



Divgi TorqTransfer Systems

AGM Presentation

September 2025

PREPARING FOR THE NEXT ORBIT

Building the India-Manufacturing-
Technology-Global value proposition to
emerge as one of the fastest growing
drivetrain solution providers.

Divgi TorqTransfer Systems Limited – Managing Director’s address to the shareholders

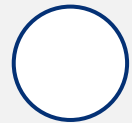
This presentation and the accompanying slides (the “Presentation”), which have been prepared by Divgi TorqTransfer Systems Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.



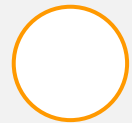
Opening Remarks by Managing Director



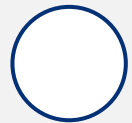
One of the most technologically advanced drivetrain solution providers the world over



Developed driveline solutions for all three powertrain technologies, mainly ICE, Hybrid and Electric



Specialised in a niche, market leader in India, leveraging local competitive operations for exports



Remained debt-free, preparing it for growth across market cycles

Global mindset & versatility in strategy, product development and execution



India Auto Sector Shining

India continues to be amongst the top 5 biggest and fastest going Automotive market in the world



Focused strategy towards EV leadership

Holistic framework by Government, investment participation by OEMs, Supplier partners, charging Infrastructure development, recycling setup



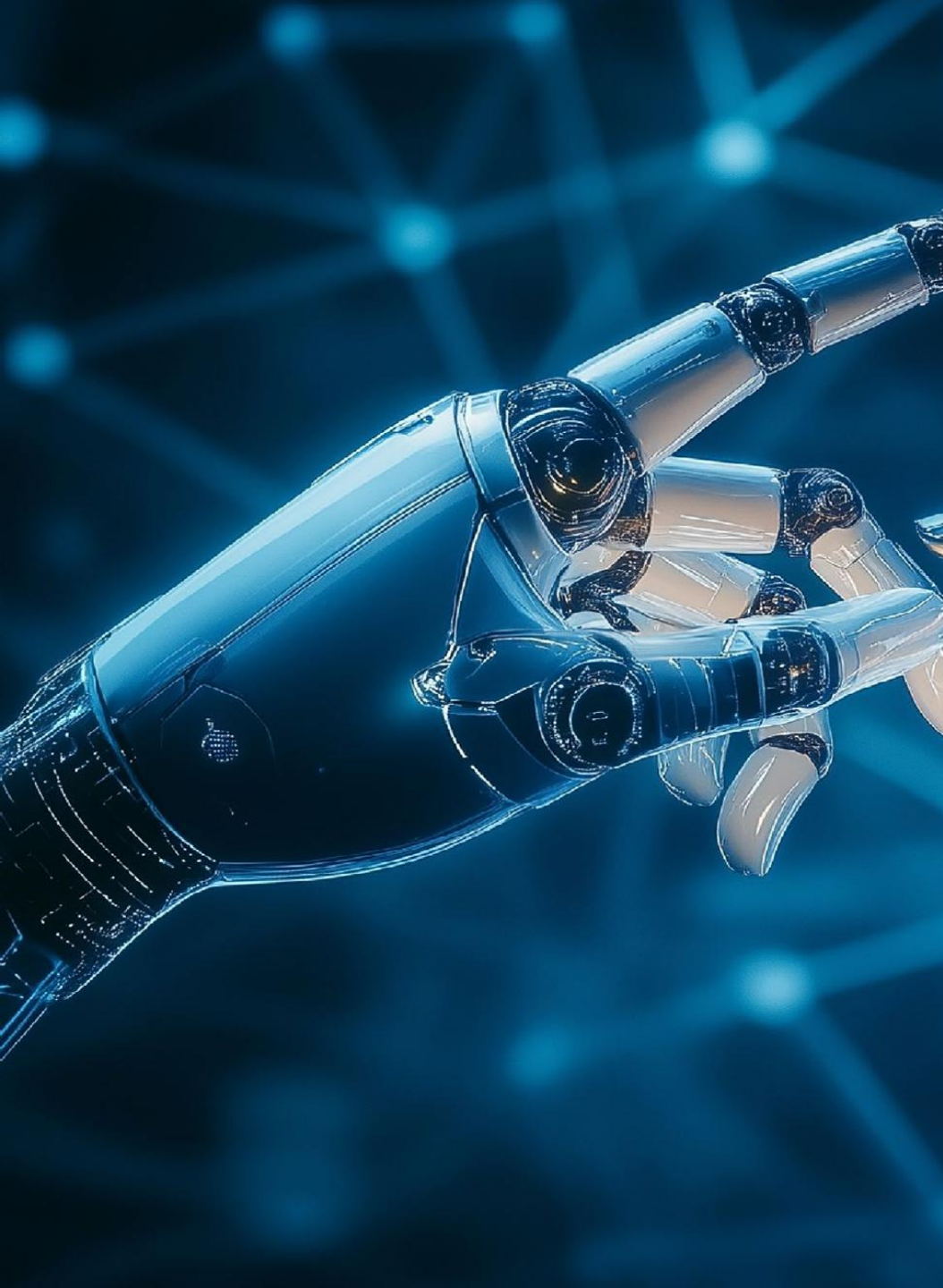
Market for all technologies

EV estimated to be fastest growing, Hybrid powertrains being developed by most OEMs for India, ICE continues to dominate in new vehicle sales until 2034-35.



Atmanirbhar / Localization

Strategic focus on local manufacturing – Government incentives, self-reliant, export promotion, global manufacturing center for scale



FY25 Core & Other Business Updates

