ENGINEERED TO LEAD.

DRIVEN TO OUTPERFORM!

Building on the India-Manufacturing-Technology-Global value proposition to emerge as one of the fastest growing drivetrain solution companies in the world.

Divgi TorqTransfer Systems

Divgi TorqTransfer Systems Limited

Annual Report 2025-26

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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

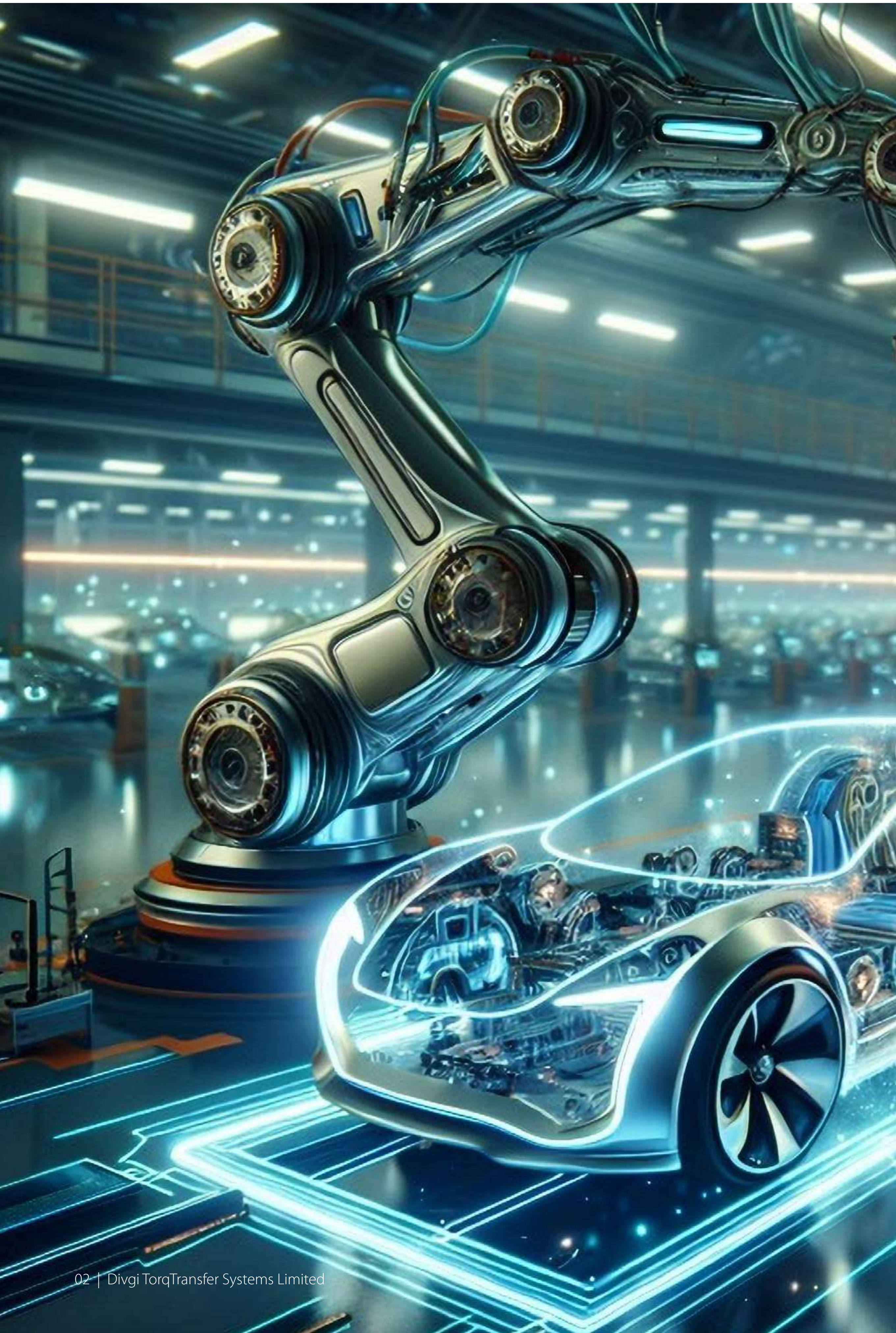
1. Divgi-TTS delivered a decisive recovery in FY 2025-26, translating years of investments in customer engagement, technology, manufacturing and capability-building into profitable growth and improved operating performance.

2. Divgi-TTS strengthened its position as a technology-led drivetrain company, advancing its capabilities across transfer cases, manual and automatic transmissions, EV drivetrains and software-enabled mobility solutions.

3. Divgi-TTS continued to curate global technologies and execute them with Indian competitiveness, creating differentiated drivetrain solutions that now combine engineering excellence, speed and cost efficiency.

4. Divgi-TTS expanded its global relevance through deeper OEM engagements, growing exports, international collaborations and strategic initiatives across North America, ASEAN and advanced transmission ecosystems.

5. Divgi-TTS is climbing into its next orbit of growth by combining drivetrain engineering, software intelligence and semiconductor-enabled mobility solutions, targeting ₹1,000 in crore revenues around FY 2029-30.



PART **ONE**

WHAT WE ARE AND WHAT WE DO

CORPORATE SNAPSHOT

DIVGI TORQ TRANSFER SYSTEMS LIMITED.

THE COMPANY IS AMONG THE WORLD'S SELECT TECHNOLOGICALLY ADVANCED DRIVETRAIN SOLUTION PROVIDERS, POSITIONING ITSELF AS A SPECIALISED DISRUPTOR IN A COMPLEX AUTOMOTIVE SPACE.

THE COMPANY HAS MAINTAINED A DEBT-FREE BALANCE SHEET, ENSURING RESILIENCE AND A READINESS FOR GROWTH ACROSS MARKET CYCLES.

THE COMPANY IS NOW FOCUSED ON THE DESIGN, DEVELOPMENT, CUSTOMISATION, AND PRODUCTION OF NEXT-GENERATION DRIVETRAIN SYSTEMS FOR LEADING AUTOMOTIVE BRANDS.

THE COMPANY HAS ALIGNED ITS CAPABILITIES WITH EVOLVING MOBILITY TRENDS, INCLUDING ELECTRIFICATION AND PERFORMANCE OPTIMISATION.

THE COMPANY HAS ESTABLISHED A DISTINCTIVE PRESENCE IN A NICHE SEGMENT, SERVING INDIAN AND GLOBAL MARKETS WITH PRECISION-ENGINEERED TRANSMISSION SOLUTIONS.

Our vision

To be recognized as a world class Indian brand in automotive drivetrain components and systems.

Our mission

To help our customers and our people continually innovate and excel in building world-class drivetrain components and systems.

Our values

Fostering mutual respect: Cultivating an environment of openness, trust, and dignity — where every individual is valued, and diversity is celebrated.

Collaborating with purpose: Balancing individual freedom with a collective commitment to building a resilient, mission-driven organization.

Pursuing excellence relentlessly: Encouraging innovation and efficiency, while acting with urgency to seize opportunities and overcome challenges.

Upholding integrity: Adhering to uncompromising ethical standards and taking full responsibility for our actions and decisions.

Empowering communities: Delivering outstanding value, generating meaningful employment, and contributing time and talent to uplift the communities we serve.

Our legacy of engineering partnerships and progress

Established in the early 1960s by Mr. Ramrao Divgi and Mr. Bhaskar Divgi, the Divgi Group laid the foundation for a journey defined by engineering excellence and strategic collaboration. In September 1995, the Group entered into a partnership with BorgWarner, leading to the formation of Divgi Warner.

In 2016, Divgi Metal Wares assumed full ownership of the joint venture, rebranding it as Divgi TorqTransfer Systems Limited. Since then, the Company has accelerated its technological evolution, developing a diverse portfolio of advanced transmission solutions, including transfer cases, manual transmissions, dual-clutch systems, and electric drivetrains - positioning itself at the forefront of next-generation mobility.

Our comprehensive range of products

The Company specialises in the design, development, and manufacturing of advanced drivetrain systems and components, catering to a wide range of vehicles including passenger cars, commercial vehicles, utility vehicles, and agricultural machinery. Its diversified product portfolio includes 4WD transfer cases, all wheel drive torque coupler synchroniser systems, automatic locking hubs, electric vehicle transmissions, and manual as well as automatic transmission systems. In addition, the Company manufactures critical components that enhance the performance, efficiency, and reliability of drivetrain and transmission systems.

Our strategy anchored in technology and partnerships

The Company has strengthened its technological capabilities by leveraging a two-decade-long partnership with BorgWarner, a global Tier 1 automotive supplier. Through this collaboration, the Company undertook the design, development, and manufacturing of 4WD/AWD systems under a technology licensing arrangement.

Building on this strong foundation, the Company has independently expanded its product portfolio by:

- Developing advanced transmission systems tailored for electric vehicles (EVs)
- Partnering Hofer Powertrain, Germany, to develop next-generation dual-clutch automatic transmission technologies
- Engineering sophisticated 5 and 6-speed manual transmission systems for global applications, alongside the production of advanced synchroniser technologies

Our diversified and enduring customer base

The Company serves a diverse customer portfolio across domestic and international markets, supported by long-standing relationships with leading automotive OEMs such as Tata Motors and Mahindra & Mahindra, as well as global Tier-1 suppliers including BorgWarner. Some of these partnerships span over two decades, rooted in the earlier joint venture and sustained through consistent performance and trust. By collaborating with global OEMs from the early stages of design and development, the Company ensures a close alignment with customer requirements, enabling the delivery of tailored and high-performance solutions.

Our expanding presence

In recent years, Divgi-TTS has steadily expanded its international footprint. Over the past three years, around 81.40% of its revenue was generated from the domestic market, reflecting our strong position in India. Meanwhile, nearly 18.60% of its revenue was derived from exports, reflecting its ability to serve technology-focused customers across the international markets.

Our footprint

Divgi-TTS is headquartered in Pune and operates four manufacturing facilities - two in Pune, one in Shirwal (Satara District), and one in Sirsi, Karnataka.

Our strategic collaborations

The Company has established strategic partnerships with premier engineering institutions such as Indian Institute of Technology Bombay, College of Engineering Pune, and Birla Institute of Technology and Science to deepen its knowledge base and strengthen its talent pipeline. These collaborations have enabled the Company to attract qualified engineers, including postgraduates and M.Tech professionals. The Company has partnered specialised engineering agencies in Stuttgart and Aachen, globally recognised hubs for dual-clutch transmission technology, enhancing its technological capabilities and innovation depth.

Our accreditations

The Company has secured multiple certifications, reflecting its commitment to environmental sustainability, quality excellence, and employee safety. Notably, it holds:

ISO 14001:2015: Certification for Environmental Management Systems, affirming its commitment to eco-friendly practices.

ISO 45001:2018: Certification for Occupational Health & Safety Systems, emphasizing its focus on employee well-being.

IATF 16949:2016: Certification for Quality Management Systems, recognizing its adherence to rigorous quality standards.

Our leading technology partners

The Company collaborates with globally respected technology partners to strengthen its engineering capabilities and remain at the forefront of powertrain innovation.

Hofer Powertrain brings over four decades of expertise in electrification, hybrid, and internal combustion systems, supporting OEMs worldwide.

FEV Group, established in 1978, is a leader in gasoline, diesel, and hybrid powertrain development, and operates one of the world's largest high-voltage battery testing facilities.

BorgWarner manufactures critical systems across internal combustion, hybrid, and electric vehicle platforms, serving a wide range of global applications from its headquarters in Michigan.

Recognition and honors

2008

- Innovation Award for ECU development by BorgWarner
- The BorgWarner Chairman's Operational Excellence Award by BorgWarner Production System

2017

- 1st runner up at the National HR Competition Circle organized by Confederation of Indian Industry
- Zero Defect Supplies Award by Toyota Kirloskar Auto Parts

2019

- Toyota's Quality Circle Competition Award by Toyota Kirloskar Suppliers Association
- First prize at the National HR Circle Competition organized by Confederation of Indian Industry

2015

- Best Eco Kaizen Award awarded by Toyota Kirloskar Motor

2018

- Toyota Quality Award by Toyota Kirloskar Auto Parts
- First prize at the National HR Circle Competition organized by Confederation of Indian Industry

2020

- Zero Defect Supplies Award by Toyota Kirloskar Auto Parts
- Toyota Delivery Award by Toyota Kirloskar Auto Parts
- Toyota Quality Award by Toyota Kirloskar Auto Parts

Prominent customers

BorgWarner

A leading global automotive supplier with an extensive network of manufacturing and technical centres, recognised for strengthening its market position through strategic acquisitions and integrations.

Mahindra

Established in 1945, it is among India's largest vehicle manufacturers and a flagship company of the Mahindra Group, consistently ranked among the top corporates in the country.

MG

A British-origin automotive brand owned by SAIC Motor, combining UK design heritage with manufacturing capabilities across China, Thailand, and India.

Tata Motors

India's largest automobile manufacturer and a key part of the Tata Group, offering a broad portfolio of vehicles with a presence in over 175 countries.

Toyota Kirloskar

A joint venture between Toyota Motor Corporation and the Kirloskar Group, known for producing high-quality vehicles and transmission systems in India.

JCB

A leading manufacturer of earthmoving and construction equipment in India, and a wholly owned subsidiary of UK-based J.C. Bamford Excavators.

Ashok Leyland

Headquartered in Chennai, it is India's second-largest commercial vehicle manufacturer and a global leader in buses and trucks.

Force Motors

A Pune-based automotive company from the Dr. Abhay Firodia Group, specialising in reliable transport solutions for both goods and passenger mobility.

2021

- Special Appreciation Award by Mahindra for transfer case for Thar
- Outstanding Development for Gears and Synchronizers' certificate by Force Motors
- Zero Defect Supplies Award by Toyota Kirloskar Auto Parts
- Supplier of the Year Award by Toyota Kirloskar Auto Parts

2022

- Toyota Best Supplier Award
- First prize at the National HR Circle Competition organized by Confederation of Indian Industry

2023

- Mahindra Powertrain Proprietary Commodity Award
- Toyota – Delivery Award

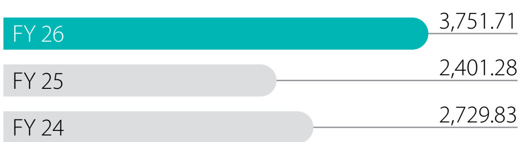
2024

- Mahindra Supplier Excellence Award- Special Appreciation Award for ScorpioN

2025

- Mahindra Powertrain Proprietary Commodity Award

HOW WE PERFORMED OVER THE YEARS



Revenues (₹ million)

Definition

Growth in sales net of taxes.

Why this is measured

It is an index that showcases the Company's ability to maximize revenues, which provides a basis against which the Company's performance can be compared with sectoral peers.

What this means

Aggregate sales increased 56% during the year under review.

Value impact

The Company's revenue from operations for FY 2025–26 stood at ₹352.89 crore, reflecting a 61% change over FY 2024–25. Over the last few years, revenue declined from ₹2,729.8 miilion in FY 2023–24 to ₹2,401.3 million in FY 2024–25, followed by a movement to ₹3,751.2 million in FY 2025–26, indicating shifts in demand conditions and pricing dynamics.

EBITDA (₹ million)

Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why this is measured

It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers

What this means

Helps create a robust surplus-generating engine that facilitates reinvestment.

Value impact

The Company's EBITDA for FY 2025–26 stood at ₹922.96 million, reflecting a 58% change over FY 2024–25. Over the last few years, EBITDA declined from ₹725.8 million in FY 2023–24 to ₹585.7 million in FY 2024–25, followed by a movement to ₹922.96 million in FY 2025–26, indicating changes in operating performance and cost dynamics.

Net profit (₹ million)

Definition

Profit earned during the year after deducting all expenses and provisions.

Why is this measured?

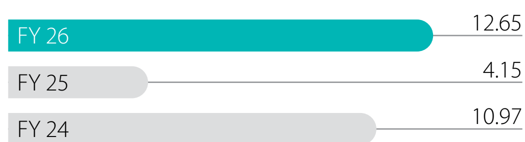
It highlights the strength of the business model in generating value for shareholders.

What does it mean?

Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain momentum.

Value impact

The Company's net profit for FY 2025–26 stood at ₹469.26 million, reflecting a 92% change over FY 2024–25. Over the last few years, net profit declined from ₹397.4 million in FY 2023–24 to ₹243.9 million in FY 2024–25, followed by a movement to ₹469.26 million in FY 2025–26, indicating shifts in overall profitability and cost structure.



Return on Invested Capital (%)

Definition

Return on Invested Capital (ROIC) measures how efficiently a company generates profit from the capital invested in its business.

Why this is measured

ROIC is measured to assess how effectively a company uses its capital to generate returns and create shareholder value.

What this means

ROIC shows how effectively the Company uses capital to generate profit.

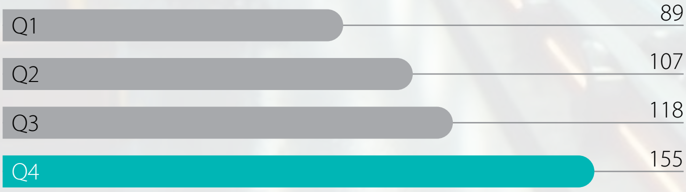
Value impact

The Company's ROIC for FY 2025–26 stood at 12.65%, reflecting a 850bps increase over FY 2024–25. Over the last few years, ROIC declined from 10.97% in FY 2023–24 to 4.15% in FY 2024–25, followed by a movement to 12.65% in FY 2025–26, indicating changes in profitability and capital utilisation efficiency.

OUR GROWTH STORY ACROSS THE FOUR QUARTERS OF FY 2025-26.

Revenues (₹ million)

EBITDA (₹ million)



Profit After Tax (₹ million)

OUR GLOBAL PRESENCE

Revenues break-up

Year	Export %	Domestic %
FY23	5	95
FY24	1	99
FY25	6	94
FY26	18	82

Our sales footprint

- US
- Mexico
- UK
- Germany
- Sweden
- Thiland
- India
- South Korea
- China

OUR MILESTONE

EVOLUTION OF THE DIVGI-TTS JOURNEY

1942

Meeran Trading, Bombay – The foundation was laid when R.N. Divgi partnered with C.H. Khizar Mohammad & Co. of Madras, marking the Group's early entry into trading.

1957

Kraft Tools Pvt. Ltd., Harihar (Mysore State) – The Group commenced manufacturing operations, producing components, gears, and powertrain systems.

1964

Divgi Metal Wares Pvt. Ltd., Pune, Maharashtra – Expanded manufacturing capabilities with a focus on metalware components, gears, and advanced powertrain solutions.

1995

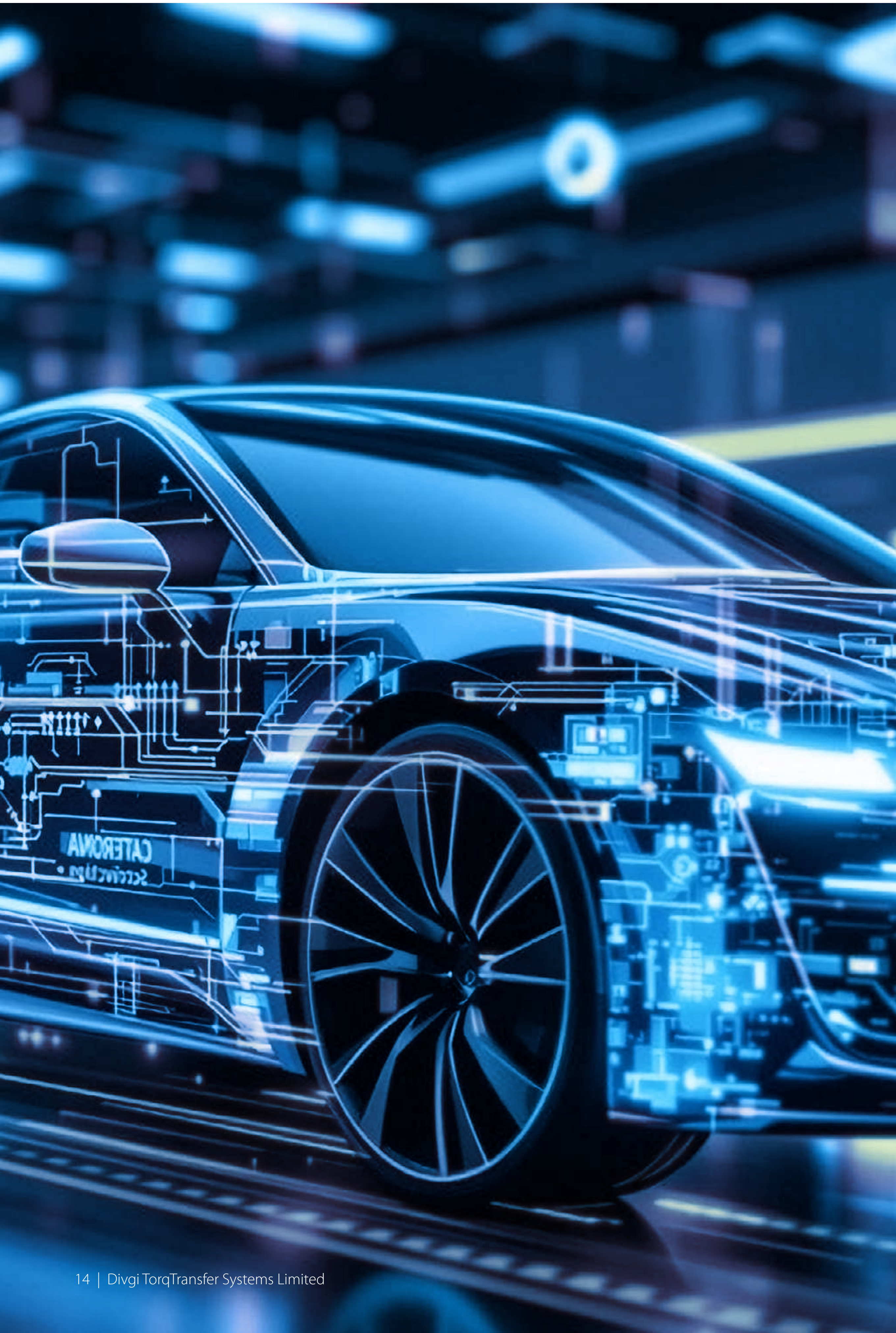
Divgi Warner – Entered into a joint venture with BorgWarner to manufacture technology-driven products for the SAARC region.

2016

Divgi TorqTransfer Systems – Acquired BorgWarner's stake in the joint venture, transitioned to a technology-independent model, and rebranded as Divgi TorqTransfer Systems Limited (Divgi-TTS).

2023

Divgi-TTS went public, achieving listings on the Bombay Stock Exchange and the National Stock Exchange of India.



PART TWO

SILICON SOVEREIGNTY

WHEN SIXTY YEARS OF GEAR-MAKING MEETS THE INTELLIGENCE AGE

For more than a century, the drivetrain constituents were of metal, geometry and lubrication. Performance was measured by the precision of gears, the efficiency of torque transfer and the durability of mechanical systems. Intelligence resided largely with the driver.

That paradigm is ending.

The machines that move the world are increasingly being defined not only by what they are made of, but by what they 'think'.

For six decades, Divgi-TTS mastered that contract. Its synchronisers powered India's early mobility platforms. Its transfer cases enabled demanding all - wheel-drive applications. Its driveline systems evolved alongside global automotive engineering standards.

The vocabulary of automative industry was load, lash, lubrication and precision.

That vocabulary is not being replaced.

It is being extended by a second language - one that speaks in silicon, embedded software, power electronics and real-time intelligence.

The drivetrain of the next decade will not simply transfer power from motor to wheel. It will continuously sense, analyse, predict and respond. It will detect changing road conditions before the driver reacts, distribute torque across axles in milliseconds, optimise energy utilisation, predict component wear before failures emerge and coordinate seamlessly with battery-management and vehicle-control systems.

The gear remains. But the gear now takes instructions.

Every great drivetrain has always contained an implicit logic. The next generation will make that logic explicit - intelligent, connected and increasingly software-defined.

This is not incremental improvement. It is a structural transformation.

Vehicles are becoming software-defined machines. The transmission, torque split, shift decision and power delivery are increasingly governed by algorithms, microcontrollers and embedded software rather than mechanical linkages alone. Precision engineering remains the backbone, but electronics and software increasingly determines what that backbone does, when it does it and how effectively it performs.

Tomorrow's drivetrain will not simply transfer power.

It will continuously sense, analyse, predict and respond - in real time, at scale and with functional-safety-grade reliability.

THE EMERGING TECHNOLOGY STACK

Six forces reshaping the drivetrain

The convergence of mechanics, electronics and software is creating an entirely new drivetrain architecture.

1. Intelligent AWD systems

Sensor fusion and predictive algorithms dynamically optimise torque distribution.

2. Electronic torque vectoring

Software-driven lateral dynamics management operating in milliseconds.

3. EV transmission platforms

High-speed reduction systems optimised for electric motor characteristics.

4. High-speed motor control

Power electronics and embedded controllers operating at unprecedented speeds and precision.

5. Shift-by-wire architectures

Mechanical linkages replaced by electronic signals and software commands.

6. Functional safety (ISO 26262)

ASIL-rated architectures requiring deep integration of hardware and software design.

The drivetrain of yesterday versus tomorrow

Yesterday	Tomorrow
Mechanical linkages	Shift-by-wire
Fixed torque distribution	Intelligent AWD
Hardware decisions	Software decisions
Steel and metallurgy	Silicon and software
Reactive systems	Predictive systems
Component-centric	System-centric

THE ARCHITECTURE OF TOMORROW

Where three disciplines become one

Historically, automotive value creation was concentrated in mechanical engineering. Tomorrow's competitive drivetrain combines three domains into a single integrated architecture:

1. Precision mechanics

- Gears
- Synchronisers
- Transfer cases
- Driveline systems

2. Embedded electronics

- MCUs and TCUs
- Power electronics
- Sensors
- Vehicle networks

3. Intelligent software

- Control logic
- Motor control
- OTA capability
- Predictive algorithms

The competitive unit of the future will not be an individual component. It will be the integrated drivetrain system.

WHAT THE NEW TECHNOLOGY MEANS FOR DIVGI-TTS

Engineering excellence, now with a silicon dimension

The silicon transformation does not require Divgi-TTS to become a semiconductor company.

It creates an opportunity to become something potentially more valuable: a company that understands both sides of the drivetrain frontier with engineering depth.

For over six decades, Divgi-TTS built its expertise in precision mechanical systems - synchronisers, transfer cases, AWD solutions, manual transmissions and EV driveline technologies-that meet demanding global standards.

That foundation is not being replaced.

It is being extended.

As drivetrain architectures become increasingly software-enabled, the convergence of transmission engineering and intelligent electronics creates a strategic frontier that Divgi-TTS is uniquely positioned to address.

The opportunity is not merely to supply mechanical components into intelligent systems designed elsewhere.

The opportunity is to participate in designing and localising the intelligence that governs the systems we already build.

That represents a different level of engineering ownership, a different value proposition and a fundamentally different conversation with global OEMs.

Divgi-TTS: The convergence opportunity

Our mechanical heritage

- Synchronisers
- Transfer cases
- AWD systems
- Manual and EV driveline solutions

Intelligence layer

- Transmission control units
- Torque management controllers
- Motor control software
- Shift-by-wire systems
- Functional safety architectures

Future value creation

- Software-defined driveline systems
- Enhanced vehicle integration
- Reduced electronics dependence
- Higher value addition
- Global competitiveness

Strategic opportunities

Indigenous transmission control units (TCUs): As vehicle transmissions become increasingly software-driven, locally developed TCUs can deliver a greater control over shift logic, torque delivery and drivetrain performance while reducing their dependence on imported control systems.

Localised drivetrain and torquemanagement controllers: Advanced controllers capable of managing torque distribution, traction and vehicle dynamics can help OEMs optimise performance for Indian driving conditions while enhancing localisation across the value chain.

Intelligent AWD and torque vectoring systems: The next generation of all-wheel-drive systems will rely on predictive algorithms and real-time sensor inputs to dynamically distribute torque, improving stability, safety and driving efficiency.

Shift-by-wire and motor-control software development: Replacing mechanical linkages with electronic control systems creates opportunities to develop proprietary software that enhances responsiveness, packaging flexibility and overall vehicle performance.

Software-defined driveline architectures: Future driveline systems will increasingly be governed by software, enabling continuous performance optimisation, feature upgrades and seamless integration with connected vehicle ecosystems.

Enhanced vehicle-system integration: Closer integration between the drivetrain, battery management, power electronics and vehicle-control systems can improve efficiency, responsiveness and overall system intelligence, creating greater value for OEM customers.

Greater supply-chain resilience for OEM customers: A more localised ecosystem for critical control electronics can reduce exposure to global supply disruptions, shorten lead times and strengthen business continuity for automotive manufacturers.

Reduced dependence on imported electronics: Increasing domestic capability in drivetrain intelligence and control systems can lower reliance on imported electronic modules, supporting localisation objectives while enhancing long-term strategic self-reliance.

PART THREE

OUR MANAGEMENT'S VIEWS ON POSITIONING, PERFORMANCE, AND PROSPECTS


85%
Battery Packs
Battery
Management
System
Electric Cable
EV

THE CHAIRMAN'S PERSPECTIVE

BEYOND BORDERS.

THE CHAIRMAN ON DIVGI-TTS' JOURNEY FROM AN INDIAN CHAMPION TO A GLOBAL PLAYER

Overview

There is a particular kind of pride that comes not from arriving, but from setting out. Last year, at Divgi-TTS, we set out.

The biggest message we wish to leave with our stakeholder from FY 2025-26 is the internationalisation of our operations - the moment our Company moved decisively from being just a competitive Indian supplier of drivetrain solutions to becoming a global one.

It is a message we offer not with the caution of a forecast, but with the confidence of something already in motion.

A decade in the making

This internationalisation at our company did not happen overnight. Over the last decade, Divgi-TTS quietly built the competitiveness that this moment demanded - technology, discipline and trust, earned in equal measure through our long-standing association with BorgWarner, a giant of the international drivetrain industry.

That partnership gave us more than know-how; it gave us a benchmark, and we built ourselves against it, patiently and without shortcuts. Through the years that followed, we carried our drivetrain solutions into markets as varied and as demanding as China, the United States, Russia and Indonesia, graduating steadily from supplying components to delivering complete assemblies. Each of those engagements was a rehearsal for what was to come, and each taught us something about earning trust in markets that owed us nothing.

The United States subsidiary

What came, last year, was the establishment of our subsidiary in the United States - the largest, most sophisticated and most unforgiving automotive market in the world. I say this without exaggeration: this was not a routine corporate formality. It was a declaration of intent. And it was the beginning, not the whole, of Divgi-TTS' long-term global expansion journey.

To carry a complex engineered product, built on Indian shop floors, into the market that sets the global benchmark for automotive quality and scale, is as demanding an undertaking as our Company has ever attempted - and we say this with the full knowledge of just how demanding it will continue to be.

Why internationalisation makes sense now

It would be reasonable to ask why now, and why us.

The answer lies in how far the Indian auto component industry has travelled over the past decade - in technology, in process perfection, in cost competitiveness and in quality. We are not yet at the absolute frontier of automotive engineering, and we will not pretend otherwise. But the gap has narrowed, and in full public view.

When the United States imposed steep tariffs of up to 100% on automotive imports under President Trump, Indian component manufacturers, Divgi-TTS included, did not retreat. We held our ground, protected our relationships, and continued to compete.

That those tariffs have since eased is welcome; but the truer validation came from how we conducted ourselves while they stood.

It told the world, and it told us, that Indian suppliers now belong in the conversation that matters most in global automotive supply chains, not as low-cost alternatives but as trusted, capable partners.

When the United States imposed steep tariffs of up to 100% on automotive imports under President Trump, Indian component manufacturers, Divgi-TTS included, did not retreat. We held our ground, protected our relationships, and continued to compete.

Growing recognition from global customers

The response since has been gratifying. Our United States subsidiary has already begun drawing the attention of local OEMs, Tier-1 suppliers and state-level government administrations - the very ecosystem a serious global player must be part of.

We are being approached, both directly and through Tier-1 partners, by American, European and Japanese OEMs alike. This is not a coincidence of timing; it is the natural consequence of Indian component makers having earned a seat at tables they were once merely observing. Divgi-TTS intends to make the most of this moment, and of the reputation our country's industry has built.

Today, Indian suppliers occupy a genuinely important place within the American automotive ecosystem, serving Tier-1 companies and OEMs alike, and we mean to build our own standing firmly within that reality rather than at its margins.

Purpose, people and process

None of these changes what has always made Divgi-TTS what it is.

Our strategic priorities remain purpose, people and process - in that order, and in equal measure.

We know that a global manufacturer of automotive components must serve passenger vehicles and commercial vehicles as readily as it serves the off-road segment of tractors and construction equipment, and that larger ambition - to be recognised across vehicle categories, not confined to one - will guide us as we grow.

We know our people - a young, capable and committed team - are our most durable advantage, more valuable in the long run than any single technology or contract; it is this team, more than any subsidiary or agreement, that will carry us through the harder years of this journey. And we know that standardisation, faster decision-making and a intolerance for procrastination must now become a part of how we operate every day, not aspirations we return to occasionally.

The discipline internationalisation demands

As components manufactured in India begin travelling to the United States for assembly, supply

Internationalisation, for us, is no longer an aspiration spoken of in board rooms. It is underway. And I look forward, with genuine confidence, to walking this road with all of you - from the modest first steps of this year to the sustained global growth that I am certain lies ahead for Divgi-TTS.

chain planning will stop being an operational footnote and become a strategic capability in its own right - governing our transit inventory, our buffer stocks, and ultimately, our working capital discipline. There is real work still ahead of us here: on capital efficiency, on the utilisation of our plant and machinery, and on continuing to sharpen our overall cost competitiveness even as we globalise.

Higher capacity utilisation, as volumes rise, should in time bring us the familiar benefits of scale - stronger bargaining power with suppliers, better price negotiations, and a firmer control across our supply chain - but we do not wish to overstate where we stand today. A meaningful scope for improvement remains, on both our fixed assets and our working capital, and closing that gap will occupy a good deal of our attention in the year ahead.

A modest beginning, a long journey

Our global take-off begins this year, and it will begin modestly. This is a long journey, not a single leap, and FY 2025-26 marks the laying of a foundation rather than the completion of an ambition. We would rather set that expectation plainly now than allow enthusiasm to outrun reality later. What matters is that the foundation itself is real - a functioning subsidiary, genuine customer interest, and the early trust of an ecosystem we are only just beginning to understand.

Looking ahead

But foundations, laid well, carry everything that is built upon them. Divgi-TTS today stands at the start of a journey that few Indian component companies of our size have attempted, armed with a decade of hard-earned competitiveness, a young driven team, and now, a foothold in the world's most demanding automotive market.

Internationalisation, for us, is no longer an aspiration spoken of in Board rooms. It is underway. I look forward, with confidence, to walking this road with - from the modest first steps of last year to the sustained global growth that I am certain lies ahead.

Praveen Kadle
Chairman

MANAGING DIRECTOR'S PERSPECTIVE

OUR ASPIRATION: TO TAKE DIVGI-TTS INTO THE NEXT ORBIT.

AS A GLOBALLY RESPECTED INDIAN DRIVETRAIN AND TRANSMISSION ENGINEERING COMPANY COMBINING WORLD-CLASS CAPABILITY WITH INDIAN EXECUTION COMPETITIVENESS.

Overview

There are years when a business progresses incrementally and then there are years when a business rediscovers its stride, validates its convictions and announces - quietly but decisively - that it has entered a different phase of its journey.

FY 2025-26 was such a year for Divgi-TTS.

After navigating nearly two years of sectoral sluggishness and muted automotive demand, the Company reported a decisive recovery in its performance. What makes this recovery especially satisfying is that it did not emerge from opportunism or short-term tailwinds; it emerged from patience, preparation and persistence.

In last year's Annual Report, we had indicated the possibility of a revival even though the prevailing automotive environment continued to remain subdued. That confidence was derived from the belief that the investments undertaken by the Company over the previous years - in technology, product development, manufacturing capability, customer engagement and organisational depth - would begin to translate into visible outcomes once demand conditions normalised.

Performance, FY26

I am pleased to state that this thesis stood validated during the year under review.

The Company reported revenues of ₹375.2 crore in FY 2025-26 compared with ₹240.1 crore in the previous financial year. More importantly, this was not a recovery powered by one-off gains or temporary operating advantages. It represented the early monetisation of investments whose benefits had remained latent during the downturn.

The improvement in profitability was even more encouraging.

EBITDA increased from ₹58.6 crore in FY 2024-25 to ₹92.3 crore in FY 2025-26, while EBITDA margin remained solidly stable, including up from 24.4% to 24.6%. As volumes improved, the business demonstrated the inherent operating leverage embedded within its model. Fixed costs, depreciation and infrastructure investments that had appeared disproportionately heavy during the downturn suddenly began appearing what they truly were - investments made slightly ahead of growth.

The final quarter of the financial year offered an especially revealing glimpse into the Company's earnings potential. Accounting for 30% of annual revenues, the quarter delivered an EBITDA margin of 24.4%, indicating what the business can achieve when scale, utilisation and customer momentum begin operating in alignment.

What is particularly heartening is that this was profitable growth.

Revenues increased by 56%; EBITDA increased by 58%; and profit after tax increased by 92%. In an environment where growth is often purchased at the expense of profitability, the Company demonstrated that disciplined growth remains the superior path to enduring value creation.

Important story

But beyond the numbers lies a more important story.

The year under review validated the resilience of the institution itself. Divgi-TTS negotiated an extended industry slowdown without compromising Balance Sheet quality, strategic continuity or institutional confidence. The Company neither diluted its long-term vision nor pursued growth at the expense of prudence. When the sector revived, it responded with agility and strength.

In cyclical industries, character is often revealed less during good years and more during difficult ones. We believe the recovery of FY 2025-26 reflected the strength of the Company's character as much as the strength of its business model.

Return on Capital Employed - perhaps the most faithful indicator of institutional quality - improved from 5.60% in FY 2024-25 to 9.90% in FY 2025-26. When adjusted for the Company's cash surplus of ₹263 crore and the treasury income generated therefrom, the underlying operating RoCE stood at 12.7%, compared with 4.2% in the previous financial year.

Quality of business

At Divgi-TTS, we have never believed that the quality of a business can be measured by revenue growth alone.

Scale can be purchased. Valuations can fluctuate. Cycles can temporarily flatter performance. But the enduring quality of a business is reflected in more fundamental attributes - the efficiency with which it deploys capital, the discipline with which it manages growth, the integrity of its balance sheet and the resilience with which it withstands adversity.

Viewed through that lens, FY 2025-26 was an especially satisfying year.

The recovery in performance was accompanied by a visible strengthening in business quality metrics.

Return on Capital Employed - perhaps the most faithful indicator of institutional quality - improved from 5.60% in FY 2024-25 to 9.90% in FY 2025-26. When adjusted for the Company's cash surplus of ₹263 crore and the treasury income generated therefrom, the underlying operating RoCE stood at 12.7%, compared with 4.2% in the previous financial year.

This distinction is important because it reflects the true earning power of the operating business, independent of surplus liquidity.

The Company ended the year with cash reserves of ₹295 crore and no long-term debt. In an uncertain world, Balance Sheet strength is not merely a financial metric; it is strategic insurance. It provides resilience during downturns, confidence during volatility and the flexibility to invest decisively when opportunities emerge.

There was a credibility around the discipline with which our growth was managed.

Working capital stood at 68 days of turnover equivalent during FY 2025-26 compared with 96 days in the previous year, while receivables stood at 70 days compared with 99 days in FY 2024-25. These numbers may appear operational in nature, but they reflect something deeper - a culture that recognises that quality growth is not merely about selling more, but about growing responsibly.

Building an international company

At Divgi-TTS, we have consistently aspired to build not just an Indian company with exports, but a genuinely global engineering enterprise with a diversified market relevance.

Over time, our aspiration is to create a balanced revenue architecture where nearly half the Company's revenues originate from India and the remainder from the international markets. Such diversification is expected to moderate our concentration risks, smoothen cyclicality and strengthen our business sustainability across geographies and economic environments.

This direction became increasingly visible during the year under review.

Exports increased by 619% (6.2x) from approximately ₹10.80 crore to approximately ₹66.90 crore, while exports as a proportion of revenues increased from approximately 6% to 18%. For us, exports do not merely represent an additional revenue stream. They represent technological acceptance, manufacturing credibility and global competitiveness.

We believe that FY 2025-26 may eventually be remembered as a defining transition year in the evolution of Divgi-TTS - the year in which the Company began moving from recovery to relevance, from resilience to momentum and from domestic respectability to emerging global recognition.

The journey ahead remains demanding. But the foundations now appear stronger, the direction clearer and the possibilities considerably larger than they did a few years ago.

6-point charter of excellence

At Divgi-TTS, we rebounded with speed during the year under review on account of our six-point strategic charter.

This charter made it possible for the company to revert with speed to superior profitability at the first revenue upturn.

This charter comprised the following features:

- Technology-led innovation.
- Product and application diversity.
- Customer and geographic diversity.
- Spirit of manufacturing excellence.
- Sustained financial discipline.
- Collaborative win-win model.

Exports increased by 619% (6.2x) from approximately ₹10.80 crore to approximately ₹66.90 crore, while exports as a proportion of revenues increased from approximately 6% to 18%. For us, exports are not merely an additional revenue stream. They represent technological acceptance, manufacturing credibility and global competitiveness.

Drawing on this charter, we resolved to not merely live for the day or report higher profits for the quarter; our objective was simple: *'To create an unprecedented global automotive success story to come out of India!'*

This commitment to technology-led manufacturing excellence represents the DNA of our company. This DNA was derived from our two-decade apprenticeship with BorgWarner, a specialized global corporation in our space of drivetrain solutions. I use the word 'apprenticeship' deliberately because the engagement started as just that. However, as the engagement progressed, there was a subtle change: we did not just do as we were told; we began to question, we began to counter-suggest, we began to extend 'beyond our brief'; we began to be seen as a worthy protege.

It has been exactly ten years since we went our own way in a technologically complex space and here we are: we are curating complete and complex transmission products at a cost lower than the global average.

We have not merely developed products; we have disrupted the industry landscape.

Our evolution

These are some of the things that today's Divgi-TTS is evolving into: global, solutions-driven, technology-led and a driveline systems brand.

The company intends to scale globally across all four verticals.

Traditional four-wheel drive business: This requires expertise in gear geometry, metallurgical optimisation, NVH refinement, lubrication behaviour and thermal management across demanding operating cycles. Given the strategic nature of drivetrain systems, OEMs increasingly value suppliers capable of combining design ownership, validation capability, testing infrastructure and programme execution reliability.

Manual transmission and synchronizer business: Success in this segment depends on the ability to engineer highly reliable synchronizer systems capable of delivering smooth gear engagement across diverse driving conditions while withstanding millions of shift cycles over the vehicle lifetime. The business requires advanced competence in tribology, friction-material behaviour, metallurgy and machining precision. The segment demands co-development capabilities with OEMs as transmissions are increasingly engineered around vehicle-specific performance expectations, fuel-efficiency targets and cost structures.

EV transmission business: The EV transmission business represents a convergence of mechanical engineering, electronics integration and next-generation mobility architecture. Unlike conventional drivetrains, EV transmission systems must address the unique demands of instant torque delivery, high rotational speeds, compact packaging and superior energy efficiency. Success requires an expertise in lightweight transmission design, high-speed gear engineering, NVH suppression and thermal optimisation.

Automatic transmission technology: Automatic transmission technology represents one of the most sophisticated domains within automotive powertrain engineering. Success in this business depends on the ability to integrate complex mechanical systems, hydraulic controls, electronic intelligence and software calibration into a seamless drivetrain experience.

At Divgi-TTS, we responded with continuous and scheduled technology-led innovation – not as in 'We will see when we can introduce something new' to 'By such-and-such month we will introduce a customised technology complex system'.

At our company we deepened our reputation around the capacity to address specific customer problems around metallurgy, engineering, efficiency and cost – and in doing so, curate unique and distinctively engineered products.

We showcased world-class execution that comprised engineering, prototype quality, project management, testing, manufacturing execution and systems integration.

The company now possesses tangible proof points (reflected in the successful rollout of complex customised products for different terrains and customers), technological achievements (manifested in product development speed and cost benchmarks), repeat global engagements (reflected in a superior price-value proposition)

Divgi-TTS deepened our reputation around the capacity to address specific customer problems around metallurgy, engineering, efficiency and cost – and in doing so, curate unique and distinctively engineered products.

and deepening customer trust (accounting for a large customer wallet share).

The result is we have developed a complete solution for prominent vehicle models like the Mahindra Scorpio, Tata Sierra, Thar, Thar Roxx potential products, XUV700, Tata pickup trucks and Mahindra pickups.

When we had communicated this capability in our previous annual reports, some of the feedback that I got was that perhaps this was marketing rhetoric. I am pleased to state that during the last financial year, our claims have been validated by achievements.

Building the next orbit of growth

In the automotive industry, strong order visibility can sometimes create the illusion that one's future growth is secure. However, long-term relevance in drivetrain engineering depends not merely on executing existing orders, but in continuously investing in future technologies, strategic relationships and emerging market opportunities before they become commercially mainstream.

Divgi-TTS recognises this distinction.

Even as the Company remained focused on executing a growing order book across driveline systems, transmissions and vehicle programmes, it continued to invest significant time and organisational energy into business development initiatives that may shape the Company's positioning.

These initiatives extended across automatic transmission technology, global localisation opportunities, advanced research partnerships, international market development and next-generation engineering capabilities. They reflected: execution sustains the present, but technology and business development secure the future.

Silicon sovereignty and software-defined drivetrains

One of the most significant developments shaping the future of mobility is the emergence of India's domestic semiconductor ecosystem. As vehicles become increasingly software-defined, drivetrain systems are evolving from purely mechanical assemblies into intelligent platforms powered by microcontrollers, power electronics and embedded software.

For Divgi-TTS, this presents a compelling opportunity. By combining our expertise in transmission systems, AWD technologies and torque-management solutions with increasingly localised control architectures, we are positioned to strengthen our supply-chain resilience, accelerate localisation and expand our participation in next-generation mobility platforms.

Over time, we believe this convergence of precision mechanics, electronics and software can enable the development of intelligent, indigenous driveline solutions while strengthening India's self-reliance in advanced automotive technologies.

Entering the automatic transmission ecosystem: Among the most strategically important opportunities currently being evaluated by Divgi-TTS is the potential transfer of an automatic transmission technology from North America to India for a major global American automotive manufacturer.

The proposed opportunity: product technology transfer, manufacturing-line migration, supply ecosystem integration, localisation engineering and long-term service support capability.

The significance of the programme is amplified by the scale of the installed global base, with more than 40 million transmissions operating worldwide. This creates not merely a manufacturing opportunity, but potentially a long-duration global service-parts and lifecycle-support business capable of remaining relevant over an extended period.

To address the programme's multidimensional requirements, Divgi-TTS has already begun coordinating across a broad international ecosystem involving China, Taiwan, Europe and the United States. The engagement reflects the Company's growing capability to operate within globally distributed automotive

Divgi-TTS' long-standing relationship with BorgWarner represents one of the Company's most important international strategic associations.

supply and engineering networks - a capability increasingly essential in modern drivetrain programmes where product ecosystems span multiple geographies and specialised supplier bases.

Importantly, the company believes that even participation in discussions of this nature reflects a significant evolution in the Company's global standing. The fact that the Company is being considered for such a strategically important automatic transmission opportunity is viewed as evidence of rising global credibility and entry into a highly selective automotive technology ecosystem.

Building India's automatic transmission capability: For Divgi-TTS, the automatic transmission opportunity represents more than an individual programme pursuit. It aligns with a broader long-term ambition to help establish automatic transmission technology capability within India itself.

The Company referenced a commitment made during its IPO and prospectus phase - that Divgi-TTS would work towards becoming an enabling force in bringing automatic transmission capability to India.

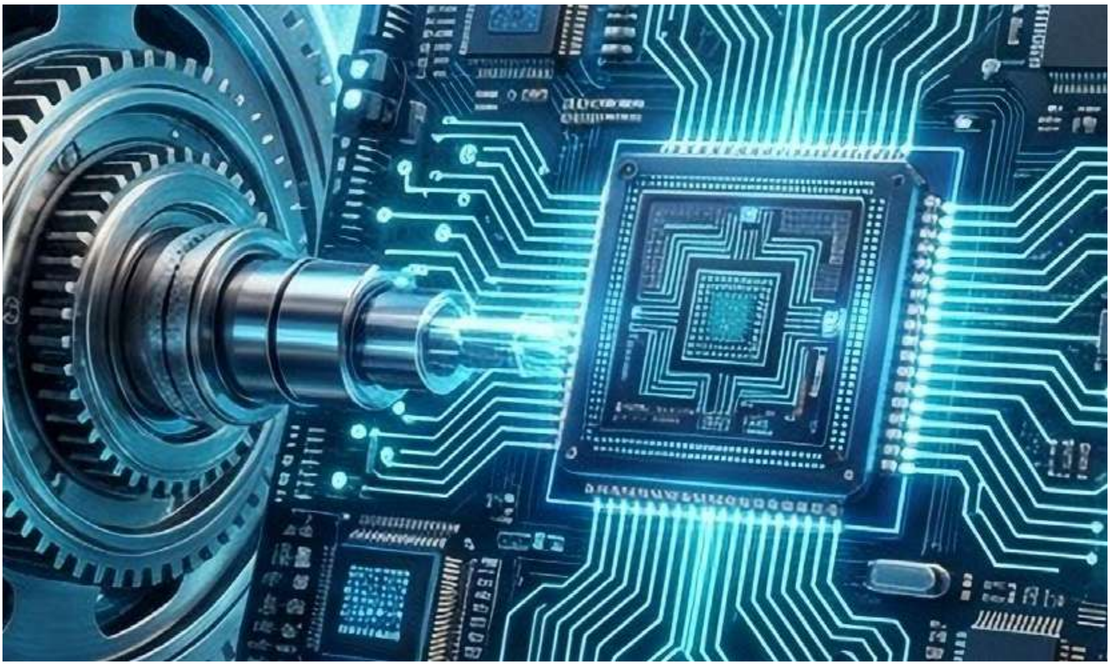
Viewed through this lens, the current opportunity is not merely a business development initiative; it is part of a larger strategic aspiration to participate in shaping India's future transmission engineering ecosystem.

Strengthening global relationships: Divgi-TTS' long-standing relationship with BorgWarner represents one of the Company's most important international strategic associations.

The original licensing agreement between the two organisations expired around 2024. However, significantly, BorgWarner approached Divgi-TTS seeking an extension of the relationship. For our management, this development carried an important strategic meaning.

