



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/23-24/20

May 11, 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: Submission of Report of Monitoring Agency for the Initial Public Offer

Dear Sir / Madam,

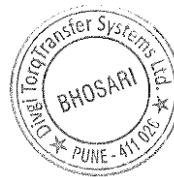
Pursuant to Regulation 41(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have attached herewith a Report of Monitoring Agency i.e. ICRA Limited for the quarter ended March 31, 2023.

You are requested to take the same on your record.

Kindly take the same on your record.

Thanking you,

For **Divgi TorqTransfer Systems Limited**



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

Enclosure: Monitoring Agency Report for Quarter ended March 31, 2023

MONITORING AGENCY REPORT

Name of the Issuer: Divgi Torqtransfer Systems Limited

For quarter ended: Q4 FY2023

Name of the Monitoring Agency: 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: 2023.05.11
18:44:20 +05'30'

Parul 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): 412.12 Crore

With OFS portion: INR 412.12 Crore; Excluding OFS portion: INR 180.00 Crore.

Net proceeds: INR 168.43 Crore (Excluding Issue Related Expenses) *

**The proceeds credited to the Net Proceeds account stood at INR 165.45 Crore as on 31st March 2023 as INR 3.60 Crore(Including 0.62 crore due to reduction in fresh issue related expense) is retained by Book running lead manager, which is likely to be released in Q1FY2024.*

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

[#] 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>150.70</i>	-				
2	<i>General Corporate Purpose</i>	<i>Letter of Offer</i>	<i>17.73</i>	-				
	Total		168.43					

(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	Funding capital expenditure requirements for the purchase of equipments/ machineries of our manufacturing facilities	-Peer Reviewed CA-Certificate -Bank statement of the proceeds account	150.70	-	-	-	150.07	No comments		
2	General corporate purposes	Same as above	17.73	-	-	-	17.73	No comments		
Total			168.43	-	-	-	168.43			

(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>0.13</i>	7.85%	<i>125.13</i>
2	<i>Fixed Deposit with HDFC Bank</i>	30.00	<i>March 30, 2024</i>	<i>0.02</i>	7.30%	<i>30.02</i>
3	<i>Fixed Deposit with HDFC Bank</i>	10.00	<i>March 30, 2024</i>	<i>0.01</i>	7.25%	<i>10.01</i>
4	<i>Proceeds Account</i>	0.45	-	-	-	<i>0.45</i>
Total		165.45*	-	-	-	165.61

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

** INR 3.60 Crore(Including 0.62 crore of unutilized issue related expenses) has been additionally retained by Book running lead manager, which is likely to be released in Q1FY2024.*

(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	On Schedule	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
1	<i>General Corporate Purpose</i>	<i>Nil</i>	-	No Comments	

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-2023		Lock in release date	% Shareholding of the promoter group as on 31-Mar-2023	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						