Key Business Updates – FY25

Awards & Accolades

- **Won Proprietary Powertrain Supplier of the year award from Mahindra & Mahindra**
- **Won supplier of the year award for the 2nd consecutive time in a row from Toyota**



ZERO DEFECT -2023



SUPPLIER OF THE YEAR -2023



Core Business Updates

Transfer Case / Manual Transmission:

- In continuous discussion with major Japanese & Korean OEMs for high value programs
- Won order for 'Transfer Case' business from an existing large Indian OEM, multi-year contract valued at approximately Rs. 800 crores lifecycle revenue
- Received RFQs for 1,50,000/yr manual transmissions from a large Indian OEM for pickup trucks
- Transfer case per unit realizations gone up on the back of our volume-based pricing strategy

Components:

- Received approvals for all 9 export parts and started shipment for new component export business across multiple geographies, worth an annual revenue of Rs. ~90+ crores covering over 1 million parts

E-Gear Drive:

- EV industry is flat, expect it to improve with new models coming in from H2 CY25, covering all the platforms of one of India's pre-eminent EV makers
- Received a 'Mega Offer Letter' from the Government of Maharashtra for the mega project under EV policy

Future Growth Areas

Dedicated Hybrid Transmission:

- Realised the first DHT Prototype
- Completed simulations study, >30% improvement in fuel economy vs normal ICE

Automatic Transmission:

- Working on feasibility for localization of 8-speed DCT with one of the world's most prestigious OEMs for a volume of 1 Lakh per year
- Conducted vehicle drive trials at potential India OEM customer

Operations:

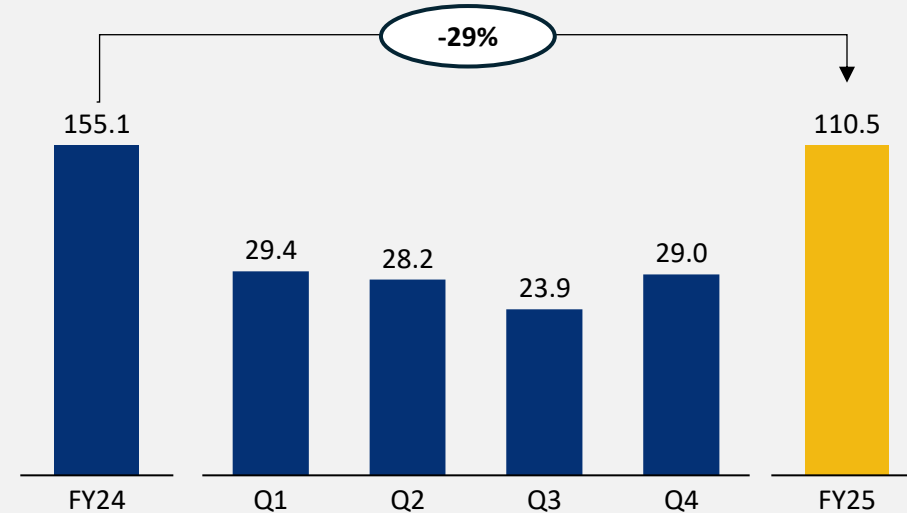
- Investment made for enhancement of processes, upgradation of metallurgy lab and state-of-the-art tool sharpening