Rather than merely extending the existing arrangement on unchanged terms, Divgi-TTS responded by seeking a broader product scope within the relationship. This reflected the Company's growing confidence in its own engineering capability and its desire to evolve from a narrowly defined licensed participant toward a wider strategic collaborator within the drivetrain ecosystem.

The company views the relationship as strategically important not simply because of the commercial engagement itself, but because it reflects sustained CEO-level communication between a relatively small Indian engineering company and a multinational



organisation with revenues exceeding $15 billion.

The ability to maintain a direct strategic engagement demonstrates the credibility, trust and engineering relevance that Divgi-TTS has gradually built within the global automotive ecosystem.

Curating global technology for worldwide markets: A central principle underlying Divgi-TTS' business-development strategy is the belief that India can emerge not merely as a manufacturing destination, but as a globally competitive engineering and technology execution platform.

The company describes its role as one of identifying global technology, curating and refining it, engineering it for application relevance, executing it at world-class quality standards and delivering it at Indian cost structures. This reflects an ambition extending beyond the domestic market to the global.

The company acknowledges that potentially attractive markets such as Iran and Russia remain difficult to access because of prevailing geopolitical realities. However, the broader strategic intent remains: build globally competitive transmission and driveline capability in India capable of serving the international markets over the long term.

Creating India's transmission research ecosystem: Divgi-TTS initiated a significant academic collaboration through an MoU signed with BITS Pilani under the leadership ecosystem associated with Prof Dr. Ram Gopal Rao. The initiative was established under the name CREATE - Center for Research Excellence in Automotive Transmission Engineering. The Goa campus is expected to serve as the initial focal point for the programme.

The CREATE initiative is intended to extend beyond conventional industry-academia interaction. Instead, it seeks to build a deeper scientific capability underpinning future transmission technologies. The programme is expected to focus on fundamental R&D, curriculum enhancement, research fellowships and advanced scientific understanding of drivetrain systems.

The scope spans multiple scientific disciplines including mathematics, physics, chemistry, metallurgy, mechanical systems, lubrication science, friction materials, electronics and artificial intelligence.

The company intends for CREATE to evolve into a benchmark example of industry-academia collaboration within India. The larger objective is not merely talent creation, but the development of a long-term scientific ecosystem capable of supporting future automotive innovation emerging from India itself.

Building a North American presence: As a part of its international growth strategy, Divgi-TTS had earlier explored an acquisition opportunity in the United States. However, adetailed due diligence revealed multiple red flags, leading our management to terminate the transaction rather than pursue expansion at the cost of strategic compromise.

The decision reflected an important organisational discipline: long-term international growth would be pursued carefully and selectively rather than through aggressive but potentially risky expansion.

Following this experience, Divgi-TTS adopted a more grounded and institutionally anchored US strategy. The Company is planning a presence in Greenville, South Carolina, USA, within the ecosystem surrounding Clemson University and the International Center for Automotive Research. The proposed presence is expected to provide a closer engagement with North American OEMs, stronger visibility within automotive research ecosystems, a platform for long-term North American growth and enhanced access to advanced engineering collaboration opportunities.

The company views the initiative as a measured but strategically important step towards strengthening Divgi-TTS' international footprint.

Expanding into ASEAN: Divgi-TTS' relationship with Toyota Tsusho has emerged as another important pillar within its international development strategy. The alliance has already demonstrated a practical relevance through active support from Toyota Tsusho during the Isuzu engagement process.

Building on this relationship, Divgi-TTS is exploring broader ASEAN opportunities, including the possibility of a Thailand venture and a wider regional strategy. The initiative reflects our management's recognition that ASEAN markets may emerge as an important future destination for drivetrain engineering, manufacturing collaboration and regional automotive integration.

The ASEAN exploration aligns with Divgi-TTS' larger strategic evolution - from being primarily an Indian drivetrain company towards becoming a regionally relevant automotive engineering organisation participating across global supply and technology ecosystems.

The road ahead

The defining characteristic of Divgi-TTS' journey over the last few years has not merely been a growth in business volumes, but the systematic creation of engineering capability across increasingly sophisticated drivetrain domains. The Company has progressively evolved from a component-focused organisation into a technology-driven mobility engineering enterprise participating across transfer cases, manual transmissions, AWD systems, EV transmissions, vehicle-level integration and potentially automatic transmission technologies.

What makes the current phase particularly significant is that many of these investments are now approaching commercial inflection points. The Company enters the coming years with multiple structural advantages:

- Deepening relationships with global OEMs and Tier-I partners
- Increasing validation from sophisticated customers
- Rising vehicle-level engineering capability
- Strengthening software and electronics integration competence
- Improving EV drivetrain preparedness
- Growing localisation relevance within global supply chains
- Expanding international strategic visibility

Importantly, Divgi-TTS is no longer competing solely on cost competitiveness. The Company is increasingly being evaluated on engineering depth, systems integration capability, execution responsiveness and the ability to solve complex drivetrain challenges under demanding operating conditions.

This transition materially changes the strategic positioning of the organisation.

The potential automatic transmission opportunity represents one of the most important examples of this shift. When successfully concluded, the programme will significantly accelerate the scale, technological depth and global relevance of Divgi-TTS. Beyond immediate revenues, the opportunity could provide an access to long-duration service-parts business, advanced automatic transmission capability, deeper global supply-chain participation, stronger technology ownership and enhanced international positioning within drivetrain ecosystems.

The company believes that opportunities of this nature can potentially alter its trajectory over the medium term. Financially, the Company expects our revenue momentum to strengthen. Divgi-TTS is targeting revenues of approximately ₹500 crore in FY27 while nurturing a larger long-term aspiration of reaching approximately ₹1,000 crore around FY29–30.

The larger aspiration is clear: to establish Divgi-TTS as a globally respected Indian drivetrain and transmission engineering company capable of combining world-class capability with Indian execution competitiveness.

As the automotive industry transitions towards more intelligent, electrified and software-integrated mobility architectures, Divgi-TTS believes it is positioning itself not merely to participate in this transformation, but to become an increasingly relevant engineering contributor within it.

Jitendra Divgi
Managing Director

CHIEF FINANCIAL OFFICER'S PERFORMANCE OVERVIEW

DIVGI-TTS. CREAT

A ROBUST FINANCIAL FOUNDATION ON WHICH TO GROW SUSTAINABLY

How our investments translated into a record performance in FY 2025-26

Overview

FY 2025-26 represented a defining year for Divgi-TTS. It was the year in which investments, made over the preceding years in advanced transmission systems, transfer case programmes, engineering capability, manufacturing infrastructure and next-generation drivetrain technologies, began translating into tangible financial outcomes.

The result year was characterised by record revenues, strong earnings growth, improving operating leverage and enhanced capital productivity, reinforcing the long-term value of investments made across technology, products and manufacturing capabilities.

The Company benefited from a stronger demand across key customer programmes, increasing participation in premium utility vehicle platforms, growing traction in advanced drivetrain applications and an improving visibility across export-linked opportunities. As programme volumes scaled and manufacturing utilisation improved, Divgi-TTS converted capability into growth and growth into profitability.

Performance review

The year under review demonstrated the benefits of a strategy centred on technology leadership, value addition, customer diversification and disciplined capital allocation.

Revenue growth was driven by stronger customer offtake, increasing contribution from transfer case programmes, higher participation in premium drivetrain applications and improved utilisation of existing manufacturing assets. As volumes increased, the Company benefited from operating leverage, richer product mix and improved fixed-cost absorption, enabling profitability to grow significantly faster than revenues.

The financial performance achieved during FY 2025-26 validates the Company's long-term investments in advanced transmission technologies, manufacturing competitiveness and engineering excellence while reinforcing a confidence in the scalability of the business model. Given a largely stable fixed-cost structure, a significant proportion of incremental revenues translated into contribution and earnings growth. This operating leverage enabled profitability to expand at a materially faster pace than our revenues while supporting stronger returns on invested capital.

Scale translating into superior earnings

In FY 2025-26, Divgi-TTS reported revenue from operations of ₹352.90 crore compared with ₹218.90 crore in FY 2024-25, representing a growth of 61.2%.

Profit before tax increased from ₹33.00 crore to ₹62.70 crore, while profit after tax increased from ₹24.40 crore to ₹46.90 crore, representing growth of 90.0% and 92.2%, respectively.

What makes this performance particularly encouraging is that Divgi-TTS delivered profitable growth rather than volume-led growth alone. While revenues increased by 61.2%, profit after tax grew by 92.2%, reflecting the Company's ability to convert incremental revenues into disproportionately higher earnings. This outcome was driven by an improved product mix, a higher contribution from value-added drivetrain programmes, better fixed-cost absorption and the emergence of operating leverage across manufacturing operations. As a result, earnings growth significantly outpaced revenue growth, reinforcing the scalability and profitability of the Company's business model.

The most encouraging aspect of the Company's performance was the consistency of improvement through the year. Quarterly revenues increased from ₹71.70 crore in Q1 to ₹83 crore in Q2, ₹90.60 crore in Q3 and ₹107.60 crore in Q4. Similarly, profit after tax increased sequentially from ₹8.90 crore in Q1 to ₹10.70 crore in Q2, ₹11.80 crore in Q3 and ₹15.50 crore in Q4.

This quarter-on-quarter acceleration reflected an improving demand visibility, rising programme scale-up, increasing contribution from transfer case programmes and the emergence of operating leverage. The momentum strengthened progressively through the year, providing confidence in the sustainability of the Company's growth trajectory.

Year	FY 24	FY 25	FY 26
Operating Revenue (₹ crore)	272.98	218.90	352.90

Profit before tax increased from ₹33.00 crore to ₹62.70 crore, while profit after tax increased from ₹24.40 crore to ₹46.90 crore, representing growth of 90.0% and 92.2%, respectively.

Export revenues

FY 2025-26 marked an important step in the expansion of Divgi-TTS' export business and the establishment of a growth engine for the Company.

The Company secured exclusive transfer case supply opportunities supporting overseas vehicle programmes, including export-linked programmes for the international markets. These developments validate the Company's technology capabilities and strengthen its positioning within global drivetrain supply chains.

Particularly encouraging was the Company's ability to secure export opportunities in competitive global markets. The programmes were won against established international suppliers, reflecting the growing global acceptance of Divgi-TTS' engineering and manufacturing capabilities.

Exports remained strategically important as they broadened customer reach, diversified revenue streams and enhanced resilience through greater geographic balance. As recently secured programmes move towards higher volumes and the opportunity pipeline continues to strengthen, exports are expected to become a significant contributor to the Company's long-term growth and global diversification strategy.

Year	FY 24	FY 25	FY 26
Exports as a % of our overall revenues	1.35	6.08	18

Domestic revenues

Domestic revenues remained the principal driver of the Company's growth during FY 2025-26. Stronger demand from key OEM customers translated into higher volumes, improved capacity utilisation and increased the contribution from transfer case and advanced drivetrain programmes.

The Company also benefited from a greater participation in premium utility vehicle platforms and higher-value applications, resulting in an increased content per vehicle and enhanced revenue realisation.

Divgi-TTS' leadership in India's transfer case segment were the result of investments in manufacturing capability, engineering expertise and product development. Supported by established customer relationships and a strong presence across leading utility vehicle platforms, the Company delivered record domestic revenues while strengthening its foundation.

Capital efficiency and profitability

A defining feature of FY 2025-26 was the emergence of operating leverage across the business.

Capital efficiency improved during FY 2025-26 as the Company generated substantially higher earnings from a largely established asset base. A key driver of this improvement was the increase in capacity utilisation across our manufacturing operations. As production volumes increased, a larger portion of fixed manufacturing costs — including plant overheads, utilities, maintenance expenses and employee costs — was absorbed across a higher output base. This improved fixed-cost absorption enhanced our operating leverage, enabling our profitability to grow significantly faster than revenues.

The benefits of stronger profitability, higher capacity utilisation and disciplined capital deployment were reflected in improved returns on capital employed (RoCE) and return on equity (RoE). Importantly, much of the Company's revenue growth was achieved without a proportionate increase in capital expenditure, demonstrating the scalability of the manufacturing infrastructure and validating investments made over the years in technology, engineering capability and production assets.

Year	FY 24	FY 25	FY 26
Return on capital employed (%)	9.3	5.6	9.9
Return on equity (%)	7.02	4.1	7.6
Return on Invested Captial (ROIC) (%)	10.97	4.15	12.65

Revenue increased by 61.2%, while profit after tax increased by 92.2%, demonstrating the Company's ability to convert growth into disproportionately higher earnings. This improvement was driven by a richer product mix, higher manufacturing throughput and the increasing monetisation of investments made in transmission systems, transfer cases and EV-related programmes over previous years.

The Company's reserve base strengthened from ₹581.48 crore as of March 31, 2025 to ₹620.17 crore as of March 31, 2026. The increase reflected the Company's ability to generate profitable growth while preserving financial flexibility.

The year also reflected the improving productivity of the Company's asset base. Capacity utilisation adequately utilised, providing a substantial headroom to support future growth as electric mobility programmes gain scale.

Year	FY 24	FY 25	FY 26
EBITDA margin (%)	26.59	24.41	24.60
EBITDA (₹ crore)	72.58	58.60	92.30
Profit after tax (₹ crore)	39.74	24.40	46.90

Liquidity

Divgi-TTS continued to maintain a strong liquidity during FY 2025-26, providing the financial capacity to invest in technology, support customer programmes and pursue strategic growth opportunities.

As of March 31, 2026, the Company remained virtually debt-free, maintained a net cash position and strengthened its reserve base. This robust financial position enabled the Company to fund growth largely through internal accruals while retaining the agility to invest in advanced drivetrain technologies, EV-related opportunities and future business expansion.

Year	FY 24	FY 25	FY 26
Net worth (₹ crore)	580.34	596.77	635.36
Total debt (₹ crore)	0.35	0.23	0.14
Cash and cash equivalents (₹ crore)	311.34	284.83	294.52

Working capital management

The Company continued to emphasise disciplined working capital management through prudent inventory planning, efficient receivables management and balanced customer trade terms.

Year	FY 24	FY 25	FY 26
Inventory (days)	49	62	50
Receivables (days)	98	99	70
Payable (days)	60	65	52
Net Working Capital (days)	87	96	68

The management remained focused on maintaining working capital efficiency and preserving cash generation despite financial growth. This disciplined approach supported profitable growth while ensuring operational flexibility and financial stability.

Working capital intensity

Year	FY 24	FY 25	FY 26
Working capital as % of total capital employed	11%	9%	10%
Working capital in terms of days of turnover equivalent	87	96	68

Reserves

The Company's reserve base strengthened from ₹581.48 crore as of March 31, 2025 to ₹620.17 crore as of March 31, 2026. The increase reflected the Company's ability to generate profitable growth while preserving financial flexibility. Supported by a virtually debt-free Balance Sheet and strong stakeholder relationships, Divgi-TTS is positioned to mobilise resources efficiently as future growth opportunities emerge.

Capital allocation

The Company's capital allocation during FY 2025-26 was directed towards technology development, manufacturing capability enhancement and product engineering initiatives that are expected to strengthen future competitiveness and expand addressable market opportunities. These investments were undertaken to deepen the Company's participation in higher-value drivetrain applications, support emerging opportunities in EV and advanced transmission technologies, enhance localisation capabilities and strengthen customer engagement across domestic and international markets.

One of the most encouraging aspects of FY 2025-26 was that a significant portion of the revenue growth was generated through the improved utilisation of existing manufacturing assets rather than incremental capital expenditure. This highlighted the scalability of the Company's business model and demonstrated the benefits of investments made over the previous years.

The resulting increase in throughput, improved fixed-cost absorption and stronger capital productivity contributed meaningfully to earnings growth during the year. Going forward, the company will continue to focus on value addition, advanced transmission technologies, EV-related capabilities and deeper engagement with domestic and international customers.

Year	FY 24	FY 25	FY 26
Capital allocation (₹ crore)	77.73	26.50	44.32

Earnings quality

The Company reported Other Income of ₹22.28 crore during FY 2025-26 compared with ₹21.21 crore in the previous year. While investment income continued to contribute to overall profitability, the substantial increase in earnings during the year was driven predominantly by a stronger operating performance, higher customer offtake, improved manufacturing utilisation and increasing operating leverage. This reinforced the quality, sustainability and operating strength of the Company's earnings profile.

Other income

Year	FY 24	FY 25	FY 26
Other income (₹ Crore)	19.56	21.21	22.28

Outlook

The automotive drivetrain industry is entering a period of structural transformation driven by localisation, premiumisation, electrification and the growing adoption of advanced transmission technologies. These trends are expanding content per vehicle and creating opportunities for companies possessing strong engineering capabilities, differentiated technologies and scalable manufacturing infrastructure.

Divgi-TTS entered FY 2026-27 with a stronger business visibility supported by a healthy pipeline of transfer case, export and drivetrain programmes. The continued ramp-up of existing programmes, combined with increasing customer engagement and expanding opportunities across domestic and international markets, provides confidence in the Company's near-to medium-term growth trajectory.

Looking beyond the immediate horizon, the Company is strengthening its participation in next-generation mobility solutions through continued investments in automatic transmission systems, EV-related technologies and engineering capabilities. These initiatives are expected to enhance the Company's ability to address emerging customer requirements and participate in future growth opportunities.

Divgi-TTS entered FY 2026-27 from a position of strength. Investments made across technology, engineering and manufacturing over the last several years are now translating into higher revenues, stronger profitability and improved capital productivity. Supported by a healthy programme pipeline, increasing participation in advanced drivetrain applications and a virtually debt-free Balance Sheet, the Company is positioned to scale its business, strengthen global competitiveness and create sustainable long-term value for stakeholders.

Sudhir Shridhar Mirjankar
Chief Financial Officer

Strategic focus

Technology leadership
Value addition
Premiumis-ation
Customer expansion
Export diversification
Capacity utilisation
Operating leverage
Accrual-led investments

Desired outcomes

Record revenues
Margin expansion
PAT growth
Superior capital efficiency
Strong liquidity
Debt-free balance sheet
Global competitiveness

PART FOUR

OUR VALUE ENHANCEMENT INITIATIVES

Market leadership

The Company is India's only exporter of transfer cases featuring chain-driven and electronic shift-on-the-fly technologies, and a pioneer in EV transmissions, DCT systems, and rear-wheel-drive manual gearboxes.

Strategic partnerships

The Company collaborates with global technology leaders, including BorgWarner, FEV Group, and Hofer Powertrain, for product development, validation, and technology exchange, while also advancing EV transmission solutions for leading manufacturers.

Future-ready R&D

Sustained investments in research and development have laid the foundation for next-generation mobility solutions, with an R&D expenditure of ₹117.94 million in FY 2025–26.

DRIVING SUSTAINABLE ADVANTAGE THROUGH CORE STRENGTHS

Customer-centric

Backed by competitive pricing and system-level expertise, the Company serves leading OEMs and Tier I suppliers as both a component provider and a solutions partner.

Product innovation

The Company introduced India's first indigenously manufactured EV transmissions and developed multiple EV driveline solutions. It also commissioned India's first high-speed dynamometer for manual transmission, EV, and 4WD applications.

Strategic presence

Manufacturing facilities are located in proximity to key OEM hubs, enabling faster response times, optimised logistics, and reduced supply chain disruptions.

Premium manufacturing

The Company's facilities are aligned with global automation standards, supporting flexible volumes and diverse drivetrain solutions through high-precision, adaptable infrastructure.

Innovation-led growth

By integrating advanced engineering with lean manufacturing practices, the Company has expanded its footprint across global markets, including the United States, China, Korea, and Russia.

Integrated operations

Operations are supported by robust systems focused on safety, quality, lean manufacturing, and timely delivery, underpinned by enterprise-wide digital platforms such as SAP ERP.

Brand differentiation

The Company is uniquely positioned within India's automotive components space, offering system-level solutions such as transfer cases, torque couplers, and dual-clutch transmissions (DCTs), supported by in-house software capabilities. It supplies electronically controlled driveline systems to leading OEMs, including Tata Motors and Mahindra & Mahindra.

Trusted relationships

The Company has built enduring partnerships with leading OEMs like Tata Motors and Mahindra & Mahindra, along with global players such as BorgWarner, reinforcing its reputation and market presence.

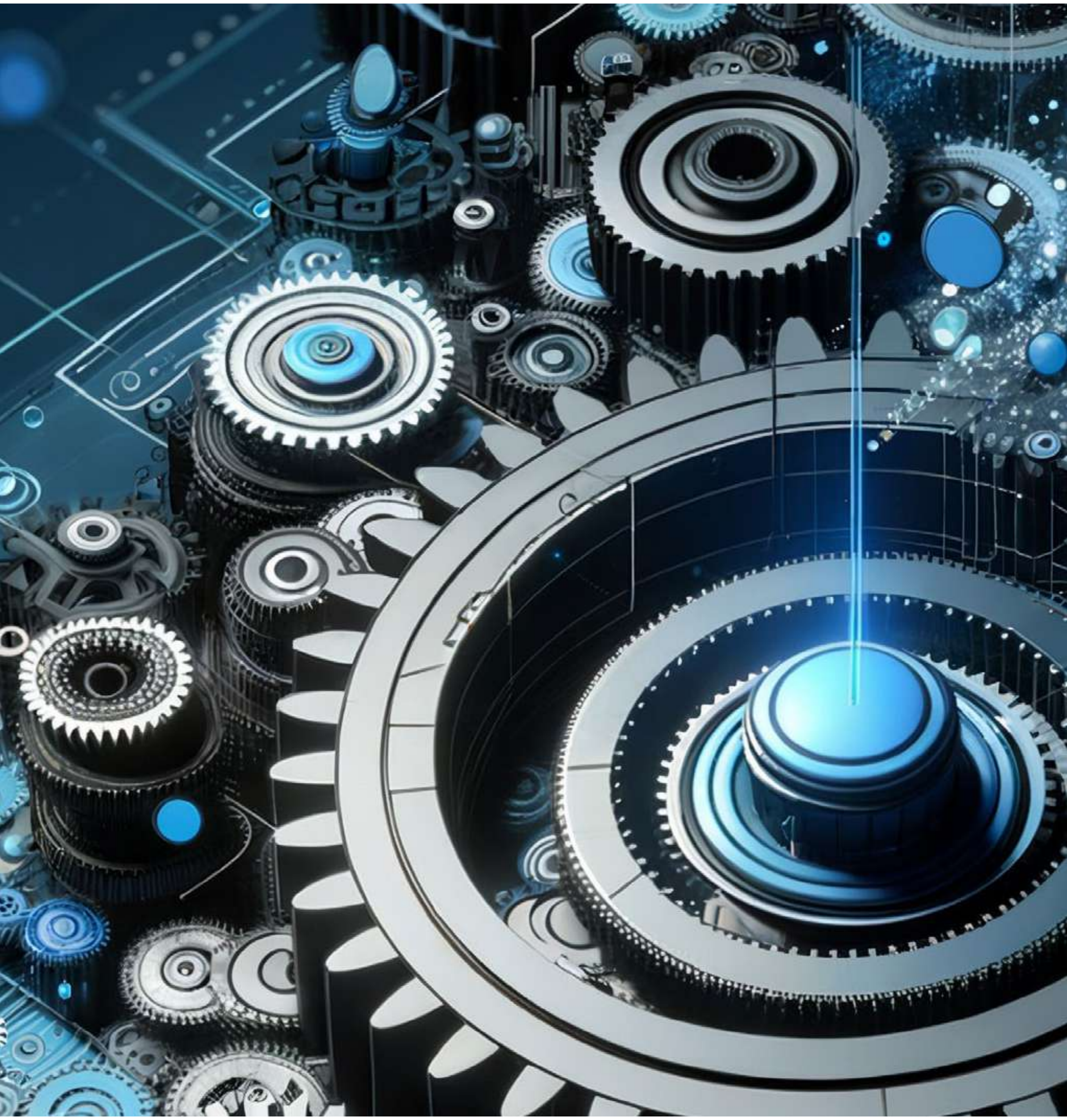
Experienced leadership

A seasoned Board and capable management team continue to guide the Company's strategic direction and long-term growth.

Financial strength

As of FY 2025–26, the Company maintained a strong financial position with a debt-free Balance Sheet coupled with cash reserves of ₹295 crore.

SUSTAINING OUR LEADERSHIP IN INDIA'S AUTOMOTIVE TRANSMISSION SOLUTIONS SPACE



18.6% REVENUES FROM OUTSIDE INDIA, FY 2025-26

Strategies

Seize market opportunities

The Company has pioneered India's first indigenously mass-produced EV transmissions and developed multiple EV transmission products in-house. It also commissioned India's first high - speed dynamometer for manual transmission, EV transmission, and 4WD transfer case applications.

Diversification

The Company aims to deepen existing customer relationships while expanding across the value chain by broadening its portfolio of products and solutions across geographies, with a focus on securing new customer contracts.

Exploring new business segments

By identifying emerging trends, the Company continues to enter new segments, leveraging first-mover advantages and fostering synergies through cross-functional collaboration and integrated operations.

Global presence

The Company is expanding its global marketing capabilities and leveraging partnerships with consultants across Europe and South Korea. It has also entered into an exclusive distribution agreement with a Japanese automotive supply chain partner to strengthen its presence in Japan.

Customer-centric approach

The Company offers flexible delivery models, including maintaining safety stock in overseas warehouses, particularly in the United States and Mexico, to help customers mitigate supply chain uncertainties

Cost efficiency

Through close customer collaboration, the Company re-engineers products to enhance operational and cost efficiencies. Notably, it developed a cost-effective 32-bit processor for BorgWarner, replacing legacy 8-bit technology in transfer case applications.

Operational efficiencies

The Company continues to optimise capacity utilisation, drive economies of scale, rationalise fixed costs, and reduce operating expenses to strengthen competitiveness.

Technological advancement

By integrating advanced manufacturing technologies with engineering expertise, the Company is enhancing capabilities in mechatronics, software development, and systems integration to meet the evolving needs of global customers.

Reaseach and developement

Sustained investments in research and development are enabling the Company to create innovative solutions, with a focus on improving torque density and reducing the weight of DCT systems and EV transmission units.

Purpose-led product strategy

- Deepen focus on addressing evolving and underpenetrated mobility needs
- Expand a future-ready portfolio aligned with electrification and efficiency trends
- Integrate sustainability considerations into product design and lifecycle

Outcome: *Enhanced order visibility with a future-aligned revenue mix*

Resilient and responsible procurement

- Strengthen strategic supplier partnerships with long-term alignment
- Increase localisation to improve cost efficiency and supply security
- Embed sustainability and quality benchmarks across the vendor ecosystem

Outcome: *Reliable sourcing at optimised cost with improved supply chain resilience*

Disciplined financial stewardship

- Sustain a prudent capital structure with calibrated leverage
- Drive tighter working capital cycles through digital integration
- Strengthen margin profile to support internal accrual-led growth

Outcome: *Strong cash flows and strengthened balance sheet resilience*

Environmental stewardship

- Reduce energy, water and material intensity across operations
- Accelerate adoption of cleaner energy and efficient technologies
- Align operations with evolving regulatory and ESG standards

Outcome: *Lower environmental footprint and enhanced sustainability credentials*

Integrated and agile product ecosystem

- Strengthen synergies across core product platforms
- Enhance manufacturing flexibility to respond to shifting demand patterns
- Enable a faster transition across product lines through fungible capabilities

Outcome: *Higher value realisation and improved business adaptability*

Advanced manufacturing excellence

- Maximise asset productivity through continuous improvement practices
- Scale adoption of automation and digital manufacturing systems
- Consolidate and optimise operations for efficiency and consistency

Outcome: *Reinforced position as a high-quality, technology-driven solutions provider*

People and capability development

- Build future-ready capabilities through structured skilling initiatives
- Strengthen leadership depth and cross-functional expertise
- Foster a culture of ownership, performance and continuous learning

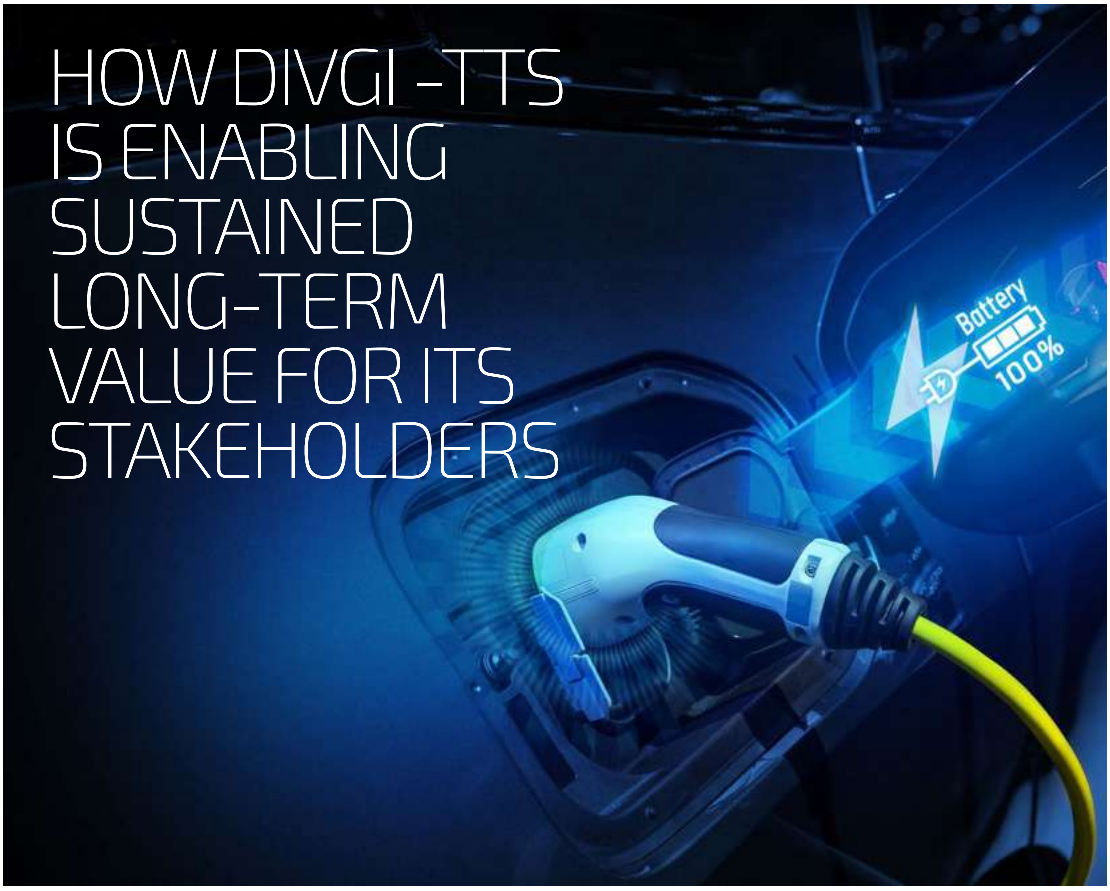
Outcome: *Improved productivity and sustained organisational outperformance*

Community and stakeholder engagement

- Expand the scope of community development initiatives
- Focus on measurable, long-term social impact
- Strengthen stakeholder relationships through consistent engagement

Outcome: *Wider socio-economic impact and stronger stakeholder trust*

HOW DIVGI -TTS IS ENABLING SUSTAINED LONG-TERM VALUE FOR ITS STAKEHOLDERS



Stakeholder value creation scorecard

Employee value

41.54
₹ crore, Employee expense, FY 2025-26

25.11
₹ crore, Employee expense, FY 2024-25

Customer value

375.17
₹ crore, Revenues, FY 2025-26

240.13
₹ crore, Revenues, FY 2024-25

Vendor value

156.85
₹ crore, Purchases, FY 2025-26

91.08
₹ crore, Purchases, FY 2024-25

Community value

1.03
₹ crore, Spending, FY 2025-26

1.23
₹ crore, Spending, FY 2024-25

Exchequer value

15.82
₹ crore, Tax payment, FY 2025-26

8.61
₹ crore, Tax payment, FY 2024-25

Our sustainability framework

Purpose of existence
- Develop next-generation mobility solutions aligned with emerging automotive trends
- Deliver differentiated and superior driving experiences
- Strengthen positioning as a global, technology-led automotive systems provider

Broad-based strategy
- Expand our presence across complete and advanced transmission systems
- Align product development with national and global priorities (electrification, alternative fuels, efficiency)
- Increase the contribution from high-value, technology-intensive offerings

Brand and customer capital
- Reinforce the 'Divgi-TTS' brand around precision engineering and advanced capabilities
- Deliver consistent quality, reliability and on-time performance
- Deepen customer relationships anchored in trust and Environmental, Social and Governance alignment

Build the business around technology
- Invest proactively in R&D and emerging mobility technologies
- Internalise critical competencies and components
- Build digital and engineering capabilities to support innovation

Footprint
- Strengthen presence in key international markets
- Build long-term, annuity-driven customer relationships
- Diversify customer base across geographies and segments

Manufacturing excellence
- Maximise capacity utilisation through integrated planning
- Invest in advanced, flexible manufacturing systems
- Scale integrated facilities enabling multi-product capabilities

Financial structure
- Enhance revenue per system through value-added offerings
- Improve working capital efficiency through digital integration
- Maintain a prudent capital structure with a focus on internal accrual-led growth

Environment integrity
- Reduce energy, water and material intensity across operations
- Increase adoption of clean energy and sustainable practices
- Align with evolving global ESG frameworks and compliance standards

Talent productivity
- Build a future-ready workforce through continuous skilling
- Foster a culture of ownership, innovation and performance
- Strengthen leadership depth across functions

Community support
- Expand impact through structured and scalable CSR initiatives
- Focus on education, healthcare and rural development
- Promote cultural and social development initiatives

How Divgi-TTS enhanced value in FY 2025-26

Capital	Description	Key Inputs	Outcomes / Outputs
Financial Capital	Financial resources deployed to drive growth and resilience	Net worth – ₹635.46 crore Capital employed – ₹637.22 crore	Revenue – ₹375.2 crore EBITDA – ₹92.3 crore PAT – ₹46.9 crore EPS – ₹15.34 Shareholder payout 3.27 Per equity shares (Face value ₹5 per shares) Contribution to exchequer – ₹15.82 crore RoCE – 9.90% RoNW – 7.6%
Manufacturing Capital	Physical infrastructure enabling production and delivery	Manufacturing facilities – 4 Gross block – ₹421.56 crore Capex – ₹44.32 crore	
Intellectual Capital	Knowledge, innovation and proprietary capabilities	Registered IPRs – 6 R&D spend – ₹11.79 crore	IPRs registered for FY 2025-26 - 0 IPRs filed for FY 2025-26 - 0
Human Capital	Employee capability, engagement and productivity	Employees (on-roll) – 278 Contract workforce – 597 Training hours – 6704.5 Training programmes – 254 % employees trained – 45.95	LTIFR – 1.49 New hires – 42 Employees with 5+ years – 43.52% Average training hours – 8.11 Retention rate – 13.07%
Social & Relationship Capital	Relationships across value chain and community ecosystem	CSR spend – ₹1.03 crore	Lives impacted – 1398
Natural Capital	Environmental resources utilised and impacted	Energy consumption – 28,613.31 GJ units Water consumption – 22087 KL Trees planted – 44	Renewable energy share – 0% Emissions avoided – 0 tonnes CO_2 intensity reduction – 0% Water recycled – 2.06%

Stakeholders Impacted	Key Initiatives	SDGs Impacted
Shareholders, Government	▪ Disciplined capital allocation ▪ Investments in advanced R&D ▪ Value engineering across supply chain ▪ Process automation ▪ Robust governance practices	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities
Employees, Suppliers	▪ Productivity enhancement initiatives ▪ Digitisation and automation of operations ▪ Strategic supplier partnerships ▪ Sustainable sourcing and manufacturing ▪ Total Cost Management (TCM) focus	3 Good Health and Well-Being; 6 Clean Water and Sanitation; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action; 15 Life on Land
Customers	▪ Strengthened R&D infrastructure ▪ Development of sustainable and efficient products ▪ Consumer-centric design innovation ▪ Focus on next-generation technologies	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action; 16 Peace, Justice and Strong Institutions
Employees	▪ Inclusive and diverse workforce ▪ Capability building and skill development ▪ Leadership and talent management ▪ Employee engagement initiatives ▪ Strong focus on workplace safety ▪ Women empowerment programmes	3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Customers, Partners, Communities	▪ Strengthened customer engagement and responsiveness ▪ Sustainable supply chain practices and vendor development ▪ Community development initiatives ▪ Structured CSR programmes (healthcare, education, livelihoods) ▪ Continuous service and product improvement	1 No Poverty; 2 Zero Hunger; 3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 6 Clean Water and Sanitation; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action; 16 Peace, Justice and Strong Institutions
Employees, Communities	▪ Energy and emissions management ▪ Resource efficiency initiatives ▪ Sustainable manufacturing and sourcing ▪ Extended Producer Responsibility (EPR) ▪ Water conservation and recycling	6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action; 16 Peace, Justice and Strong Institutions

How we are enhancing value for all our stakeholders

For shareholders

- Driving growth through prudent deployment of shareholder capital
- Strengthening the balance sheet through reduced long-term debt and robust liquidity
- Consistently improving profitability and return ratios

For customers

- Evolving as a reliable, long-term partner
- Delivering consistent quality and dependable performance
- Offering value defined by accessibility, availability and affordability

For employees

- Providing stable, growth-oriented career opportunities
- Building deep domain expertise and institutional knowledge
- Fostering a meritocratic culture driven by empowerment and accountability

For communities

- Contributing to community development and social well-being
- Expanding the reach of prosperity through inclusive initiatives
- Addressing critical and underserved community needs

For government

- Ensuring timely and transparent contribution to the exchequer
- Supporting employment generation, particularly in rural areas
- Operating in a safe, compliant and environmentally responsible manner

Overview

There is a growing shift towards evaluating companies through a comprehensive and integrated lens, one that goes beyond financial performance to include management quality, governance standards, capital allocation discipline and sustainability practices.

This broader perspective enables a deeper understanding of how a company creates value across its entire stakeholder ecosystem - employees, customers, suppliers, partners, communities, shareholders, lenders and regulators - rather than focusing solely on shareholder returns.

At Divgi-TTS, this philosophy is reflected in the way the business is designed, operated and communicated. The Company's Integrated Report represents a cohesive articulation of this approach, bringing together financial and non-financial performance to present a holistic picture of value creation.

The resources that go into value-creation

Natural Capital

Natural Capital comprises the environmental resources that underpin our operations, including raw materials, water, energy sources and ecological systems such as carbon sinks. Our approach is guided by a conscious effort to optimise resource utilisation, minimise environmental impact and operate within ecological limits while supporting long-term sustainability.

Social and Relationship Capital

This reflects the strength of our relationships with key stakeholders — communities, customers, governments and supply chain partners. These connections enable business continuity, facilitate access to markets and resources, and reinforce our social licence to operate in a responsible and sustainable manner.

Intellectual Capital

Intellectual Capital encompasses our knowledge-based assets, including patents, proprietary technologies, systems, processes and organisational capabilities. These assets provide a competitive edge, drive innovation and strengthen operational efficiency, while reinforcing our ability to respond to evolving market expectations.

Human Capital

Human Capital represents the skills, experience and commitment of our people. Our ability to create value is closely linked to how effectively we attract, develop and retain talent. A motivated, capable workforce enhances productivity, fosters innovation and sustains long-term organisational performance.

Financial Capital

Financial Capital includes funds generated through operations and those accessed through external financing. It represents the pool of resources, both equity and debt, deployed to support growth, fund investments and ensure financial resilience.

Manufactured Capital

Manufactured Capital comprises the physical infrastructure that enables our operations, including manufacturing facilities, equipment, technology systems and logistics assets. These resources enhance efficiency, support scalability and enable the delivery of high-quality products and services.

Our value creation strategy

Strategic focus	Innovate and excel	Cost leadership	Supplier of choice	Robust people practices	Responsible corporate citizen	Value creation
Critical facilitators	**Foster** a culture of operational excellence, driving higher plant availability and improved production efficiency **Enable** greater throughput through optimal utilisation of existing capacities	**Drive** cost competitiveness through operational discipline and scale efficiencies **Leverage** resource proximity and maintain a conservatively leveraged balance sheet **Sustain** one of the lowest capital costs per unit capacity in the segment	**Strengthen** customer engagement through reliable capacity, consistent quality and timely deliveries **Build** long-term partnerships anchored in trust and performance	**Build** a high-performance workforce supported by a culture of empowerment, accountability and ownership **Focus** on training, engagement, fair appraisal and reward mechanisms	**Drive** community development initiatives around operational locations **Strengthen** CSR interventions aligned with local needs and inclusive growth priorities	**Deliver** differentiated products that enhance mobility, efficiency and user experience **Strengthen** the overall value proposition for all stakeholders
Material issues addressed	Technology advancement leading to improved efficiency and product quality	Cost competitiveness ensuring resilience across business cycles	Revenue visibility through strong customer relationships and product relevance	Talent development, engagement and performance culture	Community development and inclusive growth	Sustained and enhanced stakeholder value creation
Capitals impacted	Manufactured, Intellectual, Financial	Financial, Intellectual, Natural, Social and Relationship	Intellectual, Manufactured, Social and Relationship	Human, Intellectual	Social and Relationship, Natural	Intellectual, Manufactured, Social and Relationship

ESG COMMITMENT

DIVGI-TTS: ADVANCING RESPONSIBLE CITIZENSHIP THROUGH ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Big numbers

10
%, minimum green cover maintained across our facilities

>5
%, annual reduction in hazardous waste generation through process optimisation

2040
Target year for achieving our Zero Liquid Discharge vision

100
%, ESG mapping targeted in FY 2025–26

2
Globally recognised EHS certifications

Zero
Fatalities across facilities

Overview

As a precision automotive component manufacturer catering to global OEMs and the rapidly evolving electric mobility ecosystem, ESG is integral to Divgi-TTS' long-term competitiveness and operational resilience. The Company operates in a highly regulated industry where environmental compliance, workplace safety, ethical business conduct and responsible manufacturing practices are increasingly critical to customer expectations and stakeholder trust. By embedding ESG principles into its operations, Divgi-TTS aims to strengthen sustainable growth, enhance operational efficiency, minimise environmental impact and create long-term value for stakeholders while supporting the transition towards responsible mobility solutions.

Our approach is guided by globally recognised principles, including the United Nations Sustainable Development Goals (SDGs), with a focus on areas such as environmental responsibility, ethical business conduct, human rights, fair labour practices, and transparency. Through this integrated ESG framework, Divgi-TTS seeks to create enduring value for stakeholders while contributing meaningfully to society and the environment.

Our ESG policy

Divgi-TTS is committed to pursuing sustainable and responsible growth through robust Environmental, Social and Governance (ESG) practices.

The Company places strong emphasis on environmental stewardship by encouraging efficient use of resources, water conservation, energy optimisation and responsible waste management. On the social front, Divgi-TTS remains focused on employee well-being, workplace safety, inclusivity and community engagement.

These efforts are supported by a governance framework anchored in transparency, accountability and ethical business conduct. Together, these principles reinforce the Company's commitment to long-term value creation and responsible corporate citizenship.

E DIVGI-TTS' ENVIRONMENTAL COMMITMENT

Overview

The environmental pillar of ESG reflects Divgi-TTS' commitment to building a sustainable and resource-conscious organisation. Sustainability considerations are increasingly being integrated into operational practices, with continuous efforts directed towards improving efficiency, minimising environmental impact and promoting responsible resource utilisation.

As a growing and globally connected company, Divgi-TTS recognises its responsibility towards future generations. Guided by internationally accepted sustainability principles and aligned with the UN Sustainable Development Goals, the Company's environmental approach extends across conservation initiatives, responsible manufacturing practices and compliance-driven operations. Through these efforts, Divgi-TTS aims to balance growth with environmental responsibility while creating long-term value for all stakeholders.

Environmental sustainability initiatives, FY 2025-26

Energy efficiency: Implemented energy-efficient technologies and LED retrofits across facilities to optimise electricity consumption and improve operational efficiency.

Renewable energy: Strengthened renewable energy adoption through solar energy investments at the Shirwal greenfield facility dedicated to EV applications.

Process sustainability: Introduced water-based component washing processes in place of oil-based cleaning systems, reducing environmental impact and improving process sustainability.

Resource optimisation: Adopted synthetic coolants and advanced machining technologies to optimise resource utilisation and minimise process waste.

Circularity: Enhanced waste reduction initiatives through recyclable packaging solutions, reuse of plastic handling boxes and responsible waste segregation practices.

Water conservation: Implemented rainwater harvesting initiatives and water recycling systems to support long-term water conservation goals.

Green cover: Expanded plantation drives and biodiversity enhancement initiatives in line with the Company's policy of maintaining a minimum 10% green cover across facilities.

Infrastructure: Continued investments in effluent treatment systems, fire hydrant infrastructure and environmentally responsible manufacturing practices to strengthen compliance and operational sustainability.

Achievements, FY 2025-26

ISO certifications: Continued adherence to internationally recognised ISO 14001 and ISO 45001 standards, reinforcing the Company's commitment to environmental stewardship and occupational health and safety.

IGBC Green factory certification: The Shirwal greenfield facility, catering exclusively to EV applications, received IGBC Green Factory Building certification, highlighting the Company's commitment to sustainable manufacturing infrastructure.

Enhanced safety culture: Strengthened workplace safety through regular audits, emergency preparedness programmes, fire safety systems and employee engagement initiatives across facilities.

Hazardous waste reduction: Achieved more than 5% in reduction in hazardous waste generation through process optimisation, resource-efficient manufacturing practices and responsible waste management initiatives.

Employee participation in ESG initiatives: Increased employee participation in safety, wellness and ESG awareness programmes, fostering a culture of responsibility and continuous improvement.

A circular economy loop

Prevent → Reduce → Reuse → Recycle

Four blocks

Prevent	Reduce	Reuse	Recycle
▪ Energy-efficient machinery ▪ Synthetic coolants ▪ Process optimisation	▪ Hazardous waste reduction ▪ Lower emissions ▪ Water-efficient operations	▪ Treated water reuse ▪ Reusable plastic boxes ▪ Coolant filtration systems	▪ Scrap metal recycling ▪ Packaging recycling ▪ Waste segregation

Water management

Water is an essential component of natural capital and plays a critical role across industrial and economic activities. As industries become increasingly resource-conscious, responsible water management has emerged as a key element of sustainable operations.

At Divgi-TTS, maintaining high standards of cleanliness and process integrity is particularly important, especially for components used in specialised automotive and EV applications. To ensure contamination is controlled within stringent limits, the Company follows rigorous washing and cleaning processes for aluminium and steel components, as well as for material handling trays and bins.

To optimise resource utilisation and minimise water wastage, Divgi-TTS has implemented advanced filtration and recycling systems that enable effective reuse of water within operations. Through these initiatives, the Company aims to enhance operational efficiency while supporting responsible environmental stewardship.

Water intake → Filtration → Manufacturing use → Treatment → Reuse for gardening/ utilities

Initiatives, FY 2025-26

Water reuse: Implemented treated water reuse systems for gardening and utility applications, improving water efficiency across operations.

Rainwater harvesting: Installed rainwater harvesting infrastructure at the Shirwal facility to support groundwater conservation and reduce our dependence on external water sources.

Monitoring: Introduced flow meters and advanced monitoring systems to track water consumption and identify conservation opportunities.

Process efficiency: Adopted low-water-consumption manufacturing processes using synthetic coolants and optimised cleaning systems.

Filtration systems: Continued investments in coolant filtration, water recycling and process optimisation technologies to minimise freshwater usage and improve operational sustainability.

Awareness: Strengthened employee awareness initiatives focused on responsible water consumption and conservation practices.

Outlook

Divgi-TTS will continue strengthening its environmental stewardship through focused investments in water conservation, renewable energy and resource-efficient manufacturing practices. The Company remains committed to its long-term vision of achieving Zero Liquid Discharge by 2040 through enhanced rainwater harvesting, water recycling and process optimisation initiatives.

In FY 2026-27, key priorities will include increasing renewable energy utilisation, strengthening ESG integration across the supply chain, measuring logistics-related GHG emissions and deepening employee ESG awareness across operations. The Company will also continue collaborating with customers, suppliers and ecosystem partners to advance responsible and sustainable manufacturing practices across the value chain.

Annual water consumption (KL)

Year	FY 24	FY 25	FY 26
Water consumed	77,50,335	16,296	22,087
Water consumed per unit produced	0.00117	0.0064	0.0036
Water storage capacity (litres)	92,000	92,000	3,38,000
Water conservation infrastructure investment (₹)	77,50,335	0	0

S DIVGI-TTS' SOCIAL COMMITMENT

Overview

For a manufacturing-led automotive technology company like Divgi-TTS, people remain central to operational excellence, product quality and long-term business sustainability. The Company's operations require a highly skilled workforce, strong safety systems and a collaborative workplace culture to ensure reliable manufacturing performance and adherence to global quality standards. As Divgi-TTS expands its presence across the conventional and EV mobility segments, fostering employee well-being, workplace safety, inclusivity and continuous capability development becomes increasingly important for sustaining productivity, innovation and stakeholder confidence.

Divgi-TTS continues to foster a workplace culture grounded in collaboration, mutual respect, diversity and inclusion, while maintaining a strong focus on employee well-being and occupational safety. Preparedness and prevention remain central to the Company's safety philosophy, supported by regular safety meetings, internal audits and structured emergency response practices.

Workstation ergonomics and operational safety are integrated into process and workplace design, supported by clearly defined Standard Operating Procedures (SOPs). In addition, employee-driven improvement initiatives, Total Productive Maintenance (TPM)-based machine safety assessments and periodic fire drills contribute towards strengthening workplace safety standards across our operations.

Health management

Divgi-TTS places significant emphasis on employee health, safety and overall well-being by promoting a work environment centred on care, awareness and continuous improvement. The Company's commitment to internationally recognised environmental and occupational safety standards is reflected in its ISO 14001 and ISO 45001 certifications from DQS GmbH. These certifications reinforce Divgi-TTS' focus on responsible environmental management, workplace health and operational safety.

Divgi-TTS continues to strengthen its Environment, Health and Safety (EHS) framework through comprehensive compliance practices, periodic audits, responsible waste disposal systems, preventive maintenance programmes, employee training initiatives and safety awareness activities. Ongoing equipment modernisation efforts have further contributed to safer operations, enhanced reliability and improved workplace productivity.

Health check-ups

Yoga sessions

Sports activities

Employee wellbeing ecosystem

Safety training

ESG awareness

Emergency drills

PPE and ergonomic workplace

Employee health and wellbeing initiatives, FY 2025-26

Emergency preparedness: Enhanced emergency response capabilities through periodic mock drills, fire safety training, hydrant systems and preventive safety infrastructure across facilities.

