

May 30, 2019

To,

BSE Limited,
Dept. of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Company Code: 505075

National Stock Exchange of India Ltd,
Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Scrip Symbol: SETCO

Dear Sir/Madam,

Sub.: Outcome of Board Meeting in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 33 read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company in its meeting held today i.e. Thursday, May 30, 2019 has, inter alia, approved the following:

1. Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended 31st March, 2019;
2. Recommendation of payment of final dividend of Rs. 1/- per equity share of the face value of Rs. 2/- (Rupee Two) each for the financial year ended 31st March, 2019, subject to approval of the shareholders at the ensuing Annual General Meeting.
3. The Merger of Lava Cast Private Limited (Subsidiary of the Company) with the Company (Annexure A and B)
4. Mr. Chandra Kant Sharma, has been appointed as the Company Secretary/ Compliance Officer and Key Managerial Personnel of the Company with effect from May 6, 2019.

Brief profile of Mr. Chandra Kant Sharma is as below:

Mr. Chandra Kant Sharma is a fellow member of Institute of Company Secretaries of India having Membership No. 8322. He has completed his Bachelors in Law (LLB) from Mumbai University, Mumbai. He carries more than 11 years' of experience in Compliance Management, Legal Affairs and Secretarial Functions.





Accordingly, please find enclosed the following:

- a) Audited Standalone and Consolidated financial results of the Company for the quarter and financial year ended 31st March, 2019;
- b) Auditors Report in respect of the Audited Standalone and Consolidated financial results of the Company for the quarter and financial year ended 31st March, 2019;
- c) Declaration in respect of Unmodified Opinion on Audited Standalone Financial Statement for the Financial Year ended March 31, 2019
- d) The "Statement on Impact of Audit Qualification" for the financial year ended 31st March, 2019 (Consolidated);
- e) Investor Presentation

The Board meeting commenced at 12:00 noon and concluded at 3:45 p.m.

We request you to take note the above on your records and oblige.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

For Setco Automotive Limited

Vinay Shahane
Vice President - Finance



Encl: As above



Corporate Indentity Number : L35999GJ1982PLC005203

Regd. Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat

Tel :- 02676 - 305600, Fax :- 02676 -235524

Website: www.setcoauto.com, Email :- investor.relations@setcoauto.com

Statement of Audited Financial Results for the Year ended March 31, 2019

Rs. in Lacs

Sr. No.	Particulars	Standalone				Consolidated		
		Quarter Ended			Year Ended		Year Ended	
		31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income							
a.	Revenue from Operations	14,981	15,899	17,012	61,340	51,796	68,045	57,954
b.	Other Income	355	245	928	1,515	2,859	582	2,261
	Total Income	15,336	16,144	17,940	62,854	54,656	68,627	60,215
2	Expenses							
a.	Cost of materials consumed	8,721	10,235	10,328	37,853	30,923	34,646	28,939
b.	Purchases of stock-in-trade	-	-	-	-	-	-	-
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(379)	(839)	(34)	(1,614)	(172)	(1,746)	(520)
d.	Excise Duty	-	-	-	-	450	-	550
e.	Employee benefits expense	1,718	1,543	1,267	5,673	4,837	9,083	7,933
f.	Finance costs	833	927	794	3,398	3,125	5,259	5,041
g.	Depreciation and amortisation expense	484	478	469	1,931	1,776	3,352	3,221
h.	Other expenses	2,516	2,649	2,968	10,307	10,123	16,355	15,004
	Total Expenses	13,894	14,993	15,792	57,548	51,063	66,949	60,168
3	Profit / (Loss) before exceptional and tax (1-2)	1,442	1,151	2,148	5,306	3,592	1,678	47
4	Exceptional Items	-	-	-	-	-	-	-
5	Profit / (Loss) before tax (3+4)	1,442	1,151	2,148	5,306	3,592	1,678	47
6	Tax Expense							
a.	Current Tax	(584)	362	468	826	720	826	805
b.	Deferred Tax	824	67	113	858	(8)	905	(662)
7	Profit / (Loss) for the period (5-6)	1,203	722	1,567	3,622	2,881	(53)	(96)
	Less:- Minority Interest	-	-	-	-	-	(367)	(471)
8	Other Comrehensive Income (OCI)							
a.	Items that will not be reclassified to Profit or Loss	(31)	-	7	-	-	-	-
b.	Income Tax Relating to items that will not be reclassified to Profit or Loss	11	-	(2)	(31)	7	(36)	1
c.	Items that will be reclassified to Profit or Loss	-	-	-	-	-	-	-
d.	Income Tax Relating to items that will not be reclassified to Profit or Loss	-	-	-	11	(2)	11	(2)
	Total Other Comrehensive Income (Net of Tax)	(20)	-	9	(20)	9	(25)	(2)
9	Total comprehensive income for the period (7+8)	1,183	722	1,576	3,602	2,890	289	374
10	Paid up Equity Share Capital (Face Value Rs. 2/- per share)	2,674	2,674	2,672	2,674	2,672	2,674	2,672
11	Other Equity				23,588	21,979	14,417	16,106
12	Earnings per equity share (Face Value of Rs. 2/-) (not annualised) :							
	(a) Basic - Rs.	0.90	0.54	1.17	2.71	2.16	0.23	0.28
	(b) Diluted - Rs.	0.90	0.54	1.17	2.71	2.15	0.23	0.28



Handwritten signature or mark.