Update on Year Gone by



- Lower volume offtake from one of the major OEM, due to the launch of low-cost variant without 4WD
- Despite lower volume offtake during the year, saw a notable improvement in per-unit realizations, driven primarily by a higher share of defence sales & volume-linked pricing structure
- In Q4FY25 witnessed an uptick in volumes; recovery is expected to continue in the coming quarters

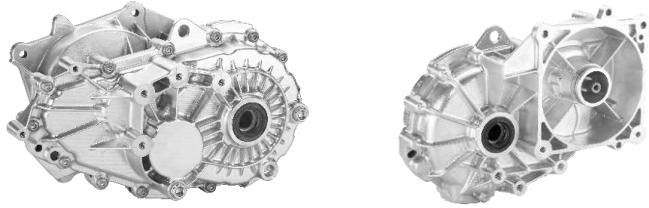
Revenue (Rs. In Crores)



Going Ahead

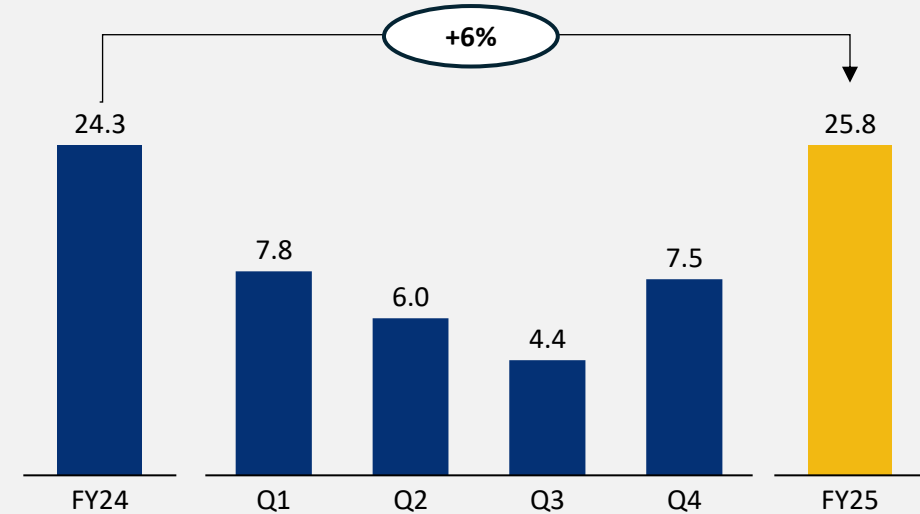
- Expect strong growth in this segment driven by new 4WD launches in India and an expanding international customer base across Japan, Korea, and the US

Update on Year Gone by



- EV segment has faced pressure from macro headwinds as well as challenges related to infrastructure limitations & persistent range anxiety among consumers
- During challenging times, continued to work closely with key anchor OEM to expand product portfolio
- Now proudly featured on all the EV platforms of the India's pre-eminent EV maker
- Volumes started to improve marginally starting from Q4FY25

Revenue (Rs. In Crores)



Going Ahead

- Anticipating substantial ramp-up in volumes starting H2FY26, led by one of India's pre-eminent EV maker
- Actively exploring opportunities to expand & diversify our customer base in this segment, positioning ourselves for sustained growth