Safety training: Conducted regular health and safety training programmes for employees and contractors to strengthen workplace awareness and promote a proactive safety culture.

Wellness programmes: Continued employee wellness programmes through regular health check-ups, yoga sessions, sports activities and employee engagement initiatives.

Operational safety: Improved workplace safety through preventive maintenance, equipment modernisation, ergonomic workplace design and process standardisation.

Leadership oversight: Strengthened ESG governance through dedicated safety officers, focused EHS teams and leadership-driven monitoring mechanisms across plants.

Compliance reviews: Undertook continuous assessments by certification agencies and customers to further improve health, safety and environmental management systems.

Sustainable operations: Encouraged adoption of sustainable manufacturing practices including synthetic coolants, water-efficient processes and responsible waste handling systems.

Achievements, FY 2025-26

Zero fatality record: The Company maintained zero fatalities across facilities, reflecting its sustained focus on workplace safety and operational discipline.

Enhanced EHS systems: Strengthened EHS governance through regular safety audits, structured training programmes and emergency preparedness initiatives.

Employee engagement in safety initiatives: Increased employee participation in safety awareness programmes, fostering a culture of accountability and prevention.

Infrastructure investments: Continued investments in modern safety systems, fire protection infrastructure and workplace improvement initiatives to enhance operational safety standards.

Sustainable workplace practices: Integrated environmental and safety considerations into operational processes through waste reduction initiatives, water conservation practices and energy-efficient systems.

Our safety certifications

ISO 45001:2018 – Occupational health and safety management system (OHSMS)

ISO 45001:2018 is a globally recognised standard for occupational health and safety management. It provides a structured framework to identify, manage and minimise workplace risks, helping prevent work-related injuries and illnesses. The certification reinforces Divgi-TTS' commitment to creating a safe, healthy and secure environment for employees, contractors and visitors across all operational levels.

ISO 14001:2015 – Environmental management system (EMS)

ISO 14001:2015 is an internationally recognised standard that establishes a systematic framework for effective environmental management. The certification enables organisations to responsibly manage environmental impacts, improve resource efficiency and strengthen sustainability practices while ensuring regulatory compliance and continual improvement.

IATF 16949:2016 – Quality management for automotive manufacturing

IATF 16949:2016 is a globally accepted quality management standard specifically developed for the automotive industry. The certification covers the design, development, manufacturing and servicing of automotive products, with a strong emphasis on continuous improvement, defect prevention, waste reduction and adherence to customer-specific requirements. It reflects Divgi-TTS' commitment to delivering high-quality, reliable and globally competitive automotive solutions.

To strengthen its safety-first culture, Divgi-TTS continued to integrate behaviour-based safety practices into day-to-day operations through structured KYT (Kiken Yochi Training) and KYM (Kiken Yochi Meeting) sessions. Safety performance indicators remained integrated into operational review mechanisms, while all incidents and near-miss cases were systematically reviewed to identify root causes and implement corrective actions.

The Company also reinforced process discipline through layered audits, structured induction programmes and continuous employee capability development initiatives. Safety orientation and operational training modules ensured that employees across facilities remained aligned with global manufacturing and workplace safety standards.

Plant	Certificate validity		
	IATF 16949:2016	ISO 14001:2015	ISO 45001:2018
Bhosari	04.10.2027	02.10.2027	15.09.2025
Shivare	13.10.2027	02.10.2027	12.12.2027
Sirsi	23.10.2027	02.10.2027	15.09.2025
Shirwal	25.10.2027	Planned in FY 2026-27	Planned in FY 2026-27

Measurement of accidents and accident-free hours over the last seven years

Year	Safety measures	Bhosari	Sirsi	Shivare	Shirwal	Enterprise level
2019-2020	Incident	0	3	0	NA	4
	Fatality	1	0	0	NA	0
2020-2021	Incident	1	2	0	NA	3
	Fatality	0	0	0	NA	0
2021-2022	Incident	1	1	0	NA	2
	Fatality	0	0	0	NA	0
2022-2023	Incident	2	0	0	NA	2
	Fatality	0	0	0	NA	0
2023- 2024	Incident	0	3	0	1	4
	Fatality	0	0	0	NA	0
2024-2025	Incident	0	2	0	0	2
	Fatality	0	0	0	0	0
2025-2026	Incident	1	1	1	0	3
	Fatality	0	0	0	0	0

G

DIVGI-TTS' GOVERNANCE FOCUS

Overview

Governance in ESG represents the systems, policies and oversight mechanisms that guide Divgi-TTS' operations with responsibility, transparency and accountability.

A strong governance framework enables the Company to maintain ethical business conduct, ensure regulatory compliance and respond effectively to evolving stakeholder expectations.

At Divgi-TTS, governance is not limited to compliance alone, it serves as the foundation for sustainable growth, prudent decision-making and long-term value creation.

Our governance platform

Transparency and accountability: Divgi-TTS is committed to maintaining transparent, timely and accurate disclosures that strengthen stakeholder confidence and trust. The Company has established robust internal controls and clearly defined accountability mechanisms to ensure responsible decision-making, operational discipline and ethical conduct across all levels of the organisation.

Compliance and risk management: Regulatory compliance forms a fundamental pillar of the Company's governance framework. Divgi-TTS follows a proactive and structured approach towards risk management, enabling the identification, assessment and mitigation of operational, financial, strategic and reputational risks. This approach supports business resilience and sustainable performance.

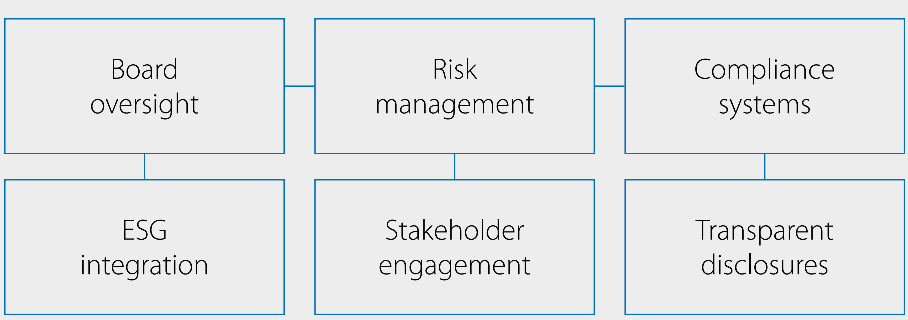
Stakeholder inclusivity: The Company's governance practices are designed to reflect the interests and expectations of a wide stakeholder base, including shareholders, employees, customers, suppliers, regulators and communities. Divgi-TTS seeks to incorporate stakeholder perspectives into strategic planning and decision-making processes, reinforcing long-term relationships built on trust and engagement.

Board effectiveness and independence: Divgi-TTS places a strong emphasis on maintaining an effective and independent Board supported by diverse industry expertise and balanced perspectives. The Board provides strategic guidance and oversight while promoting responsible governance practices. Continuous evaluation and capability-building initiatives ensure that the Board remains responsive, informed and future-ready.

Sustainability and ESG integration: The integration of environmental, social and governance considerations into the Company's governance framework reflects Divgi-TTS' commitment to responsible business practices and sustainable growth. ESG priorities are monitored at the leadership and Board levels and are increasingly aligned with strategic business objectives and long-term value creation.

Ethical leadership and organisational culture: Divgi-TTS' governance philosophy is anchored in integrity, fairness and ethical leadership. The Company promotes a culture of accountability, inclusivity and mutual respect through well-defined codes of conduct, whistleblower mechanisms and leadership practices that reinforce ethical behaviour across the organisation.

Corporate governance framework flowchart



Governance-driven brand enhancement

Our governance commitment serves as a cornerstone for building trust and reputation among customers and knowledge professionals. Over the past year, our governance framework has delivered tangible benefits across multiple dimensions:

Building customer trust and loyalty

By upholding transparent, ethical, and compliant practices, we reinforce customer confidence. In an industry where safety, environmental responsibility, and after-sales support matter deeply, our brand becomes synonymous with integrity and reliability.

Ensuring regulatory alignment

Operating in a highly regulated sector, we adopt proactive governance to meet safety standards, emission norms, and evolving legal requirements across markets. This not only bolsters our credibility but also mitigates operational risks.

Attracting and nurturing talent

A robust governance environment fosters accountability, clear decision-making, and ethical leadership — creating a culture where knowledge professionals feel empowered. This supports innovation, collaboration, and ongoing professional growth.

Reinforcing sustainability credentials

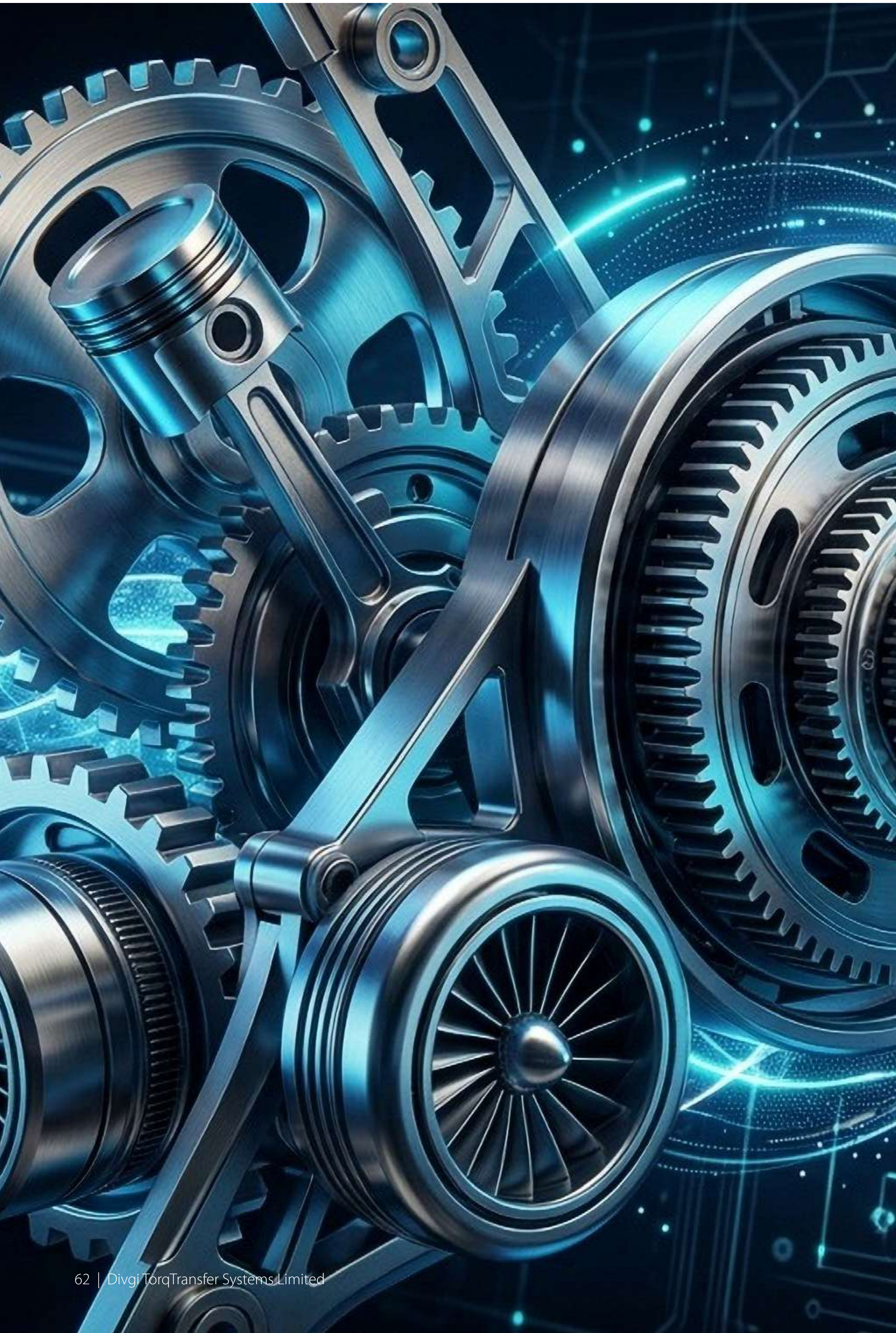
Governance and ESG are closely linked in our approach. From responsible sourcing and energy-efficient manufacturing to inclusive workplace policies, our governance actions signal a purpose-driven, future-focused brand.

Enabling responsible innovation

As the automotive landscape evolves with electric vehicles and autonomous technologies, structured oversight ensures we pursue advancements responsibly. This balance of agility and control encourages innovation while managing associated risks.

Strengthening stakeholder confidence

Investors, partners, and communities value sound governance as a marker of stability. Consistent governance practices deepen relationships across our value chain and elevate overall brand equity.



PART **FIVE**

FOUNDATIONS OF OUR SUCCESS

BUSINESS DRIVER

MANUFACTURING EXCELLENCE

DIVGI-TTS STRENGTHENED ITS MANUFACTURING CAPABILITIES TO DRIVE ADVANCED TECHNOLOGIES, PRODUCT INNOVATION AND SCALABLE GROWTH

Big numbers

~50
New technology assets and capital investments installed

4
E-Transmission variants integrated on a single assembly line

<20
Microns, runout precision achieved through advanced slender-shaft turning technology

FY 27
Introduction of advanced CBN cylindrical grinding technology

Overview

Manufacturing excellence is a key differentiator in the automotive transmission industry, driving product quality, cost competitiveness, delivery performance and customer confidence. As drivetrain technologies evolve, manufacturers must continuously strengthen their capabilities to meet rising standards of precision, reliability and performance.

For Divgi-TTS, manufacturing is a strategic capability that supports advanced drivetrain technologies and strengthens competitiveness across domestic and global markets. During FY 2025-26, the Company enhanced its manufacturing capabilities through investments in advanced equipment, automation and process reliability. It also strengthened capabilities in advanced machining, gear cutting, grinding and inspection while building readiness for EV transmissions, hybrid powertrains and next-generation drivetrain platforms. These initiatives improved manufacturing flexibility, operational efficiency and product precision, reinforcing Divgi-TTS' readiness for future mobility solutions.

Highlights, FY 2025-26

- Installed approximately 50 new technology assets and capital equipment across manufacturing operations, strengthening capacity, process capability and readiness for next-generation drivetrain programmes.
- Introduced advanced manufacturing technologies to enhance quality, productivity and process reliability, reducing process variability and supporting consistent operational performance.
- Strengthened precision machining capabilities through advanced turning and grinding technologies, enabling tighter tolerances and higher manufacturing accuracy for critical drivetrain components.
- Enhanced manufacturing readiness for EV, hybrid and advanced transmission programmes, supporting the commercialisation of future mobility solutions and expanding addressable market opportunities.
- Integrated four e-Transmission variants on a common assembly platform, improving manufacturing flexibility while optimising capital utilisation and programme scalability.
- Improved productivity through advanced tooling, process optimisation and next-generation grinding technologies, supporting higher throughput and improved cost competitiveness.
- Expanded manufacturing capabilities to support future aggregate and system-level product opportunities, strengthening participation in higher-value drivetrain applications.
- Strengthened partnerships with machine-tool suppliers, accelerating technology deployment, improving implementation timelines and supporting access to emerging manufacturing technologies.

BUSINESS DRIVER
RESEARCH AND DEVELOPMENT

DIVGI-TTS STRENGTHENED ITS INNOVATION ECOSYSTEM TO BUILD PROPRIETARY TECHNOLOGIES AND FUTURISTIC MOBILITY SOLUTIONS

Big numbers

15
%, workforce dedicated to R&D and product engineering

1st
Indigenously developed mass-produced EV transmission commercialised in India

5+
Major EV platforms supported through proprietary transmission solutions

30
%, estimated fuel-efficiency improvement demonstrated by DHT prototype

Overview

In the global automotive industry, advanced drivetrain technologies have traditionally been concentrated among a few multinational companies. Against this backdrop, Divgi-TTS has emerged as a research-led Indian company with proprietary technologies and engineering capabilities serving both domestic and global markets.

Research and development remains central to the Company's long-term differentiation. Over the years, Divgi-TTS has evolved from a technology adopter into an increasingly independent innovator, strengthening its capabilities in product design, engineering and validation across ICE, hybrid and electric vehicle platforms.

During FY 2025-26, the Company advanced multiple technology programmes, expanded proprietary engineering capabilities and strengthened its innovation pipeline across transfer cases, EV transmissions, hybrid drivetrains and next-generation transmission architectures. These initiatives reinforced Divgi-TTS' position as a technology-led partner to automotive OEMs and enhanced its readiness for the future of mobility.

Highlights, FY 2025-26

- Continued to allocate ~15% of the workforce to research, product engineering and innovation.
- Progressed Dedicated Hybrid Transmission (DHT) technology, demonstrating over 30% fuel-efficiency improvement under MIDC driving conditions.
- Strengthened EV transmission leadership through continued support for multiple high-volume OEM programmes.
- Advanced localisation of next-generation Dual-Clutch Transmission (DCT) architectures through strategic technology collaborations.
- Expanded engineering capabilities across transfer cases, heavy-duty drivetrains and defence applications.
- Strengthened research collaborations with IIT Mumbai, BITS Pilani/Goa and COEP, focusing on NVH optimisation and CFD for EV transmissions.
- Enhanced laboratory and validation infrastructure to accelerate product development and testing.
- Deepened engagement with domestic and global OEMs from the design stage, reinforcing the Company's position as a technology and engineering partner.

BUSINESS DRIVER
TECHNOLOGY

TECHNOLOGY AT DIVGI-TTS: ENGINEERING THE FUTURE THROUGH DIGITAL INTELLIGENCE

Big number

100	**24x7**	**100**	**Zero**
%, core business functions integrated through ERP systems	Digital operational support and monitoring capabilities	%, focus on digital resilience and cybersecurity	Cybersecurity incidents post AI-enabled cyber defence implementation

Overview

In an increasingly digital and connected manufacturing environment, technology has emerged as a critical enabler of operational excellence, customer responsiveness and long-term competitiveness. For Divgi-TTS, technology is not limited to IT infrastructure alone; it forms the foundation for improving agility, strengthening business continuity, enhancing product quality and enabling scalable growth across automotive and EV segments.

As the industry evolves towards greater automation, data intelligence and digitally integrated manufacturing ecosystems, Divgi-TTS continues to strengthen its technology capabilities through investments in advanced systems, cybersecurity, automation and enterprise-wide digital integration. The Company's technology roadmap is aligned with its broader objective of building a future-ready, globally competitive and resilient organisation.

Vision for technology-led growth

- Divgi-TTS views technology as a key enabler of sustainable growth, operational excellence and long-term competitiveness. Through digital integration, automation and advanced enterprise systems, the Company is strengthening customer responsiveness, improving operational efficiency, enhancing decision-making and building scalable operations to support future growth across products, facilities and global markets.

Building a technology-driven organisation

- Divgi-TTS continues to advance its digital transformation through investments in modern technologies, enterprise systems and process automation. The Company is leveraging analytics to strengthen decision-making, enhancing ERP integration to improve collaboration and efficiency, empowering employees through digital tools and training, and improving customer responsiveness through faster execution, greater reliability and stronger compliance.

Role of technology across operations

- Technology plays a critical role across Divgi-TTS' operations by enabling integrated enterprise management, supporting R&D and product innovation, strengthening cybersecurity and compliance, enhancing workforce development and improving connectivity through cloud-based collaboration platforms. These digital capabilities help drive efficiency, agility and operational excellence across the organisation.

Automation initiatives

- Divgi-TTS continues to explore automation across functions to improve efficiency, reduce manual intervention and enhance operational accuracy. The Company is leveraging automated systems for process optimisation, secure data management, disaster recovery and AI-enabled cybersecurity to strengthen digital resilience and business continuity.

BUSINESS DRIVER
SALES AND MARKETING

HOW DIVGI-TTS IS DRIVING THE ADOPTION OF NEXT-GENERATION POWERTRAIN SOLUTIONS

Overview

In the automotive drivetrain and transmission industry, sales and marketing play a critical role in translating engineering capabilities into business opportunities, strengthening customer relationships and expanding market presence.

At Divgi-TTS, the function has supported growth across drivetrain, transmission and emerging mobility technologies by identifying evolving market needs and aligning product offerings accordingly. Through proactive customer engagement, global outreach and focused brand-building initiatives, the Company strengthened its position as a trusted technology partner.

Strengths

Comprehensive drivetrain solutions: Divgi-TTS offers a wide portfolio of drivetrain systems, including all-wheel-drive systems, torque-on-demand technologies, planetary differentials, PTUs, NexTrac® Couplers and automatic locking hubs, enhancing vehicle capability and performance.

Advanced transmission systems: The Company provides diverse transmission solutions across manual, EV, dual-clutch, dedicated hybrid and automatic transmission platforms to address evolving mobility needs.

High-performance synchronizers: Divgi-TTS manufactures advanced single, dual and triple-cone synchronizers that improve shift quality, durability and transmission efficiency across vehicle platforms.

Highlights, FY 2025-26

- Secured strategic vehicle programmes, including Tata Motors' all-wheel-drive programmes, NexTrac® and PTU business, while strengthening long-term revenue visibility and customer relationships.
- Expanded our global market presence by reclaiming component business from leading Tier-1 suppliers and deepening engagements across the US, Mexico, Europe and Asia.
- Strengthened our mobility portfolio diversification through EV transmission components, hybrid transmission opportunities and collaboration with Hofer Powertrain on Dedicated Hybrid Transmission localisation.
- Enhanced our customer engagement and programme execution through industry platforms, global supplier summits, on-site quality support and proactive schedule alignment.
- Advanced our brand-building initiatives through digital engagement, technical publications, product communication and industry outreach, while improving EV transmission manufacturing capabilities at the Shirwal facility.

BUSINESS DRIVER

GLOBAL OUTREACH

DIVGI-TTS EXPANDED ITS GLOBAL FOOTPRINT THROUGH CUSTOMER PROXIMITY AND EXECUTION EXCELLENCE

Overview

Divgi-TTS continued to expand its global presence through engineering excellence, manufacturing competitiveness and customer-centric execution. During FY 2025-26, the Company strengthened customer engagement, overseas support infrastructure and relationships across North America, Europe and Asia. The commissioning of a new warehouse in Mexico, continued support through its USA warehouse and exploration of a dedicated US subsidiary reinforced customer proximity and positioned the Company for sustained export growth.

Highlights, FY 2025-26

- Exports grew 6.19 times over FY 2024-25, driven by serial production supplies, tooling revenues and tariff recoveries.
- Commenced operations at the Silao, Mexico, warehouse to support supplies to BorgWarner's Irapuato facility, complementing the Charleston, USA warehouse.
- Strengthened international customer engagement through regional leadership, on-ground interactions and programme support.
- Enhanced global visibility through participation in Magna Powertrain's Global Supplier Acceleration Summit.
- Maintained export competitiveness amid evolving tariffs and geopolitical uncertainties through proactive customer management.

BUSINESS DRIVER

SUPPLY CHAIN RESILIENCE

DIVGI-TTS STRENGTHENED ITS SUPPLY ECOSYSTEM TO SUPPORT GROWTH, LOCALISATION AND FUTURE TECHNOLOGIES

Overview

Supply chain excellence is critical to ensuring manufacturing continuity, quality, cost competitiveness and customer confidence. For Divgi-TTS, a resilient and agile supply ecosystem supports its expanding presence across domestic and global markets, including EV, hybrid and advanced transmission platforms. During FY 2025-26, the Company strengthened supplier partnerships, localisation, strategic sourcing and planning capabilities, enhancing supply resilience, operational efficiency and readiness for new product introductions.

Highlights, FY 2025-26

- Maintained stable material availability and supply chain performance amid a dynamic operating environment.
- Supported our new product development programmes across EV and hybrid transmission applications.
- Advanced our localisation, supplier development and strategic sourcing initiatives to improve cost and capability.
- Enhanced our supplier quality, delivery performance and responsiveness through deeper collaboration.
- Strengthened our supply chain planning, risk management and business continuity practices to improve resilience.

BUSINESS DRIVER

HUMAN CAPITAL EXCELLENCE

TECHNOLOGY AT DIVGI-TTS: ENGINEERING THE FUTURE THROUGH DIGITAL INTELLIGENCE

Big number

80.96

%, Employee engagement survey score achieved

4

Manufacturing facilities supported through an integrated HR framework

Overview

In the automotive engineering and manufacturing industry, sustained competitiveness depends on the ability to attract, develop and retain specialised talent. As mobility technologies evolve, organisations require skilled professionals, strong leadership and a high-performance culture to drive innovation and growth.

For Divgi-TTS, human resources is a strategic capability that supports organisational resilience, leadership continuity and execution of complex engineering programmes. During FY 2025-26, the Company strengthened its human capital foundation through focused initiatives in talent management, leadership development, employee engagement, succession planning and workforce analytics, reinforcing HR's role as a strategic business partner.

Highlights, FY 2025-26

- Strengthened talent acquisition, retention and leadership continuity through focused initiatives for critical roles and specialised technical positions.
- Enhanced our employer branding, talent mobility and employee engagement, achieving an Employee Engagement Survey score of 80.96%.
- Conducted Management Development Programmes to strengthen leadership and PLCM capabilities.
- Expanded our digital HR tools and workforce analytics to improve people decision-making and operational efficiency.
- Strengthened our research collaboration with BITS Goa to support future talent development and innovation capabilities.

Our dashboard

Year	FY 23	FY 24	FY 25	FY 26
Employee cost (₹ in Million)	244.95	241.39	251.14	415.41
Employees	226	235	251	268
Aggregate person-training hours	7.7	6.7	7.4	6.32
Average age	38	36	35	36
Women employees as % of total employees	2.65%	2.46%	3.61	2.6%
Revenue per employee	75,044	57,802	51,588	50,043

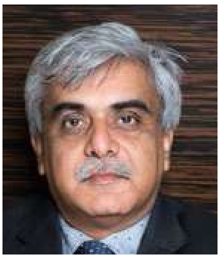
OUR DIRECTORS' PROFILE

Praveen Kadle, Chairman and Independent Director

Praveen Kadle, holds a Bachelor's degree in Commerce and Accountancy and is a qualified Chartered Accountant (1982), Cost and Management Accountant (1983 – certificate of merit), and Company Secretary (1983). With extensive experience at the Tata Group, he has been recognized with several accolades, including CFO of the Year and Best CFO in the Auto Sector.

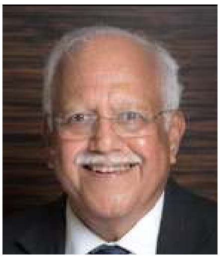
Jitendra Divgi, Managing Director

Jitendra Divgi, holds a Bachelor's degree in Mechanical Engineering (Honours) from BITS Pilani (1985) and a Master's in Manufacturing from the University of Massachusetts, USA (1986). He began his career at Digital Equipment Corporation in Massachusetts before joining Divgi Metal Wares in 1994. He also served on the Board of BorgWarner, China, and was associated with BorgWarner until 2016.



Hirendra Divgi, Executive Director

Hirendra Divgi, holds a Bachelor's degree in Mechanical Engineering from the University of Bangalore. He has been associated with the organization since 1988, serving in various capacities including New Product Development Manager and Controller – Operations.



Pradip Dubhashi, Independent Director

Pradip Vasant Dubhashi has a BE (Electrical) from College of Engineering, Pune (CoEP) and additionally holds a PGDBM from XLRI, Jamshedpur. He has had an engaging career in the Mahindra Group spanning 16 years where he worked in its auto component subsidiaries and as Corporate Planning Manager in M&M where was responsible for non-auto diversification through Mahindra BT Ltd. (now Tech Mahindra). He then led a Mahindra subsidiary in Engineering Composites as its first CEO. For last 32 years, Mr Dubhashi has been practising as a consultant in Strategy, Business Planning and Finance. Presently he is focussed on helping entrepreneurs developing new products and technologies. His current engagements are in EV Powertrains, Development of totally new Clean Energy technology, Medical Devices for Cardiac Care and Hydrogen Fuel Cell business development for a Swiss startup. He has chaired Boards of listed companies in the past and currently continues to serve on the Boards of unlisted and startup firms.

Pundalik Dinkar Kudva, Independent Director

Pundalik Kudva is an Honours graduate in Commerce from the University of Bombay and has been a practicing Chartered Accountant for 45 years. He is a Partner at P. D. Kudva & Co. LLP, where he specializes in advisory services, direct tax litigation, and legal representation. He was the Founder Treasurer and Trustee of the Zonal Transplant Coordination Centre (ZTCC), Pune, serving in that capacity for six years and contributing significantly to organ transplant coordination across Maharashtra. He currently serves as the Honorary Advisor to the Zonal Transplant Coordination Centre, Pune.

Geeta Tolia, Independent Director

Geeta Tolia, is a Commerce graduate from the University of Gujarat and a Fellow Member of the Institute of Chartered Accountants of India since 1989. She also holds a Master's in Leadership and Strategy from London Business School. She co-founded TFive Network LLP and Gravitech Business Solutions Private Limited, supporting startups in strategy, customer relations, finance, and fundraising. Earlier, she served as the Global CFO of Sepam Group, an Irish EPC multinational with operations across several continents.

Bharat Divgi, Non-Executive Director

Bharat Divgi, holds an Honours Degree in Commerce from the Indian Institute of Management & Commerce, Hyderabad. With over 20 years of experience at the company, he has served in multiple roles, including Deputy Manager – Finance since 1985.

Sanjay Divgi, Non-Executive Director

Sanjay Divgi, holds a Bachelor's degree in Engineering. Since 1986, he has served in several roles within the company, including responsibilities in new product development and managing manufacturing operations.

Corporate Information

As on March 31, 2026

BOARD OF DIRECTORS

Chairperson

Mr. Praveen Purushottam Kadle

Executive Directors

Mr. Jitendra Bhaskar Divgi- Managing Director
Mr. Hirendra Bhaskar Divgi- Whole Time Director

Non- Executive Directors

Independent Directors

Mr. Praveen Purushottam Kadle
Mr. Pradip Vasant Dubhashi
Mr. Pundalik Dinkar Kudva
Ms. Geeta Tolia

Non-Independent Directors

Mr. Sanjay Bhalchandra Divgi
Mr. Bharat Bhalchandra Divgi

KEY MANAGERIAL PERSONNEL

Chief Financial Officer

Mr. Sudhir Shridhar Mirjankar

Chief Operating Officer

Mr. Dipak Annasaheb Vani

Company Secretary and Compliance Officer

CS Aniket Arun Kokane
(joined w.e.f June 01, 2025)

STATUTORY AUDITORS

M/s. B K Khare & Co.,
Chartered Accountants, Pune

INTERNAL AUDITORS

M/s. Kirtane & Pandit LLP

SECRETARIAL AUDITORS

M/s Kanj & Co. LLP
Company Secretaries, Pune

REGISTRAR AND SHARE TRANSFER AGENT

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)
SEBI Registration No: INR000004058
Website: www.in.mpms.mufg.com

BANKER

HDFC Bank Limited

REGISTERED OFFICE

75, General Block, MIDC Bhosari,
Pune, Maharashtra, India 411026
Phone: 020-6311 0114
Email: companysecretary@divgi-tts.com
Website: www.divgi-tts.com
CIN: L32201MH1964PLC013085

FACTORIES

1. BHOSARI
2. SHIVARE
3. SHIRWAL
4. SIRSI

BOARD COMMITTEES

Audit Committee
Nomination & Remuneration Committee
Stakeholders' Relationship Committee
Corporate Social Responsibility Committee
Risk Management Committee
Independent Directors' Committee

Board's Report

Dear Members

Your Directors are pleased to present the 61st Annual Report of Divgi TorqTransfer Systems Limited ("Your Company / the Company") along with the Audited Financial Statements for the financial year ended March 31, 2026.

1. KEY FINANCIAL HIGHLIGHTS (Standalone):

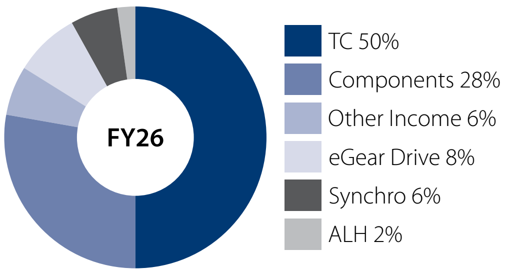
(₹ in millions)

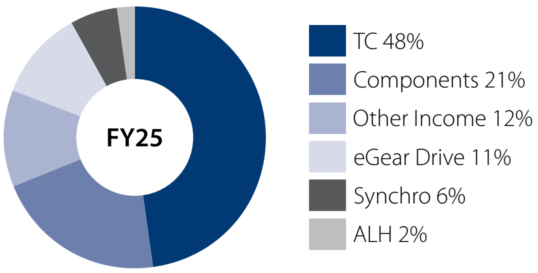
Particulars	Financial Year 2025-26	Financial Year 2024-25
Revenue from Operation	3528.88	2189.17
Other Income	222.83	212.11
Total Income	3751.71	2401.28
Expenses excluding Finance Cost and Depreciation & Amortization Expenses	2828.75	1815.59
Profit for the year before Interest, Depreciation & Amortization	922.96	585.69
Finance Cost	3.10	3.82
Depreciation & Amortization Expenses	292.37	251.83
Profit for the year before exceptional items and tax	627.49	330.04
Exceptional Items		-
Profit before Tax	627.49	330.04
Tax Expenses		
• Provision for Income Tax	159.44	74.86
• Deferred Tax	(1.21)	11.26
Profit for the Year	469.26	243.92
Earnings Per Share		
• Basic	15.34	7.98
• Diluted	**15.34**	**7.98**

The above-mentioned figures are extracted from Financial Statements prepared in accordance with the Indian accounting standards (IND AS).

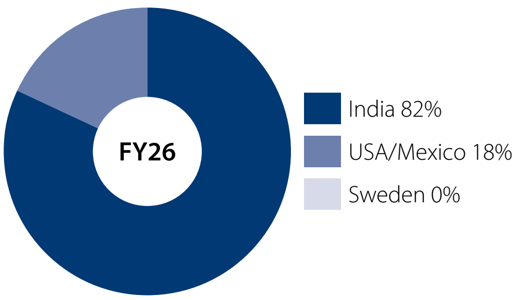
2. FINANCIAL AND OPERATIONS PERFORMANCE AND STATE OF AFFAIRS:

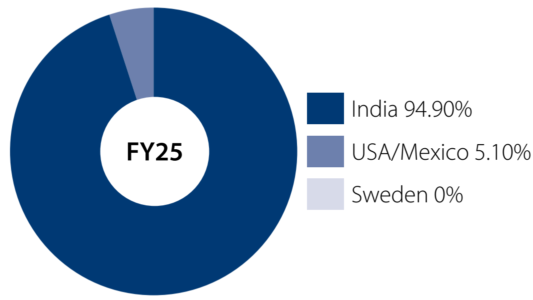
Revenue Mix – Product-wise FY26 vs FY25





Revenue Mix – Geography-wise FY26 vs FY25





The following table summarizes the Company's revenues across product lines:

Particulars	Financial Year 2025-26	Financial Year 2024-25
Transfer Cases (TC)	1888.50	1151.63
Automatic Locking Hubs (ALH)	68.48	50.33
Transmission components	1632.12	909.93
Other Operating Revenue	-60.46	48.07
Sales of tools	0.24	30.86
Other Income	222.80	210.46
Total Revenue	**3751.71**	**2401.28**

Overview of the Financial Year:

The Board is pleased to inform you that the affairs of your Company are running smoothly and are in compliance with all the applicable laws and regulations.

Outlook of the business has been discussed in detail in the Management Discussion and Analysis which forms part of this Annual Report.

Management Discussion & Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), is separately set out and forms part of this Annual Report.

3. UTILIZATION OF IPO PROCEEDS

Issue size = ₹412.12 crores

With OFS portion: INR 412.120 Crore

Excluding OFS portion = ₹180.0 crores

Net proceeds as per prospectus = 168.430 crores (excluding Issue Related Expenses) *

*The revised net proceeds stood at INR 169.662 Crore as on March 31, 2026, on account of lower issue-related expenses.

Sl. No.	Quarter	Amount Utilized (₹ in Crores)
1.	1st April 2025 to 30th June 2025	9.855
2.	1st July 2025 to 30th September 2025	5.015
3.	1st October 2025 to 31st December 2025	10.219
4.	1st January 2026 to 31st March 2026	7.492
	Total	**32.581**

4. DIVIDEND:

Your Directors are pleased to recommend dividend of ₹3.27/- per equity share of face value of ₹5.00 each as Final Dividend out of the profits of the Financial Year ended March 31, 2026, for approval by the shareholders at the ensuing Annual General Meeting of the Company (AGM). The Dividend Distribution Policy is available on the website of the Company https://divgi-tts.com/wp-content/uploads/2023/03/7.-Policy-on-Dividend-Distribution.pdf

5. TRANSFER TO RESERVES:

We do not propose to transfer any amount to General Reserves during the financial year ended March 31,2026.

6. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the Financial year ended March 31, 2026, there was no change in the nature of the Company's business.

7. PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposits) Rules, 2014.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There has been no material change and commitment affecting the financial position of your Company which has occurred between end of financial year to which the financial statements relate and the date of this Report.

9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

There were no loans, guarantees and investments made by the Company under Section 186 of the Act during the period under review.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts/ arrangements/ transactions entered into by the Company during the financial year under review with related parties were on an arm's length basis and were in the ordinary course of business. Such transactions form part of the notes to the financial statements provided in this Annual Report. All Related Party Transactions ("RPTs") are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee has been obtained for the RPTs which are repetitive in nature or when the need for these transactions cannot be foreseen in advance. The details of such transactions were placed before the Audit Committee for noting/ review on quarterly basis. Further all Related Party Transactions are being approved only by members of the Audit Committee who are Independent Directors.

The information for Related Party Transactions as required under Rule 8(2) of the Companies (Accounts) Rules, 2014 in prescribed Form AOC-2 is enclosed as 'Annexure A' to this Report. Your attention is drawn to the Related Party disclosures set out in Note no. 34, of the Standalone Financial Statements.

Your Company has already adopted a Policy for dealing with Related Party Transactions which is subject to review and revision by the Audit Committee and Board. The policy on Related Party Transaction as approved by the Board has been displayed on the Company's website at https://divgi-tts.com/policies-and-code-of-conduct/

11. DEVIATION(S) OR VARIATION(S) IN THE USE OF PROCEEDS OF INITIAL PUBLIC ISSUE (IPO), IF ANY:

There were no instances of deviation(s) or variation(s) in the utilization of proceeds of IPO as mentioned in the objects of Offer in the Prospectus dated March 06, 2023, in respect of the IPO of the Company.

12. SHARE CAPITAL:

There was no change in the authorized share capital of the Company during the year under review.

The current Authorized Capital of the Company is ₹20,00,00,000/- (Rupees Twenty Crores Only) divided into 40,000,000 Equity shares of ₹5.00/- each.

The issued, subscribed and paid-up capital of the Company as on March 31, 2026, was ₹15,29,14,635 (Rupees Fifteen Crores Twenty nine lakh Fourteen thousand six hundred and thirty-five only) consisting of 3,05,82,927 equity shares of ₹5.00 each.

13. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANY:

The Company does not have any subsidiary, joint venture and associate company during the year under review.

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations during the year under review.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors:

Your Company has an optimum combination of executive as well as non-executive Directors in compliance with Regulation 17 of the Listing Regulations as amended from time to time.

Board of Directors of the Company as on March 31, 2026:

Sr. No.	Name	Designation	Category
1	Mr. Praveen Purushottam Kadle	Chairperson	Independent Director
2	Mr. Pradip Vasant Dubhashi	Director	Independent Director
3	Mr. Pundalik Dinkar Kudva	Director	Independent Director
4	Ms. Geeta Tolia	Director	Independent Director
5	Mr. Jitendra Bhaskar Divgi	Managing Director	Executive Director
6	Mr. Hirendra Bhaskar Divgi	Whole Time Director	Executive Director
7	Mr. Sanjay Bhalchandra Divgi	Director	Non- Executive, Non- Independent Director
8	Mr. Bharat Bhalchandra Divgi	Director	Non- Executive, Non- Independent Director

Key Managerial Personnel:

In terms of Section 203 of the Companies Act 2013, the following are the Key Managerial Personnel of the Company:

Sr. No.	Name	Designation
1	Mr. Jitendra Bhaskar Divgi	Managing Director
2	Mr. Hirendra Bhaskar Divgi	Whole Time Director
3	Mr. Sudhir Shridhar Mirjankar	Chief Financial Officer
4	Mr. Dipak Annasaheb Vani	Chief Operating Officer
5	CS Aniket Arun Kokane	Company Secretary & Compliance Officer

- **Directors liable to retire by rotation:**

  As per the provisions of the Act, Mr. Sanjay Bhalchandra Divgi (DIN: 00471465), Non-Executive, Non-Independent Director and Mr. Bharat Bhalchandra Divgi (DIN: 00471587) Non-Executive, Non-Independent Director, are liable to retire at the ensuing Annual General Meeting ("AGM"), being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends their reappointment.

- **Changes in Composition of Key Managerial Personnel**

  During the year under review Ms. Sanika Nirgude, Company Secretary and Compliance Officer of the Company was relieved from the responsibilities at the close of business hours on May 31, 2025. Subsequently, Mr. Aniket Kokane was appointed as the Company Secretary and Compliance Officer of the Company with effect from June 01, 2025.

16. DETAILS OF BOARD MEETINGS:

The Board met five (05) times during the financial year. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Act/ the Listing Regulations.

17. COMMITTEES OF THE BOARD:

As of March 31, 2026, the Board had 6 (six) committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and the Independent Directors' Committee.

A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance that forms part of this Report.

18. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

As a practice, all new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The Directors are usually encouraged to visit the manufacturing facilities of the Company and interact with members of Senior Management as part of the induction programme. The Senior Management makes presentations giving an overview of the Company's strategy, operations, products, markets, group structure, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management. Further details about familiarization program for Directors are provided in the Corporate Governance Report that forms part of this Annual Report.

19. CONTRIBUTION OF INDEPENDENT DIRECTORS TO THE GROWTH OF THE COMPANY:

The Board of Directors of your Company strategically comprises of Independent Directors who add value to the Company. The Company has been fortunate in having talented and experienced people as Independent Directors on its Board. All the Independent Directors have expertise and integrity and have earned vast experience and reputation in the industry. Our Independent Directors are experts in Business Operations, Finance, Information Technology, Commercial Laws, Corporate Governance, Audit and Human Resources. This expertise helps the Board to ensure that Company is at par with the global benchmarks in terms of ethics, corporate governance, best industry practices and transparency. In addition, their wealth of experience in the corporate world ensures that the Company benefits significantly from their advice.

20. DECLARATION BY INDEPENDENT DIRECTORS:

Your Company has received necessary declarations from each of the Independent Directors as required under Section 149(7) of the Act and regulation 25(8) of Listing Regulations, that he / she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations.

The Independent Directors have also given a declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Independent Directors fulfil the conditions specified in the Companies Act, 2013 read with the schedules and Rules issued thereunder as well as Listing Regulations and are independent from Management.

21. BOARD EVALUATION:

Annual performance evaluation of the Board of Directors, its committees and all the Directors individually were done in accordance with the performance evaluation framework adopted by the Company and a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation framework sets out the performance parameters as well as the process of the performance evaluation.

Pursuant to the provisions of the Companies Act, 2013, a separate Meeting of Independent Directors was held during the year to review (i) performance of the Non-Independent Directors and the Board of Directors as a whole (ii) performance of the Board Committees (iii) performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors (iv) assess the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board of Directors to perform its duties effectively and reasonably. The Board of Directors expressed satisfaction with the evaluation process.

22. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR:

Your Company has adopted the Guidelines on Board Effectiveness ("Governance Guidelines" or "Guidelines") which inter-alia cover the criteria for determining qualifications, attributes and independence of a director. The details of the Policy are stated in the Corporate Governance Report.

23. CORPORATE GOVERNANCE:

Your Company is committed to maintaining the highest standards of corporate governance. It believes in adherence to good corporate practices, implement policies and guidelines, and develop a culture of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters to enhance and retain investor trust, long-term shareholder value and respect minority rights in all our business decisions.

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Regulation are complied with. As per Regulation 34(3) Read with Schedule V of the Listing Regulations, a separate section on corporate governance, together with a certificate from the Company's Secretarial Auditors, forms a part of this Report.

24. ANNUAL SECRETARIAL COMPLIANCE REPORT:

Pursuant to SEBI Circular CIR/CFD1/27/2019 dated February 08, 2019, all listed entities shall, additionally, on annual basis, submit a report to the stock exchange(s) on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder within 60 days of end of financial year. Such report shall be submitted by a Company Secretary in practice to the Company in the prescribed format.

The Company has received this report from CS Vinayak Khanvalkar, Partner - M/s. Kanj & Co. LLP, Company Secretaries, Pune for the financial year ended March 31, 2026, and the same has been submitted to the Stock Exchanges within the stipulated timeframe. Copy of the said report is available on the website of BSE Limited www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com and also on the Company's website www.divgi-tts.com.

25. ANNUAL RETURN:

As per the requirement of Section 92(3) read with section 134(3)(a) of the Act, copy of the Annual Return of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the web link: https://divgi-tts.com/general-meeting/

26. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

a. Transfer of unclaimed Dividend to IEPF

During the year, Company has not transferred any unclaimed Dividend to IEPF since there is no unclaimed/ unpaid dividend with the Company.

b. Transfer of shares to IEPF

During the year, Company has not transferred any shares to IEPF since there are no shares eligible to be transferred to IEPF as per section 124 and 125 of the Companies Act, 2013

27. AUDITORS:

a. Statutory Auditors

Pursuant to provisions of Section 139(1) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, M/s. B. K. Khare & Co., Chartered Accountants, Pune (Firm Registration No. 105102W) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 57th AGM of the Company held on July 20, 2022 until the conclusion of 61st Annual General Meeting of the Company.

Further, the Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or reenactment(s) for the time being in force).

The Independent Auditors' Report for the financial year 2025-2026 on the financial statements of the Company is unmodified i.e. it does not contain any qualifications, reservations or adverse remarks. The observations of the Statutory Auditors in their Report are self-explanatory and therefore Directors don't have any further comments to offer on the same. The Auditors' Report is enclosed with the financial statements forming part of this annual report.

The term of office of the existing Statutory Auditors of the Company shall conclude at the conclusion of the 61st Annual General Meeting ("AGM").

Based on the recommendation of the Audit Committee, the Board of Directors has proposed the appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W/W100057), as the Statutory Auditors of the Company, to hold office for a term of five consecutive years, from the conclusion of the 61st AGM until the conclusion of the 66th AGM, subject to the approval of the Members at the 61st AGM.

The proposed appointment is in accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

b. Secretarial Auditors

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s Kanj & Co. LLP, Company Secretaries, Pune for conducting the Secretarial Audit of the Company for the financial year 2025-26.

The Report of the Secretarial Audit is annexed herewith as an '**Annexure B**' to this Report.

Pursuant to recent amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. LIST/ COMP/14/2018 dated June 20, 2018, a certificate from Kanj & Co. LLP, Company Secretaries, Pune that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority is annexed to Corporate Governance Report.

c. Internal Auditors:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, and on the recommendation of the Audit Committee, M/s. Kirtane & Pandit LLP were appointed by the Board of Directors in their meeting held on August 07, 2025 to conduct internal audit reviews of the Company for the Financial Year 2025-26. The Internal Auditor functionally reports to the Audit Committee to ensure independence of the Internal Audit function. The scope and authority of the Internal Auditor is as per the terms of reference approved by Audit Committee. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

d. Cost records and Cost Audit:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

28. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, none of the Statutory Auditors, Internal Auditors, the Secretarial Auditors have reported to the Audit Committee, under Section 143 (12) of the Act, any instances of fraud committed by the Company or against your Company by its officers or employees, the details of which would need to be mentioned in the Boards' report.

29. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS:

There were no qualifications, reservations or adverse remarks made by the Statutory Auditor and Internal Auditor in their respective report.

The Secretarial Auditor has reported following observations:

1. There was a gap of more than 210 days between two meetings of Risk Management Committee

   Management Response : The internal between two consecutive Risk Management Committee meetings inadvertently exceeded the prescribed 210-day limit due to administrative oversight.

2. The Chairman of the Stakeholders Relation Committee was not present for the Annual General Meeting held during FY 2025-2026.

   Management Response : The Chairperson of the SRC had requested for a leave of absence due to his personal reasons.

30. INTERNAL FINANCIAL CONTROLS:

The Company has established a robust system of internal controls to ensure that assets are safeguarded, and transactions are appropriately authorized, recorded, and reported. The framework within the Company ensures the orderly and efficient conduct of business, which includes adherence to policies, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The internal control systems of the Company are adequate considering the nature of its business, size and complexity. The controls have been documented, digitized, and embedded in the business process. Assurance on the effectiveness is obtained through management reviews, controls self-assessment and periodic reporting of the in-house team that evaluates and provides assurance of its adequacy and effectiveness. The controls are also tested by the internal and statutory auditors during their audits.

The Statutory Auditors of the Company have expressed their opinion on adequacy of internal financial control with reference to financial statements for the year under review and operating effectiveness of such controls.

31. RISK MANAGEMENT:-

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company has constituted Risk Management Committee which periodically assesses risk elements in the internal and external environment, along with the cost of treating such risk elements and incorporates risk treatment plans in its strategy, business and operational plans; the details of the Risk Management Committee and its meetings are included in the Corporate Governance Report which forms integral part of this report. As of the date of this report, the Company does not foresee any critical risk, which threatens its existence. Further Company has also formulated the Policy on Risk Management which can be accessed from the website https://divgi-tts.com/policies-and-code-of-conduct/

32. PARTICULARS OF EMPLOYEES:

Statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹1 crore 2 lakhs or more, or employed for part of the year and in receipt of ₹8.5 lakhs or more a month, and other employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as 'Annexure C-Part A'.

The ratio of the remuneration of each director to the median employee's remuneration and other details prescribed in Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to this Report as 'Annexure C-Part B'.

33. DIRECTORS & OFFICERS INSURANCE POLICY

The Company has in place an insurance policy for its Directors & Officers with a quantum and coverage as approved by the Board.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 forms part of this Report and is annexed herewith as 'Annexure D'.

Business Responsibility and Sustainability Report (BRSR):

The Securities and Exchange Board of India ('SEBI'), in May 2021, introduced new sustainability related reporting requirements to be reported in the specific format of Business Responsibility and Sustainability Report ('BRSR'). BRSR is a notable departure from the existing Business Responsibility Report ('BRR') and a significant step towards giving platform to the companies to report the initiatives taken by them in areas of environment, social and governance. Further, SEBI has mandated top 1,000 listed companies, based on market capitalization, to transition to BRSR from Financial Year 2022-23 onwards.

