



IPO INSIGHTS



Divgi Torq Transfer Systems

Divgi Torq Transfer Systems Ltd

Issue Dates - Opens: 01-03-2023 | Closes: 03-03-2023

IPO Note	<ul style="list-style-type: none"> Leading player supplying transfer case systems to automotive OEMs in India and the largest supplier of transfer case systems to passenger vehicle manufacturers in India Only player manufacturing & exporting transfer cases to global OEMs from India, and the only manufacturer of torque couplers in India Strong & established relationship with Marquee domestic and global OEMs such as Tata Motors, Mahindra & Mahindra, Bog Warner, etc Consistent Financial Performance
Rating	★★★ (GOOD)

IPO SNAPSHOT

Issue Size	₹ 412 Crores
Issue Type	Fresh Issue & Offer for Sale
Fresh Issue	₹ 180 Crores
Offer for Sale	₹ 232 Crores
Face Value Per Share	₹ 5
Price Band Per Share	₹ 560 - ₹ 590
Minimum Lot Size	25 shares
Pre-Issue Promoter Holding	67.18%
Listing On	BSE, NSE
Registrar to the Issue	Link Intime (India) Private Ltd

IPO SNAPSHOT – Divgi Torq Transfer Systems Ltd

About the Company	<ul style="list-style-type: none"> ▪ Incorporated on December 16, 1964 as Divgi Metalwares Private Ltd ▪ Amongst very few suppliers in India who have the capability to develop and provide system level transfer case, torque coupler and DCT Solutions (CRISIL Report) ▪ One of the leading players supplying transfer case systems to passenger vehicle manufacturers in India (CRISIL Report) ▪ Only player manufacturing and exporting transfer cases to global OEMs from India & only manufacturer of torque couplers in India (CRISIL Report) ▪ Have the capability to develop and provide transmission systems for Electric Vehicles (EVs) ▪ In the process of designing and developing prototypes of transmission systems for EVs pursuant to the receipt of business award for this purpose ▪ In the process of launching domestically manufactured DCT systems in India ▪ Actively collaborates with Europe’s Transmission Engineering Consulting firms like FEV & Hofer ▪ Manufacture and Supply variety of products under the broad categories of <ol style="list-style-type: none"> 1. Torque Transfer Systems including 4-Wheel Drive (4WD) & All Wheel Drive (AWD) products 2. Synchronizer Systems for Manual Transmission & DCT 3. Components for the above mentioned product categories ▪ Developed Transmission System for EVs, DCT Systems & Rear Wheel Drive Manual Transmissions ▪ One of the few companies serving system level solutions provider as well as kit supplier to global OEMs and Tier I Transmission System Suppliers (CRISIL Report) ▪ Inhouse software development capabilities ▪ One of the first few suppliers of steel and carbon-based synchronizer systems in India ▪ Entered into Product Development Agreement and Technology Transfer Agreement (PDA & TTA) with German Automotive Company ▪ Duly Certified 3 Manufacturing and Assembling Facilities – Sirsi in Karnataka, Shivare & Bhosari near Pune in Maharashtra, Under construction manufacturing facility located at Shirwal Maharashtra ▪ Awarded the “Innovation Award for ECU” by BorgWarner for the year 2008, and “Zero Defect Supplies” by Toyota Kirloskar Auto Parts for the years 2017 and 2020 in recognition of outstanding contribution by achieving zero defect supplies 																														
Competitive Strengths	<ul style="list-style-type: none"> ▪ One of the very few suppliers in India having the capability to develop and provide system level transfer case, torque coupler, DCT solutions and transmission systems for EVs across a wide array of automotive vehicles and geographies, with leadership across select product categories. ▪ Strategically located manufacturing facilities capable of producing high precision components meeting system-level design intent ▪ Long-term relationships with marquee domestic and global customers ▪ Consistent financial performance with focus on innovation and R&D capabilities 																														
Financials (₹ in Crores)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Mar-2020</th> <th style="text-align: center;">Mar-2021</th> <th style="text-align: center;">Mar-2022</th> <th style="text-align: center;">Y-o-Y</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Revenue from Operations</td> <td style="text-align: center;">159.07</td> <td style="text-align: center;">186.58</td> <td style="text-align: center;">233.77</td> <td style="text-align: center; color: green;">25.29%</td> </tr> <tr> <td style="text-align: center;">EBITDA as stated</td> <td style="text-align: center;">36.94</td> <td style="text-align: center;">51.90</td> <td style="text-align: center;">65.61</td> <td style="text-align: center; color: green;">26.42%</td> </tr> <tr> <td style="text-align: center;">EBITDA Margin</td> <td style="text-align: center;">23.22%</td> <td style="text-align: center;">27.82%</td> <td style="text-align: center;">28.07%</td> <td></td> </tr> <tr> <td style="text-align: center;">Profit After Tax as stated</td> <td style="text-align: center;">28.04</td> <td style="text-align: center;">38.04</td> <td style="text-align: center;">46.15</td> <td style="text-align: center; color: green;">21.32%</td> </tr> <tr> <td style="text-align: center;">PAT Margin</td> <td style="text-align: center;">16.42%</td> <td style="text-align: center;">19.51%</td> <td style="text-align: center;">19.01%</td> <td></td> </tr> </tbody> </table> <p>Debt to Equity = 0.01 (as on Sept 30, 2022)</p>	Particulars	Mar-2020	Mar-2021	Mar-2022	Y-o-Y	Revenue from Operations	159.07	186.58	233.77	25.29%	EBITDA as stated	36.94	51.90	65.61	26.42%	EBITDA Margin	23.22%	27.82%	28.07%		Profit After Tax as stated	28.04	38.04	46.15	21.32%	PAT Margin	16.42%	19.51%	19.01%	
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Promoters	<ul style="list-style-type: none"> ▪ Jitendra Bhaskar Divgi, Hirendra Bhaskar Divgi and Divgi Holdings Private Ltd 																														
Objects	<ul style="list-style-type: none"> ▪ Funding Capex Requirements for purchase of equipments /machineries of manufacturing facilities ▪ General Corporate Purposes 																														

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