Corporate Identity Number : L35999GJ1982PLC005203

Regd. Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat

Website: www.setcoauto.com, Email :- investor.relations@setcoauto.com

Statement of Standalone & Consolidated Audited Financial Results for the Year ended March 31, 2019

Statement of Assets & Liabilities

Rs. in Lakhs

A	Sr. No.	Particulars	Standalone		Consolidated	
			As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
			Audited	Audited	Audited	Audited
		ASSETS				
	1	Non-Current Assets				
		a. Property, Plant and Equipment	11,362	12,481	27,887	28,578
		b. Capital Work-in-Progress	-	-	221	11
		c. Intangible Assets	2,459	1,967	3,792	3,475
		d. Intangible Assets Under Development	1,366	1,490	1,366	1,490
		e. Financial Assets				
		(i) Investments	14,031	13,174	1,535	1,535
		(ii) Loans	1,307	1,465	-	-
		(iii) Others	148	147	227	31
		f. Deferred Tax Assets (Net)	1,133	1,749	3,249	3,935
		g. Other Non-Current Assets	85	134	97	169
		Sub-total - Non-Current Assets	31,891	32,606	38,374	39,224
	2	Current Assets				
		a. Inventories	12,249	9,492	18,578	16,271
		b. Financial Assets				
		(i) Trade Receivables	12,484	14,132	10,817	12,717
		(ii) Cash and Cash Equivalents	694	181	1,130	470
		(ii) Bank Balances Other Than (iii) Above	106	92	106	92
		(iv) Loans	6,386	3,384	-	-
		c. Other Current Assets	2,337	3,312	2,554	3,540
		Sub-total - Current Assets	34,255	30,594	33,185	33,089
		TOTAL ASSETS	66,146	63,200	71,559	72,313
B		EQUITY AND LIABILITIES				
		Equity				
		a. Equity Share Capital	2,674	2,672	2,674	2,672
		b. Other Equity	23,588	21,979	14,417	16,106
		Sub-total - Equity	26,262	24,651	17,090	18,778
		Liabilities				
	1	Non-Current Liabilities				
		a. Financial Liabilities				
		(i) Borrowings	1,347	3,914	9,880	13,583
		(ii) Other Financial Liabilities	719	853	86	57
		b. Other non current liabilities	14	15	14	15
		c. Provisions	185	163	203	176
		Sub-total - Non-Current Liabilities	2,265	4,944	10,184	13,830
	2	Current Liabilities				
		a. Financial Liabilities				
		(i) Borrowings	18,419	16,840	22,428	19,513
		(ii) Trade Payables				
		(a) Dues of micro, small and medium enterprises	871	764	871	764
		(b) Dues of creditors other than micro, small and medium enterprises	10,866	9,463	9,849	9,940
		(iii) Other Financial Liabilities	3,438	3,749	6,997	6,589
		b. Other Current Liabilities	3,121	2,194	3,223	2,265
		c. Provisions	376	248	377	248
		d. Current Tax Liabilities (Net)	528	347	540	386
		Sub-total - Current Liabilities	37,619	33,604	44,285	39,705
		TOTAL EQUITY AND LIABILITIES	66,146	63,200	71,559	72,313



Notes :-

1. The above statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
2. Revenue for the year ended on March 31, 2018 was reported inclusive of Excise Duty (till June 30, 2017). Excise duty, service tax and other indirect taxes were replaced by Goods & Services Tax (GST) w.e.f. July 01, 2017. Accordingly, as per IND AS, Revenues for year ended on March 31, 2019 and March 31, 2018 are not comparable.
3. Effective April 01, 2018, the Company has adopted Ind AS - 115 "Revenue from Contracts with Customers" using the modified retrospective approach and cumulative effect, resulting in reduction of Rs, 723 lakhs in the opening balance of retained earnings. Due to the adoption of Ind AS - 115, current year Revenue and Profit before tax is higher by Rs. 2693 lakhs and Rs. 723 lakhs respectively and hence the same are not comparable to the previous year disclosed.
4. The other income of Rs. 355 lakhs for the quarter ended March'19 (for December'18 Qtr Rs. 245 lakhs, for March'18 Qtr Rs. 928 lakhs) includes interest charged to subsidiaries of Rs. 204 lakhs for March'19 Qtr (for December'18 Qtr Rs. 236 lakhs, for March'18 Qtr Rs. 152 lakhs), foreign exchange fluctuation loss of Rs. 38 lakhs for March'19 Qtr (for December'18 Qtr loss of Rs. 67 lakhs for March'18 Qtr gain Rs. 213 lakhs), interest on VAT refund received for March'19 Qtr Rs. 54 lakhs (for December'18 Qtr Rs. Nil, for March'18 Qtr Rs. 67 lakhs), finance income on Financial Guarantee of Rs. 51 lakhs for March'19 Qtr (for December'18 Qtr Rs. 51 lakhs, for March'18 Qtr Rs. 54 lakhs), duty drawback of Rs. 18 lakhs for March'19 Qtr (for December'18 Qtr Rs. 16 lakhs for March'18 Qtr Rs. 7 lakhs), GST Subsidy benefits of Rs. Nil for March'19 Qtr (for December'18 Qtr Rs. Nil, for March'18 Qtr Rs. 420 lakhs) and other misc. income of Rs. 66 lakhs for March'19 Qtr (for December'18 Qtr Rs. 9 lakhs, for March'18 Qtr Rs. 15 lakhs).
5. Other Income during previous year included GST Subsidy benefits of Rs. 948 lakh which benefit was valid till March 2018 for Uttarakhand unit and non-recurring Finance Income of Rs 723 lakh. Since income under these heads has not accrued in the current year, Other Income for the year is less.
6. Company's Uttarakhand unit enjoyed income tax concessions till March 2018 and hence effective tax rate was lower than normal tax rate. From the current year, company is covered under normal tax rate which has resulted in increase in tax liability.
7. Pursuant to Employees Stock Option scheme 2015, the Company has allotted 90,000 Equity shares on May 30, 2019.
8. The Board of Directors have recommended a dividend of Rs. 1/- per equity share of Rs.2 each for the year ended March 31, 2019 subject to approval of the shareholders in the ensuing Annual General Meeting.
9. In the absence of relevant information in the accounts of wholly owned ultimate foreign subsidiaries of the Holding company, about the stocks lying with the said subsidiaries out of inter-company transactions, the unrealized profits, if any, is unascertained and not eliminated, which was required to be eliminated as per Indian Accounting Standard (Ind AS).



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110, "Consolidated Financial Statements" prescribed under section 133 of the Act, read with the relevant rules issued thereunder.

10. The company has only one operating segment viz. Auto Components and accordingly there are no separate reportable segments in the context of Ind-AS 108 "Operating Segment".
11. Previous period figures have been regrouped / rearranged wherever considered necessary.
12. The above Financial Results and Statements of Assets and Liabilities were reviewed and recommended by the Audit Committee at its meeting held on May 29, 2019 and subsequent approved by the Board of Directors at its meeting held on May 30, 2019 along with Statutory Auditor's Report.