The BRSR disclosures form a part of this Integrated Annual Report is annexed to this Report as 'Annexure E'.

35. COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Company is compliant with all the applicable mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.

36. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of CSR were applicable to your Company during the financial year under review, and accordingly your Company has formulated a CSR policy according to which the Board of Directors of the Company at regular intervals do monitor and review the CSR activities that are being taken up by the Company. Your Company believes in the principle of building a sustainable society and contributing to the long-term social welfare of the society.

In compliance of Section 135 of the Act read with CSR Rules as amended and applicable from time to time, detailed Annual Report on CSR Activities undertaken by the Company during the year is given as 'Annexure F'. The CSR Policy is disclosed on the website of the Company https://divgi-tts.com/policies-and-code-of-conduct/

37. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Your Company has set up vigil mechanism viz. Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their genuine concerns, unethical behavior, actual or suspected fraud, irregularities or violation of Company's Code of Conduct, if any, noticed by them in the Company, which could adversely affect company's operations. This mechanism also provides safeguards against victimization of employees, who avail themselves of the mechanism and provides direct access to the Chairperson of the Audit Committee. The details of the same are explained in the Corporate Governance Report and also posted on the website of the Company at https://divgi-tts.com/policies-and-code-of-conduct/

All Directors and employees have access to the Chairperson of the Audit Committee. The policy with the name and address of Chairperson of the Audit Committee has been circulated to the employees. Further no personnel have been denied access to the Audit Committee during the period under review. The vigil mechanism is overseen by the Audit Committee and your Company is happy to inform you that during the year, there have been no Complaints received by the Audit Committee.

38. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:

Your Company has adopted policy on prevention, prohibition and redressal of sexual harassment at workplace, in line of the provisions of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The policy aims to provide protection to employees at the workplace and to prevent and redress complaints of sexual harassment and for matters connected and incidental thereto, with an objective of providing a safe working environment where employees feel secure. The policy formulated by the Company for prevention of sexual harassment is available on the website of the Company at https://divgi-tts.com/policies-and-code-of-conduct/

The Company has complied with the provision relating to the constitution of Internal Committee under POSH, 2013. In the Board Meeting held on May 30, 2025, the Company had reconstituted the Internal Committee.

During the year under review, no complaint to sexual harassment at workplace has been received by the Company. Following are the details of complaints received during the financial year 2025–26:

Sr. No	Particulars	Number of Complaints
1	Number of complaints of Sexual Harassment received in the year	0
2	Number of complaints disposed off during the year	0
3	Number of cases pending for more than ninety days	0

39. DISCLOSURE RELATED TO INSOLVENCY AND BANKRUPTCY:

During the financial year under review, your Company has not made any application nor there is any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

40. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During thefinancial year, your Company has not initiated one time settlement with the Banks or Financial Institutions and therefore no details are required to be furnished.

41. COMPLIANCE WITH THE PROVISIONS OF MATERNITY BENEFIT ACT, 1961

During the year, the Company has duly complied with the provisions of the Maternity Benefit Act, 1961, as amended from time to time. Necessary facilities and benefits as prescribed under the Act have been extended to eligible employees, ensuring their rights and welfare are safeguarded in accordance with the applicable laws. The Company remains committed to maintaining a supportive and inclusive work environment for all its eligible employees.

42. GENDER-WISE COMPOSITION OF EMPLOYEES

In alignment with the principles of diversity, equity, and inclusion (DEI), the Company discloses below the gender composition of its workforce as on March 31, 2026.

Male Employees	:	271
Female Employees	:	7
Transgender Employees	:	0

This disclosure reinforces the Company's efforts to promote an inclusive workplace culture and equal opportunity for all individuals, regardless of gender.

43. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (5) of the Act with respect to Directors' Responsibility Statement, the Board of Directors, to the best of their knowledge and ability, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

ii. they have 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 that period;

iii. they have 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;

iv. they have prepared the annual accounts on going concern basis;

v. they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

44. ACKNOWLEDGEMENT:

Your Directors wish to convey their gratitude and place on record their appreciation for all employees, workers and all the stakeholders of the Company at all levels for their hard work, dedication, solidarity and commitment during the year. Your directors sincerely convey their appreciation and gratitude for all the co-operation extended by government authorities, regulators, customers, shareholders, bankers, business associates and investors and all other stakeholders.

For and on behalf of the Board of Directors
DIVGI TORQTRANSFER SYSTEMS LIMITED

	Praveen Kadle	**Jitendra Divgi**
Place: Pune	Chairperson	Managing Director
Date: August 11, 2026	DIN: 00016814	DIN: 00471531

Key Financial Ratios:

Sr. No.	Ratios	March 31, 2026	March 31, 2025	% Change
1	Trade Receivables Turnover Ratio	5.24	3.69	42.00%
2	Inventory Turnover Ratio	7.24	5.88	23.12%
3	Interest Coverage	94.76	67.31	40.8%
4	Current Ratio	5.04	7.00	-28%
5	Debt Equity Ratio		0.00	
6	Operating Profit (%)	24.6%	24.4%	1%
7	Net Profit Margin (%)	12.5%	10.16	23.13%

Annexure A

Form No. 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 transactions under third proviso thereto.

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

There are no related party contracts, arrangements or transactions of the nature mentioned in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm's length.

2. Details of material contracts or arrangement or transactions at arm's length basis:

SR. NO	PARTICULARS	DETAILS	
1	Name of the related party	Divgi Transmission Systems & Technologies Private Limited	Divgi Holding Private Limited (DHPL)
2	Nature of relationship	Company in which directors are interested	Holding Company
3	Nature of contract/ arrangement/ transaction	a. Machining and Development charges b. Lease of Land & Building c. Lease of Machinery	Rent Income and Expenditure
4	Duration of contract/ arrangement/ Transaction	a. Machining and Development: On going (Continuous basis) b. Lease of Land & Building: 10 Years w.e.f. April 01, 2024 c Lease of Machinery: 10 Years w.e.f April 01, 2024	a. Lease Deed for Land: 50 Years w.e.f. August 11, 1997 b. Renewal of Lease Agreement for Building: Five years w.e.f January 01, 2022 c. Leave and License Agreement for use of office premises w.e.f October 01, 2025.
5	Salient terms of the contract or arrangement or transaction	a. Machining and Development: Based on respective Purchase Order b. Lease of Land & Building: • Annual Lease of ₹12 Lakhs c. Lease of Machinery: • Annual Lease of ₹12 Lakhs	a. Lease Deed for Land • Rent receipt of ₹5,000/ annum. b. Renewal of Lease Agreement for Building: • Rent Payment of ₹3.85 Lakhs/ month c. Rent Payment of ₹1.21 Lakhs/ month
6	Date of approval by the Board, if any	May 30, 2025	May 30, 2025
7	Amount paid as advances, if any	NIL	NIL

For and on behalf of the Board of Directors
DIVGI TORQTRANSFER SYSTEMS LIMITED

	Praveen Kadle	**Jitendra Divgi**
Place: Pune	Chairperson	Managing Director
Date: August 11, 2026	DIN: 00016814	DIN: 00471531

Annexure B

Form No. MR-3

Secretarial Audit Report

For The Financial Year Ended 31st March, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
Members,
Divgi TorqTransfer Systems Limited
Plot no. 75, General Block MIDC, Bhosari
Pune 411026

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Divgi TorqTransfer Systems Limited (hereinafter called as "the Company or DTTSL"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, it's officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; No events occurred during the period which attracts provisions of these guidelines hence not applicable.

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: No events occurred during the period which attracts provisions of these guidelines hence not applicable.

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: No events occurred during the period which attracts provisions of these guidelines hence not applicable.

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: No events occurred during the period which attracts provisions of these guidelines hence not applicable.

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: No events occurred during the period which attracts provisions of these guidelines hence not applicable.

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India:

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited;

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. The Chairman of the Stakeholders Relation Committee was not present for the Annual General Meeting held during FY 2025-2026 and was granted leave of absence due to his personal reasons.
2. There was a gap of more than 210 days between two meetings of the Risk Management Committee.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

We have been informed that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. During the year, Board also granted a general approval to receive notes on agenda items of the Board Meetings which are considered Unpublished Price Sensitive Information, however the Board mandated that the shorter notice shall not be shorter than 3 days.

All the decision in the board meetings were carried through by majority and it was informed to us that there were no dissenting views of the members and hence not captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has taken no such actions or enter into such events that would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For KANJ & Co. LLP,
Company Secretaries,

Vinayak Khanvalkar
Partner
FCS No.: 2489
C P No.: 1586
UDIN: F002489H001107274
Firm Unique Code: P2000MH005900
Peer Review Certificate No. 6309/2024
Date: August 13, 2026
Place: Pune

This report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

Annexure A

To,
The Members of
Divgi TorqTransfer Systems Limited
Plot no. 75, General Block MIDC, Bhosari
Pune 411026

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KANJ & Co. LLP,**
Company Secretaries,

Vinayak Khanvalkar
Partner
FCS No.: 2489
C P No.: 1586
UDIN: F002489H001107274
Firm Unique Code: P2000MH005900
Peer Review Certificate No. 6309/2024

Date: August 13, 2026
Place: Pune

Annexure C

Particulars of Remuneration

Part A: Information pursuant to Section 197(12) of the Companies Act, 2013

[Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the Financial year 2025-26:

Sr. No.	Name of Director/ KMP	Designation	Ratio of the Remuneration of each Director / Chief Financial Officer / Company Secretary to Median Remuneration of Employees	% increase in the remuneration of each Director / Chief Financial Officer / Company Secretary
1)	Mr. Jitendra Bhaskar Divgi	Executive Director	31.7	15
2)	Mr. Hirendra Bhaskar Divgi	Executive Director	15.8	15
3)	Mr. Sudhir Shridhar Mirjankar	Chief Financial Officer (CFO)	8.9	42
4)	Dipak Vani	Chief Operating Officer	10.9	15
5)	CS Aniket Arun Kokane*	Company Secretary and Compliance Officer	2.5	-

*CS Aniket Arun Kokane was appointed as the Company Secretary and Compliance Officer w.e.f. June 01, 2025, the percentage increase in the remuneration is not mentioned above for FY 2025-26 being his first year of appointment.

Notes:

a) The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and the limits approved by the Nomination and Remuneration Committee / Board Members. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase of remuneration for Non-Executive Directors are therefore not considered for the purpose above.

2. The Median Remuneration of Employees of the Company: ₹6,77,865

3. The number of permanent employees on the roll of Company as at March 31, 2026: 278

4. Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last Financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   The increments given to each individual employee is based on the employees' performance and retention & motivation policy of the Company. There are no exceptional circumstances for increase in the managerial remuneration.

5. Affirmation that the remuneration is as per the Remuneration Policy of the Company: It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

For and on behalf of the Board of Directors
DIVGI TORQTRANSFER SYSTEMS LIMITED

	Praveen Kadle	**Jitendra Divgi**
Place: Pune	Chairperson	Managing Director
Date: August 11, 2026	DIN: 00016814	DIN: 00471531

Part B: Statement of Disclosure Pursuant to Section 197 of the Companies Act, 2013

[Read with Rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Names of top 10 employees in terms of remuneration drawn during the FY25-26

Sr. No.	Name of the employee	Gross Salary (₹)*	Years of Experience	Age (years)	Designation	Permanent employee or otherwise	Professional Qualification	Previous Employment	Any family relationship amongst the directors, key management personnel and management of the Company	Percentage of equity shares held by the employee in the company as on March 31, 2026
1.	Mr. Jitendra Bhaskar Divgi	1,77,50,898	33 years	65	Managing Director	Permanent	B.E (Mech) M.S (Manufacturing)	1. Digital Equipment Corporation, Massachusetts 2. BorgWarner, China	Elder brother of Mr. Hirendra Divgi, Whole-time Director	2.39

*Gross Salary does not include reimbursement.

B. Names of other employees who are in receipt of aggregate remuneration of not less than rupees one crore and two lakh during the FY25-26 or not less than rupees eight lakh and fifty-thousand per month (if employed for part of the FY25-26): NA

C. If employed throughout the Financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: NA

For and on behalf of the Board of Directors
DIVGI TORQTRANSFER SYSTEMS LIMITED

Praveen Kadle
Chairperson
DIN: 00016814

Jitendra Divgi
Managing Director
DIN: 00471531

Place: Pune
Date: August 11, 2026

Annexure D

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	1. 300 KVA Hybrid Automatic Power Factor Correction (APFC) Panel. 2. Procurement and commissioning of advanced, energy-efficient manufacturing machines such as VT-4 Turning Machine, Liebherr Hobbing Machine, Kanzaki Shaving Machine, and Torus Facing & Centering Machine, resulting in up to 75% reduction in cycle time and optimized energy utilization. 3. Replacement of conventional lighting with energy-efficient LED lighting across the facilities, resulting in significant reduction in electricity consumption.
(ii)	the steps taken by the company for utilizing alternate sources of energy	The Company implemented the use of renewable energy sources such as solar power for its operational requirements.
(iii)	the capital investment on energy conservation equipment's	During FY 2025-26, the Company made a capital investment of ₹90 lakh towards energy conservation initiatives

(b) Technology absorption

(i)	the efforts made towards technology absorption	Efforts taken in terms of working on Torque converter based automatic transmission technology feasibility study and acquisition from global technology and tier1 suppliers
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Product reliability improvement done on EV transmission thru "Differential' design upgradation with the help from Hofer, Germany
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	Dedicated Hybrid Transmission Technology (DHT)
	(b) the year of import;	2024-25
	(c) whether the technology been fully absorbed	Scope limited to design intent proto and preliminary simulation study to support market clinic
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	117.94 crores of revenue from operations

(c) Foreign exchange earnings: ₹66.90crore

Foreign exchange Outgo: ₹67.91crore

For and on behalf of the Board of Directors

DIVGI TORQTRANSFER SYSTEMS LIMITED

	Praveen Kadle	**Jitendra Divgi**
Place: Pune	Chairperson	Managing Director
Date: August 11, 2026	DIN: 00016814	DIN: 00471531

Annexure E

Business Responsibility and Sustainability Report

A General Disclosures

A.1: Details of the listed entity

1.	Corporate identity number (CIN) of the listed entity	L32201MH1964PLC013085
2.	Name of the listed entity	Divgi TorqTransfer Systems Limited
3.	Year of incorporation	16-12-1964
4.	Registered office address	Plot no. 75, General Block, MIDC Bhosari Pune Maharashtra, India 411026
5.	Corporate address	Plot no. 75, General Block, MIDC Bhosari Pune Maharashtra, India 411026
6.	E-mail	companysecretary@divgi-tts.com
7.	Telephone	020-63110100
8.	Website	https://divgi-tts.com
9.	Financial year for which reporting is being done	FY2025-26
10.	Name of the stock exchange(s) where shares are listed	BSE, NSE
11.	Paid-up Capital (in Rs.)	152914635
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Vijay J Warade, 8975760402, vjwarde@divgi-tts.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

A.2: Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
	Manufacturing of Automotive Drive train components and Systems	Design and manufacture of automotive transfer cases, conventional and electric vehicle (EV) transmissions, along with components thereof.	100%

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC code	% of total turnover contributed
	Transfer Case	2930	54
	Auto Looking Hub	2930	2
	Transmission Components & Others	2930	32
	EV Transmission	2930	12

A.3: Operation

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	04	1	5
International	0	0	0

19. Markets served by the entity:

a. Number of locations:

Location	Number
National (No. of States)	5
International (No. of Countries)	3

b. What is the contribution of exports as a percentage of the total turnover of the entity?

18%

c. A brief on types of customers:

Divgi TTS's customers can broadly be classified into domestic and international OEMs. Our customer base spans across various segments, including passenger cars, commercial vehicles and off-highway vehicles. Our strong domestic and global presence allows us to efficiently meet the unique needs and requirements of our customers across various markets.

A.4: Employees

20. Details as at the end of the financial year:

a. Employees and workers (including differently abled):

No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
				EMPLOYEES				
1.	Permanent (D)	278	271	97.48	07	2.6	0	0
2.	Other than Permanent (E)	39	35	89.74	04	10.25	0	0
3.	Total employees (D+E)	317	306	96.52	11	3.47	0	0
				WORKERS				
4.	Permanent (F)							
5.	Other than Permanent (G)	597	535	89.61	62	10.39	0	0
6.	Total workers (F+G)	597	535	89.61	62	10.39	0	0

b. Differently abled employees and workers:

No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
				DIFFERENTLY ABLED EMPLOYEES				
1.	Permanent (D)	0	0	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0	0	0
3.	Total employees (D+E)	0	0	0	0	0	0	0

No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
DIFFERENTLY ABLED WORKERS								
4.	Permanent (F)	0	0	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0	0	0
6.	Total workers (F+G)	0	0	0	0	0	0	0

21. Participation/inclusion/representation of women:

Leadership team	Total (A)	Number and percentage of females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50
Key Management Personnel	5	0	00

22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years):

Particulars	FY 2025- 2026 (Turnover rate in current FY)				FY 2024-2025 (Turnover rate in previous FY)				FY 2023-2024 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	37	0	0	37	28	4	0	32	29.0	0	0	29.0
Permanent Workers	0	0	0	0	0	0	0		0	0	0	0

A.5: Holding, Subsidiary and Associate Companies (including joint ventures)

23. Details of holding/subsidiary/associate companies/joint ventures.:

S. No	Entity name (A)	Entity type	% of shares held	Entity (A) participate in the BRSR initiatives of the parent entity?
	Divgi Holdings Private Limited	Holding	51.68	No

A.6: CSR Details

24. CSR details of the company:

a.	Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
b.	Turnover (in Rs.)	3751700000
c.	Net Worth	635.46 crores

A.7: Transparency and Disclosures Compliances

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place?	If Yes, then provide web-link for policy	FY 2025 - 2026 Current Financial Year			FY 2024-2025 Previous Financial Year			If NA, then provide the reason
			No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	
Communities	Yes	https://divgi-tts.com/policies-an- code-of-conduct The Corporate Social Responsibility committee. https://divgi-tts.com/corporate-social-responsibility/	0	0	NA	0	0	NA	
Investors (other than shareholders)	Yes	https://divgi-tts.com/policies-an- code-of-conduct	0	0	NA	0	0	NA	
Shareholders	Yes	https://divg i- tts.com/po licies-an- code-of-conduct	0	0	NA	1	0	All complaint are resolved	
Employees and workers	Yes	https://divgi-tts.com/wp-content/uploads/2023/0/8.-Policy-on-Vigil-Mechanism.pdf Whistle blower policy can be referred to raising any concern. Additionally, we have dedicated the HR and ethics committee to address the concern	0	0	NA	0	0	NA	
Customers	Yes	e-mail communications, Portal An induvial key account manager is assigned to each customer to ensure that their complaint and feedback are duly received and adequately addressed in a timely manner.	0	0	NA	0	0	NA	
Value chain partners	Yes	e-mail communications, Portal Value chain partner assigned with induvial from supply chain department	0	0	NA	0	0	NA	
Other (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

26. Overview of the entity's material responsible business conduct issues. (Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.):

S. No.	Material issue identified	Indicate whether risk (R) or opportunity (O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1.	Climate protection	R	GHG emissions from manufacturing contribute to climate change and global warming. Manufacturing processes often require substantial amounts of energy for machinery, heating, cooling, and lighting. Reducing GHG emissions and optimizing processes for better energy efficiency can enhance environmental stewardship, operational efficiency, and the company's overall Sustainability.	Implementing strategic initiatives and working with plants to set and work towards energy conservation and renewable energy targets. Organisation installed high speed, energy efficient autoloading machine	Negative Implications
2.	Sustainable product design and life cycle management	O	Fostering a circular economy by addressing customer and societal demands for more sustainable products and services. Ensuring environmental regulations through product designing and lifecycle. management.	-	Positive implications
3.	Cybersecurity and data management	O	Cyber and data security as risk and business opportunity for the benefit of all. Management of risks related to collection, retention and use of sensitive, confidential and/or proprietary customer or user data.		Positive implications
4.	Employee health and safety ESG	O	Creating safe and healthy work environment is crucial for protecting the physical and mental health and wellbeing of employees. Management system for identification, prevention, and minimization of potential ESG-risks	Implementing robust Occupational Health and Safety Management system ISO 45001:2018 and Environment Management Systems ISO 14001:2015. For identification, prevention, minimization of potential ESG-risks. For employees, medical insurance facility has been approved by management team, execution is pending.	Positive implications

S. No.	Material issue identified	Indicate whether risk (R) or opportunity (O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
5.	Diversity, equity & inclusion	O	Diversity, Equity, and Inclusion (DEI) is crucial for driving innovation and creativity and is a key aspect our workplace Policy and planning. Diversity across Gender, Age, background helps in decision-making, enhancing employee engagement and retention by fostering an inclusive work environment.	NA	Positive Implications
6.	Corporate Governance, Business ethics and transparency	R and O	Ethical business practices and transparency help build trust among key stakeholders, facilitate ethical decision-making across all levels of the organization, and ensure that business is conducted with the utmost integrity and accountability as per set standard defined in organisation business manual.	Established a strong corporate governance structure and mechanisms to ensure that business operations are conducted in an ethical, transparent and sustainable manner, including protecting stakeholders' interests. Management follows clear sustainability policy and guidelines for encouraging Sustainability practices across the plants.	Positive Implications
7.	Regulatory Compliance	R and O	Maintaining high regulatory compliance standards can enhance corporate reputation, earning customer trust and loyalty. Non-compliance can lead to fines, legal penalties, and litigation, impacting financial health and reputation.	Management system for ensuring that the company and its employees follow all laws, regulations, standards, and ethical practices.	Positive Implications

S. No.	Material issue identified	Indicate whether risk (R) or opportunity (O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
8.	Sustainable supply chain	O	A sustainable supply chain enhances operational efficiency, transparency, and reduces adverse environmental impacts throughout the entire value chain. By adopting sustainable sourcing, the company can also ensure it maintains business relationships with suppliers who are committed to upholding environmental and social standards. We have an ESG guidance in place to strengthen our supply chain partners for driving sustainability performance.	-	Positive Implications
9.	Employee Human Rights	O	Employee Human rights focuses on ensuring fair and ethical treatment of workers. Human rights and security issues including aspects like fair wages, working hours, and employee engagement, Prevention of Sexual Harassment (POSH), anti-discrimination, benefits like healthy meals are critical to creating a safe, inclusive, and respectful work environment for all employees and workers.	-	Positive Implications

B Management and Process Disclosures

B.1: Policy and management processes

1-6. Policy and management processes:

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1 a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1 b. Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1 c. Web Link of the Policies, if available	https://divgi-tts.com/policies-and-code-of-conduct/	https://divgi-tts.com/policies-and-code-of-conduct/	https://divgi-tts.com/policies-and-code-of-conduct/	https://divgi-tts.com/policies-and-code-of-conduct/	https://divgi-tts.com/policies-and-code-of-conduct/	https://divgi-tts.com/policies-and-code-of-conduct/	https://divgi-tts.com/policies-and-code-of-conduct/	https://divgi-tts.com/policies-and-code-of-conduct/	https://divgi-tts.com/policies-and-code-of-conduct/
2. Whether the entity has translated the policy into procedures.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners?	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Divgi TTS policies are in line with international standard s and practice s such as ISO 14001, ISO 45001, UNGC Guidelines and, Social accountability ISO 26000/S A 8000, Energy Management ISO 50001	Divgi TTS policies are in line with international standard s and practice s such as ISO 14001, ISO 45001, UNGC Guidelines and, Social accountability ISO 26000/S A 8000, Energy Management ISO 50001	Divgi TTS policies are in line with international standard s and practice s such as ISO 14001, ISO 45001, UNGC Guidelines and, Social accountability ISO 26000/S A 8000, Energy Management ISO 50001	Divgi TTS policies are in line with international standard s and practice s such as ISO 14001, ISO 45001, UNGC Guidelines and, Social accountability ISO 26000/S A 8000, Energy Management ISO 50001	Divgi TTS policies are in line with international standard s and practice s such as ISO 14001, ISO 45001, UNGC Guidelines and, Social accountability ISO 26000/S A 8000, Energy Management ISO 50001	Divgi TTS policies are in line with international standard s and practice s such as ISO 14001, ISO 45001, UNGC Guidelines and, Social accountability ISO 26000/S A 8000, Energy Management ISO 50001	Divgi TTS policies are in line with international standard s and practice s such as ISO 14001, ISO 45001, UNGC Guidelines and, Social accountability ISO 26000/S A 8000, Energy Management ISO 50001	Divgi TTS policies are in line with international standard s and practice s such as ISO 14001, ISO 45001, UNGC Guidelines and, Social accountability ISO 26000/S A 8000, Energy Management ISO 50001	Divgi TTS policies are in line with international standard s and practice s such as ISO 14001, ISO 45001, UNGC Guidelines and, Social accountability ISO 26000/S A 8000, Energy Management ISO 50001

B Management and Process Disclosures (contd.)

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The ESG commitments, goals and targets are set a Carbon Neutrality by 2050. Installed renewable energy Roof top Solar of 400 KW. Yearly. EHS objective is to set for Energy Savings. Rainwater harvesting initiative taken.	The ESG commitments, goals and targets are set a Carbon Neutrality by 2050. Installed renewable energy Roof top Solar of 400 KW. Yearly. EHS objective is to set for Energy Savings. Rainwater harvesting initiative taken.	The ESG commitments, goals and targets are set a Carbon Neutrality by 2050. Installed renewable energy Roof top Solar of 400 KW. Yearly. EHS objective is to set for Energy Savings. Rainwater harvesting initiative taken.	The ESG commitments, goals and targets are set a Carbon Neutrality by 2050. Installed renewable energy Roof top Solar of 400 KW. Yearly EHS objective is to set for Energy Savings. Rainwater harvesting initiative taken.	The ESG commitments, goals and targets are set a Carbon Neutrality by 2050. Installed renewable energy Roof top Solar of 400 KW. Yearly. EHS objective is to set for Energy Savings. Rainwater harvesting initiative taken.	The ESG commitments, goals and targets are set a Carbon Neutrality by 2050. Installed renewable energy Roof top Solar of 400 KW. Yearly. EHS objective is to set for Energy Savings. Rainwater harvesting initiative taken.	The ESG commitments, goals and targets are set a Carbon Neutrality by 2050. Installed renewable energy Roof top Solar of 400 KW. Yearly. EHS objective is to set for Energy Savings. Rainwater harvesting initiative taken.	The ESG commitments, goals and targets are set a Carbon Neutrality by 2050. Installed renewable energy Roof top Solar of 400 KW. Yearly. EHS objective is to set for Energy Savings. Rainwater harvesting initiative taken.	The ESG commitments, goals and targets are set a Carbon Neutrality by 2050. Installed renewable energy Roof top Solar of 400 KW. Yearly. EHS objective is to set for Energy Savings. Rain water harvesting initiative taken.
6. Performance of the entity against specific commitments, goals and targets along with reasons in case the same are not met.	The company has established the process of tracking mechanism for reviewing the performance against the set goals, and independently assess by subject matter experts and auditors.								

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements. (Listed entity has flexibility regarding the placement of this disclosure.):

At Divgi TTS priority revolves around the adoption of the highest level of environmental, social and governance integrity enabling long-term sustainability. The Company is a market leader in the automotive drive train components and systems segment, delivering a wide variety of innovative, superior quality and cost. The Company has consciously put in efforts to develop sustainable and reliable products through its

in-house design R & D team. The Company focuses on innovations and moving forward enthusiastically to the upcoming new era of Electric Vehicles (EVs) and new technologies overcoming the environmental targets and has been accepting, adopting, and moving forward in this direction. With this goal the Company is venturing into new sustainability technologies. The Company has installed roof top solar renewable energy At shirwal plant. Reduction in Consumption of fossil fuels by optimizing material transportation within intra plant. As a responsible corporate citizen, we are fully aware of the need for steering our growth plans in a sustainable manner, with greater thrust on reducing the environmental footprint of our business. We will aim to achieve carbon neutrality targets by adopting automation, energy efficient practices, and aligning to the economic environment, energy, and Industrial policies. Planting Trees, Ecosystem, biodiversity conservation and water neutrality at operating sites. Measures are continually undertaken to conserve energy and natural resources through process improvements and installation of water recycling plants including monitoring performance parameters of pollution control equipment at all plants. We are also focusing on minimizing hazardous waste generation, besides aiming to achieve zero waste to landfill. We strongly believe that sustainability-driven growth is the only way forward for businesses globally, if they are to survive and thrive in the new world of shifting priorities, where countries are moving individually and collectively towards a greener, leaner, and cleaner future.

8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy(ies).:

Mr. Jitendra Divgi, Managing Director and Mr. Hirendra Divgi, Whole time Director

9. Details about the entity's committee of the board/director responsible for decision making on sustainability related issues?

The ESG Steering Committee comprises four members, chaired by the Managing Director, and includes three senior management representatives—the CFO, CHRO, and COO. The Committee reviews sustainability initiatives and holds responsibility for decisions on all sustainability-related matters.

B.2: Governance, leadership and oversight

10. Details of review of NGRBCs by the company:

a. Details about reviewing authority:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board
Description of any other committee									
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board
Description of any other committee									

b. Details about frequency:

Subject for Review	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually
Description of any other frequency									
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Description of any other frequency									

11. Information about the independent assessment /evaluation of the working of its policies carried out by the entity by an external agency.:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If yes, provide name of the agency	B.K. Khare and Company, And DQS	BB.K. Khare and Company, And DQS	B.K. Khare and Company, And DQS	B.K. Khare and Company, And DQS	B.K. Khare and Company, And DQS	B.K. Khare and Company, And DQS	B.K. Khare and Company, And DQS	B.K. Khare and Company, And DQS	B.K. Khare and Company, And DQS

B.3: Details of Review

12. If answer to Q1 of section B.1 - Policy and management processes is "No" i.e. not all principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles	No	No	No	No	No	No	No	No	No
The entity does not have the financial or/human and technical resources available for the task	No	No	No	No	No	No	No	No	No
It is planned to be done in the next financial year	No	No	No	No	No	No	No	No	No
Any other reason (please specify)	No	No	No	No	No	No	No	No	No

C Principle Wise Performance Disclosures

C.1: Principle 1

Essential indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	The Board is familiarized of the principles of the NGRBC released by SEBI and Divgi TTS Conduct of conduct	100
Key Managerial Personnel	4	NGRBC principles and Divgi TTS Conduct of conduct and Sustainability policy guidelines	100
Employees other than BoD and KMPs	5	NGRBC principles and Divgi TTS Conduct of conduct and Sustainability policy guidelines	100
Workers	4	Divgi TTS Conduct of conduct - Workers are required to undergo training during induction and periodic refresher	100

2. **Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

   a. **Monetary:**

Penalties and Fees	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred?
Penalty/Fine	NA	NA	0	NA	No
Settlement	NA	NA	0	NA	No
Compounding fee	NA	NA	0	NA	No

   b. **Non-monetary:**

Legal sanctions	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred?
Imprisonment	NA	NA	NA	No
Punishment	NA	NA	NA	No

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non- monetary action has been appealed.:

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	NA

4. Details about anti-corruption or anti-bribery policy.:

a. Does the entity have an anti-corruption or anti-bribery policy?:

Yes

b. If yes, provide details in brief.:

Divgi TTS has an anti-corruption and anti-bribery policy and plays a vital role in the Company's aspiration to make ethical and responsible decisions in the interest of all stakeholders.

Divgi TTS is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on behalf of the Company is responsible for conducting the Company's business honestly and professionally.

Divgi TTS does not tolerate any form of bribery by, or of, its employees or any persons or companies acting for it or on its behalf.

c. If available, provide a web-link to the policy.:

https://divgi-tts.com/policies-and-code-of-conduct/

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Organizational roles	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Complaints type	FY 2025 - 2026 (Current Financial Year)		FY 2024-2025 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.:

Not Applicable

8. Number of days of accounts payables ((accounts payable*365)/Cost of goods or services procured) in the following format:

Question	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Number of days of accounts payables	52	60

9. **Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2025 - 2026 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	1	0
	b. Number of trading houses where purchases are made from	5	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	1	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	0	0

Leadership indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	P1, P2, P3, P4, P5, P6, P8, P9 (suppliers onboarded are covered through the Divgi TTS Code of Conduct for Suppliers, QEHS Policy, Supplier quality manual requirements) AIAG Core tools, 8D, FMEA, MSA, SPC, PPAP, QSB and Lean.	100%

2. **Details about the processes in place to avoid/ manage conflict of interests involving members of the Board.:**

   a. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?**
   Yes

   b. **If yes, provide details of the same.:**
   In order to avoid and effectively manage conflicts of interest, Divgi TTS has instituted a mandatory declaration process for all Members of its Board. Through this declaration, Board Members confirm their compliance with the Company's Code of Conduct and Ethics Guidelines, reinforcing ethical governance and accountability.

C.2: Principle 2

Essential indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.:**

Expenditure type	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	117.94 crore	136.50 crore	Installation of Fire hydrant, Roof top Solar, Rainwater harvesting and safety DOJO.
Capex	443.16	265.03	

2. **Details about sustainable sourcing:**

   a. **Does the entity have procedures in place for sustainable sourcing** Yes
   We have a Supplier Code of Conduct, green supply chain policy and Supplier Quality Manual, which outlines our expectations and standards for suppliers to ensure that our business is conducted in a sustainable, transparent, and ethical manner. Suppliers are expected to fully comply with this Code and to encourage their subcontractors and partners to do the same. The current key focus areas of our Supplier Code of Conduct are more from social compliances which includes General Management, Child Labor & Employee Protection, Prevention of Sexual Harassment, Employee Rights and Participation, Working Hours and Overtime, Occupational Health and Safety, Environmental, Supply Chain Management, Anti-Bribery and Anti-Trust and Grievance Redressal. Going forward we aim to include focus areas from Sustainability perspective. As a part of this Code of conduct, suppliers are expected to ensure that their practices align with ethical sourcing principles, including the responsible sourcing of materials and goods

   b. **If yes, what percentage of inputs were sourced sustainably?** 100

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for the following waste categories.:**

Product type	Process description
a. Plastics (Including packaging)	Divgi TTS supplies parts to automotive OEMs, where recycling and safe disposal practices are guided by OEM service manuals. Sustainable product life-cycle management encompasses a comprehensive analysis of all processes and systems from receipt of RFQs and signing of NBOs to delivery of products and services to end consumers. At the end of the lifecycle, plastic waste is handed over to authorized vendors, with certain quantities reused or recycled. Products and parts are supplied in specialized returnable packaging, and the proportion of plastic used in products is maintained at less than 0.1%.

Product type	Process description
b. E-waste	Divgi TTS supplies parts to automotive OEMs, where recycling and safe disposal practices are guided by OEM service manuals. At the end of the product lifecycle, all e waste is handed over to authorized vendors to ensure safe, compliant, and environmentally responsible disposal
c. Hazardous waste	Divgi TTS supplies parts to automotive OEMs, where recycling and safe disposal practices including oil management are guided by OEM service manuals. At the end of the product lifecycle, hazardous waste is handed over to authorized vendors to ensure safe and compliant disposal
d. Other waste	Divgi TTS supplies parts to automotive OEMs, where recycling and safe disposal practices are guided by OEM service manuals. At the end of the product lifecycle, all other waste is handed over to authorized vendors for reuse, recycling, and reclamation, ensuring environmentally responsible and compliant management.

4. Details about Extended Producer Responsibility (EPR):

Questions	Response
Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities.	NO
If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?	NA
If not, provide steps taken to address the same.	NA

Leadership indicators

1. Details about the Life Cycle Perspective / Assessments (LCA):

a. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? No

b. If yes, provide details in the following format?:

NIC code	Name of product/ service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain	If yes, provide the web- link.
	NIL	NIL	NIL	NIL	NIL	NIL

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.:

Name of product/service	Description of the risk / concern	Action taken
	NIL	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).:

Indicate input material	Recycled or re-used input material to total material	
	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Waste Recycle	60	84

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tones) reused, recycled, and safely disposed, as per the following format:**

Complaints type	FY 2025 - 2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Re-Used	Recycled	Safely disposed	Re-Used	Recycled	Safely disposed
Plastics (including packaging)	0	0	3.05	0	0	5.16
E-waste	0	0	0	0	0	0.426
Hazardous waste	0	20	17.08	0	30	27.91
Other waste	0	0	0			

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.:**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	

C.3: Principle 3

Essential indicators

1. **Details regarding well-being of employees and workers:**

a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% F/A)
Permanent employees											
Male	271	0	0	271	100	0	0	0	0	0	0
Female	7	0	0	7	100	7	100	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**278**	**0**	**0**	**278**	**100**	**0**	**0**	**0**	**0**	**0**	**0**
Other than permanent employees											
Male	39	0	0	39	100	0	0	0	0	0	0
Female	04	0	0	4	100	3	100	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**43**	**0**	**0**	**43**	**100**	**0**	**0**	**0**	**0**	**0**	**0**

b. **Details of measures for the well-being of workers:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% F/A)
Permanent workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other than permanent workers											
Male	535	0	0	535	100	0	0	0	0	0	0
Female	62	0	0	62	100	27	100	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**597**	**0**	**0**	**597**	**100**	**0**	**0**	**0**	**0**	**0**	**0**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

Question	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Cost incurred on well being measures as a % of total revenue of the company	10	10

2. **Details of retirement benefits for the current and previous financial year.:**

Complaints type	FY 2025 - 2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	100	100	Yes	100	100	Yes

3. **Accessibility of workplaces:**

Questions	Response
Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	Yes, At Divgi TTS, we are dedicated to fostering a workplace culture that is safe, flexible, and respectful for all employees and workers. We actively promote diversity and inclusion by implementing supportive work-life policies and nurturing a strong sense of belonging across the organization. In line with our Equal Opportunity Policy, we ensure that necessary facilities and amenities are accessible to our differently abled workforce, thereby enabling equal participation and growth opportunities for everyone.
If not, whether any steps are being taken by the entity in this regard.	NA

4. **Details about equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.:**

Questions	Response
Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?	Yes
If so, provide a web link to the policy.	Equal Opportunity Policy under "Respect for Each Other" As outlined in the Business Code of Conduct and Sustainability & Social Accountability Policy Guidelines available on the company portal, Divgi TTS affirms its commitment to equal opportunity and respectful workplace practices. The organization undertakes responsibility for maintaining fair and safe working conditions for all employees and workers. Principles of equal opportunity and equal treatment are guaranteed, without discrimination and irrespective of any disability. These policy guidelines reinforce our core value of Respect for Each Other and serve as a foundation for fostering inclusivity and dignity across the workplace. https://divgi-tts.com/policies-and-code-of-conduct/

5. Return to work and Retention rates of permanent employees and workers that took parental leave.:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	100	100	0	0
Other	0	0	0	0
Total	**100**	**100**	**0**	**0**

6. a. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? : Yes

b. If yes, give details of the mechanism in brief.:

Category	Yes/No	If Yes, then give details of the mechanism in brief
Other than permanent workers	Yes	**Grievance Redressal & Protection Against Discrimination** Divgi TTS has established a grievance redressal mechanism in line with the statutory framework of the Industrial Disputes Act, 1947. This system enables permanent workers and their representatives to raise concerns related to wages, discrimination, child labor, human rights, and other workplace issues. In addition, the Company has adopted a POSH Policy and integrated sustainability guidelines under the element of Protection Against Discrimination. A comprehensive Social Accountability Policy is also in place, reinforcing our commitment to fair treatment, dignity, and respect for all employees and workers.
Permanent employees	Yes	**Grievance Redressal & Protection Against Discrimination** Divgi TTS has established a grievance redressal mechanism in line with the statutory framework of the Industrial Disputes Act, 1947. This system enables permanent workers and their representatives to raise concerns related to wages, discrimination, child labor, human rights, and other workplace issues. In addition, the Company has adopted a POSH Policy and integrated sustainability guidelines under the element of Protection Against Discrimination. A comprehensive Social Accountability Policy is also in place, reinforcing our commitment to fair treatment, dignity, and respect for all employees and workers.
Other than permanent employees	Yes	**Grievance Redressal & Protection Against Discrimination** Divgi TTS has established a grievance redressal mechanism in line with the statutory framework of the Industrial Disputes Act, 1947. This system enables permanent workers and their representatives to raise concerns related to wages, discrimination, child labor, human rights, and other workplace issues. In addition, the Company has adopted a POSH Policy and integrated sustainability guidelines under the element of Protection Against Discrimination. A comprehensive Social Accountability Policy is also in place, reinforcing our commitment to fair treatment, dignity, and respect for all employees and workers

7. **Membership of employees and workers in association(s) or Unions recognized by the listed entity:**

Category	FY 2025- 2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Total employees/ worker in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ worker in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (C/D)
Total permanent employees	278	0	0	259	0	0
Male	271	0	0	252	0	0
Female	07	0	0	7	0	0
Other	0	0	0	0	0	0
Total permanent workers	597	0	0	426	0	0
Male	535	0	0	399	0	0
Female	62	0	0	27	0	0
Other	0	0	0	0	0	0

8. **Details of training given to employees and workers:**

Category	FY 2025 - 2026 (Current Financial Year)					FY 2024-2025 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	%(B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
					Employees					
Male	271	271	100	271	0	252	252	100	252	0
Female	7	7	100	7	0	7	7	100	7	0
Other	0	0	0	0	0	0	0	0	0	0
Total	**278**	**278**	**100**	**278**	**0**	**259**	**259**	**100**	**259**	**0**
					Workers					
Male	535	535	100	535	0	399	399	100		0
Female	62	62	100	62	0	27	27	100		0
Other	0	0	0	0	0	0	0	0		0
Total	**597**	**597**	**100**	**597**	**0**	**426**	**426**	**100**	**0**	**0**

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025- 2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Total (A)	Number (B)	% (B/A)	Total (C)	Number (D)	% (D/C)
Employees						
Male	271	271	100	252	252	100
Female	7	7	100	7	7	100
Other	0	0	0	0	0	0
Total	**278**	**278**	**100**	**259**	**259**	**100**
Workers						
Male	535	535	100	399	399	100
Female	62	62	100	27	27	100
Other	0	0	0	0	0	0
Total	**597**	**597**	**100**	**426**	**426**	**100**

10. Health and safety management system:

Questions	Response
a. Whether an occupational health and safety management system has been implemented by the entity?	YES
If yes, the coverage such system?	Occupational Health & Safety Commitment Divgi TTS has implemented an ISO 45001–certifiable Occupational Health and Safety Management System, embedding safety and employee well-being into its company-wide risk management and control processes. Safety is recognized as critical across the organization. Ten emergency scenarios have been identified, with preparedness measures in place. Ergonomic and safety requirements are proactively considered during workstation design and equipment selection in the APQP Phase III. Standardized workstations are supported with detailed operational guidelines (SOS and JES). Layered process audits are conducted to identify deficiencies, with corrective actions tracked to ensure effective implementation. Employees are actively encouraged to contribute suggestions, with Kaizen and JDI initiatives recorded and resourced for implementation. Through TPM practices, machine safety is reinforced via predictive tests such as vibration analysis and thermography to mitigate electrical fire hazards. Safety and fire mock drills are regularly executed under the EPRP plan. Management has also approved upgrades to the fire protection system, further strengthening workplace safety.

Questions	Response
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity	Divgi TTS has established Hazard Identification and Risk Assessment (HIRA) procedures for routine and non-routine activities. Hazards are identified by operators, documented, and controlled as per the hierarchy of controls. A CAPA tracker proactively addresses high-risk activities, with quarterly reviews by Cross-Functional Teams. Daily FRM meetings cover safety performance, incidents, and corrective actions. Regular inspections of fire hydrants, extinguishers, and audits ensure compliance. A Rule Follow Mechanism enables re`porting of unsafe acts, near misses, and incidents, with corrective and preventive actions verified through Layered Process Audits (LPA) and Management Review Meetings (MRM).
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.	Yes, near miss incident and first aid cases monitoring and reporting in place.
d. Do the employees/ worker of the entity have access to non- occupational medical and healthcare services?	Yes

11. Details of safety related incidents, in the following format:

Safety incident/number	Category*	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Lost time injury frequency rate (LTIFR) (per one million- person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work- related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	2

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.:

Divgi TTS has a robust fire control system with smoke detectors, sensors, and fire extinguishers installed across shop floors and office areas. The Emergency Response Team (ERT) conducts monthly audits, while regular safety meetings address and resolve workplace safety concerns.

Employees receive ongoing training and participate in fire and evacuation mock drills. All machines are safeguarded with protective covers, safety sensors, Poka Yoke mechanisms, and two-hand operations to prevent injuries.

Through the Zero Harm Culture campaign, the Company proactively ensures a safe and healthy workplace, supported by continuous improvements in fire protection and employee safety practices.

13. Number of complaints on the following made by employees and workers:

Complaints type	FY 2025 - 2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	NA	0	0	NA
Health and safety	0	0	NA	0	0	NA

14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working conditions	100

15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.:

Divgi TTS conducts focused Behavioral-Based Safety (BBS) training for third-party and contractor employees to promote safe work practices. All manufacturing facilities are regularly evaluated to identify potential health and safety hazards.

Our units hold OHSAS 45001:2018 certification, and hazards are promptly addressed through HIRA reviews and Safety Committee meetings. This ensures risks are effectively managed and mitigated, reinforcing our commitment to a safe workplace.

Leadership indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of:

Category	Response
Employees	Yes
Workers	Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.:

Yes, we do ensure that our associate partners pay statutory liabilities as they submit to us monthly PF, ESIC challan along with bills.

3. **Provide the number of employees / workers having suffered high consequences for work-related injury / ill- health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Employees	0	0	0	0
Workers				

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?** Yes

5. **Details on assessment of value chain partners:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100
Working conditions	100

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.:**

Improvement measures agreed upon with suppliers address either actual deviations from the business Code of Conduct or the need for better management systems and specific processes and guidelines.

C.4: Principle 4

Essential indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.:**

Stakeholder groups are identified based on the nature and extent of their engagement with Divgi TorqTransfer Systems (Divgi TTS). As part of the IATF 16949 process, an annual review is conducted to identify and assess stakeholders. Any individual, group, or institution that contributes value to the Company's business ecosystem is recognized as a key stakeholder. These stakeholders include customers, investors, contractors, shareholders, suppliers, statutory and regulatory bodies, R&D institutions, local communities, media, academia, and other relevant parties

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.:

Stakeholder group	Whether identified as vulnerable & marginalized group	Channels of communication	Details of other channels of communication	Frequency of engagement	Details of other frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Other	Email, conference calls, virtual meetings & onsite visit		Half-yearly plus as and when requested by investors, Need base	Investor interactions are conducted to help stakeholders understand the Company's financial results, key developments, strategic initiatives, and future growth direction. These engagements provide a platform to discuss the Company's performance, share updates on recent developments within the organization and the industry, and address investor queries and concerns. In addition, plant visits are organized to showcase the Company's manufacturing capabilities, operational excellence, and technological strengths.
Shareholders	No	Other	Email, Website, Key Account Managers Visits, Auto Expo		As and when required	To communicate the Company's business offerings, strengthen brand visibility, and enhance customer awareness of its products and capabilities. These initiatives help promote the Company's product portfolio, build customer confidence, and reinforce its market presence and value proposition.
Investors/ Analyst	No	Shareholder meeting Investor presentations Investor conferences, Press-releases, and newsletters	Meetings Quarterly and Annual Reports	Quarterly		Initiating CSR project along with the community
Customers	No	Other	Email, Website, Key Account Managers Visits, Auto Expo		As and when required	To communicate the Company's business offerings, strengthen brand visibility, and enhance customer awareness of its products and capabilities. These initiatives help promote the Company's product portfolio, build customer confidence, and reinforce its market presence and value proposition.
NGOs & Communities	No	Other	Meetings Quarterly and Annual Reports	Quarterly		Initiating CSR project along with the community

Stakeholder group	Whether identified as vulnerable & marginalized group	Channels of communication	Details of other channels of communication	Frequency of engagement	Details of other frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	Other	Supplier Manual, Monthly Score Card, Supplier Conference, Supplier Audits	Others â Please specify	As and when required, Monthly, Yearly	To communicate the Company's growth vision, strategic objectives, and business targets while aligning suppliers with expectations related to quality, delivery, sustainability, and operational excellence. Continuous engagement with the global supplier network through regular interactions, performance reviews, and an annual Supplier Conference helps strengthen collaboration, share best practices, recognize supplier achievements, and communicate future business requirements. These initiatives support the mitigation of supply chain risks and disruptions, while ensuring business continuity through a resilient and reliable supply ecosystem.

Leadership indicators

1. **Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.:**

   The Company engages with its stakeholders through a structured and systematic approach led by various functions across the organization. The Board of Directors and relevant Committees regularly review stakeholder feedback, assess the performance of key functions, and provide guidance for the continuous improvement of processes and practices, wherever required.

   The Company actively consults both internal and external stakeholders to identify, evaluate, and manage material environmental, social, and governance (ESG) topics. Expertise from external institutions and subject matter specialists is also leveraged to identify opportunities for ESG and sustainability improvements.

   Top Management encourages employee participation in sustainability and ESG-related workshops and training programs organized by OEM customers and industry bodies. The Company also regularly shares ESG and sustainability-related data with customers through their designated ESG reporting portals, supporting transparency, compliance, and alignment with customer sustainability expectations.

2. **a. Whether stakeholder consultation is used to support the identification and management of environmental and social topics. :** Yes

   b. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.:

   The Company is focused on diversifying its product portfolio through the development and manufacturing of advanced solutions for the Electric Vehicle (EV) segment. By producing high-precision, quality-driven products, the Company contributes to improved vehicle efficiency, enhanced performance, and the reduction of greenhouse gas emissions. In line with its sustainability commitments, the Company has established targets to increase the use of renewable energy and support its carbon neutrality and decarbonization objectives, thereby contributing to a lower-carbon and more sustainable future.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.:**

श्री **VIDYADAAYINI**
Promoting Education: The Company is committed to strengthening the educational and knowledge base of society, driven by the belief that quality education can help address critical challenges such as poverty, inequality, and environmental degradation. The initiative focuses on fostering holistic development and nurturing leadership qualities among underprivileged children through innovative and creative learning programs. These programs emphasize the development of life skills, confidence, teamwork, and leadership through music, sports, games, and other experiential learning activities.

As part of its CSR commitment, the Company has undertaken the Vidyavahini Project in association with The Society for Door Step School. The project aims to improve access to education and support the overall development of underprivileged children. During the reporting period, the Company contributed a total project amount of ₹6408000

श्री **Kalyanam –**
Rural Development: The Company is committed to improving the quality of life and living standards of rural communities through the development of essential infrastructure and community-focused initiatives. The program aims to address the challenges faced by rural households, promote sustainable community development, support youth empowerment, and enhance overall family well-being. Through these efforts, the Company seeks to contribute to the creation of progressive, self-reliant, and resilient rural communities.