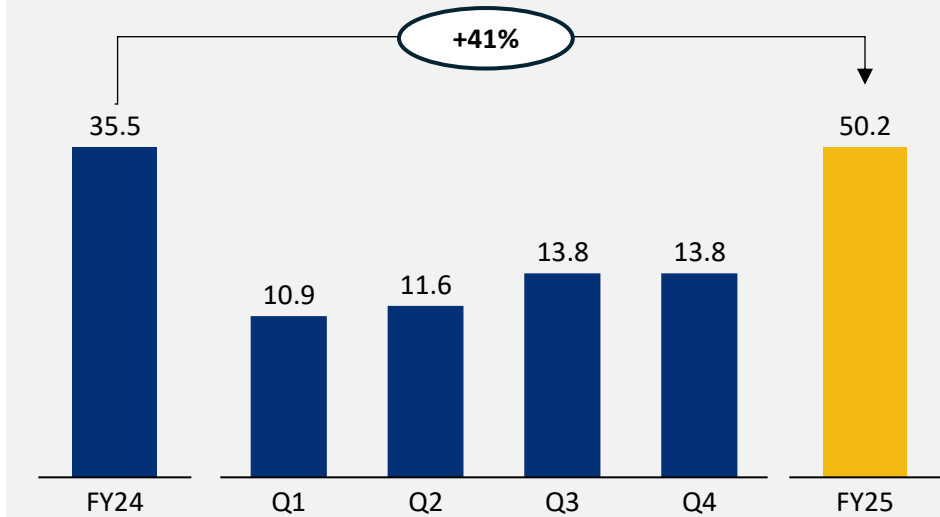
Update on Year Gone by



Year	Export (%)	Domestic (%)
FY23	5.1	94.9
FY24	1.4	98.6
FY25	6.1	93.9

- Delivered strong & consistent performance throughout FY25, supported by steady demand from customers
- Regaining export contribution, grown from ~1% in FY24 to ~6% in FY25, reflecting growing traction in international markets

Revenue (Rs. In Crores)



Going Ahead

- Received final production approval on all export parts with additional annual revenue potential of INR 90+ crore
- Well-positioned to achieve double digit percentage of revenue from exports by end of FY26

Automobile Industry

- Dynamic market scenario
- Changing customer expectations (from Mass to premiumisation /luxury car sales)
- Increasing competition | Multiple launches from OEMs, short product lifecycle
- Evolving fuel mix between ICE, Hybrid, BEVs
 - BEV growth not as fast as anticipated.
 - Hybrid development being evaluated

Automobile Players

- OEMs continuously working and adopting innovative technologies
- Feature rich, advanced technologies from luxury into mass premiumisation models
- Quick product upgrades (facelifts, next gen)
- OEMs adopting powertrain diversification to adapt to market pull
 - Common vehicle architecture for ICE, Hybrid, BEV

DTTS Strategic Response & Intent

- Global mindset & versatility in execution (India, Japan, Korea, China, Thailand, Europe, US & Mexico)
- Product enhancement, electrification of core products
- Product development process | Market linked products with aggressive lead time
- Product portfolio diversification to handle evolving fuel mix
 - ICE: Automatic Transmission (DCT)
 - Hybrid: Dedicated Hybrid Transmission
 - BEV: E- Gear drive

Working closely with OEMs for this new business opportunity

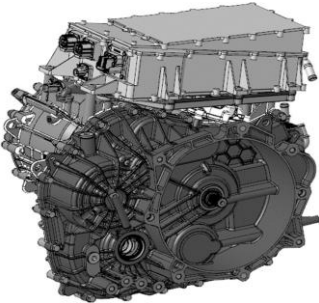


Technology Led Developments

Dedicated Hybrid Transmission (DHT) - Simulation Results



Simulation Results

	India OEM 1.2L Gasoline Engine Simulation using 1-speed DHT	
	Basis Range (kmpl)	
	Manual Transmission ICE (~38.1% therm eff)	DHT ICE (~38.1% therm eff)
Divgi simulation ID	#1	#11
ARAI (MIDC) for MT	18.94	25.32
% Improvement to MT	-	33.67
ARAI (MIDC) for AT	17.9	25.32
% Improvement to AT	-	41.45

Project

Proposed Improvement in Engine
Thermal Efficiency

Customer

Prominent Indian Automotive Player

Impact

A Significant Enhancement in the Vehicle's
Efficiency is Evident

Status

Developed the Prototype &
Done Simulation Study

Driving innovation in the next-gen automotive landscape by integrating cutting-edge international technologies with localized customization, delivering the best of both worlds and creating superior relationship value for our customers