For and behalf of the Board



Harish Sheth

Chairman & Managing Director

DIN : 01434459



Place : Mumbai

Date : May 30, 2019

INDEPENDENT AUDITOR'S REPORT

To

Board of Directors of SETCO AUTOMOTIVE LIMITED

We have audited the quarterly financial results of M/s. SETCO AUTOMOTIVE LIMITED for the quarter ended 31st MARCH 2019 and the year to date results for the year ended 31st march 2019, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (LODR) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with recognition and measurement principals laid down in Ind AS -34 "Interim Financial Reporting prescribed" under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder; and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) Are presented in accordance with requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016
- (ii) Give a true and fair view of the net profit & other comprehensive income and other financial information for the quarter & year ended 31st march 2019.

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements :

- a) Trade payables' balances are under reconciliation process. Necessary adjustments, if any, will be accounted when the same is reconciled. In respect of trade receivables and other debit/credit balances for which balance confirmation have been received, are under reconciliation process and necessary adjustment, if any will be accounted when the same is reconciled. While others are subject to



V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS

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reconciliation and adjustment if any. (Refer Note No. 42 of Standalone Ind AS Financial Statements).

- b) The Company has invested Rs. 2,217.19 lakhs (Rs. 2,199.44 lakhs) in Equity & Preference shares of wholly owned ultimate foreign subsidiaries and also has outstanding receivables in form of loans & advances and debts (net) aggregating Rs. 7,236.56 lakhs (Rs. 7,173.59 lakhs) from them as at 31.03.2019. Apart from company's direct investments into these wholly owned ultimate foreign subsidiaries referred to above, the company's ultimate wholly owned subsidiary, M/s Setco Automotive (UK) Ltd has an exclusive investment of Rs. 1,483.11 lakhs into equity shares of its step down wholly owned subsidiary, M/s. Setco Automotive (N.A.) Inc. These wholly owned ultimate foreign subsidiaries incurred consolidated accumulated losses of Rs. 3,747.23 lakhs (Rs. 2,884.60 lakhs) as at 31.03.2019 resulting into erosion of fair portion of their consolidated net worth. The management is of the opinion that this is a temporary phase considering business plans, future projected profitable operations, asset base, the investment being strategic in nature, going concern basis and solvency of subsidiaries supported by the Parent company (i.e. Setco Automotive Ltd), no provision is required to be made for diminution in value of these investments made in, loans & advances & debts due from the said subsidiaries and they are considered good. The carrying value of company's investment in equity & preference shares is also supported by valuation report of Independent Valuer. (Refer Note No. 45 (ii) of Standalone Ind AS Financial Statements).
- c) The company has in earlier years invested Rs. 1,535.00 lakhs in 30,70,000 equity shares of SE Transstacia Private Limited, a sports and entertainment infrastructure company. The said company has completed the project and has commenced commercial operations in March, 2017. The company has accumulated loss of Rs. 11,180.08 lakhs (Rs. 1,768.86 lakhs in F.Y. 2016-17) as per latest audited financial statements as at 31.03.2018. In the opinion of the management, this investment is strategic in nature which has long term perspective and has comparatively long gestation period. This situation being a temporary phase and considering the future business plans, assets base and other developments, despite accumulated losses, the management firmly believes that there is no erosion in value of its investment in said related entity. The carrying



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value of Company's investment in equity shares of said related entity is also supported by valuation report obtained from independent Valuer. (Refer Note No. 45 (iii) of Standalone Ind AS Financial Statements).


- d) The company has invested Rs. 9,209.00 lakhs (₹. 8,359.00 lakhs) in 9,20,90,000 (8,35,90,000) equity shares of Rs. ₹/- each in its partly owned subsidiary Lava Cast Private Limited. The company's third year of commercial production ended on 31ST March, 2019 resulting in accumulated loss of Rs. 7,487.97 lakhs (Rs. 4,659.36 lakhs). The management is of the opinion that this being a temporary phase and company is in initial years of operations and considering the future business plans, assets base etc., no provision is required to be made for diminution in the value of this investment made in the said subsidiary. The carrying value of Company's investment in equity shares of said related entity is also supported by valuation report obtained from independent Valuer. (Refer Note No. 45 (iv) of the Standalone Ind AS Financial Statements).
- e) In F.Y. 2017-18 The Company has recognised Rs. ₹98 Lacs as income being reimbursement of Central Goods & Service Tax (CGST)/Integrated Goods & Service Tax (IGST) share of State for the Uttarakhand unit pending notification of incentives by the State Government. The Company believed, the issuance of notification for Goods & Service Tax (GST) benefits by the State Government was certain based on the notification already issued by the Central Government. In absence of any notification in the said matter till date and based on legal opinion, the Company has filed writ petition claiming refund of said amount & has continued to show this as asset recoverable in accounts. (Refer Note No. 13 of the Standalone Ind AS Financial Statements).

Our opinion is not modified in respect of these matters.



Place : Mumbai
Date : 30th May, 2019

For V. Parekh & Associates
Chartered Accountants
(Firm Registration No. 107488W)


(Rasesh V. Parekh)

Partner
Membership No. 038615

INDEPENDENT AUDITOR'S REPORT

To
Board of Directors of
SETCO AUTOMOTIVE LIMITED

We have audited the quarterly financial results of M/s. SETCO AUTOMOTIVE LIMITED for the quarter ended 31st March 2019 and the year to date results for the year ended 31st March 2019, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (LODR) Regulations, 2015. These consolidated quarterly financial results as well as the consolidated year to date financial results have been prepared from consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with recognition and measurement principals laid down in Ind AS 34- "Interim Financial Reporting" prescribed, under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of 5 subsidiaries included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated interim financial statements reflect total assets of Rs 36219.44 Lakhs as at 31st March, 2019 as well as the total revenue of Rs. 19182.53 Lakhs as at 31st March 2019. These interim financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such auditors.