As part of its CSR initiatives, the JH Kalyanam Project is being implemented in association with the Pragati Foundation. The project focuses on rural development and community welfare activities that foster long-term socio-economic growth and improved living conditions. During the reporting period, the Company contributed a total project amount of ₹20,00,000

श्री **Aarogyam – Healthcare Initiative**
Promoting Healthcare: The Company is committed to enhancing the health and well-being of underprivileged communities across both rural and urban areas. Through its healthcare initiatives, the Company supports access to quality healthcare services, preventive care, early diagnosis, and health monitoring. The programs include providing assistance to healthcare institutions with diagnostic and medical equipment, supporting health camps, and undertaking other initiatives aimed at improving community health outcomes and overall wellness.

As part of its CSR commitment, the JH Aarogyam Project is being implemented in association with the Inga Health Foundation. The initiative focuses on strengthening healthcare accessibility and promoting the overall well-being of underserved communities. During the reporting period, the Company contributed a total project amount of ₹9,69,000

श्री **Sanskriti – National Heritage, Art and Culture Initiative**
National Heritage, Art and Culture: The Company is committed to preserving and promoting India's rich cultural heritage, traditional arts, and historical legacy. Through this initiative, the Company supports programs aimed at the conservation of national heritage and the promotion of traditional music, dance, handicrafts, and other indigenous art forms. These efforts contribute to safeguarding cultural traditions, fostering artistic talent, and creating awareness about the importance of preserving the country's diverse cultural heritage for future generations.

As part of its CSR commitment, the JH Sanskriti Project is being implemented in association with the Bharat Itihas Sanshodhak Mandal. The project focuses on the preservation, promotion, and development of cultural and heritage-related activities. During the reporting period, the Company contributed a total project amount of ₹5,00,000

श्री **VASUNDHARA**
Environment Protection: Programs designed for environmental sustainability, ecological balance, protection of flora and fauna, animal welfare and agroforestry.

C.4: Principle 4

Essential indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025 - 2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	278	278	100	259	259	100
Other than permanent	43	43	100	24	24	100
Total employees	**321**	**321**	**100**	**283**	**283**	**100**
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	597	597	100	426	426	100
Total workers	**597**	**597**	**100**	**426**	**426**	**100**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025 - 2026 (Current Financial Year)					FY 2024-2025 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	%(B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	278	0	0	278	100	259	0	0	259	100
Male	271	0	0	271	100	252	0	0	252	100
Female	7	0	0	7	100	7	0	0	7	100
Other	0	0	0	0	0	0	0	0	0	0
Other than permanent	43	0	0	43	100	24	0	0	24	100
Male	39	0	0	39	100	21	0	0	21	100
Female	4	0	0	4	100	3	0	0	3	100
Other	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Other than permanent	597	0	0	0	100	426	0	0	426	100
Male	535	0	0	0	100	399	0	0	399	100
Female	62	0	0	0	100	27	0	0	27	100
Other	0	0	0	0	100	0	0	0		0

3. Details of remuneration/salary/wages:

a. Median remuneration/wages

Category	Male		Female		Other	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	7	21539424	1	2685000		
Key Managerial Personnel	5	7568280				
Employees other than BoD and KMP	305	495265	10	231229		
Workers	535	264000	62	264000		

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Question	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Gross wages paid to females as % of total wages	5.11	1.65

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

The Cross-Functional Committee, comprising the CHRO, CFO, COO, and Plant Head(s), is responsible for addressing and resolving any reported human rights concerns or violations. The Committee reviews and assesses the relevant policies, investigates reported cases, and implements appropriate corrective actions to ensure timely and effective resolution.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.:

Divgi TTS has established a grievance redressal mechanism in accordance with the provisions of the Industrial Disputes Act, 1947, to address concerns raised by employees. Employees and their representatives can report grievances related to wages, discrimination, child labour, human rights, and other workplace-related issues.

The Corporate HR Head is responsible for addressing and resolving human rights concerns or impacts caused or contributed to by the Company's operations. Divgi TTS adopts a value-chain approach to identify, assess, and mitigate adverse environmental and social impacts arising from its business activities. Process owners and Plant Heads are accountable for evaluating such impacts within their respective areas and implementing appropriate mitigation measures. The Management Systems Head provides centralized oversight across the value chain, ensuring that robust processes are in place and that any identified impacts are systematically addressed and mitigated.

To support a fair, safe, and inclusive work environment, the Company has implemented the following internal mechanisms for addressing grievances related to human rights and workplace conduct:

- Employee Code of Conduct
- Prevention of Sexual Harassment (POSH) Policy
- Grievance Redressal Policy

Cases of human rights violation can be reported through the following means:

Email: gkdalvi@divgi-tts.com

Contact number: 9922909464.

Mailing address: Divgi-TTS Ltd, G-75 MIDC Bhosari, Pune-411026

6. Number of complaints on the following made by employees and workers:

Category	FY 2025 - 2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	0	0	0	No complaint received
Discrimination at workplace	0	0	0	0	0	No complaint received
Child labour	0	0	0	0	0	No complaint received

Category	FY 2025 - 2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Forced labor/ involuntary labor	0	0	0	0	0	No complaint received
Wages	0	0	0	0	0	No complaint received
Other human rights related issues	0	0	0	0	0	No complaint received

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Question	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.:

For matters relating to sexual harassment, Divgi TTS has constituted a POSH Committee in accordance with applicable legal requirements to ensure prompt and fair redressal of complaints. The Committee takes appropriate and effective measures to protect the rights and well-being of complainants while maintaining strict confidentiality throughout the investigation and resolution process. Regular awareness and sensitization programs are conducted to educate employees on the prevention of sexual harassment, workplace dignity, and the available grievance redressal mechanisms.

Cases involving discrimination, bullying, harassment, or other inappropriate workplace conduct may be reported through the following channels:

Email: gkdalvi@divgi-tts.com

Contact Number: +91 9922909464

Postal Address:

Divgi TTS Limited

G-75, MIDC Bhosari,

Pune – 411026, Maharashtra, India

9. Do human rights requirements form part of your business agreements and contracts? : Yes

10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.:

Since no risks were identified during assessments, no corrective actions were required to be undertaken.

Leadership indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.:

Not Applicable, as no grievances/complaints were received with respect to human rights during the reporting period

2. Details of the scope and coverage of any human rights due-diligence conducted.:

The scope and coverage of human rights due diligence is covered through Human right policy and Code of Ethics. During the year, through the statutory internal audit process, the areas of applicable human rights were covered for all the plants of Divgi-TTS.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?: Yes

4. Details on assessment of value chain partners:

Acknowledgment from suppliers for the "Supplier Code of Conduct" – 100% of value chain partners are assessed for workplace discrimination during onboarding.

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	0
Discrimination at workplace	0
Child labour	100
Forced labour/involuntary labour	100
Wages	0

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above. :

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Y/N) If yes, name of the external agency.

No, the Company did not carry out assessment by external agency.

C.6: Principle 6

Essential indicators

1. **Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
From renewable sources			
Total electricity consumption (A)	GJ	0	0
Total fuel consumption (B)	GJ		
Energy consumption through other sources (C)	GJ		
Total energy consumed from renewable sources (A+B+C)	GJ	0	0
Total energy consumed from			
Total electricity consumption (D)	GJ	28,613.31	20459.61
Total fuel consumption (E)	GJ	1708.90	1132.79
Energy consumption through other sources (F)		0	
Total energy consumed from non-renewable sources (D+E+F)		0	0
Total energy consumed (A+B+C+D+E+F)	GJ	30322.21	21592.4
Energy intensity per rupee of turnover (Total energy consumed/revenue from operations)		80.85	85.20
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ revenue from operations adjusted for PPP)		0	0
Energy intensity in terms of physical output		0.00497	0.00804
Energy intensity (optional) – the relevant metric may be selected by the entity		0	0
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?		No	No
If yes, name of the external agency.		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Y/N) If yes, name of the external agency.

No, the Company did not carry out assessment by external agency.

2. Details about Performance, Achieve and Trade (PAT) Scheme of the Government of India:

Questions	Response
Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?	NO
If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.	NA

PAT scheme does not apply to Divgi-TTS

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Unit	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
(i) Surface water	kiloliters	0	0
(ii) Groundwater	kilolitres	2119	1879.72
(iii) Third party water	kilolitres	19968	14416.53
(iv) Seawater/desalinated water	kilolitres	0	0
(v) Others	kilolitres	0	0
Total volume of water withdrawal (i + ii + iii + iv + v)	kilolitres	22087.00	16296.25
Total volume of water consumption	kilolitres	22087.00	16296.25
Water intensity per rupee of turnover (Total water consumption/ Revenue from operations)	kilolitres / crore H turnover	58.89	67.86
Water intensity per rupee of turnover adjusted for purchasing power parity (Total water consumption / Revenue from operations adjusted for PPP)	kilolitres / crore H turnover	0	0
Water intensity in terms of physical output (Total water consumption / physical unit)	Kilolitres/ Product	0.0036	0.0064
Water intensity (optional) – the relevant metric may be selected by the entity	NA		
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?		NO	NO
If yes, name of the external agency.		NA	NA

4. Provide the following details related to water discharged:

Parameter	FY 2025 – 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment		0
- With treatment - please specify level of treatment		0
(ii) To Groundwater	0	0
- No treatment		0
- With treatment - please specify level of treatment		0
(iv) To Seawater	0	0
- No treatment		0
- With treatment - please specify level of treatment		0
(iii) Sent to third-parties	0	0
- No treatment		0
- With treatment - please specify level of treatment		0
(v) Others	0	0
- No treatment		0
- With treatment - please specify level of treatment		0
Total water discharged (in kilolitres)	0	0
Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency?	0	0
If yes, name of the external agency.	0	0

5. Details about zero liquid discharge (ZLD):

Category	Response
Has the entity implemented a mechanism for zero liquid discharge (ZLD)?	Yes
If yes, provide details of its coverage and implementation.	Water is a critical natural resource, and comprehensive measures have been implemented across all manufacturing units to promote water conservation, recycling, and Zero Liquid Discharge (ZLD). Advanced wastewater treatment systems, including Sewage Treatment Plants (STPs) with primary, secondary, and tertiary treatment processes, have been installed at all manufacturing locations. These facilities are equipped with technologies such as nanofiltration, reverse osmosis (RO), and ultraviolet (UV) treatment to ensure that wastewater is treated to a reusable quality. The treated water is subsequently utilized for non-potable applications such as flushing, floor cleaning, and other housekeeping & landscaping activities within the premises, thereby significantly reducing dependence on freshwater resources and supporting sustainable water management practices.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025 – 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
NOx	mg/Nm3	21.19	3.29
SOx	kg/day	0.28	0.72
Particulate matter (PM)	mg/Nm3	26.10	30.23
Persistent organic pollutants (POP)	mg/Nm3	0	0
Volatile organic compounds (VOC)	mg/Nm3	0	0
Hazardous air pollutants (HAP)	PPM	25.3	27.5
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?		Yes	Yes
If yes, name of the external agency.		Environmental testing is conducted by a laboratory recognized by the Ministry of Environment, Forest and Climate Change (MoEFCC). Additionally, annual surveillance audits and third-party verification are carried out by DQS India to ensure compliance with the requirements of the ISO 14001 environmental management standard.	Environment Test done by MoEFCC recognized laboratory, Third party verification during yearly surveillance audit by DQS India as per ISO 14001 standard requirements

This Environmental periodical test helps ensure efficient management of industrial operations and adherence to stringent air pollution control processes. As a practice, the Company ensures that all air pollution parameters are within the permissible limits, and compliant with the prevalent norms prescribed by the regional Pollution Control Boards.

7. Provide details of greenhouse gas emissions (scope 1 and scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025 – 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Total scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	118.58	0
Total scope 2 emissions(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	5,778.29	0
Total scope 1 and scope 2 emission intensity per rupee of turnover (Total scope 1 and scope 2 GHG emissions / Revenue from operations)	tCO2e/crore H turnover	15.72	0
Total scope 1 and scope 2emission intensity per rupee of turnover adjusted for purchasing power parity (PPP)(Total scope 1 and scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tCO2e/crore H turnover	0	0
Total scope 1 and scope 2 emission intensity in terms of physical output	tCO2e/unit production	9.67	0

Parameter	Unit	FY 2025 – 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Total scope 1 and scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		15.72 tCO_2e/₹ Cr or 9.67 kg CO_2e per unit produced	0
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?		No	0
If yes, name of the external agency.		DQS India	0

8. Does the entity have any project related to reducing GHG emissions? If yes, then provide details.:

Company acknowledges the significant challenges posed by climate change and has identified greenhouse gas (GHG) emission reduction as a key pillar of its ESG strategy.

To support this commitment, the Company has implemented several initiatives, including:

- Increasing the share of renewable energy in its energy portfolio through on-site solar installations, open-access power purchase agreements, and company-owned wind farms. The Company continually assesses opportunities to further expand its use of renewable energy sources.
- Investing in advanced technologies and upgrading existing equipment to improve energy efficiency and reduce overall energy consumption.
- Maximizing the use of natural daylight by incorporating transparent roofing materials across facilities.
- Promoting carbon sequestration through extensive tree plantation programs that exceed regulatory green belt requirements.
- Enhancing supply chain and logistics operations to optimize transportation efficiency and reduce fuel consumption across the value chain.

9. Details related to waste management:

a. Different types of waste generated by the entity, in the following format:

Parameter	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Total waste generated (in metric tonnes		
Plastic waste (A)	23.83	5.16
E-waste (B)	0	0.426
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any (G)	151,35	0
Other Non-hazardous waste generated (H). Please specify, if any	595.58	0
Total (A+B+C+D+E+F+G+H)	770.86	5.586
Waste intensity per crore rupee of turnover (tonne/crore per turnover)	2.055	0.932
Waste intensity per crore rupee of turnover adjusted for Purchasing Power Parity (PPP)(tonne/ crore per turnover)	0	0
Waste intensity in terms of physical output (tonne/unit production)	77911.9	0
Waste intensity (optional) – the relevant metric may be selected by the entity	0	0

b. Different types of waste recovered or disposed of by the entity, in the current financial year:

Category of waste (in metric tonnes)	Recycled	Re-used	Other recovery operations	Incineration	Landfilling	Other disposal operations
Plastic waste	0	23.83	0	0	0	0
E-waste	0	0	0	0	0	0
Bio-medical waste	0	0	0	0	0	0
Construction and demolition waste	0	0	0	0	0	0
Battery waste	0	0	0	0	0	0
Radioactive waste	0	0	0	0	0	0
Other hazardous waste, if any	0	0	0	151.35	0	0
Other non-hazardous waste generated, if any	555.58 Aluminum +steel burr	22.06 Wood	29.04 Corrugated scrap	0	0	0
Total	**555.58**	**44.89**	**29.04**	**151.35**	**0**	**0**

c. Different types of waste recovered or disposed by the entity, in the previous financial year:

Category of waste (in metric tonnes	Recycled	Re-used	Other recovery operations	Incineration	Landfilling	Other disposal operations
Plastic waste	0	5.16	0	0	0	0
E-waste	0	0.426	0	0	0	0
Bio-medical waste	0	0	0	0	0	0
Construction and						
demolition waste	0	0	0	0	0	0
Battery waste	0	0	0	0	0	0
Radioactive waste	0	0	0	0	0	0
Other hazardous waste, if any	0	0	0	0	0	0
Other non-hazardous waste generated, if any	0	0	0	0	0	0
Total	**0**	**5.586**	**0**	**0**	**0**	**0**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.:

We have implemented comprehensive waste management practices in compliance with applicable statutory and regulatory requirements, as well as the requirements of ISO 14001 and ISO 45001 standards.

To effectively manage waste generated from our operations, waste streams are clearly categorized into hazardous and non-hazardous waste. Separate collection bins are provided at each shop/cell across all plants to ensure segregation at the source. Waste remains segregated throughout its lifecycle, including collection, internal transportation, storage, and final disposal.

Authorized waste management vendors approved by the State Pollution Control Board (SPCB) have been identified and engaged to ensure the safe, environmentally responsible, and sustainable handling, transportation, recycling, treatment, and disposal of waste. Waste generation, storage, disposal, and related records are systematically monitored and maintained. Agreements with waste collection and processing agencies are established in accordance with applicable regulatory requirements.

Hazardous waste recycling and disposal are carried out exclusively through authorized agencies. In addition, returnable packaging systems are utilized with both customers and suppliers, helping to reduce waste generation across the value chain and promote resource efficiency. We also ensure the timely submission of all applicable statutory returns and regulatory reports related to waste management, thereby maintaining full compliance with legal and environmental obligations.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with?	If no, the reasons thereof and corrective action taken, if any.
	NA	NA	NA	NA

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant web link
NA	NA	NA	No	No	NA

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non- compliances, in the following format: yes

S. No.	Specify the law/ regulation/guid elines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	NA	NA	NA	NA

All the Company's manufacturing units are compliant with applicable environmental, factory, and labour laws, regulations, and guidelines. To maintain continuous compliance, the Company utilizes a technology-enabled compliance management platform that monitors a broad spectrum of statutory and regulatory requirements and provides real-time tracking of compliance status. Furthermore, a robust maker-checker framework has been established to verify compliance activities, enhance accountability, and strengthen overall governance and control mechanisms.

Leadership indicators

1. Details of water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

a. Name of the water stress area and nature of operations:

Name of the area	Nature of operations
NA	NA

b. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025- 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	2119	1879.72
(iii) Third party water	19968	14416.53
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	22087	16296.25
Total volume of water consumption (in kilolitres)	22087	16296.25

Parameter	FY 2025- 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Water intensity per rupee of turnover// n(Water consumed/turnover)	58.89	67.86
Water intensity (optional) – the relevant metric may be selected by the entity	-	0
Water discharge by destination and level of treatment (in kilolitres)	393.58	0
(i) Into Surface water	-	0
-- No treatment	-	0
-- With treatment - please specify level of treatment	-	0
(ii) Into Groundwater	-	0
-- No treatment	-	0
-- With treatment - please specify level of treatment	-	0
(iii) Sent to third-parties	-	0
-- No treatment	-	0
-- With treatment - please specify level of treatment	-	0
(iv) Into Seawater	-	0
-- No treatment	-	0
-- With treatment - please specify level of treatment	-	0
(v) Others	-	0
-- No treatment	-	0
-- With treatment - please specify level of treatment	-	0
-- For gardening/landscaping purpose	393.58	0
Total water discharged (in kilolitres)	-	0
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?	NO	No
If yes, name of the external agency.	NA	NA

2. Please provide details of total scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025- 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Total scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	0	0
Total scope 3 emissions per rupee of turnover	tCO2e/crore / turnover	0	0
Total scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		0	0
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?		No	No
If yes, name of the external agency.		No	

3. With respect to the ecologically sensitive areas reported at Question 11 of essential indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along- with prevention and remediation activities.:

NO.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiatives undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installation of Rooftop Solar Power Plant for Renewable Energy -400 KW	Usage of Renewable energy for Sustainable operation and reduce the carbon foot print	Reduced dependence on conventional energy sources, lowered GHG emissions, and achieved cost savings through the generation of clean renewable energy.
2	Secure IGBC Green Facility Certification to promote eco-friendly operations and sustainable development.	Provide an open gym facility within the company premises to promote employee health, fitness, and overall well-being. Plantation of trees and maintain the biodiversity.	Improved environmental performance, enhanced employee health and well-being through better workplace facilities, increased green cover, and strengthened the Company's sustainability credentials.
3	Reuse of RPO oil	RPO oil collected from trays during washing operations is filtered and reused for internal applications, promoting resource conservation and waste reduction.	Reduced waste generation and fresh oil consumption, improved resource efficiency, and promoted circular economy practices through recycling and reuse of RPO oil.
4	To promote and maintain tree plantation for enhancing biodiversity and increasing green cover within plant premises, supporting sustainable environmental development.	Maintaining Biodiversity and Green Cover Development	Increased green cover within the plant premises, improved biodiversity, enhanced carbon sequestration, and contributed to a healthier ecosystem.
5	Replace disposable paper cups with durable stainless-steel alternatives to support sustainability initiatives.	Started cup for the tea instead of paper cup in all facilities.	Eliminated significant paper cup waste, reduced consumption of disposable materials, lowered environmental impact, and promoted sustainable employee practices.
6	Utilize harvested pond water for gardening purposes through the installation of a dedicated pumping system.	Using water for domestic use from the natural pond in plant premises.	Reduced reliance on freshwater resources, improved water conservation, optimized utilization of harvested water, and supported sustainable water management practices.

5. Details about the disaster management plan.:

a. Does the entity have a business continuity and disaster management plan? : Yes

b. Give details in 100 words/ web link.:

To ensure business continuity and effective disaster management, we have established a comprehensive Onsite Emergency Plan (OEP) across all our facilities. The plan identifies potential emergency situations and natural disasters, including fire, electrocution, falls from height, earthquakes, and other natural calamities, and outlines measures to minimize their impact on people, assets, and operations.

Key initiatives implemented under the OEP include:

- Formation of dedicated Emergency Response Teams at all plant locations.
- Establishment of Firefighting and First Aid Teams across all facilities.
- Deployment of an adequate number of trained first aiders and firefighters across all three operational shifts.
- Regular conduct of mock drills, emergency response exercises, and plant-wide evacuation drills to enhance preparedness and response capabilities.

In addition, the Company has implemented a robust Business Continuity Plan (BCP) aligned with ISO 14001, ISO 45001, IATF 16949, and ISO 22301 standards. The BCP encompasses mitigation, response, and recovery strategies for:

- Environmental emergencies and natural disasters.
- IT infrastructure and application disaster recovery.
- Situation-specific business continuity scenarios.

Periodic BCP and emergency mock drills are conducted to assess the effectiveness of the plans, strengthen resilience, and ensure readiness to respond to unforeseen disruptions.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.:

Divgi TTS ensures that there are no adverse impacts to the environment arising from its value chain, periodic audits at supplier premises or through self-assessment checklist , risk and measures are monitored.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. 65.0

C.7: Principle 7

Essential indicators

1. a. Number of affiliations with trade and industry chambers/associations.:

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1	Confederation of Indian Industry (CII)	National
2	Mahratta Chamber Of Commerce, Industries and Agriculture (Mccia)	State
3	Automotive Research Association of India (ARAI)	National
4	Birla Institute of Technology and Science (BITS)	National
5	College of Engineering Pune (COEP)	State

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.:**

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

Leadership indicators

1. **Details of public policy positions advocated by the entity.:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain?	Frequency of review by board	Details of other frequency of review by Board	Web Link, if available
	The Company has diversified its product portfolio in EV segment, supplying E-gear transmission to top Indian OEM and contribute on specific sustainable business issues.	Through membership with trade and industry associations the Company shares its feedback on matters as mentioned in the adjacent cell	Yes	Others a please specify		NA

C.8: Principle 8

Essential indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.:**

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant web link
NA	NA	NA	No		

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
	NA	NA	NA	0	0	0

3. **Describe the mechanisms to receive and redress grievances of the community.:**

The CSR team actively engages with the local community surrounding manufacturing sites to address their issues. Any matters requiring Senior Management attention are promptly escalated and resolved by the appropriate authority The Company has defined a process to ensure all the complaints and feedback from all stakeholders including communities are received and addressed. This defined process includes: (i) A dedicated contact page on the website (ii) Complaints / Feedback received on contact Email CFT team manage all the complaints and feedback to ensure timely response.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Category	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	20	20
Directly from within India	50	50

5. **Job creation in smaller towns – disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost.:**

Location	FY 2025 - 2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Rural	50	50
Semi-urban	10	0
Urban	20	20
Metropolitan	20	30

Leadership indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (reference: Q1 of essential indicators above).:**

Details of negative social impact identified	Corrective action taken
NA	NA

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.:**

The Company does not have active CSR projects in any aspirational districts.

3. a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups?**

   No procurement was made from marginalized/vulnerable groups..

   b. **From which marginalized/vulnerable groups do you procure?** Not applicable

   c. **What percentage of total procurement (by value) does it constitute?** 0

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual property based on traditional knowledge	Owned/acquired	Benefit shared	Basis of calculating benefit share
	Divgi TTS does not have (acquired or owned) Intellectual Property Rights based on the traditional knowledge during the reporting period.	NO	NO	NA

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.:**

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR projects:

S. No.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	The Society for Door Step School, Alandi	800 students	
2.	The Society for Door Step School, Dhangarwadi	80+ students	
3.	Pragatee Foundation	200 students	
4.	Punyatma Prabhakar Sharma Seva Manda	120 students	
5.	Guruprasad Education Society	192 students	
6.	Bharat Ithihas Sanshodhak Mandal	-	
7.	Vedanta Cultural Foundation	-	
8.	Inga Health Foundation	6 young patients maxillfocal	

C.9: Principle 9

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.:

Divgi TTS has a dedicated Customer Support Function that proactively focuses on customer complaint resolution and continuous improvement of the Customer Satisfaction Index (CSI). Customer Focus is one of the Company's core leadership principles, driving its commitment to delivering quality products and services while maintaining strong customer relationships.

To minimize customer complaints and ensure effective risk management, the Company has established robust systems such as Failure Mode and Effects Analysis (FMEA) and Risk Reduction Mechanisms. These processes help identify potential issues proactively, reduce risks, and enhance product quality and reliability.

As a leading supplier to automotive OEMs, the Company has implemented a comprehensive complaint management framework to address customer concerns efficiently. Customer issues and complaints can be reported through multiple channels, including:

- OEM online portals
- Email communications
- Plant visits and audits
- Customer review meetings and interactions

All customer complaints are systematically recorded in a Defect Tracking System and addressed in accordance with the Company's complaint-handling procedure using the 8D (Eight Disciplines) Problem-Solving Methodology. This structured approach ensures timely root cause analysis, effective corrective actions, and preventive measures to avoid recurrence.

To strengthen customer engagement and responsiveness, a dedicated Key Account Manager (KAM) is assigned to each customer. The KAM serves as the primary point of contact, ensuring that customer complaints, feedback, corrective actions, and Corrective and Preventive Actions (CAPA) are promptly communicated, effectively addressed, and closed within agreed timelines.

Through these structured processes and a strong customer-centric approach, the Company continuously strives to enhance customer satisfaction, improve product performance, and build long-term partnerships with its customers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about.:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

3. Number of consumer complaints in respect of the following.:

Category	FY 2025 - 2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0	0	0	0	No complaints received
Advertising	0	0	0	0	0	No complaints received
Cyber-security	0	0	0	0	0	No complaints received
Delivery of essential services	0	0	0	0	0	No complaints received
Restrictive trade practices	0	0	0	0	0	No complaints received
Unfair trade practices	0	0	NA	0	0	No complaints received
Other	0	0	NA	0	0	No complaints received

4. Details of instances of product recalls on account of safety issues.:

The products are sold to OEMs and aftermarkets and not directly to end customers

State	Number	Reasons for recall
Voluntary recalls	0	No recall cases registered
Forced recalls	0	No recall cases registered

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?:

Yes, the company has an internal Information Technology (IT) Policy that establishes guidelines for the Company's employees and end users regarding the use of the Company's IT facilities and services in the intranet. Data Security is one of the key elements of the policy, aimed at ensuring the confidentiality, integrity, and availability of data while effectively managing risks

Questions	Response
Does the entity have a framework/ policy on cyber security and risks related to data privacy?	Yes
If available, provide a web-link of the policy.	https://divgi-tts.com/?s=Policy

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.:**

   There were no consumer complaints on issues relating to advertising, delivery of essential services, cyber security, and data privacy of customers. The complaints in other category under indicator 5 of this principle pertains to Product supplied to customers (Auto OEM); all complaints resolved.

7. **Provide the following information relating to data breaches.:**

   a. **Number of instances of data breaches. :** 0

   b. **Percentage of data breaches involving personally identifiable information of customers :** 0

   c. **Impact, if any, of the data breaches. :** NA

Leadership indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   https://divgi-tts.com/products/ The information displayed on the product label is as per the applicable laws and in line with the prevalent market practice. The Company displays product information as required by the customer and AIAG traceability requirement. Apart from the mandated declarations, additional declaration are furnished on the products/ labels relating to the product and their usage in the service manual.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The information displayed on the product label is as per the applicable laws and in line with the prevalent market practice. The Company displays product information as required by the customer and AIAG traceability requirement. Apart from the mandated declarations, additional declarations are furnished on the products/ labels relating to the product and their usage in the service manual. Frequent engagement with the dealers and customers for awareness on product related information and handling. These are part specifications that are mutually agreed upon and signed off with customers.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Divgi-TTS does not deal in essential product and services. However, risk are proactively taken care with FMEA (Failure mode and effect analysis) approach and warranty analysis. Risk of disruption/ discontinuation informs to consumer by email.

4. Details about display of product information.

Questions	Response
Does the entity display product information on the product over and above what is mandated as per local laws?	Yes
If yes, provide details in brief.	The information displayed on our product labels complies with all applicable regulatory requirements and industry best practices. Product details are provided in accordance with customer specifications and AIAG traceability requirements to ensure transparency and traceability throughout the supply chain. In addition to mandatory declarations, relevant information regarding product usage, handling, and maintenance is also communicated through product labels and service manuals. To enhance customer awareness and ensure proper product handling, the Company regularly conducts training programs and engagement sessions for dealers and customers. These initiatives help improve understanding of product features, performance, safety requirements, and best handling practices. The Company also places significant emphasis on measuring and improving customer satisfaction. A Customer Satisfaction Survey is conducted annually, and a Customer Satisfaction Index (CSI) is developed and monitored to assess overall customer perception. Survey results are thoroughly analyzed to identify improvement opportunities and implement corrective actions where necessary. In addition, customer scorecards serve as an important indicator of customer satisfaction and performance evaluation. The Company consistently maintains a high level of customer satisfaction, with an average satisfaction rating exceeding 90%, while customer scorecard assessments continue to reflect an "Excellent" performance rating.
Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?	Yes

Management Discussion and Analysis

Global economic overview

The global economic growth remained stagnant at 3.5% in 2024 and 2025, as the effects of the war in the Middle East were largely offset by accelerated demand-driven momentum in the global technology cycle, powered by advances in artificial intelligence (AI) and its adoption. The impact has varied widely across countries — energy exporters outside the conflict zone benefited from favourable terms of trade, while economies integrated into the technology value chain saw stronger activity even where they were energy importers, whereas energy importers with limited participation in the technology upturn, a group that includes many low-income countries, experienced weaker activity.

Advanced economies witnessed a marginal increase in growth, remaining broadly stable at 1.9% in both 2024 and 2025, while emerging market and developing economies also held steady at 4.5% in 2025 compared to 4.5% in 2024.

Global inflation moderated sharply in 2025, declining to an estimated 4.1% from 5.8% in 2024, continuing the multi-year disinflation trend that had been in place since the beginning of 2024.

Regional growth (%)	2025	2024
World output	3.5	3.5
Advanced economies	1.9	1.9
Emerging and developing economies	4.5	4.5

(Source: IMF, un.org)

Performance of the major economies, 2025

United States: GDP growth of 2.1% in 2025 compared to 2.8% in 2024.

China: GDP growth was 5.0% in 2025 compared to 5.0% in 2024.

United Kingdom: GDP growth was 1.4% in 2025 compared to 1.0% in 2024.

Japan: GDP growth was 1.1% in 2025 compared to (0.2) % in 2024.

Germany: GDP growth was 0.2% in 2025 compared to a (0.5)% in 2024.

(Source: IMF April 2026 Outlook, World Bank)

Outlook

Given the challenge of forming stable, real-time assumptions for projections, the IMF World Economic Outlook Update assumes that the reopening of the Strait of Hormuz begins in mid-July 2026, with conditions broadly returning to the prewar state of affairs by March 2027, consistent with commodity price assumptions based on market pricing as of June 10, 2026.

Under this outlook, global growth is projected at 3.0% in 2026, before recovering to 3.4% in 2027. Global inflation is expected to rise to 4.7% in 2026, as the disinflation trend since 2024 stalls, before easing to 3.9% in 2027.

(Source: IMF World Economic Outlook Update — July 2026, World Economic Forum, Federal Reserve, Bank of England, European Central Bank, Bank of Japan)

Indian economic overview

The Indian economy's real GDP grew at 7.7% in FY 2025-26, compared to 7.1% in FY 2024-25. This growth was driven by strong consumption and increasing investments, reaffirming India's position as the fastest-growing major economy.

India's Real GDP at Constant Prices was estimated at ₹323.12 lakh crore in FY 2025-26, compared with ₹299.89 lakh crore in FY 2024-25.

Growth of the Indian economy

	FY23	FY24	FY25	FY26
Real GDP growth (%)	7.0*	7.2	7.1	**7.7**

E: Estimated. Note: FY24 figure restated under new base year 2022–23. (Source: MoSPI)

* The FY23 figure (7.0%) is from the old base year series (2011–12) as the new series back-data for FY23 will only be available after December 2026.

Growth of the Indian economy quarter by quarter, FY 2025-26

	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Real GDP growth (%)	6.7	8.4	7.8	**7.8**

Note: Q2 revised upward from 8.2% and Q3 from 7.35% under the new base year 2022–23 series released February 27, 2026. Q4 remains an estimate. (Source: MoSPI)

Inflation, policy and currency dynamics

Inflation remained benign through much of FY 2025-26, with full-year CPI estimated at an exceptionally low 2.1%. This created room for 125 basis points of cumulative rate cuts, supporting consumption and investment.

However, macro stability was accompanied by currency volatility. The Indian rupee depreciated sharply by 9.88% during FY 2025-26 — its steepest fall since FY 2011-12 — touching ₹94.83 against the US dollar. This reflected global capital flows, a strong dollar environment, and geopolitical uncertainties.

Capital flows and market behaviour

Foreign portfolio investors remained risk-averse, withdrawing a record ₹1.8 trillion during FY 2025-26 – the largest outflow in 36 years. However, strong domestic institutional inflows of ₹8.50 trillion provided a crucial counterbalance, highlighting the growing maturity and depth of India's domestic capital markets.

India's market capitalisation declined 8% year on year in FY 2025-26 to $4.5 trillion from $4.83 trillion in FY 2024-25, marking the sharpest drop since FY 2022-23. The BSE Sensex declined 7% or 5,467 points in FY 2025-26, against a gain of 5.1% or 3,763 points, in FY 2024-25. Similarly, the Nifty 50 fell 5%, or 1,188 points, in FY 2025-26, compared to a gain of 5.3% or 1,192 points, in FY 2024-25. against a gain of 5.34%, or 1,192 points, in the corresponding period. The downturn was largely driven by the ongoing West Asia conflict and concerns around potential tariff measures under Donald Trump, which weighed on global investor sentiment.

Gold prices surged 64.1% during FY 2025-26 reflecting global risk aversion and safe-haven demand.

India's net direct tax collections rose 5.12% y-o-y to ₹23.40 lakh crore in FY 2025-26, though this fell short of the Revised Estimate of ₹24.21 lakh crore by approximately ₹80,000 crore. Corporate tax collections came in at ₹10.99 lakh crore against a target of ₹11.09 lakh crore, while personal income tax (including STT) stood at ₹12.41 lakh crore against a target of ₹13.12 lakh crore — the larger of the two misses, partly reflecting the income tax relief extended to the middle class in the Union Budget 2025–26

Banking sector

India's banking sector reflected improving financial health, with the gross non-performing asset ratio declining to a robust 2.1% as of September 2025, indicating stronger asset quality and disciplined lending practices. This stability was mirrored in profitability metrics, as scheduled commercial banks reported a return on assets of 1.3% and a return on equity of 12.5% during the first half of 2025-26, underscoring sustained operational efficiency and a healthier balance sheet trajectory.

India's growth story

Real Gross Value Added (GVA), which measures economic output excluding taxes and subsidies, grew 7.9% in FY 2025-26, compared with 7.3% in FY 2024-25. At current prices, nominal GVA rose 9.1% to ₹314.87 lakh crore from ₹288.54 lakh crore a year earlier.

The tertiary services sector remained a key growth driver, expanding by 9.0% in FY 2025-26 and increasing its share in nominal gross value added to 54.3% from 52.8% in FY 2024-25, supported by broad-based momentum across segments.

During FY 2025-26, financial, real estate, IT and professional services grew by 9.9%, while trade, hotels, transport, communication and broadcasting recorded a strong 10.1% growth, and public administration and other services expanded by 5.8%.

The secondary sector grew 9.1%, accelerating from 8.0% in the previous year, driven by manufacturing alongside construction growth of 7.1%. This combination of services-led scale and manufacturing acceleration is shaping a more balanced and resilient economic structure.

Consumption and investment

During FY 2025-26, Private Final Consumption Expenditure (PFCE) and Gross Fixed Capital Formation (GFCF) maintained above-7% growth, reflecting a well-balanced demand composition across household spending and investment activity.

Growth catalysts

Policy-led consumption boost: The Union Budget FY 2026-27's tax relief measures—particularly income tax exemptions up to ₹12 lakh—are expected to stimulate discretionary spending and reinforce consumption-led growth.

Anticipatory Pay Commission impact: The 8th Pay Commission, though expected to be implemented from FY 2027-28, is already shaping consumer sentiment, creating a forward consumption impulse.

Monetary stability: The Reserve Bank of India's calibrated stance, with the repo rate at 5.25%, balances inflation risks with growth support, ensuring macroeconomic stability.

Credit expansion: Improved banking health and liquidity conditions are expected to sustain strong credit growth across MSMEs, housing, and retail segments.

Fiscal prudence with growth focus: The Union Budget maintains fiscal discipline while prioritising infrastructure, MSME support, skilling, and innovation—key levers for long-term productivity.

Outlook

The year under review underscores a defining divergence: a world grappling with uncertainty, and an India navigating it with confidence.

In a global environment marked by fragmentation and caution, India stands out as a rare convergence of stability, scale and structural opportunity. The World Bank has revised its FY 2026-27 growth estimate upward to approximately 6.6%, reflecting resilient domestic momentum even as growth moderates from the previous year. India is expected to retain its position as the fastest-growing major economy.

Growth will be shaped by a combination of strong domestic demand and resilient private consumption, supported by low inflation and GST rationalisation, alongside stable export performance with improved access to key markets. This momentum is further reinforced by sustained policy support, ongoing economic reforms, and a favourable demographic advantage.

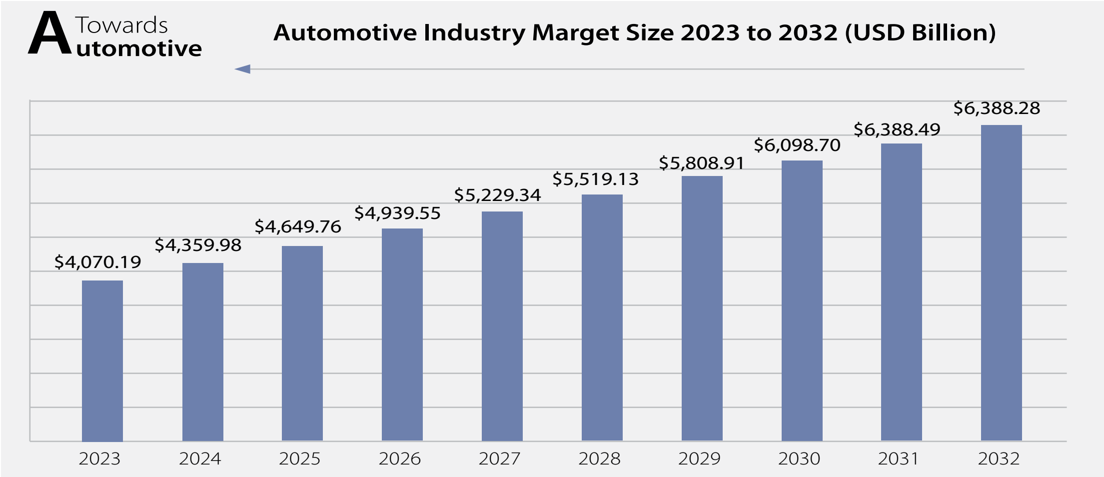
While risks persist, particularly from elevated energy prices, subsidy pressures on government spending, and uncertainty in global demand, India's macroeconomic fundamentals remain strong.

Over the medium term, sustained consumption, gradual investment recovery, and expanding global trade linkages are expected to reinforce India's position as a key driver of global economic growth.

(Source: Upstox, Economic Times, India Today, 5paisa, Livemint, The Logical Indian)

Global automotive industry overview

The global automotive market is projected to expand from USD 4,543.97 billion in 2025 to USD 7,458.15 billion by 2034, reflecting a steady CAGR of 5.66% over the period. This growth is being supported by strong demand for mid-range hatchbacks in emerging economies, alongside accelerating investments by automakers in electric vehicle (EV) manufacturing. The industry is also witnessing increased momentum from the rise of automotive startups across markets such as India, Vietnam, China, and Canada, coupled with sustained focus on research and development to enhance engine performance and efficiency.



The integration of Advanced Driver Assistance Systems (ADAS) and ongoing advancements in solid-state battery technologies are expected to unlock new growth avenues, further shaping the future of the automotive sector.

North America continues to lead in innovation, driven by strong demand for electric vehicles (EVs) and advanced safety systems, with vehicle electrification significantly reshaping the regional landscape. The Asia-Pacific region is witnessing rapid growth, supported by increasing integration of smart technologies and expanding automotive innovation.

Sustainability is emerging as a critical priority, influencing both consumer preferences and regulatory frameworks across regions. The rise of electric mobility and advancements in autonomous driving remain key growth drivers globally. The industry is increasingly shaped by digitalisation, sustainability, and the adoption of artificial intelligence, with strategic alliances gaining importance as companies collaborate to navigate evolving complexities. Competitive differentiation is also shifting from price-based competition to a focus on innovation, technology, and supply chain resilience, highlighting the need for continuous adaptation to changing market dynamics.

The automotive industry is undergoing a structural transformation driven by rapid technological advancements and shifting consumer preferences. The growing adoption of electric vehicles, supported by rising environmental awareness and government incentives, is redefining how vehicles are designed, manufactured, and marketed. At the same time, the integration of autonomous features and connected car ecosystems (a ~$568 billion opportunity by 2035) is enhancing safety, intelligence, and convenience. In parallel, sustainability has evolved into a core business imperative, with manufacturers increasingly embracing circular economy practices and environmentally responsible production methods.

(Source: Towards Automotive, Market Research Future, SP Global)

Indian automotive industry overview

India's automotive industry remains one of the most dynamic in the world, with the country firmly established as the third largest automobile market globally, behind only China and the United States. Within this ranking, India leads in three wheelers and two wheelers, holds a strong third position in passenger vehicles, and ranks among the top global producers in medium and heavy commercial vehicles. The sector has benefited from low cost skilled labour, a robust steel and auto component base, and increasingly sophisticated R&D capabilities, turning the country into a global export and manufacturing hub for both ICE and electric vehicles.

Over FY 2024-25 and FY 2025-26, the industry has continued to expand, albeit at a slightly moderated pace compared with the high single digit growth of FY 2023-24. Retail automobile sales grew by around 6.5% in FY 2024-25, driven by a 5% rise in passenger vehicle sales, an 8% increase in two wheeler volumes, and a 5% uptick in commercial vehicle sales. This marked a slowdown from the approximately 10% industry wide growth recorded in FY 2023-24, reflecting normalisation after the post pandemic demand surge. By FY 2025-26 (April 2025–March 2026), trade data based projections indicate that total vehicle production is on track to cross over 28 million units, with strong growth in passenger vehicles and steady performance in commercial segments. In the first half of FY 2025-26 alone, industry bodies report more than 1.65 crore (16.5 million) vehicles produced, underscoring solid underlying demand.

India's passenger vehicle market has reached a new milestone, with annual PV sales crossing roughly 5 million units in calendar year 2025, and the sector on course to sustain or exceed that level in FY 2025-26. With this trajectory, India consolidates its position as the third largest passenger vehicle market globally. The broader automotive industry outlook remains optimistic: recent studies estimate the Indian automotive market at about USD 137–148 billion in 2025–26, with projections suggesting it could reach around USD 210–215 billion by 2031, implying a compound annual growth rate of roughly 7–8% over the next several years. Another analysis points to a 6.5% CAGR from 2025–2030, with an incremental size increase of about USD 52 billion between 2026 and 2030, reflecting continued investment in manufacturing, digitalisation, and electrification.

A key driver of this growth is the electric vehicle (EV) revolution. In FY 2025-26, passenger EV sales exceeded 199,000 units, representing a year on year growth rate of over 80%, while electric two wheeler registrations crossed about 1.15 million units in FY 2024-25, growing at around 20–21% YoY. Across all vehicle categories, EVs accounted for approximately 7% of total sales in Q3 FY 2025-26, signalling a steady rise in penetration. Looking slightly longer term, EV registrations have grown at a striking 63% CAGR over the past six years, and cumulatively reached nearly 2 million EV units by FY 2024-25, including more than 100,000 passenger EVs and over 1 million electric two wheelers. Policy and industry estimates project that the domestic EV ecosystem—encompassing vehicles, charging infrastructure, and related services—could grow at a high teens to low 30% CAGR through 2026, with the EV battery segment alone expanding at around 30% annually.

From a financing and employment standpoint, the EV transition is expected to unlock substantial opportunity. Scenario based analyses suggest that the EV related employment ecosystem in India could generate up to 5 million jobs by 2030, spanning manufacturing, battery production, charging infrastructure deployment, and after services. In parallel, the EV finance industry is projected to scale to about USD 50 billion by 2030, underpinned by growing demand for EV loans, leasing, and fleet financing products. These figures align with the India Automotive Mission Plan 2047, unveiled in mid 2025, which sets a strategic vision for India to become a global hub for automotive manufacturing and R&D. The plan envisions adding around 4 million additional passenger vehicle production capacity by 2032, much of it oriented toward EV focused assembly and component localisation.

Beyond capacity, the mission plan also targets a 30% share of electric vehicles in new vehicle sales by 2030, alongside a strong push toward shared mobility and connected vehicle platforms. With India already leading in two and three wheelers and firmly positioned in the top three passenger vehicle markets, the FY 2025-26 period reflects a critical inflection: the industry is shifting from a largely internal combustion driven growth model to a dual track system where EVs, exports, and digital enabled mobility services jointly define the next decade. Over the same horizon, the broader automotive market is projected to grow from about 5.1 million vehicle units in 2023 to around 7.5 million units by 2030, with passenger vehicles alone expected to reach roughly 6 million units annually, reinforcing India's role as a core global automotive market and a key testbed for future mobility technologies.

(Source: Morder Intelligence, SIAM, IBEF, Auto Car Pro, Auto Car India)

Global auto components industry overview

The global auto parts manufacturing market reached USD 2,302.2 billion in 2025 and is expected to grow to USD 2,818.9 billion by 2034, reflecting a CAGR of 2.21% over 2026–2034. Growth is driven by rising vehicle production, tightening safety and emission norms, increasing EV penetration, and growing demand for lightweight, advanced components. OEMs dominate the sales channel with a 62.4% share, while passenger cars lead the vehicle segment at 52.3%. Regionally, Asia Pacific holds the largest share at 38.4%, led by China, Japan, South Korea, and India, followed by North America (22.6%) and Europe (21.3%), supported by strong premium vehicle demand and established supplier ecosystems.

Automotive components include essential systems such as the engine, transmission, suspension, braking, steering, electricals, and body parts - each critical to vehicle performance, safety, and functionality. Rising global vehicle demand is driving innovation, efficiency, and quality across the industry, supported by close collaboration between component manufacturers and automakers.

Growth is further fuelled by increasing urbanisation, infrastructure development, and the expansion of the global automotive aftermarket. Higher replacement demand for aging vehicles and a strong shift toward energy-efficient and lightweight components are accelerating industry momentum. India, in particular, has emerged as a competitive hub for automotive and component manufacturing, boosting export demand.

The automotive components market is witnessing strong growth and innovation driven by the rise of autonomous vehicles. Self-driving technology has increased demand for advanced systems such as LiDAR, cameras, radar, ultrasonic sensors, and high-performance processors required to process real-time data and enable autonomous functionality.

The advancements in robotics and additive manufacturing are transforming production. These technologies enable design flexibility, support the use of innovative materials, and accelerate the development of next-generation components. They also enhance efficiency, reduce costs, and help manufacturers remain competitive, driving faster evolution across the auto components industry.

Artificial intelligence (AI) is transforming the auto components market by improving manufacturing efficiency and product quality. AI-driven machines and robots execute complex tasks with high precision and speed, reducing production time and boosting productivity. AI-enabled inspection systems identify defects early in the process, ensuring consistent quality and minimising recalls and warranty costs. AI's predictive analytics help forecast demand, enabling better inventory management and reducing waste, ultimately strengthening operational efficiency and customer confidence.

(Source: IMARC, Data Intelo)

Indian auto components industry overview

India's auto components market is projected to grow by USD 85.85 billion between 2025 and 2030, registering a robust CAGR of 14.8% over the forecast period.

India's automotive industry is expected to see a normalisation in wholesale volume growth, with moderate expansion of 3–6% across segments in FY 2026–27, following a high-growth phase in the latter half of FY 2025–26 driven by post-GST factors and strong rural demand.

Passenger vehicle (PV) volumes are projected to grow 4–6% YoY, supported by steady demand, while two-wheelers (2W) are likely to expand by 3–5% on a higher base. Commercial vehicles (CVs) are expected to grow 4–6%, led by economic activity and strong bus segment demand, with buses likely to grow faster at 7–9% due to replacement cycles. In the PV segment, growth is estimated at 5–7% in FY 2025–26 before moderating to 4–6% in FY 2026–27 amid elevated inventories. Utility vehicles continue to outperform, while the share of alternative powertrains - CNG, hybrids, and EVs - is steadily increasing.

India's auto component industry is undergoing a structural shift, driven by electrification, tighter safety norms, and rapid digital integration. The sector is evolving from traditional mechanical manufacturing into a hub for advanced electronic and technology-led components. Growth is supported by rising middle-class demand for vehicles and stringent regulations such as BS-VI norms, which require more sophisticated emission and fuel systems. This transition is creating opportunities in areas like power electronics, battery management systems, and ADAS. At the same time, increasing technological complexity is fostering deeper collaboration between Tier-1 suppliers and OEMs to develop integrated solutions such as steer-by-wire systems. However, global supply chain volatility - especially semiconductor shortages - remains a key challenge. In response, companies are focusing on localisation and adopting digital supply chain strategies to enhance resilience and ensure continuity.

(Source: Economic Times, Research and Markets, Technavio)

Financial analysis FY 2025-26:

Balance Sheet

Borrowings: For FY 2025-26 stood at ₹1.41 million compared to ₹2.32 million during FY 2024-25.

Total non-current assets: For FY 2025-26 stood at ₹2811.90 million compared to ₹2,650.39 million in FY 2024-25.