Drives technology-led innovation through indigenous, commercially viable solutions to lead India's advanced transmission systems and expand globally

- Indigenous Transfer Case:** Developed and delivered 1,500 high-speed armoured vehicle transfer cases (earlier imported) for three divisions of Indian army, proving scale, speed, and sophistication
- Advanced Licensing Agreements:** Progress on licensing agreements with two global leaders to drive strategic growth and localisation of advanced technologies
- Transfer Case for Prominent Japanese OEM:** Nearing completion of design for a high-end transfer case for supply to a leading Japanese company
- Next Gen 4WD – Torq on Demand:** Delivered first prototype with intelligent sensing for driver's requirement – a futuristic 'sensing before told' system integrated with car area networks
- Differential System Innovation for Smooth Handling:** Introduced a differential system inside the transfer case enabling smoother turning, proposed for next-gen vehicle model and sent to prominent Indian/global companies
- Mechanical Transmission for Pickup Trucks:** Working on business opportunity to free up OEM assets, widen market flexibility, and reengineer customer business models

Divgi-TTS is evolving from supplier to technology-driven partner, demonstrating unmatched development speed, localisation capability, and innovation readiness to capture emerging opportunities in both domestic and global markets

20 Projects are under R&D Phase

**4WD:
11 Programs**

**DCT / DHT:
2 Programs**

**EVT:
4 Programs**

**Manual
Transmission:
3 programs**

Divgi-TTS is evolving from supplier to technology-driven partner, demonstrating unmatched development speed, localisation capability, and innovation readiness to capture emerging opportunities in both domestic and global markets



Value Enhancement Initiatives

Leveraging strengths for Sustainable success

Brand Differentiation

- Uniquely positioned
- Offering system-level solutions for e.g. Transfer cases, torque couplers, & DCTs
- Backed by inhouse software development

Market Leadership

- Sole exporter of transfer cases
- Offering chain-driven and electronic shift-on-the-fly models
- pioneer in EV transmissions, DCT systems, and RWD manual gearboxes

Strategy Partnerships

- Collaborates with global leaders
- German automotive player for DCT development
- BorgWarner & FEV
- Hofer for prototype validation and technology exchange

Customer-centric Approach

- Competitive pricing and system-level expertise
- Supplier of component kit provider and solutions partner

Product Innovation

- Introduced India's first locally manufactured EV transmissions
- Developed 5 EV driveline products
- Commissioned India's first high-speed dynamometer for MT, EV, and 4WD applications

Leveraging strengths for Sustainable success

Strategic Presence

- Plants are located close to key OEMs
- Ensures fast response times, lower logistics costs, and reduced supply disruptions

Future-ready R&D

- Built the foundation for advanced mobility solutions
- R&D spend stood at Rs. 136.53 million in FY 2024–25

Premium Manufacturing

- Supporting variable volumes and diverse drivetrain solutions
- Adaptable, high-precision infrastructure

Innovation Driven Growth

- Advanced engineering and manufacturing with lean operations
- Expanded into global markets like the US, China, Korea, and Russia

Integrated Operations

- Has robust systems
- Ensuring safety, quality, lean manufacturing, and on-time delivery supported by SAP ERP

Leveraging strengths for Sustainable success

Trusted Relationships

- Long-standing ties to OEMs like Tata, M&M, and global players like BorgWarner
- Continues to grow its customer base through a strong reputation and portfolio