V. PAREKH & ASSOCIATES

CHARTERED ACCOUNTANTS

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Attention is invited to *Note No. 32(ii) - 'Notes forming part of Consolidated Ind AS Financial Statements'* which states that "In the absence of relevant information in the accounts of wholly owned ultimate foreign subsidiaries of the Holding company, about the stocks lying with the said subsidiaries out of inter-company transactions, the unrealized profits, if any, is unascertained and not eliminated, which was required to be eliminated as per Indian Accounting Standard (Ind AS)-110 "Consolidated Financial Statements" prescribed under section 133 of the Act, read with the relevant rules issued thereunder."

Subject to the above paragraphs, in our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year to date results:

- (i) Include annual financial result of the following entities:
 1. WEW Holdings Limited, Mauritius
 2. Setco Automotive (U.K.) Ltd., UK
 3. Setco Automotive N.A. Inc., (USA)
 4. Setco MEA DMCC, UAE.
 5. Lava Cast Private Ltd., India
- (ii) have been presented in accordance with requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016 and
- (iii) Give a true and fair view of the consolidated net loss & other financial information for the quarter and year ended 31.03.2019.

We draw attention to:

- a) Trade payables' balances are under reconciliation process. Necessary adjustments, if any, will be accounted when the same is reconciled. In respect of trade receivables and other debit/credit balances for which balance confirmation have been received, are under reconciliation process and necessary adjustment, if any will be accounted when the same is reconciled. While others are subject to reconciliation and adjustments, if any. (Refer Note No. 36 of Consolidated Ind AS Financial Statements).



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- b) The Parent Company has in earlier years invested Rs. 1,535.00 lakhs in 30,70,000 equity shares of SE Transstadia Private Limited, a sports and entertainment infrastructure company. The said company has completed the project and has commenced commercial operations in March, 2017. The company has accumulated loss of Rs. 11,130.18 lakhs (Rs. 1,768.86 lakhs) as per latest audited financial statements as at 31.03.2018. In the opinion of the parent company management, this investment is strategic in nature which has long term perspective and has comparatively long gestation period. This situation being a temporary phase and considering the future business plans, assets base and other developments, despite accumulated losses, the Group management firmly believes that there is no erosion in value of its investment in said related entity. The carrying value of Holding Company's investment in equity shares of said related entity is also supported by valuation report obtained from independent valuer. (Refer Notes No. 3 of Consolidated Ind AS Financial Statements)
- c) In F.Y. 2017-18 the Holding Company has recognised Rs. 398 Lacs as income being reimbursement of Central Goods & Service Tax (CGST)/Integrated Goods & Service Tax (IGST) share of State for the Uttarakhand unit pending notification of incentives by the State Government. The Holding Company believed, the issuance of notification for Goods & Service Tax (GST) benefits by the State Government was certain based on the notification already issued by the Central Government. In absence of any notification in the said matter till date and based on legal opinion, the Holding Company has filed writ petition claiming refund of said amount & has continued to show this as asset recoverable in accounts. (Refer Notes No. 11 of Consolidated Ind AS Financial Statements)
- d) Disclosure in respect of materials & component consumption, inventories, deferred tax assets, deferred tax liabilities, trade receivables and change in Inventories of finished goods and work in progress are reflected, each at aggregate amounts only on the basis of information available from wholly owned ultimate foreign subsidiaries. (Refer Notes No. 39 of Consolidated Ind AS Financial Statements)



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- e) In forming our opinion on the consolidated Ind AS financial statements, we have relied upon management's presentation & classification of amounts as per requirements of Schedule III of the Act in respect of wholly owned ultimate foreign subsidiaries.

Our opinion is not modified in respect of these matters.

For V. Parekh & Associates
Chartered Accountants
(Firm Registration No. 107488W)



Rasesh V. Parekh

(Rasesh V. Parekh)
Partner

Membership No. 038615

Place : Mumbai

Date : 30th May, 2019

May 30, 2019

To,

BSE Limited, Dept. of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Company Code: E05075	National Stock Exchange of India Ltd, Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Script Symbol: SETCO
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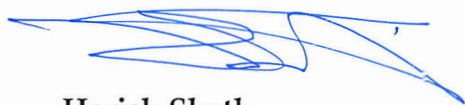
Dear Sir/Madam,

**Sub. : Declaration in respect of Unmodified Opinion on Audited Financial Statement
for the Financial Year ended March 31, 2019**

Pursuant to Regulation 33(3)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Pursuant to SEBI Circular CIR/CFD/CMD/56/2016 dated May 26, 2016, we hereby declare and confirm that the Statutory Auditors of the Company, M/s. V. Parekh & Associates, Chartered Accountants, have issued an Unmodified Audit Report on Standalone Financial Statements of the Company for the year ended March 31, 2019.

Thanking You,

For Setco Automotive Limited



Harish Sheth

Chairman and Managing Director

DIN: 01434459

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019. [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Audited Figures (as reported after adjusting for qualifications) (Rs. In Lakhs)
	1	Turnover/Total Income	68,626.01	68,626.01
	2	Total Expenditure	66,949.30	66,949.30
	3	Net Profit/ (Loss)	(54.49)	(54.49)
	4	Earning Per Share	0.23	0.23
	5	Total Assets	71,559.01	71,559.01
	6	Total Liabilities	71,559.01	71,559.01
	7	Net Worth	17,090.23	17,090.23
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	In the absence of relevant information in the accounts of wholly owned ultimately foreign subsidiaries of the Holding Company, about the stock lying with the said subsidiaries out of inter-company transactions, the unrealized profits, if any, is unascertained and not eliminated, which was required to be eliminated as per Indian Accounting Standard (Ind AS) - 110, "Consolidated Financial Statements" prescribed under Section 133 of the Act, read with the relevant rules issued thereunder. (Refer Note No. 32(ii) – 'Notes forming part of Consolidated Ind AS Financial Statements'). This matter was also qualified in previous auditors' report on consolidated financial Statement for the year ended on 31st March, 2018.			
	b. Type of Audit Qualification:	i) Qualified Opinion / Disclaimer of Opinion / Adverse Opinion		
	c. Frequency of qualification:	i) Whether appeared first time / repetitive / since how long continuing - (since F.Y. 2007-08)		



d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	N.A
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification: Impact cannot be estimated.	
(ii) If management is unable to estimate the impact, reasons for the same: In view of the accounting method followed by subsidiaries, it is very difficult/ not possible to segregate the stock from different sources and work out its valuation.	
(iii) Auditors' Comments on (i) or (ii) above: The Company needs to take effective steps to resolve the matter.	