New worth: Stood at ₹6354.57 million as on March 31, 2026 compared to ₹5,967.72 million as on March 31, 2025, an increase of 6 %.

Total assets: Increased by 11% to ₹7314.19 million as on March 31, 2026 from ₹6,604.53 million as on March 31, 2025.

Inventories: Increased by 52% to ₹587.83 million as on March 31, 2026 from ₹387.31 million as on March 31, 2025

Profit and Loss statement

Revenues: Increased by 56% from ₹2,401.28 million in FY 2024-25 to ₹3751.71 million in FY 2025-26.

EBITDA: Increased by 58% from ₹585.69 million in FY 2024-25 to ₹922.96 million in FY 2025-26.

Profit after tax: Increased by 92 % from ₹243.92 million in FY 2024-25 to ₹469.26 million in FY 2025-26.

Depreciation and amortisation: Stood at ₹292.37 million in FY 2025-26 compared to ₹251.83 million in FY 2024-25.

Working capital management

Current assets as on March 31, 2026 stood at ₹4502.29 million compared to ₹3,954.14 million as on March 31, 2025. Current ratio as on March 31, 2026 stood at 5.04 compared to 7 as on March 31, 2025. Inventories increased from ₹387.31 million as on March 31, 2025 to ₹587.83 million as on March 31, 2026. Current liabilities stood at ₹892.91 million as on March 31, 2026 compared to ₹565.11 million as on March 31, 2025. Cash and bank balances stood at ₹2945.20 million as on March 31, 2026 compared to ₹2,848.33 million as on March 31, 2025.

Key ratios

Particulars	2025-26 (₹ in lakhs)	2024-25 (₹ in lakhs)
EBITDA/turnover	24.60	24.39
EBITDA/net interest	297.50	153.31
Debt-equity ratio	0.00	0.00
Return on equity (%)	7.62	4.14
Book value per share (Rs.)	207.8	195.13
Earnings per share (Rs.)	15.34	7.98

Risk management at Divgi – TTS:

Key risks and their explanation	Mitigation measures
A shift in consumer demand could pose a risk to the company's concentrated focus on a specific niche segment.	The company is strategically diversifying its portfolio across a broader set of products and applications, spanning passenger vehicles, commercial vehicles, tractors, and construction equipment, while also expanding its presence across multiple customer segments and geographies.
An economic slowdown could adversely impact the company's performance, as reduced automobile demand may directly translate into lower revenues.	To reduce reliance on a single market, the company has expanded its footprint across four countries and diversified product applications, thereby limiting dependence on a narrow set of markets.
Intense global competition is largely driven by pressures around cost efficiency and scale of production.	Divgi–TTS is a leading player in the market, recognised for its strong cost optimisation driven by the adoption of lean manufacturing practices.
Global OEMs are increasingly emphasising carbon footprint evaluation and life cycle assessments of supplier products, resulting in more stringent screening and selection criteria.	The company has strengthened its network of knowledge partners while maintaining a strong focus on environmental responsibility. It holds multiple years of ISO 14000 certification and follows the Global Reporting Initiative (GRI) framework for sustainability reporting. Additionally, it is at the forefront of developing energy-efficient vehicle solutions, collaborating closely with leading global automotive brands.

Key risks and their explanation	Mitigation measures
The company's long-term success and sustainability could be at risk if it is unable to attract and retain skilled talent.	To address this, the company promotes a positive work culture and provides strong opportunities for professional growth and development.
The use of child labour can damage the company's reputation and goodwill by creating negative public perception.	The company has established strict policies to prohibit child labour, reflecting its commitment to ethical practices and a strong code of conduct.
Stricter environmental regulations could pose a challenge to the company's growth trajectory.	The company is addressing this through investments in advanced R&D aimed at lowering environmental impact, alongside enhanced lean manufacturing practices that reduce raw material consumption.
Innovations may render existing technologies obsolete.	To stay competitive, the company consistently invests in technological upgrades.
Global OEMs are placing greater emphasis on reducing costs while simultaneously improving quality.	In response, the company has strengthened quality standards through a vendor development program based on CMM and a supplier quality improvement initiative, alongside investments in complementary capital equipment to enhance cost efficiency.

Human resource management

The company fosters a positive, high-performance work culture anchored in customer-centricity, innovation, and strong quality standards. It makes significant investments in employee training and development to enhance operational efficiency and capability. Focused on attracting and retaining talent, the company offers robust growth opportunities supported by progressive policies, including recognition and reward programs, employee engagement initiatives, and work-life balance efforts. Industrial relations have remained stable and harmonious across all plants throughout the year. As on 31 March 2026, the Company had a strength of 278 employees and a retention rate of over 13.07%.

Internal control system and their adequacy

The company has a strong internal control system in place, ensuring proper authorisation, recording, and reporting of transactions, while also protecting its assets. This system is essential for effective risk management and governance. Designed to fit the company's size and operational complexities, it is well-defined and robust. Over the past year, the system has functioned effectively, with both internal and external auditors regularly testing and certifying the controls across all offices, factories, and key business areas. Additionally, cross-functional teams within the factories play a vital role in controlling production operations, while system certifications further strengthen these controls.

Annexure F

The Annual Report on CSR Activities for FY 2025-26

[Pursuant to section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

Operating in a responsible and sustainable manner is important. Whilst we run our business in line with the expectations of diverse global stakeholders, we also see Corporate Responsibility as a discipline that helps to manage risks and maximize opportunities presented to us in the changing world.

Divgi TorqTransfer Systems Limited (Divgi TTS) is committed to good corporate citizenship. We strive to supply goods and services of superior value to our customers; to create jobs that provide meaning for those who do them and to contribute generously of our talents and our wealth to the communities in which and for whom we do business.

Since the 'Responsibility to our Communities' is one of our core values, Divgi-TTS strives to take efforts in the area of social and community development under the initiative of Corporate Social Responsibility with planned and systematic actions put in investment projects which focus on below principles:

d. श्री Vidyadaayini (Promoting Education)

e. श्री Kalyanam (Rural development)

f. श्री Aarogyam (Promoting Health Care)

g. श्री Sanskriti (National Heritage, Art and Culture)

h. श्री Vasundhara (Environment Protection)

During the year under review, your Company had focused majorly on श्री Vidyadaayini, श्री Aarogyam and श्री Sanskriti principles with an attempt for a holistic social contribution by empowering the under-privileged stakeholders of our society. The Company's CSR Policy, including overview of projects or programs undertaken or proposed to be undertaken, is provided on the Company's website.

Our CSR initiatives are independent of the normal conduct of our businesses and are aligned to the activities listed in Schedule VII read with Section 135 of the Companies Act, 2013 and the allied CSR Rules.

2. Composition of CSR Committee:

During the year under review, the Composition of CSR Committee of the Board of Directors was as under:

Name of Director	Designation	Number of CSR Committee meetings held during year	No. of meetings of CSR Committee attended during the year
Mr. Pundalik Dinkar Kudva	Chairperson	2	2
Ms. Geeta Tolia	Member	2	2
Mr. Jitendra Bhaskar Divgi	Member	2	2
Mr. Hirendra Bhaskar Divgi	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR policy, and CSR projects approved by the board are disclosed on the website of the company:

- https://divgi-tts.com/composition-of-committees/
- https://divgi-tts.com/policies-and-code-of-conduct/

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: Not Applicable

5.
(a) Average net profit of the company as per sub-section (5) of section 135 : ₹51,78,91,630/-

(b) Two percent of average net profit of the company as per section 135(5) : ₹1,03,57,832.6/-

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any : NIL

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. : ₹1,03,57,832.6/-

6.
(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹98,77,000/-

(b) Amount spent in Administrative Overheads : ₹480833

(c) Amount spent on Impact Assessment, if applicable : Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹1,03,57,833/-

(e) CSR amount spent or unspent for the financial year : NIL

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of theFund	Amount	Date of transfer.
	Nil	-	Nil	Nil	-

(f) Excess amount for set off, if any

Sr No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹1,03,57,832.6/-
(ii)	Total amount spent for the Financial Year	₹1,03,57,833/-
(iii)	Excess/(shortfall) amount spent for the financial year [(ii)-(i)]	₹0.00 /-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹0.00/-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹0.00/-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : Not Applicable

For and on behalf of the Board of Directors
Divgi TorqTransfer Systems Limited

Pundalik Kudva
Chairperson CSR Committee
DIN: 03385091

Jitendra Divgi
Managing Director
DIN: 00471531

Place: Pune
Date: August 11, 2026

Divgi-TTS CSR Assessment Report 2025–2026

"Responsibility to Our Communities" is one of our core values. Divgi TTS strives to contribute to social and community development through its Corporate Social Responsibility (CSR) initiatives.

The impact assessment reports of six CSR projects undertaken during 2025–2026 are provided below.

Enabling Leadership

Divgi TTS has partnered with the Enabling Leadership Foundation to bring the Enabling Leadership Play program to students from underprivileged backgrounds in the Kumta region of Uttara Kannada district, Karnataka, India. The Play program instils essential leadership and life skills needed to help children break the cycle of intergenerational poverty. Children aged 11–15 years participate in carefully designed mixed-gender programs that encourage collaboration, reflection, and the real-life application of lessons learned in the classroom and on the playground.

The sessions focus on 30% technical skills and 70% leadership and life skills, using process- and outcome-oriented active learning methods such as journaling, reflection, and discussions, along with showcases that encourage real-world application. Inter-school competitions are also conducted, providing children from participating schools with opportunities to compete in mixed-gender tournaments, travel, and interact with boys and girls from other schools and regions.

Around 200 children participated in and benefited from this program.

Door Step School

To address illiteracy among children aged 3 to 14 years from marginalized sections of society, including those living at construction sites, on pavements, and in temporary and permanent slums, Divgi TTS has partnered with the Door Step Foundation to implement the Community Education Program, which aims to strengthen Foundational Literacy and Numeracy (FLN) skills.

The program focuses on the overall development of children while increasing parents' participation in their children's education, thereby contributing to a brighter future. During 2025–2026, over 1,400 children benefited from the program in schools and communities in Alandi and the Pimpri-Chinchwad area of Maharashtra and Dhangarwadi village

Language classes that incorporated games and learning tools helped children enjoy reading and improve retention.

Science activities encouraged children to explore science in everyday life and nurtured their curiosity. They also helped reduce the fear of science as a school subject by promoting scientific thinking through hands-on learning. Experiments introduced children to concepts such as air pressure, the water cycle, water purification, the solar system, and the water-lens effect.

Punyatma Prabhakar Sharma Seva Mandal, Igatpuri

The tribal region in and around Igatpuri has many children with special needs. The Punyatma Prabhakar Sharma Seva Mandal Trust runs three residential institutions: one for students with intellectual disabilities, one for hearing-impaired students, and a vocational training centre.

Around 120 students from low-income tribal families are provided residential care with the support of special educators and caregivers. These institutions have been operating since 2015 without any government aid and are entirely supported through donations received from corporate and individual donors.

Disha Abhiyan provides a structured curriculum, training, and support to children with intellectual and developmental disabilities.

Hearing-impaired students have access to a soundproof room, and each student has been provided with a hearing aid.

The Vocational Training Centre enrolls students with intellectual disabilities above the age of 18. To help them become self-reliant, they are trained in practical skills such as making files, doormats, dusters, paper bags, greeting cards, and candles, enabling them to generate income for themselves and their families.

Divgi TTS is proud to partner with the Punyatma Prabhakar Sharma Seva Mandal Trust to ensure that quality education and care reach children with special needs in Igatpuri.

Guruprasad Education Society, Mallapur, Uttara Kannada, Karnataka

Guruprasad High School has grown into a well-known educational institution in the Honnavar taluka of Uttara Kannada district, Karnataka. This Kannada-medium school is committed to imparting quality education through modern, well-equipped facilities, benefiting the 192 students currently enrolled from the interior regions around Mallapur.

The school provides a learning environment that supports academic growth and holistic development. It actively encourages participation in sports, athletics, cultural programs, and other extracurricular activities that contribute to the all-round development of its students. The students have won several awards at taluka, district, and state-level competitions.

Divgi TTS has consistently been a committed and benevolent supporter of the Guruprasad Education Society

Bharat Itihas Sanshodhak Mandal, Pune

Bharat Itihas Sanshodhak Mandal is a treasure trove dedicated to preserving and conserving ancient manuscripts, artefacts, and miniature paintings.

Divgi TTS is collaborating with the Mandal to support the conservation of its valuable collection of miniature paintings.

Inga Foundation

Millions of children worldwide suffer from facial, jaw, and skull deformities. These conditions affect their self-esteem, social interactions, and overall quality of life. Many families cannot afford the surgeries required to treat these conditions. The Inga Foundation is dedicated to treating children with congenital facial deformities.

The Foundation envisions a world where every child has access to reconstructive surgery and the opportunity for a brighter future. It provides free surgeries for children with cleft lip and palate (to correct separation of the upper lip and improve eating, swallowing, and speech), maxillofacial deformities (correcting defects of the jaw, neck, mouth, and ears), and craniofacial conditions (to treat complex skull and facial deformities).

Divgi TTS partnered with the Inga Foundation to support reconstructive surgeries for children in Srinagar, Kashmir, and Bengaluru, Karnataka.

Report on Corporate Governance

In compliance with the provisions of Regulation 34 read with Part C of Schedule V of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company submits the Report on Corporate Governance for the financial year ended March 31, 2026.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance comprises various laws, regulations, procedures, implicit rules and good corporate practices which ensure the Company's adherence to fair practices. Divgi-TTS believes that Corporate Governance is an ethically driven business process that is essential for maintaining sustained growth of the organization and for enhancing shareholder value.

Your Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Board has defined a set of Corporate Governance best practices and guidelines to help fulfill our Corporate Responsibility towards our Stakeholders based on the principles of good corporate governance viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. The Directors, as well as the Senior Management, have always considered Stakeholders' Engagement as a key driver of sustainable business. The Needs and Demands of the Stakeholders are always catered to as a priority.

The Company has established business module, systems and procedures to ensure that its Board of Directors are well-informed and well-equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term stakeholders value. The Company's value creation is based on equitable, inclusive, excellent, integrity, transparent and collaborative stakeholder practices. The Company promotes a safe, healthy and happy workplace for its employees. The Company's initiatives towards improving its Environmental, Social and Governance (ESG) performance and its contribution towards Sustainable Development Goals is placed in the Business Responsibility and Sustainable Report (BRSR) annexed to the Annual Report.

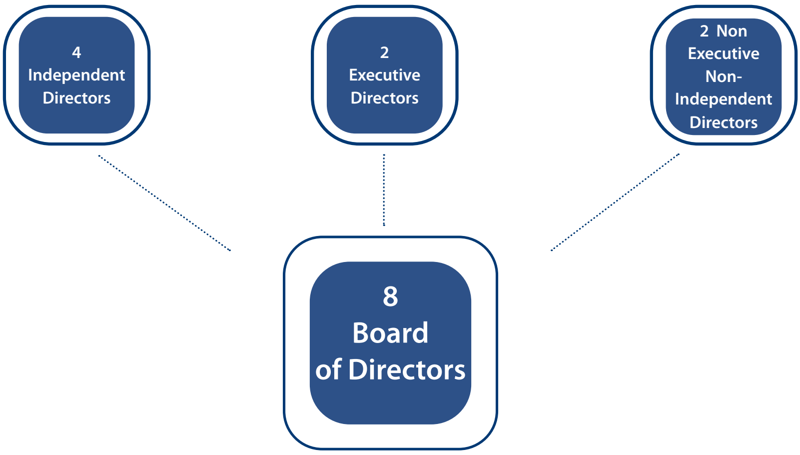
Your Company has adopted a Code of Conduct for Senior Management and the Board of Directors which is also available on the website of the Company. It also believes that good Corporate Governance is a key to preserving and enhancing trust bestowed by the investors and ensures long term relationships with other stakeholders which shall ultimately help the Company to achieve its objectives in the long run and strengthen the relations.

Your Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance and makes timely and transparent disclosures regarding financial positions, performances and other related matters to SEBI and the Ministry of Corporate Affairs and complies with all mandatory requirements of Corporate Governance laid down under the Listing Regulations.

2. BOARD OF DIRECTORS:

- **Composition of Board:**

  Your Company has a very balanced and diverse Board of Directors, which primarily takes care of business needs and stakeholders' interests. The composition of the Board conforms with Regulation 17 of the Listing Regulations, read with Section 149 of the Companies Act, 2013 ("the Act") as amended from time to time with an ideal combination of Executive and Non-Executive Directors with a Woman Director. The composition of the Board as on March 31, 2026, stands as follows:



The Chairperson of the Company is a Non-Executive Independent Director and one of the Independent Directors is a Woman Director.

None of the Directors on the Board is a member of more than 10 Committees or Chairperson of more than 5 Committees across all Public Companies in which he/ she is a Director. The Executive Directors do not serve Independent Directorships in any of the listed entities. Further, none of the Independent Directors on the Board serves as an Independent Director in more than seven listed companies. The necessary disclosures regarding Committee positions have been made by all the Directors and the same has been reported to the Stock Exchanges through the Integrated Filing - Governance Report filed quarterly.

The number of Directorships and Committee Chairpersonships/Memberships held by the Directors in other Indian Public Limited Companies as on March 31, 2026, are given herein below.

Name of Director	Category	No. of Directorships in other Public Limited Companies	No. of Committee Membership In other Public Limited Companies	No. of Chairmanship In Committees in other public limited Companies	Names of the listed entities where the person is a director and the category of directorship: Name of Listed Company	Names of the listed entities where the person is a director and the category of directorship: Category of Directorship
Mr. Praveen Purushottam Kadle	Chairperson and Non-Executive Independent Director	06	03	03	• Persistent Systems Limited • Atul Limited • Veedol Corporation Limited	• Independent Director • Independent Director • Independent Director
Mr. Pradip Vasant Dubhashi	Non-Executive Independent Director	02	02	-		
Mr. Pundalik Dinkar Kudva	Non-Executive Independent Director	-	-	-	-	-
Ms. Geeta Tolia	Non-Executive Independent Director	01	-	-	-	-
Mr. Jitendra Bhaskar Divgi	Managing Director	-	-	-	-	-
Mr. Hirendra Bhaskar Divgi	Whole-time Director	-	-	-	-	-
Mr. Bharat Bhalchandra Divgi	Non-Executive Non-Independent Director	-	-	-	-	-

Name of Director	Category	No. of Directorships in other Public Limited Companies	No. of Committee Membership In other Public Limited Companies	No. of Chairmanship In Committees in other public limited Companies	Names of the listed entities where the person is a director and the category of directorship	
					Name of Listed Company	Category of Directorship
Mr. Sanjay Bhalchandra Divgi	Non-Executive Non-Independent Director	-	-	-	-	-

Notes:

a. In terms of the provisions of Regulation 26 of the Listing Regulations, total number of Directorships excludes directorship in the Companies, Foreign Companies, Private Companies, Companies formed under Sec. 25 of erstwhile Companies Act 1956 and under Sec. 8 of the Act.

b. In terms of the provisions of Regulation 26 of the Listing Regulations, Chairmanship/ Membership of the Committees only includes the Audit and Stakeholders Relationship Committee in other Indian Public Companies (Listed and Unlisted)

- **Independent Directors:**

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act along with the rules framed thereunder. The maximum tenure of the Independent Directors complies with the Act. All the Independent Directors have confirmed that:

a. They meet the criteria of independence and fulfill the conditions specified in the Listing Regulations and Section 149 of the Act and are independent of the management.

b. They are not aware of any circumstance or situation that exists or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence.

c. Not being a director in more than ten public companies (to a limit of eight listed companies) and ten private companies, aggregating to not more than twenty companies.

Based on the declarations received, the Board of Directors confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. All the Independent Directors of the Company comply with the criteria pertaining to the maximum number of directorships as per Regulation 17A of Listing Regulations.

Meetings of the Board of Directors:

The Notice of the Scheduled Meeting is sent to the concerned Directors well in advance. The Company Secretary intimates the date of the Board Meetings and its outcome to the concerned Stock Exchange as stated in Regulation 30 read with Part A of Schedule III of the Listing Regulations. The Directors are also given an option of attending the Board Meeting through video conferencing as the Company is equipped with Video Conferencing facilities.

During the financial year 2025-26, the Board of the Company met five (05) times on May 30, 2025, August 07, 2025, November 12, 2025, February 12, 2026, and March 25, 2026 with the consent from directors to convene the meeting on shorter notice, if any. The necessary quorum was present throughout, at all the Board Meetings. The name and categories of the Directors on the Board, their attendance at the Board Meetings held during the year 2025-26 and at the 60th Annual General Meeting held on September 16, 2025, are as follows:

Name	Category	Number of Board Meetings held during the Financial Year 2025-26			Whether attended the AGM held September 16, 2025
		Held	Entitled to attend	Attended	
Mr. Praveen Purushottam Kadle	Chairperson and Non-Executive Independent Director	05	05	05	No
Mr. Pradip Vasant Dubhashi	Non-Executive Independent Director	05	05	05	Yes
Mr. Pundalik Dinkar Kudva	Non-Executive Independent Director	05	05	05	Yes
Ms. Geeta Tolia	Non-Executive Independent Director	05	05	05	Yes
Mr. Jitendra Bhaskar Divgi	Executive Director-Managing Director	05	05	05	Yes
Mr. Hirendra Bhaskar Divgi	Executive Director	05	05	05	Yes
Mr. Bharat Bhalchandra Divgi	Non-Executive Non-Independent Director	05	05	05	Yes
Mr. Sanjay Bhalchandra Divgi	Non-Executive Non-Independent Director	05	05	05	Yes

The gap between the two board meetings did not exceed 120 days.

- **Meetings of Independent Directors:**

According to the provisions contained in Regulation 25 of the Listing Regulations as amended from time to time, Board has constituted a separate Independent Directors Committee (IDC) of the Company w.e.f February 23, 2023, with all Independent Directors being the members and Mr. Praveen Purushottam Kadle as Chairperson of the said committee. The IDC met once during the financial year ended March 31, 2026, on March 25, 2026, without the attendance of non-independent directors to discuss, inter- alia:

a. Review the performance of Non-Independent Directors and the Board as a whole for the financial year 2025-26.

b. Review the performance of the Chairperson of the Company, taking into consideration the views of Executive Directors and Non-Executive Directors; and

c. Assess the quality, quantity and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

- **Quorum:**

The quorum for Board as well as Committee Meetings is one third or two directors/members of committees, as the case may be, whichever is higher.

- **Information placed before the Board:**

The agenda of the meeting is set by the Company Secretary in consultation with the Chairperson. Agenda of the Board Meeting, along with the explanatory notes and annexures thereto and distribute in advance to the Directors before each meeting. The Company Secretary is responsible for collation, review and distribution of all the papers submitted to the Board and Committees thereof for their consideration. Information pursuant to Corporate Governance practices as required under Part A of Schedule II of the Listing Regulations has been made available to the Board from time to time.

The Management periodically places Compliance Reports concerning all applicable laws to the Company before the Board of Directors for its review.

- **Directors with the material pecuniary or business relationship with the Company:**

  The Independent Directors have no pecuniary relationship, other than sitting fees and commission, or where there is such transaction, the value of the same is not exceeding ten per cent of the total income of such director during the two immediately preceding financial years and during the current financial year.

- **Disclosure of relationship between Directors inter-se:**

  Mr. Jitendra Bhaskar Divgi is the elder brother of Mr. Hirendra Bhaskar Divgi and Mr. Bharat Bhalchandra Divgi is the elder brother of Mr. Sanjay Bhalchandra Divgi.

  Mr. Jitendra Bhaskar Divgi and Mr. Hirendra Bhaskar Divgi are first cousins of Mr. Sanjay Bhalchandra Divgi and Mr. Bharat Bhalchandra Divgi.

- **Number of shares held by Non-Executive Directors:**

  Mr. Bharat Bhalchandra Divgi, Non-Executive Non-Independent Director and Mr. Sanjay Bhalchandra Divgi, Non-Executive Non-Independent Director hold 1,48,290 and 1,21,380 equity shares respectively. Mr. Praveen Kadle, Independent Director hold 1,000 equity shares of the Company, Mr. Pundalik Kudva, Independent Director hold 4,146 equity shares of the Company, None of the other Non-Executive Directors hold any Shares or convertible instruments of the Company as on March 31, 2026.

- **Familiarization Program for Independent Directors:**

  As a practice, all new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The Directors are usually encouraged to visit the manufacturing facilities of the Company and interact with members of Senior Management as part of the induction program. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets, group structure, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

  The Independent Directors are provided with necessary documents, reports and internal policies to enable them to familiarize themselves with your Company's procedures and practices.

  The details of the familiarization program are explained in the Corporate Governance Report. The same is also available on the website of the Company at https://divgi-tts.com/wp-content/uploads/2023/03/5.-Familiarization-Programme-for-Independent-Directors.pdf

- **Board Diversity**

  The Board ensures that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board has an appropriate blend of functional and industry expertise.

  Your Company has adopted a policy on Board Diversity. The same is also available on the website of the Company https://divgi-tts.com/policies-and-code-of-conduct/

- **Company's policy on Directors' Appointment and Remuneration including criteria for determining Qualifications, Positive Attributes, Independence of a Director:**

  Your Company has adopted the Guidelines on Board Effectiveness ("Governance Guidelines" or "guidelines") which inter-alia covers the criteria for determining the qualifications, attributes and independence of a director.

  The remuneration policy of the Company is designed to attract, retain and motivate the employees and Directors to work towards achieving the business targets. According to provisions mentioned under Section 178 of the Act, the Nomination and Remuneration Committee (NRC') has formulated a Remuneration Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of your Company. The NRC has also developed criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to Executive and Non-Executive Directors of the Company.

The NRC takes into consideration the best remuneration practices in the industry while fixing appropriate remuneration packages and administering long-term incentive plans. Annual Increments of the Board Members, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) are recommended by the NRC to the Board whenever seems necessary. Further, the compensation package of the Directors, KMP, SMP and other employees is designed based on the set of principles enumerated in the said policy.

The Remuneration Policy has been posted on website of the Company which can be accessed at https://divgi-tts.com/policies-and-code-of-conduct/ and the Policy on Appointment of Directors, Key Managerial Personnel, Senior Management & Other Employees is available on the Company's website at https://divgi-tts.com/policies-and-code-of-conduct/

- **Evaluation of Individual Directors, the Board & its Committees:**

- **Evaluation of Individual Directors:**

  » Pursuant to the provisions of the Act, the Listing Regulations and Guidance Note on Board Evaluation issued by SEBI vide Circular dated January 5, 2017, the Board has carried out the annual performance evaluation for the financial year FY2025-26 of its performance, the Directors individually as well as the evaluation of the working of its committees.

  » The review of the performance of all the Directors (including the Chairperson) was also evaluated for the financial year 2025-26 by the 'Nomination and Remuneration Committee'.

  » The performance review of the Non-independent Directors was evaluated for the financial year 2025-26 in the meeting of the 'Independent Directors'.

  » Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board has identified the following skills/expertise/competencies available to the Board regarding its business and industry:

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Company has identified the following skills/expertise/competencies for the effective functioning of the Company:

Area of Expertise	Description
Strategic Thinking, Planning and Business Operations	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies and priorities. Experience in driving business success in the markets around the world with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and have a broad perspective on market opportunities.
Finance	Ability to comprehend, interpret and guide on financial management, reporting, controls and analysis
Leadership	Ability to have vision, mission, execution, dynamism, and learning agility to lead the Corporate from the front.
Technology	Significant background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Governance and Risk Management	Experience in the application of Corporate Governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.
Human Resource	Ability to have integrity, patience, leadership, social responsibilities, ethical values and good communication skills.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance Company reputation.

The current composition of the Board comprises of following skills and expertise:

Name of the Director	Area of Expertise						
	Strategy, Planning & Business Operations	Finance	Leadership	Technology	Governance and Risk Management	Human Resources	Sales and Marketing
Praveen Purushottam Kadle	✓	✓	✓	-	✓	-	-
Jitendra Bhaskar Divgi	✓	✓	✓	✓	✓	✓	✓
Hirendra Bhaskar Divgi	✓	✓	✓	✓	✓	-	✓
Pradip Vasant Dubhashi	✓	✓	✓	✓	✓	-	-
Pundalik Dinkar Kudva	-	✓	-		✓	-	-
Geeta Tolia	-	✓	✓	-	✓	-	-
Sanjay Bhalchandra Divgi	✓	-	-	✓	-	-	-
Bharat Bhalchandra Divgi	✓	-	-	-	-	-	-

- **Board Committees:**
  - As on March 31, 2026, Board has six (06) committees –
    - Audit Committee;
    - Nomination and Remuneration Committee;
    - Stakeholders Relationship Committee;
    - Corporate Social Responsibility Committee;
    - Risk Management Committee
    - Independent Directors' Committee

3. AUDIT COMMITTEE:

The composition of the Audit Committee complies with the provisions of Regulation 18 of the Listing Regulations, read with Section 177 of the Act. The committee acts as a link between the management, statutory auditors, internal auditors and the board. All the members of the Audit Committee are financially literate and possess accounting or related financial management expertise by virtue of their experience and background. The Chairperson of the Audit Committee was present at the Annual General Meeting of the Company held on Tuesday, September 16, 2025, to answer the shareholder's queries.

During the Financial Year 2025-26, members of the Audit Committee met four (4) times on May 30, 2025; August 07, 2025; November 12, 2025, and February 12, 2026, and requisite quorum was present in every meeting.

The composition of the Audit Committee as on March 31, 2026, and the attendance of members in the meetings held during the Financial Year 2025-26 was as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Pradip Vasant Dubhashi	Chairperson	Independent Director	04
Mr. Praveen Purushottam Kadle	Member	Independent Director	04
Mr. Pundalik Dinkar Kudva	Member	Independent Director	04
Ms. Geeta Tolia	Member	Independent Director	04

- **Terms of Reference:**

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
   (b) Changes, if any, in accounting policies and practices and reasons for the same;
   (c) Major accounting entries involving estimates based on the exercise of judgment by management;
   (d) Significant adjustments made in the financial statements arising out of audit findings;
   (e) Compliance with listing and other legal requirements relating to financial statements;
   (f) Disclosure of any related party transactions; and
   (g) Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed initial public offer by the Company;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutinising of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluating of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with internal auditors on any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;

19. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;

21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law;

22. Formulating a policy on related party transactions, which shall include materiality of related party transactions;

23. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services; and

24. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

25. Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

26. Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

27. To review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively; and

28. Carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Audit Committee meetings are attended by Mr. Sudhir Mirjankar, Chief Financial Officer and Mr. Pravin Gavali, Finance Controller. The Statutory Auditors and Internal Auditors, upon invitation, attend the meetings.

Company Secretary acts as the Secretary to the Audit Committee

4. NOMINATION AND REMUNERATION COMMITTEE:

The composition of the Nomination and Remuneration Committee is in conscience with the provisions of Regulation 19 of the Listing Regulations, read with Section 178 of the Act, as amended from time to time; and the Chairperson of the Committee is an Independent Director. The Chairperson of the Committee was present at the Annual General Meeting of the Company held on Tuesday, September 16, 2025, to answer the queries of Shareholders.

During the Financial Year 2025-26, Members of the Nomination and Remuneration Committee met three (3) times, on May 30, 2025 ; August 07, 2025, and March 25, 2026

The composition of the Nomination and Remuneration Committee as on March 31, 2026, and the attendance of members in the meetings held during the financial year 2025-26 are as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Pradip Vasant Dubhashi	Chairperson	Independent Director	03
Mr. Praveen Purushottam Kadle	Member	Independent Director	03
Ms. Geeta Tolia	Member	Independent Director	03

- **Terms of Reference:**

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals;

2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

5. Reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;

6. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the committee may:

   (i) Use the services of an external agencies, if required;

   (ii) Consider candidates from a wide range of backgrounds, having due regard to diversity; and

   (iii) Consider the time commitments of the candidates,

7. evaluation and recommendation of termination of appointment of directors in accordance with the Board's governance principles for cause or for other appropriate reasons;

8. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

9. Analysing, monitoring and reviewing various human resource and compensation matters;

10. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

11. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

12. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

13. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

14. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

    (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

15. Periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;

16. Ensuring proper induction program for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;

17. Developing a succession plan for the Board and senior management and regularly reviewing the plan;

18. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and

19. Recommend to the Board, all remuneration, in whatever form, payable to senior management."

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The composition of the Stakeholder Relationship Committee is in conscience with the provisions of Regulation 20 of the Listing Regulations, read with Section 178 of the Act, as amended from time to time; and the Chairperson of the Committee is an Independent Director. The Chairperson of the Committee was not present at the Annual General Meeting of the Company held on Tuesday, September 16, 2025, to answer the queries of Shareholders due to his personal reasons and was granted leave of absence.

During the Financial Year 2025-26, Members of the Stakeholder Relationship Committee met one (1) time on September 16, 2025.

The composition of the Stakeholder Relationship Committee as on March 31, 2026, and the attendance of members in the meetings held during the financial year 2025-26 are as under: The composition of the Stakeholders Relationship Committee as on March 31, 2026 is as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Praveen Purushottam Kadle	Chairperson	Independent Director	00
Mr. Pradip Vasant Dubhashi	Member	Independent Director	01
Ms. Geeta Tolia	Member	Independent Director	01
Mr. Hirendra Bhaskar Divgi	Member	Executive Director	01

- **Terms of Reference:**

1. Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

3. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

4. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

5. To approve, register, refuse to register transfer or transmission of shares and other securities;

6. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
7. Allotment and listing of shares;
8. To autho rise affixation of common seal of the Company;
9. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
10. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
11. To dematerialize or rematerialize the issued shares;
12. Ensure proper and timely attendance and redressal of investor queries and grievances;
13. Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
14. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

CS Aniket Kokane, Company Secretary and Compliance Officer of the Company, acts as the secretary to Stakeholder Relationship Committee.

The details of Shareholder's Complaints received so far, resolved and pending during the financial year 2025-26 are as follows:

No. of complaints pending as on April 01, 2025	0
No. of complaints identified and reported during FY 2025-26	0
No. of Complaints disposed of during the year ended March 31, 2026	0
No. of pending complaints as on March 31, 2026	0

The abovementioned data has been collected and provided from the Website of SCORES https://scores.gov.in/scores/Welcome.html

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The composition of the Corporate Social Responsibility Committee is in conscience with Section 135 of the Act, as amended from time to time.

During the Financial Year 2025-26, Members of the Corporate Social Responsibility Committee met twice, on August 06, 2025, and November 12, 2025.

The composition of the Corporate Social Responsibility Committee as on March 31, 2026, and the attendance of members in the meetings held during the financial year 2025-26 are as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Pundalik Dinkar Kudva	Chairperson	Independent Director	02
Ms. Geeta Tolia	Member	Independent Director	02
Mr. Jitendra Bhaskar Divgi	Member	Managing Director	02
Mr. Hirendra Bhaskar Divgi	Member	Whole-time Director	02

- **Terms of Reference:**

1. To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended;
2. Formulate and recommend an annual action plan in pursuance of its Corporate Social Responsibility Policy which shall list the projects or programmes undertaken, manner of execution of such projects, modalities of utilisation of funds, monitoring and reporting mechanism for the projects;
3. Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
4. Delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

5. Review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

6. Assistance to the Board to ensure that the Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;

7. Providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;

8. Providing updates to the Board at regular intervals of six months on the corporate social responsibility activities;

9. To recommend the amount of expenditure to be incurred on the CSR activities, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy;

10. To monitor the CSR Policy and its implementation by the Company from time to time; and

11. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

7. RISK MANAGEMENT COMMITTEE:

The composition of the Risk Management Committee complies with provisions of Regulation 21 of the Listing Regulations. The Risk Management Committee of the Company consists of Four Members.; and the Chairperson of the Committee is a Non-Executive Director.

During the Financial Year 2025-26, Members of Risk Management Committee Meeting met thrice (3), May 29, 2025, and February 12, 2026, and March 25, 2026.

The composition of the Risk Management Committee as on March 31, 2026, and the attendance of members in the meetings held during the financial year 2025-26 are as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Pradip Vasant Dubhashi	Chairperson	Independent Director	03
Mr. Pundalik Dinkar Kudva	Member	Independent Director	03
Ms. Geeta Tolia	Member	Independent Director	03
Mr. Hirendra Bhaskar Divgi	Member	Executive Director	03

- **Terms of Reference:**

1. To formulate a detailed risk management policy which shall include:

    i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

    ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

    iii. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. To implement and monitor policies and/or processes for ensuring cyber security;
7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee."
8. To review and recommend potential risk involved in any new business plans and processes;
9. To review the Company's risk-reward performance to align with the Company's overall policy objectives;
10. Monitor and review regular updates on business continuity;
11. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
12. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

8. INDEPENDENT DIRECTORS' COMMITTEE:

Your Board has constituted separate committee of the Independent Directors' Committee in order to complies with regulation 25 of the Listing Regulations. The Independent Directors Committee all the four Independent Directors of the Company.

During the financial year 2025-26, members of the Independent Directors Committee held a meeting on March 25, 2026.

The composition of the Independent Directors Committee as on March 31, 2026, is as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Praveen Purushottam Kadle	Chairperson	Independent Director	01
Mr. Pradip Vasant Dubhashi	Member	Independent Director	01
Mr. Pundalik Kudva	Member	Independent Director	01
Ms. Geeta Tolia	Member	Independent Director	01

9. DETAILS OF REMUNERATION TO ALL DIRECTORS:

The remuneration of the Managing Director and the Whole Time Director is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and is within the limits approved by the members at their meeting held on June 10, 2022 in compliance with the applicable rules and regulations of the Act.

1. Details of managerial remuneration for the financial year 2025-26 are given below:

(₹ In million)

Name	Fixed	Variable	Total
Mr. Jitendra Bhaskar Divgi , Managing Director	10.61	7.14	17.75
Mr. Hirendra Bhaskar Divgi , Whole Time Director	5.31	3.38	8.69

2. Details of remuneration of Non-Executive Directors:

- **Sitting fees and Commission:**

  In terms of provisions of Section 197(5) of the Act read with the Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company pays ₹75,000/- as sitting fees to each Non-Executive Director for attending every Board Meeting held of the Company, ₹50,000/- as sitting fees to each Non -Executive Director for attending Committee meetings (except CSR Committee) and ₹25,000 to each Non-Executive member for attending the CSR Committee meeting

The details of Sitting Fees paid to Non-Executive Directors for the financial year 2025-26 are as under:

(₹ In million)

Sr. No.	Name	Sitting fees	Commission*	Total
1	Mr. Praveen Purushottam Kadle	0.775	1.665	2.435
2	Mr. Pradip Vasant Dubhashi	0.975	1.665	2.635
3	Mr. Pundalik Dinkar Kudva	0.825	1.665	2.485
4	Ms. Geeta Tolia	1.025	1.665	2.685
5	Mr. Sanjay Bhalchandra Divgi	0.375	NA	0.375
6	Mr. Bharat Bhalchandra Divgi	0.375	NA	0.375
	TOTAL	**3.975**	**6.66**	**10.99**

*Commission paid to non-executive directors of the Company is within the overall limit as per Section 197 of the Act.

The Company has not provided any stock option to the Directors of the Company

10. GENERAL MEETINGS:

a. Particulars of Annual General Meetings held during the last three years:

Financial Year	Date	Time	Venue	Special Resolutions passed, if any
2022-2023	July 31, 2023	03:00 PM	Auditorium of Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D'Mart, Chinchwad, Pune – 411019	Approval to continue the Directorship of Mr. Pradip Vasant Dubhashi (DIN : 445030) as Non-Executive Independent Director beyond the age of 75 years in his current tenure
2023-2024	July 29, 2024	03:00 PM	Auditorium of Auto Cluster Development and Research Institute, H Block, Plot C-181, Near D'Mart, Chinchwad, Pune – 411019	-
2024-2025	September 16, 2025	02:00 PM	The meeting was conducted via Video Conferencing/ Other Audio-Visual manners as per the guidelines/ circulars of the Ministry of Corporate Affairs and SEBI	-

b. Extra Ordinary General Meetings:

No extraordinary general meetings of members were held during the year under review.

c. Details of the special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Shareholders passed all the Resolutions set out in the respective Notices. No Special Resolution was passed last year through Postal ballots. There is no item on the agenda that needs approval by postal ballot in the forthcoming Annual General Meeting.

- **Risk Management Framework:**

  Your Company faces both internal and external risks. Also, we focus on risks in the short, medium as well as long term. Risk management is an integrated aspect of the Company's business operations. Every year, an extensive risk assessment is conducted in which business lines and corporate functions identify all significant risks. The risks are then consolidated and assessed on their potential impact and probability, which is then reported to the Board of Directors. Responsibilities are assigned for significant risks, and mitigating initiatives are established and tracked.

- **Disclosures by Management to the Board:**
  Disclosures relating to financial and commercial transactions where senior management may have personal interests that might have been in potential conflict with the interest of the Company are provided to the Board.

  Based on the disclosures received from the Senior Management Personnel; none of the Senior Management Personnel has entered into any transactions during the year in which he/she has a material financial and commercial interest or in which he/she may have a potential conflict of interest with the interest of the Company at large.

11. MEANS OF COMMUNICATION:

The Company recognizes the importance of communication with Shareholders and promptly disclosure of information on material corporate developments and other events as required under the Listing Regulations. Full and timely disclosure of information regarding Company's financial position and performance is an important part of your Company's corporate governance framework.

Quarterly/ Half-yearly/ Annual Results:

The quarterly/half-yearly/annual results are published within the timeline stipulated under SEBI Listing Regulations. The results are also uploaded on NEAPS and BSE online portal of National Stock Exchange of India Limited and BSE Limited respectively. The financial results are published within the time stipulated under the Listing Regulations in newspapers viz. Financial Express (in English) and Loksatta (in Marathi). The Financial Statements as stated above are also available on the website of the Company and can be accessed at the web link: https://divgi-tts.com/quarterly-results/

As a part of the Green initiative, the Annual Reports are sent by E-mail to Shareholders whose e-mail ids are registered with the Depositories/ RTA.

Analyst/Investor Meets:

The Managing Director, Whole Time Director, Chief Financial Officer and Chief Operating Officer periodically have conference calls with institutional investors and analysts. Official press releases and presentations made to institutional investors and analysts are uploaded on NEAPS and BSE Online Portal of National Stock Exchange of India Limited and BSE Limited respectively and posted on the Company's website. The transcripts of the call with analysts or quarterly/half-yearly/annual results are available on the Company's website at www.divgi-tts.com

Press releases, presentations, etc.:

Official press and media releases are sent to Stock Exchanges and are displayed on Company's website: www.divgi-tts.com

Management Discussion & Analysis Report:

The Management Discussion & Analysis Report forms a part of the Board's Report. All the matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

Company's Corporate Website:

The Company's website contains a separate section called "Investors" wherein all the information about the company is called for in terms of Regulation 46 of Listing Regulation and the same is being updated from time to time.

SCORES (SEBI Complaint Redress System):

The investor complaints are processed in a centralised web-based complaints redress system. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities, from lodging of a complaint to disposal, are carried out online automatically and the status of every complaint can be checked online at any time.

Our tentative calendar for declaration of results for the financial year 2026-27 is as given below:

Quarter / Year ended	Month of approval of Financial Statements
June 30, 2026	August, 2026
September 30, 2026	November, 2026
December 31,2026	February, 2027
March 31, 2027	May, 2027

2. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting:

Particulars	Details
Date and Time	September 18, 2026
Venue`	Other Audio Visual Means ("OAVM")

2. Financial Year:

April 01, 2025 to March 31, 2026, as per Section 2(41) of the Act.

3. Dividend payment date:

The Board of Directors has recommended a dividend of ₹3.27 per equity share in the financial year 2025-26, subject to the approval of the Shareholders at the ensuing Annual General Meeting. The dividend, if declared shall be paid on or after September 18, 2026.

4. Listing Details:

No. of securities listed :1 to 3,05,82,927

5. ISIN/Scrip Code/ Symbol:

Name, Address and Telephone Nos. of Stock Exchange	ISIN	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Tel.: (022) 22721233 / 34	INE753U01022	543812
National Stock Exchange of India Limited "Exchange Plaza" 5th Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Tel. No: 022 2659 8100/ 2659 8114 / 66418100	INE753U01022	DIVGIITTS

Listing Fees for 2026-27: Paid within the due date

6. During F.Y. 2025-26 the securities are not suspended from trading.

7. Registrar and Share Transfer Agent:

The Company has appointed M/s. MUFG Intime India Pvt. Ltd.(formerly known as Link Intime India Private Ltd.) as Registrar and Transfer Agents having their office at:

MUFG Intime India Pvt. Ltd.

247 Park, C-101, 1st Floor, LBS Marg, Vikhroli (W), Mumbai - 400083

Telephone No.: 91 8452811233

E-mail ID: www.in.mpms.mufg.com

Place for acceptance of documents:

Any document will be accepted at the Registrar and Share Transfer Agent's office, address as provided above. In addition, documents are also accepted at the Registered Office of the Company at Plot no. 75, General Block, MIDC Bhosari, Pune 411026, Maharashtra, India.

The Secretary has designated the following Email ID for investors' correspondence and redressal of their grievances and complaints.

Email: companysecretary@divgi-tts.com
Telephone No.: (020) 63110114
Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, change in bank mandate for NECS, etc. to their respective Depository Participant.

8. Share Transfer System:

In terms of amended Regulation 40 of the SEBI Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24 January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities. Vide its Circular dated 25 January 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service requests.

9. Distribution of shareholding as on March 31, 2026:

Share Holding of Nominal Value of ₹	No. of shareholders	% to total No. of Shareholders	Shares	% to total
1 to 2500	17623	96.1744	931761	3.0467
2501 to 5000	362	1.9756	270734	0.8852
5001 to 10000	164	0.895	242797	0.7939
10001 to 15000	48	0.262	119022	0.3892
15001 to 20000	33	0.1801	114998	0.376
20001 to 25000	14	0.0764	63016	0.206
25001 to 50000	29	0.1583	194828	0.637
50001 to 99999999999	51	0.2783	28645771	93.6659
TOTAL	**18324**	**100**	**30582927**	**100**

10. Shareholding Pattern as on March 31, 2026

Sr. No	Category	DEMAT Securities	DEMAT Holders	Physical Securities	Physical Holders	Total Securities	Total Value	Percent
1	Alternate Invst Funds - II	3727360	1	0	0	3727360	18636800	12.1877
2	Alternate Invst Funds - III	434577	6	0	0	434577	2172885	1.421
3	Body Corporate - Ltd Liability Partnership	16271	9	0	0	16271	81355	0.0532
4	Clearing Members	6775	8	0	0	6775	33875	0.0222
5	FPI (Corporate) - I	88492	13	0	0	88492	442460	0.2894
6	FPI (Corporate) - II	515073	3	0	0	515073	2575365	1.6842
7	Hindu Undivided Family	73536	412	0	0	73536	367680	0.2404
8	Mutual Funds	3781252	13	0	0	3781252	18906260	12.3639
9	Non-Resident (Non Repatriable)	37255	177	0	0	37255	186275	0.1218
10	Non Resident Indians	66694	156	0	0	66694	333470	0.2181
11	Other Bodies (Promoter Co)	15806423	1	0	0	15806423	79032115	51.6838
12	Other Bodies Corporate	1010960	106	0	0	1010960	5054800	3.3056
13	Promoters	2714520	7	0	0	2714520	13572600	8.8759
14	Public	2303739	17412	0	0	2303739	11518695	7.5328
TOTAL		**30582927**	**18324**	**0**	**0**	**30582927**	**152914635**	**100**

11. The status of dematerialization of shares and liquidity as on March 31, 2026 is as under:

As on March 31, 2026, 100% of the total issued and paid-up share capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Type of Holding	Percentage to share capital For FY 2025-26		Percentage to share capital For FY 2024-25	
	Number of Shares	Percentage	Number of Shares	Percentage
Physical	0.00	0.00	0.00	0.00
Dematerialized				
NSDL	10412385	34.05	10356765	33.86
CDSL	20170542	65.95	20226162	66.14
TOTAL	**3,05,82,927**	**100.00**	**20226162**	**100.00**

Your Company's shares are regularly traded on BSE Ltd. and National Stock Exchange of India Limited as is indicated in the table containing market information. Demat ISIN Number for NSDL and CDSL: INE753U01022

12. Outstanding ADRs/ GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDR's/ADR's/Warrants or any convertible instruments in past and so, as on March 31, 2026, there are no such outstanding GDR's/ADR's/Warrants or any other convertible instruments.

13. Disclosure of commodity price risks and commodity hedging activities:

The Company is not dealing in commodities and hence disclosure relating to commodity price risk and commodity hedging activities is not required.

14. Plant Locations:

1. **Bhosari (Maharashtra)**
   Plot no. 75, General Block, MIDC Bhosari, Pune 411026

2. **Shivare (Maharashtra)**
   139/B, Village Shivare, Bhor, Pune - Satara Rd, Pune, Maharashtra 412205

3. **Shirwal (Maharashtra)**
   Plot no. I-7, Gat no. 440 to 444 and 451, Chordia Industrial Park, Village Dhangarwadi, Satara, Maharashtra-412801

4. **Sirsi (Karnataka)**
   236 and 233, Industrial Estate, Sirsi-Banavasi Rd, Sirsi, Karnataka 581402

15. Address for correspondence:

Divgi TorqTransfer Systems Limited
Plot no. 75, General Block, MIDC Bhosari, Pune 411026
Tel: (020) 6311 0114
Email: companysecretary@divgi-tts.com
Web: https://divgi-tts.com/

16. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Since the Company does not have any debt instruments, fixed deposit programme, or any scheme or proposal involving mobilization of funds whether in India or abroad, obtaining a rating for the same is not applicable.

17. The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 read with Part B of Schedule II of Listing Regulation. Accordingly, a certificate by Mr. Jitendra Bhaskar Divgi, Managing Director and Mr. Sudhir Mirjankar, Chief Financial Officer, in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was placed before the Board at their meeting held on August 11, 2026

18. Other shareholders related information:

- **Procedure for dematerialization of shares:**

  Shareholders seeking Demat of their shares need to approach their Depository Participants (DP) with whom they maintain a Demat account. The DP will generate an electronic request and will send the physical share certificate to Registrar and Share Transfer Agent ("the Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request National Securities Depository Ltd. (NSDL) / Central Depository Services (India) Ltd. (CDSL) to confirm the Demat request. The Demat account of the respective shareholder will be credited with an equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

- **Transfer of Unclaimed / Unpaid amounts and shares to the Investor Education and Protection Fund (IEPF):**

  » Pursuant to Section 124 and 125 and all other applicable provisions, if any, of the Act, the amount of the dividend remaining unpaid or unclaimed for seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.

  » Members are requested to note that there is no Dividend which remained unpaid or unclaimed for seven years which is required to be transferred by the Company to the Fund in the Financial year 2025-2026.