Experienced Leadership

- Experienced Board and competent management team

Financial Strength

- Has Rs. 284.83 crore in cash with no debt

Thank You



PRODUCT LEADERSHIP
LIKE NO OTHER



Annexures

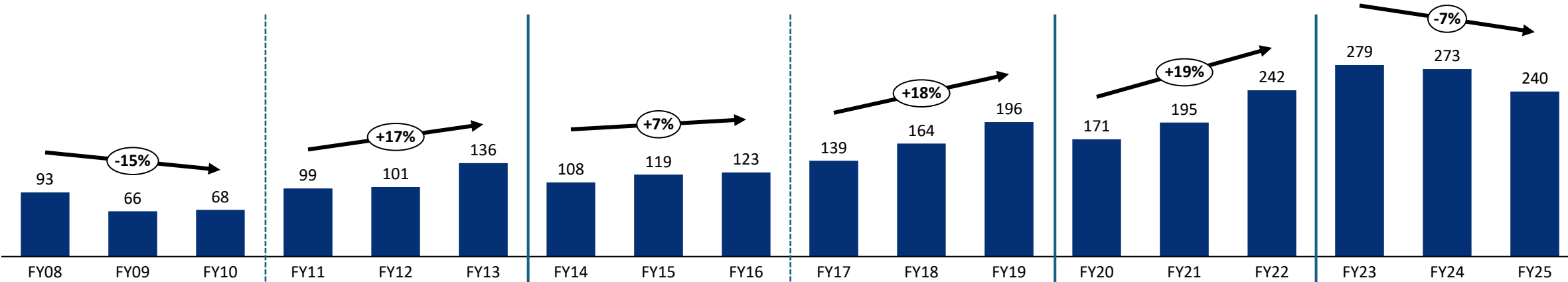
Growing Sustainably over the years

Global Financial Crisis

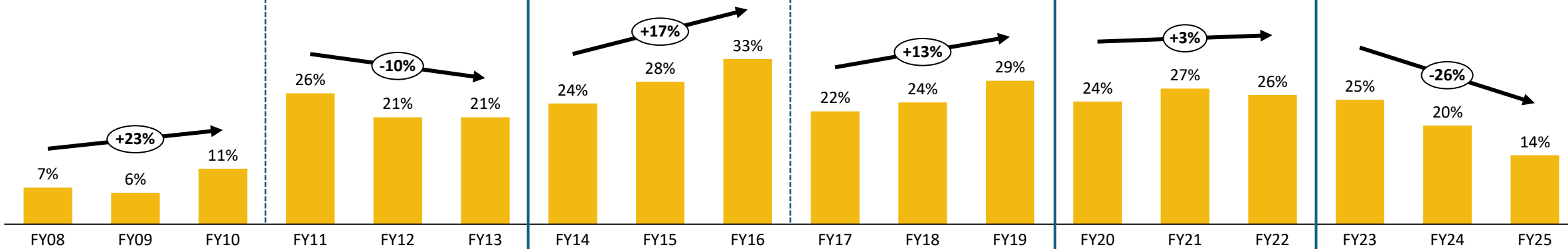
Acquired BorgWarner majority shareholding in the JV

COVID Russia - Ukraine war Uncertain geopolitics with China

Total Turnover
(Rs. In Crores)



PBT Margin (%)



Learnings for FY 08 to FY 13

- Product development and supply to Ford in Thailand
- Developed synchroniser business
- Renegotiated contracts with Tata, Mahindra and BorgWarner
- Improved our fixed cost management

Learnings for FY 14 to FY 18

- Takeover of Joint Venture with BorgWarner
- Renegotiated long term supply agreement
- New 4WD business for Mahindra
- Geographic diversification to China, Russia and Korea.

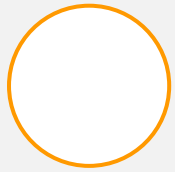
Learnings for FY 14 to FY 18

- Broadening of scope & product portfolio
- Manual Transmission
- Dual Clutch Transmission
- Automatic Transmission
- EV Transmission

Learnings for FY 23 to FY 25

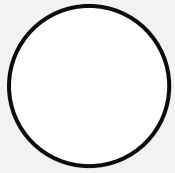
- Quoted Export RFQs worth more than Rs. 600 crores
- Expanded export contribution from ~1% in FY24 to ~6% in FY25

Leveraging first-mover advantage in EV drivetrain solutions, creating market-ready products across segments to capture India's fast-growing EV opportunity



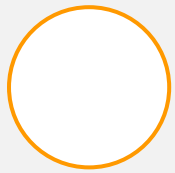
Sectoral Opportunity:

- EV transition marks the biggest disruption in over a century in the global auto industry
- India's 2030 EV target, even at moderate adoption, can translate into disproportionate revenue potential