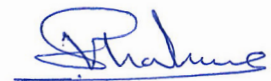
III Signatories:



Harish Sheth
Chairman and Managing Director
DIN: 01434459

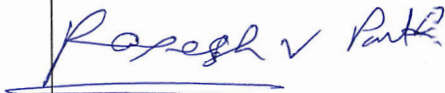


Arun Arora
Audit Committee Chairman



Vinay Shahane
Chief Financial Officer

For V. Parekh & Associates
Chartered Accountants
(Firm Registration No. 107488W)



(Rasesh V. Parekh)
Partner
Membership No. C38615



Place: Mumbai

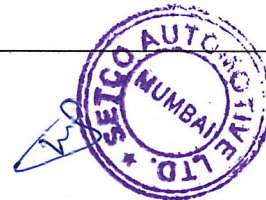
Date: May 30, 2019

ANNEXURE A

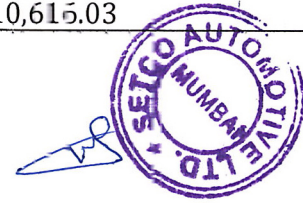
Information required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015, dated September 9, 2015.

Acquisition (including agreement to acquire):

Sr. No.	Details of Events that need to be provided	Information of such event(s)
a)	Name of the target entity, details in brief such as size, turnover etc.;	Name of the target entity: Lava Cast Private Limited (LCPL) Paid up Capital: Rs.10556 Lakhs Date of Incorporation: 13/05/2011 Turnover: Rs. 10,616.03 Lakhs as on 31 st March, 2019
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";	Yes, the acquisition is a related party transaction. Yes, Setco Automotive Limited (SAL) holds 87.24% equity shares in LCPL prior to the acquisition. The acquisition shall be undertaken on an Arm's Length basis.
c)	Industry to which the entity being acquired belongs;	Automotive Industry
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	The proposed acquisition will accrue following benefits to the Organization: <ol style="list-style-type: none"> 1. Increased business opportunity 2. Operational Efficiency 3. Increased Financial Strength
e)	Brief details of any governmental or regulatory approvals required for the acquisition;	Approval of Regional Director required for the proposed merger and acquisition.
f)	Indicative time period for completion of the acquisition;	Expected to complete by March 2020.



g)	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash Consideration
h)	Cost of acquisition or the price at which the shares are acquired;	Total consideration of approx. Rs 7.70 crs
i)	Percentage of shareholding / control acquired and / or number of shares acquired;	1,34,60,000 equity shares of Rs 10/- each constituting 12.75% paid-up shares capital of LCPL are proposed to be acquired.
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>LCPL has its registered office at Alindra Village, Vadodara Godhra Highway, Kalol, Par. chmahal, Gujarat - 389330 and was incorporated on 13th May, 2011. LCPL is a subsidiary of SAL and is engaged in the manufacturing of Grey and SG Cast Iron fully machined casting components with capacity of 30,000 MT P.A. catering to Commercial and Passenger vehicle segment.</p> <p>Total Revenue (Net of Taxes): (Rs. in Lakhs) FY 2016-17: Rs. 4,935.44 FY 2017-18: Rs. 7,363.98 FY 2018-19: Rs. 10,615.03</p>



ANNEXURE B

Setco's Management proposes merger of its subsidiary Lava Cast into Setco

Lava Cast Pvt Ltd (Lava Cast): A strategic Setco Automotive venture to augment casting supply capacities for future expansion in Indian and Global markets

1. At Setco, castings constitute 30% of raw material consumption and Lava Cast ensures timely availability of quality machined castings on a Just-in-Time basis.
2. Lava Cast foundry Production capacity is 30,000 MT P.A., of which approx. 20,000 MT will be captive consumption by Setco in 2019-20.
3. Castings are consumed in many industries such as - Construction, Automotive, Mining, Earth-Moving Equipment, Aerospace, Defence and Railways.
4. Setco is a dominant player in the Indian MHCV and has long standing relationships with premier OEM's for Clutch supply; it is now supplying castings to them as well. Tata Motors Limited, one of the major customer of Setco, buys over 3.5 lakhs tonnes of machined castings annually and Lava Cast has already started supplying the castings. OEMs together buy about 1 mio tonnes of castings annually and would prefer to buy from state-of-art set ups with full machining capability.
5. Further, the company has forayed into the Farm Sector for supply of clutches. One of the biggest consumers of castings is the Farm-Tractor Industry (Farm Sector). Huge quantity of castings are required to manufacture tractors. Setco which has already entered into the supply of clutches to these sector, is confident of casting supplies to them as well.

Rationale of Merger of Lava Cast into Setco:

1. Going forward, the Company's management proposes to merge Lava Cast into Setco Automotive Limited which will be wef 01st April 2019.
2. The proposed merger will accrue following benefits to the Merged entity:
 - a. **Increased business opportunity** – Normally OE's hesitate to increase their supplier base. The merger will facilitate business with OEMs as all their supplies will now be under one vendor code. **This will result in increase of orders from OEM's MHCV/Tractor industries.**
 - b. **Operational Efficiency** - economies of scale, increase in purchasing power, reduction in overheads and administrative efficiencies; wherein we could have potential savings in the range of **INR 5-8 crs per annum.**
 - c. **Increased Financial Strength** – easier availability of finance on more competitive rates on the strength of the combined entity; and contributes to improved cash flows





EFFICIENT ENGINEERING

**BS-VI
Ready!**

**Results Q4FY19 and FY19
Setco Automotive Limited**

Conference Call - Mumbai

June 4, 2019 at 4:00PM



**Udit Sheth,VC received-The Next
Generation Entrepreneur of the
year – 2019
The Machinist Award**

Disclaimer



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Agenda

- 1** Overview FY19
- 2** Financial Results
- 3** Company Positioning
- 4** Business Update
- 5** Outlook
- 6** Appendix