  » In accordance with Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, amongst other matters, all shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority.

  » Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for seven years from the dates they became first due for payment. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Demat Account as per the applicable provisions of Act and rules made thereunder. The Member/ Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

  During the financial Year 2025-26, no shares and dividend were transferred to IEPF.

13. OTHER DISCLOSURES:

a. Related Party Transactions:

During the financial year 2025-26, your Company had transactions with related parties as defined under the provisions of the Act and Regulation 23 of the Listing Regulations. The basis of related party transactions is placed before the Audit Committee. All these transactions with related parties were in the 'ordinary course of business' and on an 'arm's length basis'. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the repetitive transactions.

There were no material related party transactions during the year under review. Necessary disclosure as required has been made in Note No. 34 (b) of the Financial Statements.

The Company's Policy on Related Party Transactions has been uploaded on the Company's website at https://divgi-tts.com/policies-and-code-of-conduct/

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

The Company has complied with all applicable provisions of the SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI and Stock Exchanges. No penalties or strictures are imposed on your Company by SEBI or the Stock Exchanges or any statutory authority on any matter related to the capital markets.

c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee:

Please refer details mentioned in para 37 of the Board's report.

d. Details of compliance with the mandatory requirements and adoption of the non-mandatory requirements:

Your Company has complied with all mandatory requirements laid down under the Listing Regulations.

Necessary disclosures and explanations concerning observations of Secretarial and Statutory Auditors are given in the Boards' Report.

Your Company has complied with the non-mandatory requirements of the Listing Regulations to the extent possible.

e. Weblink where policy for determining 'material' subsidiaries is disclosed:

The Company does not have any subsidiary and hence, no disclosure is required. The policy is uploaded on https://divgi-tts.com/policies-and-code-of-conduct/

f. Weblink where Policy on Related Party Transactions has been disclosed:

The same has been uploaded on the Company's website https://divgi-tts.com/policies-and-code-of-conduct/

g. Disclosure of commodity price risk and commodity hedging activities:

Details provided in point no. 13 of this report.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

During the period under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

i. A certificate from Kanj and Co. LLP, Company Secretaries (attached and which forms an integral part of this report) confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

j. Disclosure in relation to recommendation made by any Committee which was not accepted by the Board:

There were no such instances during FY 2025-26 when the Board had not accepted any recommendation of any committee of the Board.

k. Total fees for all services paid/payable by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditors is a part are given below:

Sr. No.	Particulars	FY2025-26 (₹)
1	Statutory Audit and Limited review	22,00,000
2	Tax Audit Fees	1,50,000
TOTAL		**23,50,000**

l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year 2025-26	Number of complaints disposed of during the financial year - 2025-26	Number of complaints pending as on end of the financial year 2025-26
NIL	NIL	NIL

m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

The said clause is not applicable to the Company as it has not provided any loan or advances in the nature of loan to firms/companies in which directors are interested.

n. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

The said clause is not applicable to the Company as it does not have any subsidiaries.

o. Code of Conduct:

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management personnel of the Company. The Code has also been posted on the website of the Company https://divgi-tts.com/policies-and-code-of-conduct/. All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct for the Financial Year 2025-26.

An annual declaration signed by the Managing Director of the Company affirming compliance to the Code by the Board of Directors and the Senior Management is annexed to this Report. The Code of Conduct is available on website of the Company.

p. Policy on Determination of Materiality for Disclosure of Events or Information:

The Company in compliance with the Listing Regulations has adopted a 'Policy on Determination of Materiality for Disclosure of Events or Information'. The same has been posted on the website of the Company: https://divgi-tts.com/policies-and-code-of-conduct/ as required under the Listing Regulations.

The Policy encourages information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions (hereinafter referred to as "material information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

q. Policy on Preservation of Documents:

The Company in compliance with the Listing Regulations has adopted a 'Policy on Preservation of Documents. The policy has been posted on the website of the Company: https://divgi-tts.com/policies-and-code-of-conduct/ as required under the Listing Regulations. The Policy facilitates stakeholders to retrieve past information which is statutory for a period as disclosed in the Policy.

r. Compliance with Accounting Standard:

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

s. CFO Certificate:

In compliance with Regulation 17(8) of the Listing Regulations, a certificate from the Chief Financial Officer of the Company to the Board of Director as specified in Part B of Schedule II of the said regulations is annexed to this Report.

14. NON-COMPLIANCE WITH ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) OF SCHEDULE V (C) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

NIL

15. EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS SPECIFIED IN PART E OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 HAVE BEEN ADOPTED:

Details are provided in clause "12 (d)" of this report.

16. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT:

Required disclosures are provided in clause "12 (d)" of this report.

CFO Certification

To,
The Board of Directors,
Divgi TorqTransfer Systems Limited

1. I have reviewed the Audited Financial Statements and the cash flow statement of Divgi TorqTransfer Systems Limited ("Company") for the financial year ended on March 31, 2026, and to the best of our knowledge and belief:
   - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
   - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2026, which are fraudulent, illegal or violative of the Code of Conduct of the Company.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
   - (i) Significant changes in the Company's internal control over financial reporting, during the financial year ended on March 31, 2026;
   - (ii) Significant changes in accounting policies, if any, during the financial year ended on March 31, 2026 have been disclosed in the notes to the Financial Statements; and
   - (iii) Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

For **Divgi TorqTransfer Systems Limited**

Sudhir Shridhar Mirjankar
Chief Financial Officer

Place: Pune
Date: August 11, 2026

Declaration signed by the Managing Director stating that the Members of Board of Directors and Senior Management Personnel have Affirmed Compliance with the Code of Conduct of Board of Directors and Senior Management:

As required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down a Code of Conduct for Directors and Senior Management Personnel of the Company. The Code has been circulated to all the members of the Board and Senior Management.

The Company has received affirmation of compliance from Directors and Senior Management Personnel of the Company for the financial year ended March 31, 2026.

The said Code is posted on the Company's website https://divgi-tts.com/policies-and-code-of-conduct/

Declaration on Compliance with the Company's Code of Conduct

To,
The Board of Directors,
Divgi TorqTransfer Systems Limited

I, Jitendra Bhaskar Divgi, Managing Director of Divgi TorqTransfer Systems Limited, hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them for the year ended March 31, 2026.

For **Divgi TorqTransfer Systems Limited**

Jitendra Bhaskar Divgi
Managing Director
DIN: 00471531

Place: Pune
Date: August 11, 2026

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Divgi TorqTransfer Systems Limited
Plot no. 75, General Block MIDC, Bhosari
Pune – 411026

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Divgi TorqTransfer Systems Limited** having **CIN: L32201MH1964PLC013085** and having registered office at Plot no. 75, General Block, MIDC Bhosari, Pune - 411 026 (hereinafter referred to as 'the Company' or 'DTTSL'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sanjay Bhalchandra Divgi	00471465	29/07/2024
2.	Hirendra Bhaskar Divgi	01634431	10/06/2022
3.	Jitendra Bhaskar Divgi	00471531	10/06/2022
4.	Geeta Tolia	06931660	14/10/2021
5.	Pundalik Dinkar Kudva	03385091	14/03/2022
6.	Pradip Vasant Dubhashi	01445030	14/03/2022
7.	Praveen Purushottam Kadle	00016814	14/03/2022
8.	Bharat Bhalchandra Divgi	00471587	29/07/2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Kanj and Co. LLP**
Company Secretaries

Vinayak Khanvalkar
Partner
FCS No: 2489
C P No: 1586
UDIN: F002489H001107318
Firm Unique Code: P2000MH005900
Peer Review Number: 6309/2024
Date: August 13, 2026
Place: Pune

Practicing Company Secretary's Certificate on Corporate Governance

To,
The Members,
Divgi TorqTransfer Systems Limited
Plot no. 75, General Block, MIDC Bhosari,
Pune - 411 026

We have examined all the relevant records of Corporate Governance of Divgi Torqtransfer Systems Limited (the Company) for the year ended 31st March 2026, for the purpose of certifying compliance of the conditions of Corporate Governance as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 34 (3) read with regulations 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations for the period 1st April 2025 to 31st March 2026.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. The certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to explanations given to us and based on the representations made by the Directors, Company Secretary and the Management, we certify that the Company has complied with the provisions of Corporate Governance specified in Regulation 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations, as applicable subject to the following observations;

1. The Chairman of the Stakeholders Relation Committee was not present for the Annual General Meeting held during FY 2025-2026 and was granted leave of absence due to his personal reasons.
2. There was a gap of more than 210 days between two meetings of the Risk Management Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company and this Certificate is issued solely for the purpose of complying with the aforesaid LODR and may not be suitable for any other purpose.

For **KANJ & CO LLP**
Company Secretaries

Vinayak Khanvalkar
Partner
FCS No.: 2489
CP No.: 1586
UDIN: F002489H001107331
Firm Unique Code: P2000MH005900
Peer Review Number: 6309/2024
Place: Pune
Date: August 13, 2026

Notice

Notice is hereby given that the 61st (Sixty-first) Annual General Meeting ("AGM") of the Members of Divgi TorqTransfer Systems Limited ("the Company") will be held on Tuesday, September 18, 2026, at 2:30 PM (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the registered office of the company at Plot No. 75, General Block, MIDC, Bhosari, Pune 411026 which shall be the deemed venue of this annual general meeting

ORDINARY BUSINESS:

1. Adoption of Accounts

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with Reports of the Board of Directors and Auditors thereon.

Ordinary Resolution:

DTTS/AGM/2026-27/01

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, and the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. Declaration of Final Dividend

To consider and declare Final Dividend of ₹3.27/- (Rupees Three and Twenty-Seven Paise Only) per equity share of face value ₹5 each, of the Company for the financial year ended March 31, 2026.

Ordinary Resolution:

DTTS/AGM/2026-27/02

"**RESOLVED THAT** pursuant to the recommendation made by the Board of Directors, a dividend at the rate of INR 3.27/- (Rupees Three and Twenty-Seven Paise Only) per equity share be and is hereby declared out of profits of financial year 2025-26 to the equity shareholders of the Company whose names appear in the Registrar of Members of the Company as on September 10, 2026

3. Re-appointment of Director retiring by rotation:

To appoint a director in place of Mr. Sanjay Bhalchandra Divgi (DIN:00471465), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment and being eligible, offers himself for re-appointment and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

DTTS/AGM/2026-27/03

"**RESOLVED THAT** pursuant to the provisions of section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provisions, if any of the Companies Act, 2013, Mr. Sanjay Bhalchandra Divgi (DIN:00471465), who is liable to retire by rotation at the 61st (Sixty-first) Annual General Meeting and being eligible has offered himself for appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. Re-appointment of Director retiring by rotation:

To appoint a director in place of Mr. Bharat Bhalchandra Divgi (DIN:00471587), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

DTTS/AGM/2026-27/04

"**RESOLVED THAT** pursuant to the provisions of section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provisions, if any of the Companies Act, 2013, Bharat Bhalchandra Divgi (DIN: 00471587) who is liable to retire by rotation at the 61st (Sixty-first) Annual General Meeting and being eligible has offered himself for appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

5. Appointment of Statutory Auditors:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary Resolution for the appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants and FRN 105215W/W100057, as the Statutory Auditors of the Company to hold the office from the conclusion of this ensuing 61st Annual General

Meeting until the conclusion of the 66th Annual General Meeting of the Company.

DTTS/AGM/2026-27/05

"**RESOLVED THAT** pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, M/s Kirtane & Pandit LLP, Chartered Accountants having Firm Registration Number 105215W/W100057 be and are hereby appointed as the Statutory Auditor of the Company from the conclusion of this 61st Annual General Meeting till the conclusion of the 66th Annual General Meeting of the Company at a remuneration mutually decided.

RESOLVED FURTHER THAT Mr. Jitendra Bhaskar Divgi, Managing Director and Mr. Hirendra Bhaskar Divgi, Executive Director of the Company be and are hereby severally authorised to sign, execute and do and perform all such acts, deeds and things to give effect to above resolution including filing of necessary forms with the Registrar of Companies and issuance of the certified true copy of this resolution as and when required.

SPECIAL BUSINESS:

6. To consider payment of special incentive to Mr. Jitendra Divgi, Managing Director

To consider and, if thought fit, to pass with or without modification following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Sections 197 and 198 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments, modifications or re-enactments thereof for the time being in force), (the "Act") read with Schedule V to the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of the members of the Company be and is hereby accorded for paying special incentive ₹1,22,75,000/- (Rupees One crore twenty-two lakhs and seventy-five thousand only) to Mr. Jitendra Divgi (DIN: 00471531) Managing Director of the Company, as set out in the Explanatory Statement annexed to the Notice, notwithstanding that the remuneration may exceed the limits prescribed under Section 197 read with Schedule V of the Act after payment of aforesaid special incentive.

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to regulation 17(6)(e) of the SEBI (LODR), the consent of the Members of the Company be and is hereby accorded for payment of special incentive to Mr. Jitendra Divgi (DIN: 00471531), Managing Director, even if the annual remuneration including special incentive payable to Mr. Jitendra Divgi, may exceed Rupees 5 crores or 2.5 per cent of the profits of the Company (whichever is higher) individually and / or the aggregate annual remuneration to all Executive Directors (Promoter) exceeds 5 per cent of the net profits of the Company in any year during the tenure of his appointment and/or reappointment.

RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorized to vary the terms of re-appointment including to vary the remuneration specified above from time to time as it deems fit and to the extent recommended by the Nomination and Remuneration Committee and in the manner as may be agreed between the Board and Mr. Jitendra Divgi, Managing Director, provided that such variation or increase, as the case may be, shall not exceed the overall limits approved by the members by this resolution.

7. To consider payment of special incentive to Mr. Hirendra Divgi, Executive Director

To consider and, if thought fit, to pass with or without modification following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Sections 197 and 198 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments, modifications or re-enactments thereof for the time being in force), (the "Act") read with Schedule V to the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of the members of the Company be and is hereby accorded for paying special incentive ₹59,50,000/- (Rupees Fifty-nine lakhs fifty thousand only) to Mr. Hirendra Divgi (DIN: 01634431) Executive Director of the Company, as set out in the Explanatory Statement annexed to the Notice, notwithstanding that the remuneration may exceed the limits prescribed under Section 197 read with Schedule V of the Act after payment of aforesaid special incentive.

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to regulation 17(6)(e) of the SEBI (LODR), the consent of the Members of the Company be and is hereby accorded for payment of special incentive to Mr. Hirendra Divgi (DIN: 01634431), Executive Director, even if the annual remuneration including special incetive payable to Mr. Hirendra Divgi may exceed Rupees 5 crores or 2.5 per cent of the profits of the Company (whichever is higher) individually and / or the aggregate annual remuneration to all Executive Directors (Promoter) exceeds 5 per cent of the net profits of the Company in any year during the tenure of his appointment and/or reappointment.

RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorized to vary the terms of re-appointment including to vary the remuneration specified above from time to time as it deems fit and to the extent recommended by the Nomination and Remuneration Committee and in the manner as may be agreed between the Board and Mr. Hirendra Divgi, Executive Director, provided that such variation or increase, as the case may be, shall not exceed the overall limits approved by the members by this resolution

By Order of the Board
For **Divgi TorqTransfer Systems Limited**

Aniket Kokane
Company Secretary and Compliance Officer
Membership No. 51571
Date: August 11, 2026
Place: Pune
Registered Office:
75, General Block, MIDC, Bhosari,
Pune, Maharashtra, India 411026
CIN: L32201MH1964PLC013085
Website: www.divgi-tts.com
E-mail ID: companysecretary@divgi-tts.com

NOTES:

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated 5th May 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 03/2025 dated September 22, 2025 (collectively referred to as 'MCA Circulars') and other applicable circulars and notifications issued including any statutory modifications or reenactment thereof for the time being in force as amended from time to time, permits the Companies to conduct the Annual General Meeting ('AGM') through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') without the physical presence of Members at a common venue till further order. In compliance with the provisions of the Companies Act 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations') and MCA Circulars, the 61st (Sixty-first) AGM of the Company shall be conducted through VC/OAVM. MUFG will be providing facilities in respect of: (a) voting through remote e-voting; (b) participation in the AGM through VC/ OAVM facility; (c) e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained in the subsequent paragraphs.

2. The deemed venue for this AGM shall be the registered office of the Company.

3. Requisite declarations have been received from Director(s) for seeking appointment/re-appointment. Pursuant to Section 113 of the Act, Institutional /Corporate members (i.e., any Body Corporate) may appoint its representative to attend the AGM on their behalf and to vote electronically either during the remote e-voting period or during the AGM. For this necessary Resolution/ Authorization should be sent electronically through their registered email address to the Scrutinizer at scrutinizer@divgi-tts.com with a copy marked to companysecretary@divgi-tts.com

4. Members attending the AGM through VC/OAVM shall be counted for the purpose of determining the quorum [Section 103 of the Act].

5. The attendance through VC/OAVM is restricted and hence members will be allowed on first come first-served basis. However, as per the MCA Circulars attendance of Members holding more than 2% of the shares of the Company, Institutional Investors as on the Cut-off Date, Directors, Key Managerial Personnel and Auditors will not be restricted on first come first served basis.

6. In accordance with the provisions of Article 25 of Articles of Association of the Company,

   Mr. Sanjay Bhalchandra Divgi (DIN: 00471465) and Mr. Bharat Bhalchandra Divgi (DIN: 00471587) will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to Section 118(10) of the Act and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI). Additional information in respect of Directors retiring by rotation seeking re-appointment at the AGM is given in the Corporate Governance Section of this Annual Report.

7. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars on holding AGM through VC/ OAVM mode, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.

8. Queries on financial statements and/or operations of the Company, if any, may please be sent to the Company at email ID: companysecretary@divgi-tts.com 7 (Seven) days in advance of the Meeting so that the answers may be made available at the AGM

9. The applicable Statutory Registers of the Company under provisions of the Companies Act, 2013, will be available electronically for inspection by the Members before as well as during the AGM. Members seeking to inspect such documents can send an e-mail to companysecretary@divgi-tts.com

10. The record date for determining entitlement of members to final dividend for financial year of the Company and cut-off date for e-voting will be Thursday, September 10, 2026

11. As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities which shall be effected only in dematerialised form w.e.f. January 24, 2022. In view of this and to eliminate all risks associated

with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or MUFG Intime India Private Limited (Earlier Link Intime India Private Limited), Company's Registrar and Transfer Agents for assistance in this regard.

12. Transfer of Unclaimed/Unpaid amounts and shares to the Investor Education and Protection Fund (IEPF):

    a. Pursuant to Section 124 and 125 and all other applicable provisions, if any, of the Companies Act, 2013, ('The Act') the amount of the dividend remaining unpaid or unclaimed for a period of 7 (Seven) years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.

    b. Further, in accordance with Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, amongst other matters, all shares in respect of which dividend has remained unclaimed or unpaid for 7 (Seven) consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. The shareholder is requested to provide DP ID, Client ID, the name of dividend i.e. interim/Final while sending email to the Company and quote name of the Company in Subject line while sending email to RTA for claiming their unpaid dividends, if any.

    c. Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of 7 (Seven) years from the dates they became first due for payment. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Demat Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder. The Member/ Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year asper the IEPF Rules.

13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, bank mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at Pune@in.mpms.mufg.com case the shares are held in physical form, quoting your folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.

14. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar & Transfer Agents (RTA) at Pune@in.mpms.mufg.com in case the shares are held in Physical Form, quoting your Folio No.

15. Members may note that as per SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/ 2024/37 dated May 7, 2024, it is mandatory for all holders of physical securities in listed entities to update their KYC and choice of Nomination with the Registrar and Share Transfer Agent ('RTA'), in case they have not updated the same. As per the SEBI Circular, effective from April 1, 2024. RTA will attend to all service requests of the shareholders with respect to transmission, dividend, etc., only after updating the above details in the records. As per the aforesaid SEBI Circular, members holding securities in physical form may note that any future dividend payable against their shareholding would be withheld if their KYC and choice of Nomination are not updated with the RTA. For the purpose of updation of KYC and choice of Nomination, members are requested to send the necessary forms (ISR-1, ISR-2 and SH-13) along with the necessary attachments mentioned in the said Forms to RTA. Members may please note that listed companies shall issue Letter of confirmation against any request received in respect to Issue of duplicate securities certificate, exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.

16. The format of the Register of Members prescribed by the MCA under the Act requires the Company/ Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for Payment of Dividend etc. Members holding shares in physical form are requested to submit the filled in form to the Company at companysecretary@divgi-tts.

com or to the Registrar in physical mode or in electronic mode at Pune@in.mpms.mufg.com, as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or MUFG Intime India Private Limited (Earlier Link Intime India Pvt. Limited), Registrar & Transfer Agents of the Company.

17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar & Transfer Agents, the details of such folios together with the share certificates for consolidating their holdings in one folio. Letter of Confirmation for consolidated share certificate will be issued to such Members after making requisite changes.

18. Members who wish to inspect the relevant documents referred above and those in the Notice can send an email to companysecretary@divgi-tts.com up to date of this AGM.

19. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

20. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.

21. In compliance with the MCA Circulars and SEBI Circular No SEBI/HO/CFD/CFD-PoD2/P/CIR/2023/167dated October 07, 2023, and SEBI Circular No SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice along with Annual Report has been disclosed on the website of the Company at https://divgi-tts.com/ and also available on the websites of the Stock Exchanges at www.bseindia.comand www.nseindia.com and on the website of MUFG at www.in.mpms.mufg.com

22. The physical copy of the Annual Report will be sent to the Shareholders based on the specific request received. As per Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended, a letter containing the web-link, including the exact path, where complete details of the Annual Report are available, is being sent to all the Shareholders who have not registered their Email IDs with the Company or Depository Participants or MUFG Intime India Private Limited (Earlier Link Intime India Private Limited), Registrar & Transfer Agent (RTA) of the Company.

23. Non-Resident Indian Members are requested to inform the Company/Depository Participant, immediately of:

    a. Change in their residential status on return to India for permanent settlement.

    b. Particulars of their bank account maintained in India with complete Bank Name, Branch, Account Type, MICR number, Account Number and Address of the bank with pin code number, if not furnished earlier.

24. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrar& Transfer Agents.

25. Voting through electronic means:

    1. The complete details of the instructions for e-voting are annexed to this Notice. These details form an integral part of the Notice.

    2. In compliance with provisions of Section 108 of the Companies Act, 2013 and rules framed there under, as amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to offer e-voting facility to the Members to exercise their right to vote by electronic means on all Resolutions set forth in the Notice convening the 61 (Sixty-first) Annual General Meeting through MUFG.

    3. The e-voting facility is available at the link https://instavote.linkintime.co.in/ The remote e-voting facility will be available during the following voting period:

Start Day, Date & Time	End Day, Date & Time
September 15, 2026 at 9:00 A.M. (IST)	September 17, 2026 at 5:00 P.M. (IST)

4. The remote e-voting module shall be disabled by MUFG for voting thereafter. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast vote again.

5. The voting rights of Members (for voting through e-voting or voting at the meeting) shall be in proportion to their share(s) in the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, September 10, 2026. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Thursday, September 10, 2026 , only shall be entitled to avail the facility of e-voting as well as voting at the AGM.

6. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as on the cut-off date i.e., Thursday, September 10, 2026 , may follow the instructions for e-voting mentioned below. In case such Member has not updated his or her PAN with the Company or the Depository Participant, may obtain the sequence number by sending a request at Pune@in.mpms.mufg.com

7. For the benefit of Members present at the Meeting and who have not cast their votes through remote e-voting, the facility for e-voting will be available during the Meeting. The Members who have cast their votes by remote e-voting may attend the Meeting but shall not be entitled to cast their vote again at the AGM.

8. The Board of Directors of the Company has appointed Ms. Mrunmayee Sathaye having membership No. ACS: A51169 of M/s Kanj & Co. LLP, Practicing Company Secretaries, Pune to act as Scrutinizer for conducting the e-voting process in a fair and transparent manner.

9. The Scrutinizer immediately after the conclusion of the AGM, will unblock the votes cast through remote e-voting and e-voting at the AGM and shall make a consolidated scrutinizer's report of the total votes cast in Favour or Against, Invalid Votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairperson or a person authorized by him, within 48 (Forty-eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

10. The results declared along with the Scrutinizer's Report will be placed on the Company's website: https://divgi-tts.com/ and on the website of MUFG www.in.mpms.mufg.com immediately after their declaration and the same shall be simultaneously communicated to BSE Limited and National Stock Exchange of India Limited.

Remote E-voting Instructions

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access remote e-Voting facility.

Login method for Individual shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode with NSDL

METHOD 1 - NSDL IDeAS facility

Shareholders registered for IDeAS facility:

a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "IDeAS Login Section".

b) Click on "Beneficial Owner" icon under "IDeAS Login Section".

c) Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.

d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for IDeAS facility:

a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

b) Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".

c) Enter the last 4 digits of your bank account / generate 'OTP'

d) Post successful registration, user will be provided with Login ID and password. Follow steps given above in points (a-d)

Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

Google Play App Store

METHOD 2 - NSDL e-voting website

b) Visit URL: https://www.evoting.nsdl.com

c) Click on the "Login" tab available under 'Shareholder/Member' section.

d) Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen.

e) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

f) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 3 - NSDL OTP based login

a) Visit URL: https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp

b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.

c) Enter the OTP received on your registered email ID/ mobile number and click on login.

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders registered with CDSL Easi/ Easiest facility

METHOD 1 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com & click on New System Myeasi Tab.

b) Enter existing username, Password & click on "Login".

c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration

b) Proceed with updating the required fields for registration.

c) Post successful registration, user will be provided username and password. Follow steps given above in points (a-c).

METHOD 2 - CDSL e-voting page

a) Visit URL: https://www.cdslindia.com

b) Go to e-voting tab.

c) Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit".

d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

e) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

a) Login to DP website

b) After Successful login, user shall navigate through "e-voting" option.

c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.

Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

STEP 1: LOGIN / SIGNUP to InstaVote

Shareholders registered for INSTAVOTE facility:

a) Visit URL: https://instavote.linkintime.co.in & click on "Login" under 'SHARE HOLDER' tab.

b) Enter details as under:

1. User ID: Enter User ID
2. Password: Enter existing Password
3. Enter Image Verification (CAPTCHA) Code
4. Click "Submit". (Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

InstaVote USER ID		
	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is Event No + Folio no. registered with the Company

Shareholders not registered for INSTAVOTE facility:

a) Visit URL: https://instavote.linkintime.co.in & click on "Sign Up" under 'SHARE HOLDER' tab & register with details as under:

1. User ID: Enter User ID

InstaVote USER ID	
NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
CDSL	User ID is 16 Digit Beneficiary ID.
Shares held in physical form	User ID is Event No + Folio no. registered with the Company

2. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
3. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format)
4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.
   - Shareholders holding shares in NSDL form, shall provide 'D' above
   - Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
5. Set the password of your choice.
   (The password should contain minimum 8 characters, at least one special Character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
6. Enter Image Verification (CAPTCHA) Code.
7. Click "Submit" (You have now registered on InstaVote).

   Post successful registration, click on "Login" under 'SHARE HOLDER' tab & follow steps given above in points (a-b).

STEP 2: Steps to cast vote for Resolutions through InstaVote

A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".

B. Select 'View' icon. E-voting page will appear.

C. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

D. After selecting the desired option i.e. Favour / Against, click on 'Submit'.

E. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

NOTE: Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission. Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

A. Visit URL: https://instavote.linkintime.co.in

B. Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"

C. Fill up your entity details and submit the form.

D. A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

A. Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

B. Click on "Investor Mapping" tab under the Menu Section

C. Map the Investor with the following details:

   1) 'Investor ID' – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.

2) 'Investor's Name - Enter Investor's Name as updated with DP.

3) 'Investor PAN' - Enter your 10-digit PAN.

4) 'Power of Attorney' - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section".

STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

Method 1 - Votes Entry

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) Click on "Votes Entry" tab under the Menu section.

c) Enter the "Event No." for which you want to cast vote.

Event No. can be viewed on the home page of InstaVote under "On-going Events".

d) Enter "16-digit Demat Account No.".

e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour / Against, click on 'Submit'.

f) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Method 2 - Votes Upload

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) After successful login, you will see "Notification for e-voting".

c) Select "View" icon for "Company's Name / Event number".

d) E-voting page will appear.

e) Download sample vote file from "Download Sample Vote File" tab.

f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.

g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending request at evoting@nsdl.co.in or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on:

- Click on "**Login**" under 'SHARE HOLDER' tab.
- Click "**forgot password?**"
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Click "**forgot password**?"
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website..

General Instructions - Shareholders

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

InstaMeet VC Instructions:

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19.09.2024, the Companies can conduct their AGMs/ EGMs on or before 30 September 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

a) Visit URL: https://instameet.in.mpms.mufg.com & click on "Login".

b) Select the "Company Name" and register with your following details:

c) Select Check Box - Demat Account No. / Folio No. / PAN

- Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
- Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.
- Shareholders shall select check box – PAN and enter 10-digit Permanent Account Number (PAN). Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided by MUFG Intime, if applicable.
- Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.

d) Click "Go to Meeting"

You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

a) Shareholders who would like to speak during the meeting must register their request with the company.

b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.

c) Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

d) Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

*Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET

c) Click on 'Submit'.

d) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

e) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

f) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on:
Tel: 022 – 4918 6000 / 4918 6175.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 5: Appointment of Statutory Auditors

M/s. B.K. Khare & Co, Chartered Accountants having Firm's Registration No. 105102W, were appointed as the Statutory Auditors of the Company at the 57th AGM of the Company and their tenure of two consecutive terms will expire at the AGM of the Company scheduled to be held in FY 2027-2028.

However, at the time of the appointment of M/s B.K. Khare & Co., the Company was a private limited company and the provisions relating to appointment of statutory auditor firm for not more than two terms of five consecutive years and mandatory rotation under section 139 (2) of the Companies Act, 2013, as applicable to certain classes of companies, were not applicable to Company.

Subsequently, the Company was converted into public limited company and its shares were listed on the stock exchanges in the year March 2023. Pursuant to such change in status, the provisions of section 139(2) of Companies Act, 2013 read with Rule 5 of the Companies (Audit & Auditors) Rules, 2014, governing the appointment of statutory auditors applicable to listed Companies became applicable to the Company.

Accordingly, even though the original appointment of the previous auditor firm ends in FY 2027-2028, since their tenure of two terms of five consecutive years has ended, approval of the Shareholders is being sought for appointment of M/s Kirtane & Pandit LLP, Chartered Accountants, having Firm's Registration No. 105215W/W100057 as the Statutory Auditors of the Company for the first term of 5 consecutive years commencing from conclusion of ensuing 61st Annual General Meeting for the financial year 2025-26 till the conclusion of the 66th Annual General Meeting for the financial year FY2030-31

M/s Kirtane & Pandit LLP, Chartered Accountants, having Firm's Registration No. 105215W/W100057 have given their consent for their appointment as Statutory Auditors of the Company and has issued certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. Kirtane & Pandit LLP, have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s Kirtane & Pandit, LLP, have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on August 11, 2026 proposed the appointment Kirtane & Pandit LLP, Chartered Accountants having Firm's Registration No. 105215W/W100057, as the Statutory Auditors of the Company for the first term of five consecutive years, who shall hold office from the conclusion of this 61st AGM till the conclusion of the 66th AGM of the Company. The remuneration proposed to be paid to the Statutory Auditors during their first term would be in line with the industry norms and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Board recommends the resolution set out at Item No. 5 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

DISCLOSURE UNDER REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Proposed Statutory Audit Fees payable to the Statutory Auditors	₹17 Lakhs
Terms of Appointment	5 years
Any material change in the fee payable to New Statutory Auditors from that paid to the outgoing Auditors along with the rationale for such change	NIL
Basis of recommendation and Auditor Credentials	As discussed and decided by the Audit Committee in its meetings held on August 06, 2026, and August 11, 2026, respectively

ITEM NO 6: Approval for payment of Special Incentive to Mr. Jitendra Divgi, Managing Director:

The Members are informed that Mr. Jitendra Divgi (DIN: 00471531) is the Managing Director of the Company and is also a Promoter of the Company. In recognition of his continued leadership, strategic contribution and overall contribution towards the leadership contribution, business performance, strategic initiatives, value creation for stakeholders growth and performance of the Company, the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company have considered and approved the proposal for payment of a special incentive to Mr. Jitendra Divgi, Managing Director, subject to the approval of the Members of the Company.

The proposed special incentive amount is ₹1,22,75,000/- (Rupees One crore twenty-two lakhs and seventy-five thousand only) ("Special Incentive"). The Special Incentive proposed to be paid to Mr. Jitendra Divgi is in the nature of additional remuneration and shall be subject to applicable tax deductions and other statutory requirements.

The proposal for payment of the Special Incentive has been considered by the NRC and the Board having regard to, inter alia, the performance and growth of the Company, the strategic leadership provided by Mr. Jitendra Divgi, his contribution towards the overall business and operations of the Company, and the value created for the Company and its stakeholders

The payment of the Special Incentive may result in the total remuneration payable to Mr. Jitendra Divgi exceeding the limits prescribed under Section 197 of the Companies Act, 2013 ("Act"), read with Schedule V to the Act. Accordingly, approval of the Members is being sought pursuant to the applicable provisions of the Act for payment of the Special Incentive, notwithstanding that the overall remuneration payable to Mr. Jitendra Divgi may exceed the limits prescribed under Section 197 read with Schedule V of the Act

The Board of Directors recommend passing of the resolution by the members as set out under Item No. 6 as a special resolution.

The proposed transaction does not constitute a material related party transaction under the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Except Mr. Jitendra Divgi and his relatives, to the extent of their shareholding, if any, and interest in the proposed resolution, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution

ITEM NO 7: Approval for payment of Special Incentive to Mr. Hirendra Divgi, Execuitve Director:

The Members are informed that Mr. Hirendra Divgi (DIN: 01634431) is the Executive Director of the Company and is also a Promoter of the Company. In recognition of his continued leadership, strategic contribution and overall contribution towards the leadership contribution, business performance, strategic initiatives, or value creation for stakeholders growth and performance of the Company, the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company have considered and approved the proposal for payment of a special incentive to Mr. Hirendra Divgi, Executive Director, subject to the approval of the Members of the Company.

The proposed special incentive amount is ₹59,50,000/-/- (Rupees Fifty-nine lakhs fifty thousand only) ("Special Incentive"). The Special Incentive proposed to be paid to Mr. Hirendra Divgi is in the nature of additional remuneration and shall be subject to applicable tax deductions and other statutory requirements.

The proposal for payment of the Special Incentive has been considered by the NRC and the Board having regard to, inter alia, the performance and growth of the Company, the strategic leadership provided by Mr. Hirendra Divgi, his contribution towards the overall business and operations of the Company, and the value created for the Company and its stakeholders

The payment of the Special Incentive may result in the total remuneration payable to Mr. Hirendra Divgi exceeding the limits prescribed under Section 197 of the Companies Act, 2013 ("Act"), read with Schedule V to the Act. Accordingly, approval of the Members is being sought pursuant to the applicable provisions of the Act for payment of the Special Incentive, notwithstanding that the overall remuneration payable to Mr. Hirendra Divgi may exceed the limits prescribed under Section 197 read with Schedule V of the Act

The Board of Directors recommend passing of the resolution by the members as set out under Item No. 7 as a special resolution.

The proposed transaction does not constitute a material related party transaction under the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Except Mr. Hirendra Divgi and his relatives, to the extent of their shareholding, if any, and interest in the proposed resolution, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution

Annexure to Notice to Annual General Meeting – 1

Details of Directors Seeking Appointment / Re-Appointment at the Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard – 2 on General Meetings]

Name	Mr. Sanjay Bhalchandra Divgi	Mr. Bharat Bhalchandra Divgi
Director's Identification Number (DIN)	00471465	00471587
Age	57	67
Qualification	Mr. Sanjay Divgi holds a Bachelors in Engineering.	Mr. Bharat Divgi holds a Hons. Degree in Commerce from Indian Institute of Management & Commerce, Hyderabad.
Experience	He served in various capacities since 1986, which included new product development and managing manufacturing operations.	He has more than 20 years of experience with our Company.
Terms & Conditions of appointment / re-appointment	Non-Executive Non-Independent Director for a period of 5 years with effect from June 10, 2022, liable to retire by rotation	Non-Executive Non-Independent Director for a period of 5 years with effect from June 10, 2022, liable to retire by rotation.
Remuneration Details	Sitting Fees as per Companies Act, 2013.	Sitting Fees as per Companies Act, 2013.
Date of first Appointment on the Board of the Company	October 01, 2002	October 01, 1998
Shareholding in the Company	121380	148290
Relation with other Directors, Manager or KMP	• He is the younger brother of Mr. Bharat Divgi • He is the first cousin of Mr. Jitendra Divgi and Mr. Hirendra Divgi	• He is the elder brother of Mr. Sanjay Divgi • He is the first cousing of Mr. Jitendra Divgi and Mr. Hirendra Divgi
No. of Meetings of Board attended during the year	5	5
Brief profile, skills, expertise and capabilities required for the role and the manner in which meets such requirements	Strategy planning and business operations, Technology, Governance and risk management.	Strategy planning and business operation, Finance, Governance and risk management.
Other Directorship, Membership/ Chairmanship of committee of other Boards.	**Other Directorship:** • Tejal Transmission Private Limited	**Other Directorship:** • Divgi Transmission Systems and Technologies Private Limited • Tejal Transmission Private Limited • Divgi Holdings Private Limited
Listed entities from which the person has resigned in the past three years	-	-
Disclosure of relationships between the director's inter-se	• Mr. Sanjay Divgi is the younger brother of • Mr. Bharat Divgi • Mr. Sanjay Divgi is the first cousin of • Mr. Jitendra Divgi and Mr. Hirendra Divgi	• Mr. Bharat Divgi is the elder borther of Mr. Sanjay Divgi • Mr. Bharat Divgi is the first cousin of • Mr. Jitendra Divgi and Mr. Hirendra Divgi

Financial Statements

Independent Auditor's Report

To
the members of
Divgi TorqTransfer Systems Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Divgi TorqTransfer Systems Limited (Formerly known as Divgi TorqTransfer Systems Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our Principal Audit Procedures
Revenue Recognition: Revenue is measured at the consideration received or receivable as reduced by discounts and other similar allowances. Volume discounts are assessed based on anticipated sales. Further, timing of revenue recognition is dependent on the terms agreed with customers in relation to passing of risk and rewards of ownership. The application of Indian Accounting Standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognized.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Understood the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes. • Analyzed and discussed significant contracts with management including contractual terms and conditions related to discounts, incentives and rebates. • Reviewed the volume discounts and its accounting treatment in the books of account. • Performed cut-off procedures to ensure that revenue is accounted in the correct period. • Selected a sample of contracts and performed the following procedures:

Key Audit Matter	Our Principal Audit Procedures
	o Analysed and identified the distinct performance obligations in these contracts. o Compared such performance obligations with that identified and recorded by the Company. o Reviewed contract terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration. • Reviewed disclosures included in the notes to the accompanying financial statements.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 37 to the Financial Statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The dividend declared/paid/declared and paid during the year by the Company is in compliance with Section 123 of the Act.

(i) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Membership No. 125657
UDIN: 26125657YNYBWK9365

Place: Pune
Date: May 25, 2026

Annexure A to the Independent Auditor's Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Divgi TorqTransfer Systems Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Membership No. 125657
UDIN: 26125657YNYBWK9365

Place: Pune
Date: May 25, 2026

Annexure B to the Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment are physically verified by the Company once in two years. The physical verification of property, plant and equipment and investment properties was conducted in the previous financial year and accordingly no physical verification is required to be carried out in the current year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory comprising of raw materials, work-in-progress, finished goods, traded goods, packing materials and stores and spare parts (retain only those as applicable) has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, the reporting under Clause 3 (ii) (b) is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in few cases. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Provident fund, Employees' State Insurance, Income Tax, Service tax, Sales Tax, Duty of Customs, Duty of Excise, Cess and any other material statutory dues as at March 31, 2026, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us and records of the Company examined by us, the particulars of dues of Goods and Service Tax which have not been deposited as on March 31, 2026 on account of disputes are as under:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Unpaid (Rs. In Million)
Good and Service Tax	Tax, Interest	Assistant Commissioner of CGST	F.Y.2017-22	1.63

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company and subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has no Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According, to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, there are no ongoing projects relating to corporate social responsibility. Accordingly, the reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Membership No. 125657
UDIN: 26125657YNYBWK9365

Place: Pune
Date: May 25, 2026

CIN: L32201MH1964PLC013085

Balance Sheet as at 31st March, 2026

(All amount in INR Millions unless otherwise stated)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
Non-Current Assets			
Property, plant and equipment	4(a)	2,470.68	2,434.17
Capital work-in-progress	4(d)	177.33	15.52
Right-of-use assets	4(b)	19.36	11.69
Intangible assets	4(c)	96.29	108.78
Intangible assets under development	4(e)	11.79	2.22
Financial Assets			
Non-current investments	5	0.46	0.46
Other non-current financial assets	6	18.60	39.06
Other non-current assets	7	17.39	38.49
Total Non-Current Assets		**2,811.90**	**2,650.39**
Current Assets			
Inventories	8	587.83	387.31
Financial Assets			
i) Trade Receivables	9	792.87	554.63
ii) Cash And Cash Equivalents	10 (a)	315.20	154.36
iii) Bank Balances Other Than Cash And Cash Equivalents	10 (b)	2,630.03	2,693.97
iv) Other current financial assets	11	113.56	133.11
Other Current Assets	12	62.80	30.76
Total Current Assets		**4,502.29**	**3,954.14**
TOTAL ASSETS		**7,314.19**	**6,604.53**
Equity			
Equity Share Capital	13	152.91	152.91
Other Equity	14	6,201.65	5,814.81
Total Equity		**6,354.56**	**5,967.72**
Liabilities			
Non-Current Liabilities			
Financial Liablities			
i) Borrowings	15	0.46	1.41
ii) Lease Liabilities	16	8.67	4.41
Long Term Provisions	17	22.52	28.64
Deferred Tax Liabilities (Net)	18	35.07	37.24
Total Non-Current Liabilities		**66.72**	**71.70**
Current Liabilities			
Financial Liabilities			
i) Borrowings	19	0.95	0.91
ii) Trade Payables			
total outstanding dues of micro enterprises and small enterprises	20	81.67	13.22
total outstanding dues of creditors other than micro enterprises and small enterprises	20	519.61	389.49
iii) Lease Liabilities	16	7.62	4.02
iv) Other Financial Liabilities	21	176.76	88.61
Other Current Liabilities	22	10.75	8.72
Provisions	23	40.44	18.93
Current Tax Liabilities (Net)	24	55.11	41.21
Total Current Liabilities		**892.91**	**565.11**
TOTAL EQUITY AND LIABILITIES		**7,314.19**	**6,604.53**

For **B. K. Khare & Co.**
Firm Registration Number: 105102W
Chartered Accountants

Amit Mahadik
Partner
Membership Number: 125657
Date: May 25, 2026
Place: Pune

For and on behalf of the Board of Directors of
Divgi TorqTransfer Systems Limited
(Formerly known as Divgi TorqTransfer Systems Private Limited)

Praveen P Kadle
Chairman
DIN: 00016814
Date: May 25, 2026
Place: Pune

Jitendra B Divgi
Managing Director
DIN: 00471531
Date: May 25, 2026
Place: Pune

Sudhir Mirjankar
Chief Financial Officer
Date: May 25, 2026
Place: Pune

Aniket Kokane
Company Secretary and
Compliance Officer
(ACS - A51571)
Date: May 25, 2026
Place: Pune

CIN: L32201MH1964PLC013085

Statement of Profit and Loss for the year ended 31st March, 2026

(All amount in INR Millions unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2026	Year ended March 31, 2025
Income			
Revenue from Operations	25	3,528.88	2,189.17
Other Income	26	222.83	212.11
Total Income		**3,751.71**	**2,401.28**
Expenses			
Cost of raw material and components consumed	27	1,448.73	936.97
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in Progress	28	(80.76)	(56.11)
Employee Benefits Expense	29	415.41	251.14
Finance Costs	30	3.10	3.82
Depreciation and Amortization Expense	31	292.37	251.83
Other Expenses	32A	1,045.37	683.59
Total Expenses		**3,124.22**	**2,071.24**
Profit before Tax		**627.49**	**330.04**
Tax expense			
For the year			
Current tax	32B	159.44	74.86
Deferred tax charge/(credit)		(1.21)	11.26
		158.23	**86.12**
Profit for the year		**469.26**	**243.92**
Other Comprehensive Income			
(A) Items that will not be reclassified subsequently to profit and loss			
Remeasurements of the defined benefit plans		(3.86)	(0.14)
Income tax on above.		0.97	0.03
Total other comprehensive income		**(2.89)**	**(0.11)**
Total comprehensive income for the year		**466.37**	**243.81**
Earnings per share (in Rs.)	35		
Basic earnings per share (in Rs.)		15.34	7.98
Diluted earnings per share (in Rs.)		15.34	7.98
Summary of material accounting policies	1-2		
Summary of significant accounting judgements, estimates and assumptions	3		

The accompanying notes are an integral part of these financial statements

For **B. K. Khare & Co.**
Firm Registration Number: 105102W
Chartered Accountants

Amit Mahadik
Partner
Membership Number: 125657
Date: May 25, 2026
Place: Pune

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Cash Flow Statement for the year ended 31st March, 2026

(All amount in INR Millions unless otherwise stated)

		Year ended March 31, 2026	Year ended March 31, 2025
A)	**Cash flows from operating activities**		
	Profit/(Loss) before tax	627.49	330.04
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortization expenses	292.37	251.83
	Interest Expenses	1.87	2.88
	Unwinding of discounting (lease obligations)	1.23	0.94
	Interest income	(197.10)	(204.06)
	Loss/(gain) on sale / discard of assets (net)	(1.46)	(0.28)
	Changes in:		
	Trade and other receivables	(249.82)	71.28
	Inventories	(200.52)	(29.97)
	Trade and other payables and provisions	282.31	(1.48)
	Cash generated from operations	**556.37**	**421.18**
	Income taxes paid (net)	(145.54)	(69.05)
	Net cash inflow / (outflow) from operating activities	**410.83**	**352.13**
B)	**Cash flows from /(used in) investing activities**		
	Payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances	(443.16)	(265.03)
	Sale of Fixed Assets	1.84	0.42
	Interest received	216.65	205.98
	Term deposit with banks, matured / (placed) (net)	63.94	(366.66)
	Net cash flows (used in) investing activities	**(160.73)**	**(425.29)**
C)	**Cash flows from/ (used in) financing activities**		
	Net proceeds' from issue of equity shares	-	-
	Short Term Borrowings availed / (repaid) (net)	0.04	0.09
	Long Term Borrowings availed / (repaid)	(0.95)	(1.29)
	Dividend paid	(79.52)	(79.52)
	Lease rentals paid	(6.96)	(4.62)
	Interest paid	(1.87)	(2.88)
	Net cash flows from financing activities	**(89.26)**	**(88.22)**
	Net increase / (decrease) in cash and cash equivalents	**160.84**	**(161.38)**
	Cash and cash equivalents at the beginning of the year	154.36	315.74
	Cash and cash equivalents at the end of the year	**315.20**	**154.36**

Reconciliation of cash and cash equivalents as per the cash flow statement:

	Year ended March 31, 2026	Year ended March 31, 2025
Cash and cash equivalents (Note 10 (a))	315.20	154.36
Balances as per Cash flow statement	**315.20**	**154.36**

For **B. K. Khare & Co.**
Firm Registration Number: 105102W
Chartered Accountants

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Date: May 25, 2026
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For and on behalf of the Board of Directors of
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Statement of Changes in Equity

(All amount in INR Millions unless otherwise stated)

A Equity Share Capital

Particulars	Notes No	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	13	152.91	152.91
Changes in equity shares capital during the year		-	-
Balance at the end of the year		**152.91**	**152.91**

B Other Equity

Particulars	Reserves and surplus			Total Other Equity
	Capital reserve	Retained earnings	Securities premium	
As at April 1, 2024	**7.37**	**2,788.14**	**2,855.01**	**5,650.52**
Profit for the year	-	243.92	-	243.92
Other Comprehensive Income (net)	-	(0.11)	-	(0.11)
Total comprehensive income	**-**	**243.81**	**-**	**243.81**
Dividends paid		(79.52)	-	(79.52)
As at March 31, 2025	**7.37**	**2,952.43**	**2,855.01**	**5,814.81**
Profit for the period	-	469.26	-	469.26
Other Comprehensive Income (net)	-	(2.89)	-	(2.89)
Total comprehensive income	**-**	**466.37**	**-**	**466.37**
Dividends paid		(79.52)		(79.52)
As at March 31, 2026	**7.37**	**3,339.27**	**2,855.01**	**6,201.65**

For **B. K. Khare & Co.**
Firm Registration Number: 105102W
Chartered Accountants

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Membership Number: 125657
Date: May 25, 2026
Place: Pune

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

1. Corporate information

Divgi TorqTransfer Systems Limited (Formerly known as Divgi TorqTransfer Systems Private Limited) (the 'Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956of India. The Company is engaged in the manufacture and sale of transfer cases, automatic locking hubs, synchronizers and components thereof (transmission components) and related services to automotive Original Equipment Manufacturers (OEMs) and other customers in the Indian and global market.

2. Material accounting policies

2.1. Basis of preparation and measurement

a) Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Act) as applicable to the financial statements

The preparation of the financial statements requires the use of certain critical accounting judgements, estimates and assumptions. It also requires the management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention except for the following:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value
- Defined benefit plans – plan assets measured at fair value.

2.2. Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

(b) Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

(c) Foreign Currencies

- Functional and presentation currency

The functional and presentation currency of the Company is Indian rupee.

- Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss unless they are relating to qualifying cash flow hedges in which case they are deferred in equity.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(d) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for significant judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost)

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(e) Property, Plant and Equipment

Property, plant and equipment (PPE) and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any. All significant costs relating to the acquisition and installation of PPE are capitalised. Subsequent costs/replacement costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of profit and loss during the financial year in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation on PPE is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Certain assets which are internally developed, all the incidental costs directly attributable to such machinery are capitalized.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain classes of assets. The following useful lives are adopted by the management:

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Factory buildings	30	30
Plant and equipment	5 to 10	15 to 20
Roads	10	5 to 10
Office equipment	5	15
Furniture and fixtures	10	10
Computers and data processing units	3 to 6	3 to 6
Vehicles	8	8

The residual values, useful lives, and methods of depreciation of PPE are reviewed on a regular basis and changes in estimates, when relevant, are accounted for on a prospective basis.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized. A summary of amortization rates applied to the Company's Intangible assets is as below: -

Asset Category	Life (Years)
Computer Software	5
Technical Know-How	5

Research and development costs

Research expenditure is recognised as an expense as incurred. The cost incurred in development projects (associated with the design and testing of new products or product upgrades) are recognised as an intangible asset when the success of the development is deemed probable taking into account its technical and financial resources to do so, has the ability to use or sell the asset and generate potential economic benefits and the costs involved may be reliably estimated. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development cost with a finite useful life that have been capitalised are amortised from the start of commercial production of the product on a straight-line basis over the period in which it is expected to generate economic benefits, which does not exceed ten years.

