divgi  
Director  
(DIN: 01634431)  
Flat No. 17, Kanchanjunga Hsg. Society  
Marutrao Gayakwad Nagar, Aundh  
Pune 411007