Overview FY19

Solid results in a challenging environment

Highlights

- 1 Sales growth of 19.5% in FY19, overcoming :
 - Subdued OEM market in Q3 & Q4
 - One time impact of ~INR 27cr due to adoption of Ind-AS. (On a like-to-like basis growth would have been ~27%)



Sales

INR 613.40 Cr in FY19

Up 19.5% YoY

EBITDA

INR 91.01 Cr in FY19

+14.8% Margin

- 2 Setco outperforms industry driven by :
 - Continuing dominant share with OEM's
 - De-risked model with over 50% revenues from Aftermarket segment.
 - Aftermarket growth of 35.1% in FY 19
 - Market share gain in Aftermarket segment



PBT - INR 52.87 Cr in FY19

Up 46.8% YoY

- 3 Improved operational profitability-
 - 380bps improvement in EBITDA margin from FY18
 - Highest EBITDA% in last 7 years.
 - PBT grown by 46.8%



PAT

INR 36.02 Cr in FY19

Up 24.7% YoY

Dividend per Share

INR 1.00

- 4 PAT at INR 36cr in FY19, up by 24.7% YOY driven by operational efficiencies & doesn't include –
 - One time Other Income of 7.23cr in FY18
 - Uttarakhand excise and income tax benefits Which expired in FY18.



BS-VI ready and approvals in place



Financial Results

Standalone - Key figures FY19 and Q4FY19

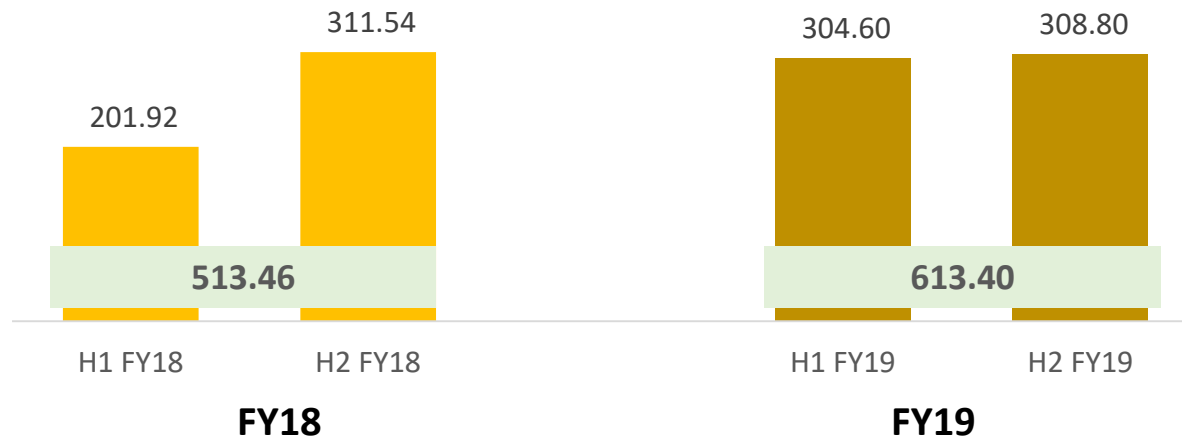
In INR crores		FY19	FY18	FY19 vs. FY18	Q4 FY19	Q4 FY18
Sales ¹	1	613.40	513.46	19.5%	149.81	170.12
Contribution % to Sales	2	172.59 28.1%	128.46 25%	+310bps	48.08 32.1%	45.41 26.7%
EBITDA ² EBITDA Margin	3	91.01 14.8%	56.45 11.0%	61.2% +380bps	23.85 15.9%	24.93 14.7%
PBT	4	52.87	36.02	46.8%	14.23	21.57
Tax Provision	5	8.26	7.20	-	(5.84)	5.82
Deferred Tax	6	8.58	(0.08)	-	8.24	(0.08)
PAT PAT Margin	7	36.02 5.9%	28.89 5.6%	24.7% +30bps	11.83 7.9%	15.83 9.3%
EPS	8	2.70	2.16	-	0.89	1.18

¹ Despite one time impact of Indian Accounting Standard (Ind AS) in revenue amounting to ~ 27 crs, margins & profitability have improved.

² ~200bps impact of expiry of Uttarakhand tax benefit and normal taxation 35% in FY19 compared to ~20% in FY18