(g) Equity investments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income

subsequent changes in the fair value. The Company makes such an election on an instrument-by-instrument basis, at initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on the sale of the investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

(h) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises material cost, direct labour and manufacturing expenses which is determined using absorption costing method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Write down of inventories are calculated based on an analysis of foreseeable changes in demand, technology, market conditions and ageing of inventories.

(i) Revenue recognition

Initial Recognition

Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

Revenue from operation excludes Goods & Service Tax

CIN: L32201MH1964PLC013085

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

Sale of goods

Timing of recognition:

Sales are recognised when control parameters as laid down in Ind AS 115 are satisfied. Control means customer has accepted the product, legal title has been transferred, transfer of significant risk and rewards, right to receive the payment and transfer of physical possession.

Measurement of revenue:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer. Any change resulting in increase or decrease in estimated revenue or cost are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

Transaction price is the amount of consideration expected to be entitled to in exchange for transferring of goods and services excluding the amount collected from third party.

Revenue from sales is based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. The volume discounts are assessed based on anticipated annual purchases.

No element of financing is deemed present as the sales are made with an average credit term of 45-60 days, which is consistent with market practice.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Operating Income

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in proportion to the depreciation charged over the expected useful life of the related asset. The Company recognize for export incentives for export of goods only after establishment of reasonable assurance and conditions precedent to claim are fulfilled.

(j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

Financial Assets

Classification

On initial recognition the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset

Initial Recognition & Measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. However, trade

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset

Financial Assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets are held to collect (HTC Business Model) contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance costs/ income in the Statement of Profit or Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognised in the statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset or

c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets (Other than Fair Value)

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. For trade receivables only, Company performs credit assessment for customers on an annual basis. Company recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than twelve months.

Equity investments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income (Subsequent changes in the fair value). The Company makes such an election on an instrument-by-instrument basis, at initial recognition and is irrevocable.

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on the sale of the investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss

Initial Recognition

Financial Liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Terms of trade payables i.e. non-interest bearing and generally settled in 30 to 60 days to be included.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

(k) Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(l) Share capital

Equity shares issued to shareholders are classified as equity. Incremental costs directly attributable to the issue of new equity shares are recognized as a deduction from equity, net of any related income tax effects.

(m) Taxes on Income

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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(All amount in INR Millions unless otherwise stated)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(n) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets in which case, they are capitalized in accordance with principles of borrowing cost specified in Ind AS 16.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from an operating lease is recognized on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The Company has adopted Ind AS 116-Leases, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract

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conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Lease contracts entered by the Company majorly pertains for land and buildings taken on lease to conduct its business in the ordinary course.

(o) Impairment of assets- Non-Financial Assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e., higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(p) Provisions and Contingent Liability

a) Recognition

Provisions for legal claims, service warranties and volume discounts are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions (excluding retirement benefits

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and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

b) Product warranty expenses

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

(q) Employee Benefits

Defined contribution plans

Superannuation: The Company has defined contribution plans for post-employment benefits in the form of superannuation fund for certain class of employees, which is administered through Life Insurance Corporation (LIC). The Company has no further obligation beyond its contribution.

Provident Fund: The Company has defined contribution plan for post-employment benefits in the form of provident fund for all employees, which is administered by the Regional Provident Fund Commissioner. The Company has no further obligation beyond its monthly contributions.

Defined benefit plans

Gratuity: The Company has a defined benefit plan for post-employment benefit in the form of gratuity for all employees, which is partially administered through Life Insurance Corporation (LIC). Liability for above defined benefit plan is provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of profit and loss in subsequent periods.

Past service costs are recognized in the Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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In respect of encashment of leave, the Defined Benefit Obligation is calculated taking into account all type of the decrement and qualifying salary projected up to the assumed date of encashment.

(r) Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company assesses the financial performance and position of the Company and makes strategic decisions. The board of directors of the Company have been identified as being the chief operating decision maker. Chief financial officer of the Company assists board of directors in their decision-making process. The Company is in the business of manufacture and sale automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment.

(s) Earnings Per Share:

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive Potential Equity Shares.

3. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements included in relevant notes together with information about the basis of calculation of each different line item in the financial statements.

The areas involving critical estimates or judgements are:

- Estimation of useful life of asset (Refer note 2.1.(e),(f))
- Estimation of provision and for contingent liabilities (Refer note .2.1.(p))
- Estimation of provision for warranty obligation (Refer note 2.1.(p.b.))
- Accounting for arrangements in the nature of lease (Refer note 2.1.(n))
- Estimation of defined benefit obligation (Refer note 2.1.q)
- Estimation of expected credit Losses on trade receivables (Refer Note 2.1.j)

3.2 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at the date of authorisation of these financial statements, the Company has not applied the following new amendment to Ind AS that has been issued but is not yet effective:

Amendment to Ind AS 1 Presentation of Financial Statements

Where a covenant breach exists on or before the reporting date and, as a result, the liability becomes payable on demand on that date, the liability must be classified as current, even if the lender subsequently (i.e. after the reporting date but before approval of the financial statements) agrees not to demand payment.

The Company does not expect that the adoption of this amendment to have any impact on the financial statements of the Company in future periods.

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Notes to the financial statements

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4 (a) Property, plant and equipment

Particulars	Freehold Land	Factory Building	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
Gross carrying amount								
Balance as at 1st April, 2024	**465.85**	**411.29**	**2,181.62**	**9.10**	**21.48**	**43.67**	**50.87**	**3,183.88**
Additions	-	18.72	507.15	0.94	2.37	1.49	1.38	532.05
Disposals	-	-	2.22	-	-	1.36	-	3.58
Balance as at 31st March, 2025	**465.85**	**430.01**	**2,686.55**	**10.04**	**23.85**	**43.80**	**52.25**	**3,712.35**
Additions	-	12.89	257.37	1.84	2.07	6.67	4.55	285.39
Disposals	-	-	21.95	-	-	4.54	-	26.49
Balance as at 31st March, 2026	**465.85**	**442.90**	**2,921.97**	**11.88**	**25.92**	**45.93**	**56.80**	**3,971.25**
Accumulated Depreciation								
Balance as at 1st April, 2024	**-**	**62.17**	**927.83**	**7.11**	**10.37**	**21.64**	**38.05**	**1,067.17**
Charge during the year	-	16.46	186.28	0.78	1.52	4.46	4.98	214.48
Disposals/ transfers	-	-	2.21	-	-	1.26	-	3.47
Balance as at 31st March, 2025	**-**	**78.63**	**1,111.90**	**7.89**	**11.89**	**24.84**	**43.03**	**1,278.18**
Charge during the period	-	17.70	219.10	1.04	1.59	4.23	4.84	248.51
Disposals/ transfers	-	-	21.87	-	-	4.24	-	26.11
Balance as at 31st March, 2026	**-**	**96.33**	**1,309.13**	**8.93**	**13.48**	**24.83**	**47.87**	**1,500.57**
Net carrying amount								
Balance as at March 31, 2026	**465.85**	**346.57**	**1,612.84**	**2.96**	**12.44**	**21.10**	**8.93**	**2,470.68**
Balance as at March 31, 2025	**465.85**	**351.38**	**1,574.65**	**2.15**	**11.96**	**18.96**	**9.22**	**2,434.17**

The title deeds of Immovable properties are in the name of the Company. Further the Company has not re-valued its assets for the period stated above

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4 (b) Right- of- use assets

Particulars	Leasehold Land	Building	Total
Gross carrying amount			
Balance as at 1st April, 2024	**6.33**	**18.51**	**24.84**
Additions	-	-	-
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2025	**6.33**	**18.51**	**24.84**
Additions	-	13.59	13.59
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2026	**6.33**	**32.10**	**38.43**
Accumulated depreciation			-
Balance as at 1st April, 2024	**1.95**	**7.42**	**9.37**
Charge during the year	0.07	3.71	3.78
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2025	**2.02**	**11.13**	**13.15**
Charge during the period	0.07	5.85	5.92
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2026	**2.09**	**16.98**	**19.07**
Net carrying amount			
Balance as at March 31, 2026	**4.24**	**15.12**	**19.36**
Balance as at March 31, 2025	**4.31**	**7.38**	**11.69**

The Company has taken certain assets on lease which have been accounted in accordance with Ind AS 116-Leases under right of use assets. Refer note 36 for further disclosure on leases.

4 (c) Intangible assets

Particulars	Computer Software	Technical Know-How	Total
Gross carrying amount			
Balance as at 1st April, 2024	**59.52**	**117.39**	**176.91**
Additions	3.64	-	3.64
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2025	**63.16**	**117.39**	**180.55**
Additions	1.50	23.95	25.45
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2026	**64.66**	**141.34**	**206.00**
Accumulated depreciation			
Balance as at 1st April, 2024	**32.41**	**5.79**	**38.20**
Charge for the year	10.09	23.48	33.57
Disposals/ Transfers/ Adjustments	-	-	-
Balance as at 31st March, 2025	**42.50**	**29.27**	**71.77**
Charge for the year	9.92	28.02	37.94
Disposals/ Transfers/ Adjustments	-		-
Balance as at 31st March, 2026	**52.42**	**57.29**	**109.71**
Net carrying amount			
Balance as at March 31, 2026	**12.24**	**84.05**	**96.29**
Balance as at March 31, 2025	**20.66**	**88.12**	**108.78**

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4 (d) Capital work in progress (Ageing schedule)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As at 31st March 2026					
Projects in progress	177.21	0.12	-	-	177.33
Projects temporarily suspended	-	-	-	-	-
Grand Total	**177.21**	**0.12**	**-**	**-**	**177.33**
As at 31st March 2025					
Projects in progress	14.35	1.17	-	-	15.52
Projects temporarily suspended	-	-	-	-	-
Grand Total	**14.35**	**1.17**	**-**	**-**	**15.52**

There are no projects as on each reporting period where activity had been suspended. Considering the nature, there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue

Break-up

Particulars	As at 31st March, 2026	As at 31st March, 2025
Land & Factory Building	-	0.48
Plant & Machinery	177.33	15.04
	177.33	**15.52**

Particulars	Land & Factory Building	Plant & Machinery	Total
Balance as at 1st April, 2024	**6.12**	**248.37**	**254.49**
Additions	13.08	273.82	286.90
Disposals/ Transfers/ Adjustments	18.72	507.15	525.87
Balance as at 31st March, 2025	**0.48**	**15.04**	**15.52**
Additions	12.41	419.66	432.07
Disposals/ Transfers/ Adjustments	12.89	257.37	270.26
Balance as at 31st March, 2026	**-**	**177.33**	**177.33**

4 (e) Intangible assets under development (ageing schedule)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As at 31st March 2026					
Projects in progress	11.79	-	-	-	11.79
Projects temporarily suspended	-	-	-	-	-
Grand Total	**11.79**	**-**	**-**	**-**	**11.79**
As at 31st March 2025					
Projects in progress	2.22	-	-	-	2.22
Projects temporarily suspended	-	-	-	-	-
Grand Total	**2.22**	**-**	**-**	**-**	**2.22**

Particulars	Rs
Balance as at 1st April, 2024	**2.64**
Additions	3.22
Disposals/ Transfers/ Adjustments	3.64
Balance as at 31st March, 2025	**2.22**
Additions	35.02
Disposals/ Transfers/ Adjustments	25.45
Balance as at 31st March, 2026	**11.79**

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5 Non current investments

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unquoted		
Equity instruments at cost		
5,000 equity shares (March 31, 2025 - 5,000) of Rs 10 each fully paid, held in Saraswat Co-operative Bank Limited	0.05	0.05
40,000 Equity Shares (March 31, 2025 - 40,000) of Rs 10 each fully paid, held in Tejal Transmission Pvt. Ltd.	0.40	0.40
Aggregate amount of Unquoted Investments	**0.45**	**0.45**
Others	0.01	0.01
Total	**0.46**	**0.46**

6 Other non-current financial assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
Security Deposits	20.15	40.61
Less:Provision for doubtful deposits	(1.55)	(1.55)
Total	**18.60**	**39.06**

7 Other non-current assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
Capital Advances	17.39	38.49
Total	**17.39**	**38.49**

8 Inventories

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw Materials	312.99	186.23
Work-in-Progress	164.01	143.27
Finished Goods	148.38	88.36
Less : Provision for non-moving inventory	(37.55)	(30.55)
Total	**587.83**	**387.31**
Goods in transit (included above)		
Raw Materials	48.71	19.29

9 Trade receivables

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade receivables	792.87	554.63
Total trade receivables	**792.87**	**554.63**
Current portion(net of provisions)	792.87	554.63
Non Current portion	-	-

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Break-up for security details

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good	792.87	554.63
Trade Receivables - credit impaired	5.11	5.11
Total	**797.98**	**559.74**
Less:Allowance for doubtful debts	(5.11)	(5.11)
Total Trade Receivables	**792.87**	**554.63**

Trade receivables include receivables from related parties (Refer note 34).

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person or any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member except as reported in note 34-Related Party Disclosures.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Refer note 41 for information about credit risk and market risk of trade receivable

Trade receivables Ageing Schedule:

Outstanding for following periods from due date of payment as at 31st March 2026

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	792.87	-	-	-	-	**792.87**
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	5.11	**5.11**
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	**-**
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	**-**

Outstanding for following periods from due date of payment as at 31st March 2025

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	554.63	-	-	-	-	**554.63**
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	5.11	**5.11**
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	**-**
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	**-**

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10 (a) Cash and cash equivalents

Particulars	As at 31st March, 2026	As at 31st March, 2025
Cash on hand	0.21	0.19
Balances with Banks -		
- In current accounts	314.99	154.17
Total	**315.20**	**154.36**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and previous period.

10 (b) Bank Balances other than cash and cash equivalents

Particulars	As at 31st March, 2026	As at 31st March, 2025
Long-term Deposits (with maturity of more than 3 months but less than 12 months)	2,630.03	2,693.97
Others	-	-
Total	**2,630.03**	**2,693.97**

11 Other current financial assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
At amortized cost		
Interest accrued but not due on deposits with banks	113.56	133.11
Total	**113.56**	**133.11**

12 Other current assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance with government authorities		
Considered good	21.69	11.30
Considered doubtful	3.53	3.53
Less: Provision for doubtful balances	(3.53)	(3.53)
(a)	**21.69**	**11.30**
Advances to Suppliers		
Considered good	34.70	12.17
Considered doubtful	0.19	0.19
Less: Provision for doubtful balances	(0.19)	(0.19)
(b)	**34.70**	**12.17**
Prepaid Expenses	6.22	6.82
Others	0.19	0.47
(c)	**6.41**	**7.29**
Total (a+b+c)	**62.80**	**30.76**

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13 Share capital

Particulars	As at 31st March, 2026	As at 31st March, 2025
Authorised		
4,00,00,000 (March 31, 2025 - 4,00,00,000) equity shares of Rs. 5 each (March 31, 2025 - 05 each)	200.00	200.00
Issued, subscribed and fully paid up		
Equity Share Capital		
30,582,927 (March 31, 2025 - 30,582,927) equity shares of Rs. 5 each (March 31, 2025 - 5 each) fully paid-up	152.91	152.91
	152.91	**152.91**

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March, 2026	As at 31st March, 2025
Equity shares outstanding at the beginning of the year		
Number of shares	3,05,82,927	3,05,82,927
Amount	152.91	152.91
Equity shares outstanding at the end of the year		
Number of shares	3,05,82,927	3,05,82,927
Amount	152.91	152.91

(b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Number of equity shares held by the holding company

Particulars	As at 31st March, 2026	As at 31st March, 2025
Divgi Holding Pvt. Ltd	1,58,06,423	1,58,03,980
Total	**1,58,06,423**	**1,58,03,980**

(e) Details of shareholders holding more than 5% of shares in the Company

Equity Shares

	Particulars	As at 31st March, 2026	As at 31st March, 2025
	Name of the shareholder		
i)	Divgi Holding Pvt. Ltd		
	No. of shares	1,58,06,423	1,58,03,980
	%	51.68%	51.67%
ii)	NRJN Family Trust		
	No. of shares	9,17,459	9,23,885
	%	3.00%	3.02%
iii)	Oman India Joint Investment Fund II		
	No. of shares	37,27,360	37,27,360
	%	12.19%	12.19%

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(All amount in INR Millions unless otherwise stated)

(f) Promoter Shareholding

Shareholding of promoters as on 31 March 2026 (Face value of Rs 5 each)

Promoter name	As at 31 March 2026		
	Number	% holding	% change during the period
Equity shares			
Mr. Jitendra Divgi	3,27,840	1.07%	No Change
Mr. Hirendra Divgi	3,29,720	1.08%	No Change
Divgi Holdings Private Limited	1,58,06,423	51.68%	0.01%
Mr. Jitendra Divgi Jointly with Divgi Holding Pvt. Ltd	4,02,840	1.32%	No Change
Mr. Hirendra Divgi Jointly with Divgi Holding Pvt. Ltd	4,02,760	1.32%	No Change
Total	**1,72,69,583**	**56.47%**	

Shareholding of promoters as on 31 March 2025 (Face value of Rs 5 each)

Promoter name	As at 31 March 2025		
	Number	% holding	% change during the period
Equity shares			
Mr. Jitendra Divgi	3,27,840	1.07%	No Change
Mr. Hirendra Divgi	3,29,720	1.08%	No Change
Divgi Holdings Private Limited	1,58,03,980	51.67%	0.07%
Mr. Jitendra Divgi Jointly with Divgi Holding Pvt. Ltd	4,02,840	1.32%	No Change
Mr. Hirendra Divgi Jointly with Divgi Holding Pvt. Ltd	4,02,760	1.32%	No Change
Total	**1,72,67,140**	**56.46%**	

14 Other equity

		As at 31st March, 2026	As at 31st March, 2025
Reserves and surplus			
Capital reserve	**(a)**	**7.37**	**7.37**
Securities Premium			
Balance as at the beginning of the year		2,855.01	2,855.01
Expense related to capital raising		-	-
Balance as at the end of the year	**(b)**	**2,855.01**	**2,855.01**
Retained earnings			
Balance as at the beginning of the year		2,952.43	2,788.14
Profit for the year		469.26	243.92
Dividend paid		(79.52)	(79.52)
Remeasurement of defined benefit obligations, net of tax		(2.89)	(0.11)
Balance as at the end of the year	**(c)**	**3,339.27**	**2,952.43**
Total Reserves and Surplus (a+b+c)		**6,201.65**	**5,814.81**

Capital reserve

Represents reserve on amalgamation of Divgi TorqTransfer Systems Private Limited (formerly Divgi Warner Private Limited) with the Company with effect from 1 April 2016 as per scheme of amalgamation approved by the National Company Law Tribunal Mumbai Bench.

The amount of Rs. 7.37 million arising out of the difference between the book value of the net assets of the Transferor Company taken over, the fair valuation of assets of the Transferee Company as mentioned in a) above and cancellation of intercompany investments between the Transferor Company and the Transferee Company has been recorded as Capital Reserve in the Balance Sheet.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

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(All amount in INR Millions unless otherwise stated)

15 Borrowings

Particulars	As at 31st March, 2026	As at 31st March, 2025
Non- current		
(Secured)		
Term Loans (Refer note (a) below)		
From Banks	1.41	2.32
Less:Current Maturities	(0.95)	(0.91)
	0.46	**1.41**
(Unsecured)		
Loan from Divgi Holding Pvt. Ltd.*	-	-
	0.46	**1.41**

* There is no loan to or from promoter except as reported in note 15

(a) Nature of security and terms of repayment for secured borrowings

Nature of security	Terms of Repayment
Vehicle loan of Rs 1.41 Mn (March 31, 2025 Rs.2.32 Mn) from The Saraswat Co-operative Bank Limited. The loan is secured by first charge on vehicles (MG Gloster)	Repayable in 60 equal monthly installments from the date of disbursement of loan along with interest @7.50%p.a.

16 Lease liabilities

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current	7.62	4.02
Non-current	8.67	4.41
Total	**16.29**	**8.43**

17 Long term provision

Particulars	As at 31st March, 2026	As at 31st March, 2025
Gratuity (Refer note 33)	5.31	-
Compensated Absences	17.21	28.64
Total	**22.52**	**28.64**

18 Deferred Tax Assets/ Deferred Tax (Liabilities) (Net)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred Tax Asset on account of:		
Provision for doubtful debts, inventory,advances	12.06	10.30
Employee Benefit	15.18	11.48
Other Timing difference	3.19	2.57
	30.43	**24.35**
Deferred Tax Liability on account of:		
Property, plant and equipment and Intangible assets	65.50	61.59
	65.50	**61.59**
Net deferred tax assets/(Liabilities)	**(35.07)**	**(37.24)**

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(All amount in INR Millions unless otherwise stated)

19 Borrowings

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current*		
Current Maturities of long term debt		
-Term loan from bank	0.95	0.91
Total short term borrowings	**0.95**	**0.91**

*There is no loan to or from promoter

20 Trade payables

Particulars	As at 31st March, 2026	As at 31st March, 2025
Total outstanding dues of micro and small enterprises	81.67	13.22
Total outstanding dues of creditors other than micro and small enterprises*	519.61	389.49
Total	**601.28**	**402.71**

*refer note 34 for related party balances

Trade payable ageing schedules

As at March 31, 2026	Outstanding for following periods from due date of payment					
Particulars	**Unbilled Dues**	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More Than 3 Years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	5.98	75.69	-	-	-	**81.67**
Total outstanding dues of creditors other than micro enterprises and small enterprises	264.38	251.48	-	-	3.77	**519.61**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**

As at March 31, 2025	Outstanding for following periods from due date of payment					
Particulars	**Unbilled Dues**	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More Than 3 Years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	5.25	7.97	-	-	-	**13.22**
Total outstanding dues of creditors other than micro enterprises and small enterprises	153.17	231.33	0.12	3.43	1.44	**389.49**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**

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(All amount in INR Millions unless otherwise stated)

(a) DUES TO MICRO AND SMALL ENTERPRISES

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

Particulars	As at 31st March, 2026	As at 31st March, 2025
Amount outstanding as at on account of:		
Principal amount	75.69	7.97
Interest due thereon	-	0.83
Total interest paid on all delayed payments during the year under the provisions of the MSMED Act		-
Payment made to supplier beyond the appointed day	196.09	97.28
Interest due on principal amounts paid beyond the due date during the year	1.56	1.52
Interest accrued but not paid	5.98	5.25

21 Other current financial liabilities

Particulars	As at 31st March, 2026	As at 31st March, 2025
Salaries and benefits payable	126.51	59.55
Capital creditors	43.56	25.60
Other	6.69	3.46
Total	**176.76**	**88.61**

22 Other Current liabilities

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances from Customers	1.10	1.10
Other Statutory Liabilities	9.65	7.62
Total	**10.75**	**8.72**

23 Short term provision

	As at 31st March, 2026	As at 31st March, 2025
Gratuity (Refer Note 33)	11.81	4.84
Compensated Absences	11.95	3.04
Super Annuation	5.70	2.53
Warranties (Note a)	10.98	8.52
Total	**40.44**	**18.93**

Movement in warranty provisions

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning as on 1 April	8.52	7.24
Additional provision recognised	2.46	1.48
Paid/Utilised during the year	-	(0.20)
Closing balance at the year end March 31	**10.98**	**8.52**

a) Provision for warranties: A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims.

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

24 Current Tax Liabilities (Net)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for Current Taxation	55.11	41.21
Total	**55.11**	**41.21**

25 Revenue from operations

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from sale of products	3,492.56	2,134.49
Revenue from sale of tools	0.24	30.86
	3,492.80	**2,165.35**
Other Operating Revenue		
Sale of Scrap	23.86	19.40
Export incentives	12.22	4.42
Total	**3,528.88**	**2,189.17**

26 Other Income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest Income	197.10	204.06
Rental Income	4.69	4.69
Vendor liabilities no longer required written back	0.61	1.64
Gain on foreign exchange fluctuation (net)	15.16	-
Profit on sale of fixed assets (net)	1.46	0.28
Miscellaneous Income	3.81	1.44
Total	**222.83**	**212.11**

27 Cost of raw material and components consumed

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Raw Materials and Components Consumed		
Inventories at the beginning of the year	155.67	181.81
Add: Purchases	1,568.50	910.83
	1,724.17	1,092.64
Inventories at the end of the year	275.44	155.67
Total	**1,448.73**	**936.97**

28 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening Stock		
Work-in-Progress	143.27	131.46
Finished Goods	88.36	44.06
Closing Stock		
Work-in-Progress	164.01	143.27
Finished Goods	148.38	88.36
Total	**(80.76)**	**(56.11)**

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

29 Employee Benefits Expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, Wages and Bonus	364.45	216.15
Contribution to Provident and Other Funds	32.43	20.43
Staff Welfare Expenses	18.53	14.56
Total	**415.41**	**251.14**

30 Finance Costs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on Loan	0.14	0.21
Interest Others	2.96	3.61
Total	**3.10**	**3.82**

31 Depreciation and amortization expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of property, plant and equipment (note 4 (a))	248.51	214.48
Depreciation of right-of-use assets (note 4 (b))	5.92	3.78
Amortization of intangible assets (note 4 (c))	37.94	33.57
Total	**292.37**	**251.83**

32A Other Expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of Stores and Spare Parts	141.38	102.74
Contract Labour Charges	162.03	100.06
Machining and development charges	137.73	108.87
Power and Fuel	94.11	73.68
Rent [Refer Note 36]	1.69	0.94
Repairs and Maintenance		
Buildings	2.32	0.73
Plant and Machinery	48.24	34.44
Others	24.57	20.33
Insurance	6.76	4.97
Rates and Taxes	1.86	1.93
Legal and Professional Charges	82.44	72.22
Auditors' Remuneration [Refer Note 32A(a)]	2.35	2.35
Corporate Social Responsibility[Refer Note 32A(b)]	10.36	12.30
Travelling and Conveyance	31.51	29.50
Printing and Stationery	4.69	4.28
Royalty	75.77	26.78
Warranty	2.46	1.48
Housekeeping Expenses	10.95	8.67
Freight and Forwarding	53.35	15.88
Testing & Inspection Charges	15.87	8.23
Warehouse Expenses	86.00	5.05
Security Charges	14.58	11.52
Bank charges	2.20	2.17

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Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Engineering and project services	23.18	25.86
Loss on foreign exchange fluctuation (net)	-	-
Communication Expenses	3.49	3.23
Exhibition & Conference Charges	1.67	3.15
Miscellaneous Expenses	3.81	2.23
Total	**1,045.37**	**683.59**

(a) Payment to auditors

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
As auditor		
As auditors	2.20	2.20
As tax auditor	0.15	0.15
Total	**2.35**	**2.35**

(b) Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Gross amount required to be spent by the company during the year as per Section 135 of the Act	10.36	12.30
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (Education & Health)	10.36	11.69
a. included in other expenses (includes provision of unspent amount)	9.88	11.69
b. administrative expenses	0.48	0.61
	10.36	**12.30**
Amount yet to be spent	-	-
Reason for Shortfall	Not Applicable	Not Applicable

32B Income tax expense

a) Income tax expenses

(i) Statement of Profit and Loss section	Year ended March 31, 2026	Year ended March 31, 2025
Current tax	159.44	74.86
Deferred tax	(1.21)	11.26
Total income tax expense recognised in the Statement of Profit and Loss	**158.23**	**86.12**

(ii) Other Comprehensive Income (OCI) section	Year ended March 31, 2026	Year ended March 31, 2025
Deferred tax related to items		
-Net gain or loss on remeasurements of defined benefit plans	(0.97)	(0.03)
Total income tax expense recognised in Other Comprehensive Income	**(0.97)**	**(0.03)**

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Notes to the Financial Statements

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b) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit before tax	627.49	330.04
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.17%	157.94	83.07
- Others (includes Donations & Other permanent differences)	0.29	3.04
Effective tax	158.23	86.12
Income tax expense reported in the Statement of profit and loss	**158.23**	**86.12**

33 Employee Benefit

A. Defined contribution plans

The Company has recognised the following amounts in the Statement of Profit and Loss during the year:

Particulars	March 31, 2026	March 31, 2025
Contribution to Employees Provident Fund	15.37	12.60
Contribution to Superannuation Fund	3.17	2.57
	18.54	**15.17**

B. Defined benefit plan -Gratuity

The following figures are as per acturial valuation, as at balance sheet date, carried out by an independent actuary.

i. Changes in the Present Value of Obligation

Particulars	March 31, 2026	March 31, 2025
(a) Opening defined benefit obligation	58.35	53.42
(b) Interest Cost	4.42	3.90
(c) Current Service Cost	5.27	4.13
(d) Past Service Cost	7.65	
(e) Benefit Paid	(1.90)	(3.63)
(f) Actuarial (Gain)/Loss	4.09	0.53
Closing defined benefit obligation	**77.88**	**58.35**

ii. Changes in the Fair value of Plan Assets

Particulars	March 31, 2026	March 31, 2025
(a) Opening fair value of plan assets	53.51	45.33
(b) Expected Return on Plan Assets	3.81	3.28
(c) Actuarial Gain/ (Loss)	0.23	0.40
(d) Employers Contribution	5.11	8.13
(e) Benefit Paid	(1.90)	(3.63)
Closing fair value of plan assets *	**60.76**	**53.51**

* Fair value of plan assets represents balance as confirmed by the insurer managed fund.

iii. Amount recognised in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation (i) and the Fair Value of Assets (ii)

Particulars	March 31, 2026	March 31, 2025
(a) Present Value of Benefit Obligation	77.88	58.35
(b) Fair Value of Plan Assets	(60.76)	(53.51)
(c) Net (Asset)/Liability recognised in the Balance Sheet	**17.12**	**4.84**

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iv. Expenses recognised in the Statement of Profit and Loss

Particulars	March 31, 2026	March 31, 2025
(a) Current Service Cost	5.27	4.13
(b) Interest Cost	4.42	3.90
(c) Expected Return on Plan Assets	(3.81)	(3.28)
(e) Past Service Cost	7.65	-
(d) Net actuarial (Gain)/Loss [Expenses Recognized in the Other Comprehensive Income (OCI)]	3.86	0.14
Total Expenses recognised in the Statement of profit & loss / OCI	**17.39**	**4.89**

v. The Company has a defined benefit plan for post-employment benefit in the form of gratuity, which is administered through Life Insurance Corporation (LIC).

vi. The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

viii. Principal actuarial assumptions used as at the balance sheet date

Particulars	March 31, 2026	March 31, 2025
(a) Discount Rate	7.36%	6.79%
(b) Expected Rate of Return on Plan Assets	7.36%	6.79%
(c) Salary Escalation Rate	10.00%	10.00%
(d) Attrition rate	5.00%	5.00%

The estimates of future salary increases considered of actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

ix. Amounts recognised in current year and previous years

Particulars	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	77.88	58.35
Plan Asset	60.76	53.51
Surplus / Deficit	17.12	4.84
Experience adjustments in plan liabilities	7.42	(1.41)
Experience adjustments in plan assets	0.23	0.40

x. Current and Non-Current Liability

Particulars	As at March 31, 2026	As at March 31, 2025
Current Liability	11.81	4.84
Non-Current Liability	5.31	-
	17.12	**4.84**

xi. Expected contribution to the gratuity fund in the next year

Particulars	As at March 31, 2026	As at March 31, 2025
Gratuity	**11.81**	**8.24**

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

34. Related Party Disclosures

(a) List of related parties

Parties where control exists

Divgi Holdings Private Limited, Holding Company

Key Management Personnel

Mr. Jitendra B. Divgi, Managing Director

Mr. Hirendra B. Divgi, Executive Director

Mr. Sudhir Mirjankar, Chief Financial Officer

Mr. Aniket Kokane , Company Secretary

Mr. Dipak Vani, COO

Relatives of Key Management Personnel

Ms. Jyothi Bharat Divgi

Parties where key management personnel have significant influence

Divgi Transmission Systems & Technologies Private Limited

Divgi Holdings Private Limited

Quixotic Studios

(b) Transactions during the year / period :

	Particulars	31-Mar-26	31-Mar-25
(i)	**Machine and Development charges**		
	Divgi Transmission Systems & Technologies Private Limited	44.97	32.96
		44.97	**32.96**
(ii)	**Rent expense***		
	Divgi Holdings Private Limited	5.35	4.62
		5.35	**4.62**
	*This has been reflected under finance cost and amortisation expenses as per the requirements of IND AS 116.		
(iii)	**(a) Remuneration - Key Management Personnel**		
	Mr. Hirendra Divgi	10.74	6.18
	Mr. Jitendra B. Divgi	21.49	12.38
	Mr. Dipak Vani	8.60	4.92
	Mr. Sudhir Mirjankar	6.19	3.23
	Mr. Aniket Kokane	1.70	-
	Ms.Sanika Nirgude	0.20	1.00
		48.92	**27.71**
	(b) Remuneration - Relatives of Key Management Personnel		
	Ms. Jyothi Bharat Divgi	0.48	0.48
		0.48	**0.48**
(iv)	**Rent Income**		
	Divgi Holdings Private Limited	0.01	0.01
	Divgi Transmission Systems & Technologies Private Ltd	4.68	4.68
		4.69	**4.69**
(v)	**IT Services**		
	The Quixotic Studios	0.10	0.18
		0.10	**0.18**

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Notes to the Financial Statements

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(c) Amounts outstanding

	31-Mar-26	31-Mar-25
(i) **Trade Payable**		
Divgi Transmission Systems & Technologies Private Ltd	11.15	7.09
Divgi Holdings Private Limited	0.70	0.43
	11.85	**7.52**
(ii) **Trade Receivables**		
Divgi Transmission Systems & Technologies Private Ltd	0.69	0.46
Divgi Holdings Private Limited	0.00*	0.00
	0.70	**0.46**
(v) **(a) Remuneration Payable - Key Management Personnel**		
Mr. Hirendra Divgi	4.90	4.59
Mr. Jitendra B. Divgi	9.44	9.19
Mr. Dipak Vani	3.34	0.80
Mr. Sudhir Mirjankar	2.46	0.40
Mr. Aniket Kokane	0.33	
Ms.Sanika Nirgude	0.12	0.13
	20.58	**15.11**
(b) Remuneration Payable - Relatives of Key Management Personnel		
Ms. Jyothi Bharat Divgi	0.04	0.04
	0.04	**0.04**

* The Amount is below the applicable reporting threshold when presented in INR Millions

35 Earnings per share

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Basic earnings per equity share of Rs. 5 Each		
Restated net profit/(loss) for calculation of EPS	469.26	243.92
Weighted average number of equity shares (Number in millions)	30.58	30.58
Basic earnings per share (in Rupees)	15.34	7.98
Diluted earnings per equity share of Rs. 5 Each		
Restated net profit/(loss) for calculation of EPS	469.26	243.92
Weighted average number of equity shares (Number in millions)	30.58	30.58
Diluted earnings per share (in Rupees)	15.34	7.98

36 Leases-

i) Operating lease: Company as lessee

The Company has significant operating lease arrangements for premises. These lease arrangements range for a period between 1 to 5 years, which are cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Carrying amounts of lease liabilities and the movements during the year.

Particulars	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	8.43	12.11
Additions	13.59	-
Disposals	-	-
Payments made	5.73	3.68
As at lease liabilities	**16.29**	**8.43**
Current portion	7.62	4.02
Non-current portion	8.67	4.41
Total	**16.29**	8.43

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

Details of amounts recognised in statement of profit and loss

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation expense of right-of-use assets	5.85	3.71
Interest expense on lease liabilities(included in finance cost- Interest others)	1.23	0.94
Expense relating to short-term leases (included in other expenses)	1.69	0.94
Lease payments recognised in the Statement of Profit and Loss during the year	8.77	5.59

ii) Operating lease: Company as lessor

The Company has leased certain plant and machinery on operating leases. These lease arrangements range for a period between 1 to 7 years, which are cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Lease income received for the year	4.69	4.69

37 Contingent liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Bank Gurantee	-	20.00
Goods Service Tax	-	1.63
Stamp Duty (Including penalty)	24.40	24.40
Claims against the Company, not acknowledged as debts		
Dues related to employees	10.08	10.08
Others	4.15	4.15
	38.63	**60.26**

38 Capital Commitment

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed (net of advance payments)	505.17	257.64

39. Segment Reporting

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations		
Sale of products	3,492.56	2,134.49
Sale of tools	0.24	30.86
Other operating revenue		
- Scrap sales	23.86	19.40
- Export benefits	12.22	4.42
	3,528.88	**2,189.17**

(c) Segment reporting

i. Primary segment

The Company operates only in one business segment viz. Auto Components and Parts.

ii. Secondary segment

The secondary segment is based on geographical demarcation, i.e. domestic and exports

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

Information about secondary segment is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Segment Revenue (net)		
Domestic	2,862.44	2,055.84
Export	666.44	133.33
	3,528.88	**2,189.17**

Particulars	As at March 31, 2026	As at March 31, 2025
Segment Assets		
Domestic	646.92	495.20
Export	145.95	59.43
	792.87	**554.63**

Note: The Company's tangible assets other than trade receivable considered above are located entirely in India.

40 Fair value measurements

a) Category of financial instruments and valuation techniques

(i) Financial assets

Details of financial assets carried at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables	792.87	554.63
Other financial assets	132.16	172.17
Cash and cash equivalents	315.20	154.36
Bank balances other than cash and cash equivalents (includes fixed deposits with banks)	2,630.03	2,693.97
Total	**3870.26**	**3,575.13**
Current assets	3,851.66	3,536.08
Non-current assets	18.60	39.06
Total	**3,870.26**	**3,575.13**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

The fair values of the quoted shares are based on price quotations at the reporting date as at the reporting date.

(ii) Financial liabilities

Details of financial liabilities carried at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings	1.41	2.33
Trade payable	601.28	402.71
Other liabilities (includes lease obligations)	193.05	97.04
Total	**795.74**	**502.08**
Current liabilities	786.61	496.26
Non current liabilities	9.13	5.83
Total	**795.74**	**502.08**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Particulars	Fair Value Hierarchy (Level)	Fair Value	
		As at 31st March, 2026	As at 31st March, 2025
Financial assets			
Investments			
Equity instruments	3	0.45	0.45
Financial liabilities			
Derivative financial liabilities	2	-	-

There has been no transfer between Level 1 and Level 2 during the year and during the previous year.

41 Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

Risk is inherent in the Company's activities but it is managed through a process of on going identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the years ended March 31, 2026, years ended and March 31, 2025. The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

I Market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all investments traded in the market.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

i Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not currently exposed significantly to such risk.

ii Foreign currency risk

Foreign exchange risk arises when future commercial transactions and relevant assets and liabilities are denominated in a currency that is not the Company's functional currency. Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign exchange risk is managed on the basis of limits determined by management and a continuous assessment of current and expected exchange rate movements.

Particulars of hedged and unhedged foreign currency exposures as at the reporting date:

Particulars	Currency	As at March 31, 2026		As at March 31, 2025	
		Foreign Currency	INR	Foreign Currency	INR
Unhedged foreign currency exposures					
Trade Receivables	EUR	0.00	0.51	0.05	4.49
	USD	1.54	144.28	0.64	54.94
	CHF	-	-	-	-

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

Particulars	Currency	As at March 31, 2026		As at March 31, 2025	
		Foreign Currency	INR	Foreign Currency	INR
	GBP	-	-	-	-
	CNY	-	-	-	-
	YEN	-	-	-	-
Bank Balance	USD	0.63	59.09	-	-
	EUR	-	-	-	-
Trade Payables	EUR	0.14	14.97	0.02	1.87
	USD	0.50	46.88	0.52	44.83
	CHF	0.01	1.22	-	-
	GBP	-	-	-	-
	CNY	0.36	4.91	-	-
	YEN	40.20	23.72	37.00	21.23
Net Exposure	EUR	0.14	14.46	(0.03)	(2.62)
Net Exposure	USD	(1.67)	(156.49)	(0.12)	(10.11)
Net Exposure	CHF	0.01	1.22	-	-
Net Exposure	GBP	-	-	-	-
Net Exposure	CNY	0.36	4.91	-	-
Net Exposure	YEN	40.20	23.72	37.00	21.23

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, CHF, GBP and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

Impact on profit before tax	Impact on profit before tax	
	March 31, 2026	March 31, 2025
EURO Sensitivity		
INR/ EURO - Increase by 1%	(0.14)	0.03
INR/ EURO - Decrease by 1%	0.14	(0.03)
USD Sensitivity		
INR/ USD - Increase by 1%	1.56	0.10
INR/ USD - Decrease by 1%	(1.56)	(0.10)
CHF Sensitivity		
INR/ CHF - Increase by 1%	(0.01)	-
INR/ CHF - Decrease by 1%	0.01	-
GBP Sensitivity		
INR/ GBP - Increase by 1%	-	-
INR/ GBP - Decrease by 1%	-	-
CNY Sensitivity		
INR/ CNY - Increase by 1%	(0.05)	-
INR/ CNY - Decrease by 1%	0.05	-
YEN Sensitivity		
INR/ YEN - Increase by 1%	(0.24)	(0.21)
INR/ YEN - Decrease by 1%	0.24	0.21

Favourable impact shown as positive and adverse impact as negative.

The exposure to other foreign currencies is not significant to the Company's financial statements.

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Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

II Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on losses as per historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 9 . The charge of impairment to Statement of profit and loss is disclosed in note 9 above.

Financial instruments and bank deposits

Credit risk from balances with banks, loans and other financial assets are managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties having a good market reputation and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for bank balances and deposits as at March 31, 2026, March 31, 2025 is the carrying amounts as disclosed in the financial statements.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at operating segments level in the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting future cash flows and considering the level of liquid assets necessary to meet these and monitoring balance sheet liquidity ratios against internal requirements.

(i) Maturities of financial liabilities-

The tables below summarises the Company's financial liabilities into relevant maturity profile based on contractual undiscounted payments :

March 31, 2026	< 1 year	1 to 3 years	> 3 years
Non- derivative			
Borrowings	0.95	0.46	-
Trade Payables	601.28	-	-
Other financial liabilities			
Lease obligation	7.62	8.67	-
Other payables	176.76	-	-

March 31, 2025	< 1 year	1 to 3 years	> 3 years
Non- derivative			
Borrowings	0.91	1.41	-
Trade Payables	402.71	-	-
Other financial liabilities			
Lease obligation	4.02	4.41	-
Other payables	88.61	-	-

Note - The Number stated above are discounted .The Undiscounted Liability for leases.

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(All amount in INR Millions unless otherwise stated)

March 31, 2026	< 1 year	1 to 3 years	> 3 years
Non- derivative			
Other financial liabilities			
Lease obligation	9.02	9.43	-

March 31, 2025	< 1 year	1 to 3 years	> 3 years
Non- derivative			
Other financial liabilities			
Lease obligation	4.62	4.62	-

42 Disclosure of ratios

Sr. No	Particulars	As at March 31, 2026	As at March 31, 2025
	Financial Ratios		
1	Current Ratio	5.04	7.00
	% Change from previous year / period	**-27.9%**	**0.8%**
	Reason for Variance more than 25%:	Owing to reduction in current assets	Refer note below
2	Debt-Equity Ratio	0.00	0.00
	% Change from previous year / period	**0.0%**	**0.0%**
	Reason for Variance more than 25%:	Refer note below	Refer note below
3	Debt Service Coverage Ratio	94.76	67.31
	% Change from previous year / period	**40.8%**	**-2.4%**
	Reason for Variance more than 25%:	Owing to increase in EBITDA and reduction in Finance cost	Refer note below
4	Return on Equity	7.62%	4.14%
	% Change from previous year / period	**84.0%**	**-41.0%**
	Reason for Variance more than 25%:	The increase is primarily driven by growth in net income	The decline is primarily due to reduction in net income
5	Inventory Turnover Ratio	7.24	5.88
	% Change from previous year / period	**23.1%**	**-21.6%**
	Reason for Variance more than 25%:	Refer note below	Refer note below
6	Trade Receivables Turnover Ratio	5.24	3.69
	% Change from previous year / period	**41.9%**	**-0.7%**
	Reason for Variance more than 25%:	Owing to the increase in turnover	Refer note below
7	Trade Payables Turnover Ratio	7.03	5.62
	% Change from previous year / period	**25.1%**	**-7.1%**
	Reason for Variance more than 25%:	Owing to the increase in turnover	Refer note below
8	Net Working Capital Turnover Ratio	5.35	3.80
	% Change from previous year / period	**40.8%**	**-9.8%**
	Reason for Variance more than 25%:	Owing to the increase in turnover	Refer note below

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(All amount in INR Millions unless otherwise stated)

Sr. No	Particulars	As at March 31, 2026	As at March 31, 2025
9	Net Profit Ratio	12.51%	10.16%
	% Change from previous year / period	**23.1%**	**-30.2%**
	Reason for Variance more than 25%:	Refer note below	The decline is primarily due to reduction in net income
10	Return on Capital Employed	9.90%	5.58%
	% Change from previous year / period	**77.2%**	**-39.8%**
	Reason for Variance more than 25%:	The increase is primarily driven by growth in net income	The decline is primarily due to reduction in net income
11	Return on Investment	7.40%	8.13%
	% Change from previous year / period	**-8.9%**	**14.8%**
	Reason for Variance more than 25%:	Refer note below	Refer note below
12	Return on Invested Capital	12.65%	4.15%
	% Change from previous year / period	**205.0%**	**-62.2%**
	Reason for Variance more than 25%:	The increase is primarily driven by growth in net income	The decline is primarily due to reduction in net income

Note: Since the change in ratio is less than 25%, no explanation is required to be disclosed.

Explanations to items included in computing the above ratios:

1. Current Ratio: Current Asset over Current Liabilities
2. Debt-Equity Ratio: Debt (includes Borrowings and Current & Non-Current Lease Liabilities) over total share holders equity (including Reserves & Surplus) and excluding preference share capital
3. Debt Service Coverage Ratio: EBITDA (includes other income) over Principal + Interest
4. Return on Equity Ratio: Profit After Tax over average Equity (including Reserves & Surplus)
5. Inventory turnover ratio: Revenue from operations over average Inventory
6. Trade Receivables turnover ratio: Revenue from operations over average Trade Receivable
7. Trade payables turnover ratio: Revenue from operations over average Trade Payable
8. Net working capital turnover ratio: Revenue from operations over average working capital

   [average working capital = Inventory + Receivables - Payables]
9. Net profit ratio: Profit After Tax over Total Income
10. Return on Capital employed: Profit Before Interest & Tax over Capital employed (Capital employed includes total share holders equity, borrowings, short term and long term lease liabilities)
11. Return on investment: Interest income on fixed deposit + Mutual fund investment gain over average investments (investments includes investments in mutual funds, margin money and other bank deposits)
12. Return on Invested Capital: Profit Before Interest, Tax and Interest Income over Capital employed (Capital employed includes total share holders equity, borrowings, short term and long term lease liabilities less cash & cash equivalents and bank balances).

43 Capital Management

The Company's objective for capital management is to maximise long term shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long- term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. No changes were made in the objectives, policies or processes

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(All amount in INR Millions unless otherwise stated)

during the years ended March 31, 2026 and March 31, 2025 Capital represents equity attributable to equity holders of the Company.

Particulars	March 31, 2026	March 31, 2025
Borrowings (Non Current)	0.46	1.41
Trade payables	601.28	402.72
Book overdraft	-	-
Less: Cash and cash equivalents(includes deposits with maturity of more than 3 months but less than 12 months)	(2,630.03)	(2,693.97)
Net (surplus) / debt (A)	**(2,028.29)**	**(2,289.84)**
Equity	6,354.56	5,967.72
Capital and net debt (B)	**4,326.27**	**3,677.87**
Gearing ratio (1:(B/A))	**1 : -2.13**	**1 : -1.61**

44 Dividend

The final dividend proposed for the year is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Dividend		
On Equity Shares		
Amount of Dividend	100.01	79.52
Dividend per Equity Share	Rs 3.27 per share	Rs 2.6 per share
Face Value of Share	Rs. 5 per share	Rs. 5 per share

45 Other Statutory Information

Below disclosures are not given since there are no such transactions

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(d) The Company does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(e) There is no Scheme of Arrangement approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.

(f) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(g) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

CIN: L32201MH1964PLC013085

Notes to the Financial Statements

(All amount in INR Millions unless otherwise stated)

(h) The Company has complied with the the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(i) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.

46 The Company uses an accounting software for maintaining its books of accounts which have the feature of recording an Audit Trail (Edit Log) facility and the same has operated through out the year for all relevant transaction recorded in the software. Further no instance of audit trail feature being tempered with was noted in respect of accounting software. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

47 Details of utilisation of net Initial Public Offer (IPO) proceeds of INR 1,696.62 million*, are as follows:

Objects of the issue as per Prospectus	Amount to be utilised as per prospectus	Utilisation upto 31/03/2026	Unutilised upto 31/03/2026
Funding capital expenditure requirements for the purchase of equipments/ machineries of our manufacturing facilities	1,507.07	779.65	727.42
General corporate purposes*	189.55	189.54	0.01
Total	**1,696.62**	**969.19**	**727.43**

* Revision in General Corporate Purpose is on account of actual offer related expenditure being lower then estimated by INR 12.28 million

Net IPO proceeds which were un-utilised as at March 31, 2026 were temporarily invested in deposits with scheduled commercial banks and in monitoring agency account.

The accompanying notes are an integral part of these financial statements

For **B. K. Khare & Co.**
Firm Registration Number: 105102W
Chartered Accountants

Amit Mahadik
Partner
Membership Number: 125657
Date: May 25, 2026
Place: Pune

For and on behalf of the Board of Directors of
Divgi TorqTransfer Systems Limited
(Formerly known as Divgi TorqTransfer Systems Private Limited)

Praveen P Kadle
Chairman
DIN: 00016814
Date: May 25, 2026
Place: Pune

Jitendra B Divgi
Managing Director
DIN: 00471531
Date: May 25, 2026
Place: Pune

Sudhir Mirjankar
Chief Financial Officer
Date: May 25, 2026
Place: Pune

Aniket Kokane
Company Secretary and
Compliance Officer
(ACS - A51571)
Date: May 25, 2026
Place: Pune

Divgi TorqTransfer Systems

Registered Office
Plot No. 75, General Block, MIDC,
Bhosari, Pune 411026