Early Mover Advantage:

- Divgi-TTS established a first-mover position in EV drivetrain solutions
- Built internal capabilities ahead of large-scale domestic EV demand

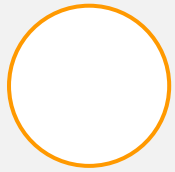


Established Credentials:

- Delivered an EV drivetrain solution to one of India's largest automotive companies in FY 2022-23
- Developed three EV drivetrain designs, including a localised gearbox filling a key market gap

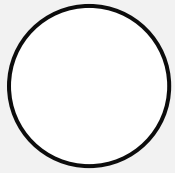
Divgi-TTS has built robust EV capabilities, positioning itself to deliver fast, scalable and cost-efficient drivetrain solutions as EV adoption accelerates in India and globally

Leveraging first-mover advantage in EV drivetrain solutions, creating market-ready products across segments to capture India's fast-growing EV opportunity



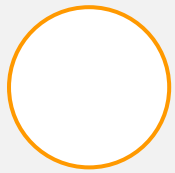
Global Engagements:

- In talks with a major Japanese group (USD 30 billion) to manufacture geared EV parts in India
- Shortlisted in top 3 of 15 to supply an entire geared set to one of America's largest OEMs



Product Readiness across Segments:

- Standardised designs across multiple EV segments enable fast delivery to customers
- Strengthens customer competitiveness by reducing lead times



Capital efficiency & Scalability:

- Uses the same equipment, talent and processes across EV programmes
- Leverages power of amortisation to enhance & speed up product development and improve capital efficiency

Divgi-TTS has built robust EV capabilities, positioning itself to deliver fast, scalable and cost-efficient drivetrain solutions as EV adoption accelerates in India and globally

6-Point Charter of Excellence



One, we continued to champion a spirit of technology-led innovation



Two, we deepened our product and application diversity



Three, we widened our customer and geographic diversity



Four, we continued to emphasise a spirit of manufacturing excellence



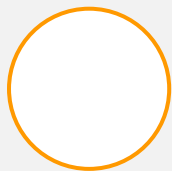
Five, we built our business around financial discipline



Six, we explored collaborative models around win-win propositions

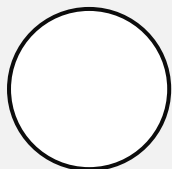
Objective is 'To create an unprecedented global automotive success story to come out of India!'

Entering 'next orbit', leveraging defence, EV and global opportunities to scale capacity, profitability, and stakeholder value



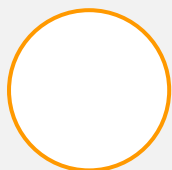
Sectoral Tailwinds:

- India's growing defence budget and rising mobility needs are creating higher demand for defence vehicles
- **Make in India** initiatives are accelerating a shift from imported to indigenous drivetrain solutions



Strong Financial & Operational Position:

- Absence of long-term debt has preserved an attractive credit rating
- Commissioned the third plant last year — India's largest dedicated to EV transmission systems



Shifting Global Trade Dynamics:

- Tariffs and protectionism are increasing, altering traditional global trade flows
- This environment calls for a new, adaptive approach to doing business compared to the last decade

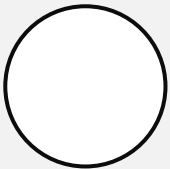
With sectoral tailwinds, debt-free balance sheet, new capacity, and a US entry strategy, Divgi-TTS is poised to rebound strongly and deliver its 'best ahead' performance

Entering 'next orbit', leveraging defence, EV and global opportunities to scale capacity, profitability, and stakeholder value



Strategic Global Expansion:

- Time to establish a manufacturing presence in the USA, addressing the world's largest automotive free market
- Marks a seminal moment of an Indian company extending proprietary advanced technology to the US market



Path to Growth & Efficiency:

- Plan to increase order book across customers, product segments, and geographies
- Higher capacity utilisation will enhance capital efficiency, profitable growth, and stakeholder value

With sectoral tailwinds, debt-free balance sheet, new capacity, and a US entry strategy, Divgi-TTS is poised to rebound strongly and deliver its 'best ahead' performance