Sales Momentum

Sales In INR Crs



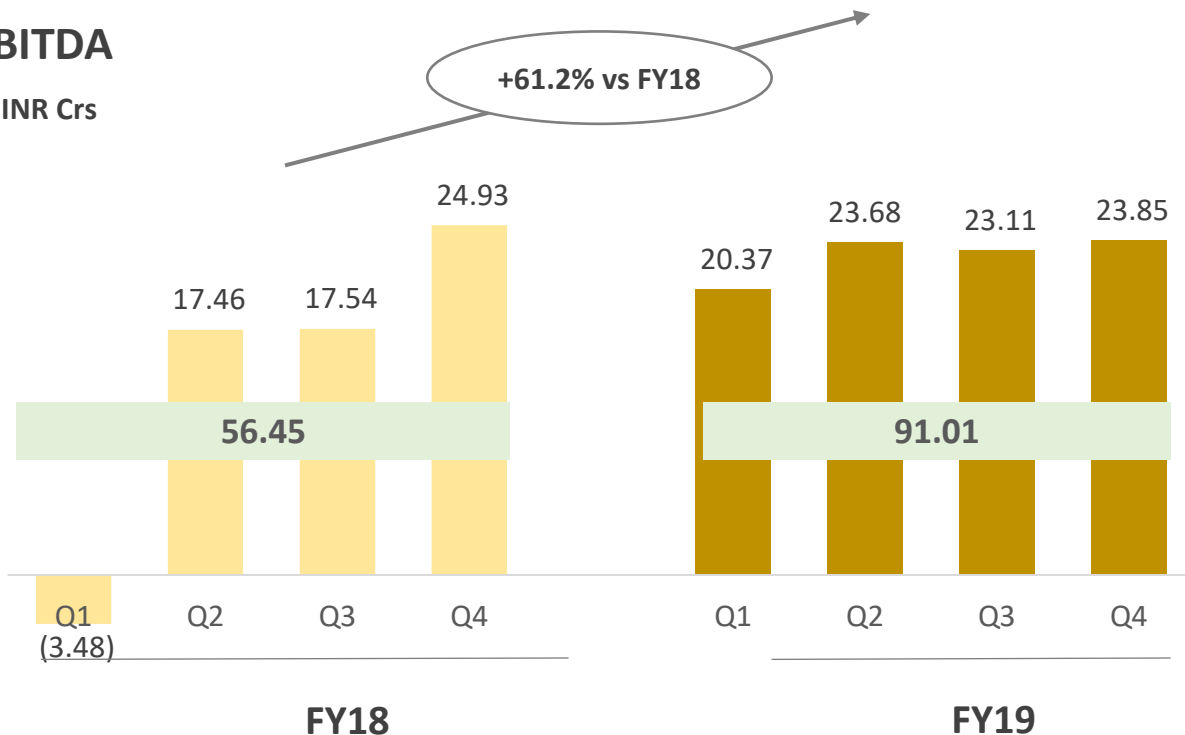
Key Aspects

- ▶ Despite weak OEM market in 2nd half of FY19, Setco reports a sales of INR 613.40 cr in FY19 , up by 19.5% YoY.
- ▶ As a diversification strategy, Aftermarket has been developed over the years and today it constitutes ~57% of our revenue.
- ▶ Overall growth is driven by strong traction in aftermarket segment which has better pricing realisation
- ▶ Apart from being more profitable, Aftermarket ensures sustainable growth and company is less vulnerable to cyclical OEM demand.

EBITDA – Sustainable improvement

EBITDA

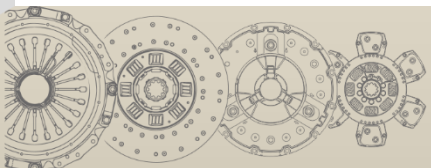
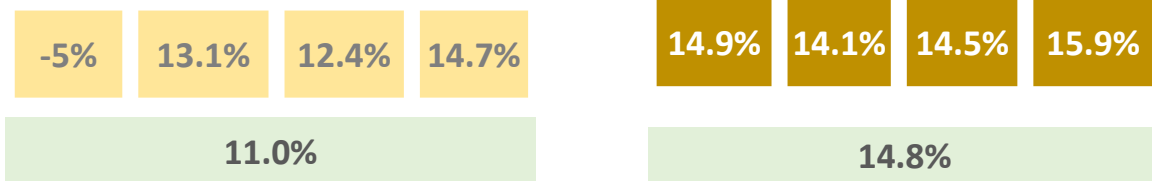
In INR Crs



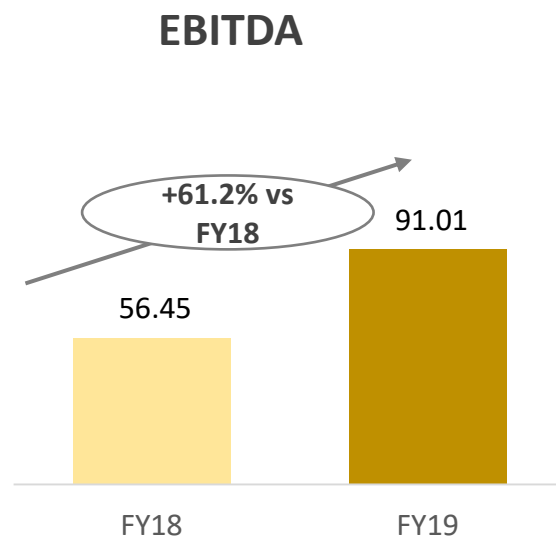
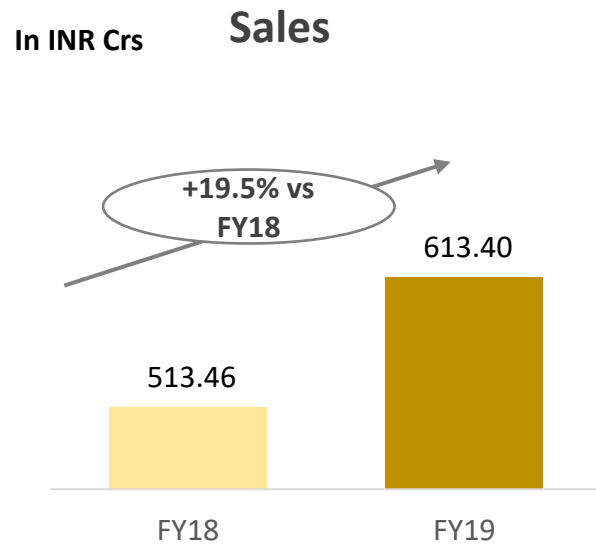
Profitability Highlights

- ▶ EBITDA Margin at 14.8% in FY19 up by 380bps, due to -
 - ▶ Increased turnover
 - ▶ Increase in Aftermarket segment
 - ▶ Operational efficiency
- ▶ This improvement of 380 bps is despite absorbing ~200bps impact of expiry of Uttarakhand Tax benefit; **effective improvement of 580bps**
- ▶ EBITDA margin in Q4FY19 at 15.9% compared to 14.5% in Q3FY19. Improvement due to Segment mix

EBITDA Margin

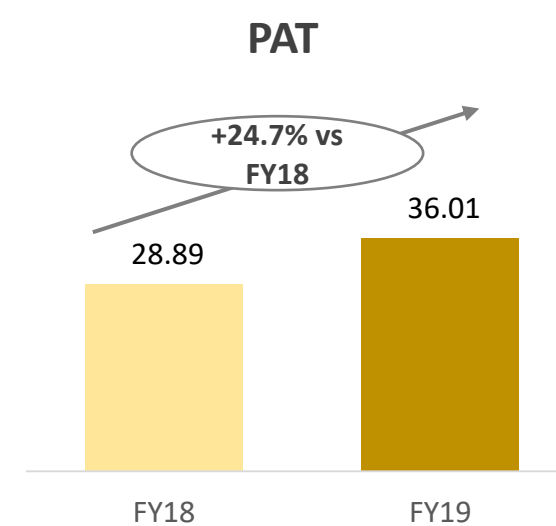
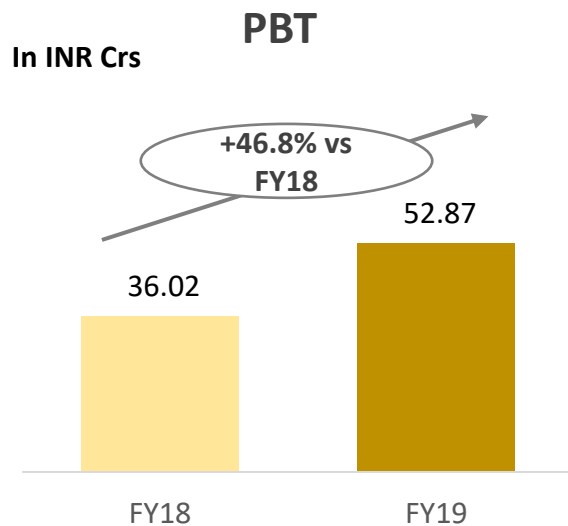


Operational efficiencies & Leverage



Key aspects

- ▶ **EBITDA** in FY19 at 91.01cr compared to 56.45cr in FY18, an increase in more than 61.2%
- ▶ **PBT** in FY18 includes one-time other income of 7.23cr which is not available this year
- ▶ **PAT** - Posts PAT at INR 36.02 crs in FY19 against INR 28.89 crs in FY18, despite providing for normal income tax rate @34% this year compared to lower tax rate in FY18 due to Tax benefits.



Consolidated - Key figures FY19

In INR crores	FY19		FY18		FY19 vs. FY18 (Consol)
	Setco	Consol	Setco	Consol	
Sales	613.4	680.4	513.4	579.5	17.4%
EBITDA	91.0	97.1	56.5	61.4	58.1%
EBITDA Margin	14.8%	14.3%	11%	10.6%	+370bps
Operating PBT	37.7	11.0	7.4	(22.1)	149.4%
PBT	52.9	16.8	36.0	0.5	3468%
Provision for Tax	16.8	17.4	7.1	1.4	
Profit after Tax	36.0	(0.8)	28.9	(0.9)	15%
Less Minority Interest		(3.7)	-	(4.7)	
Final Profit after Tax	36.0	2.9	28.9	3.8	-24%

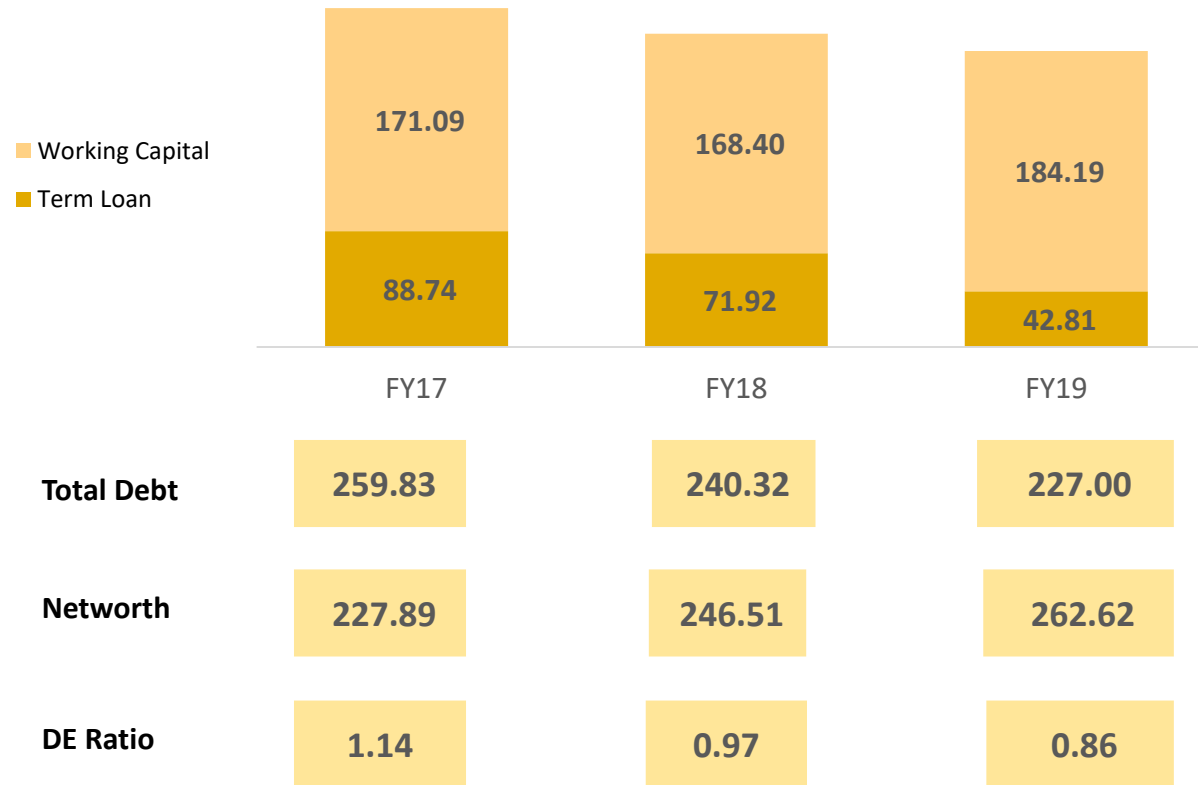
Improvement in standalone performance has been further augmented by performance of subsidiaries

- ▶ Sales growth for the year FY19 is 17.4%
- ▶ Operating Profit Before Tax has jumped ~150% on the back of improved efficiencies and better performance of the subsidiaries
- ▶ Profit before tax has jumped multifold to INR 16.8 crs as against last years INR 0.5 crs
- ▶ Profit after tax at 2.9 crs, despite having paid higher tax of INR 17.4 crs as against last years 1.4 crs

Debt Summary

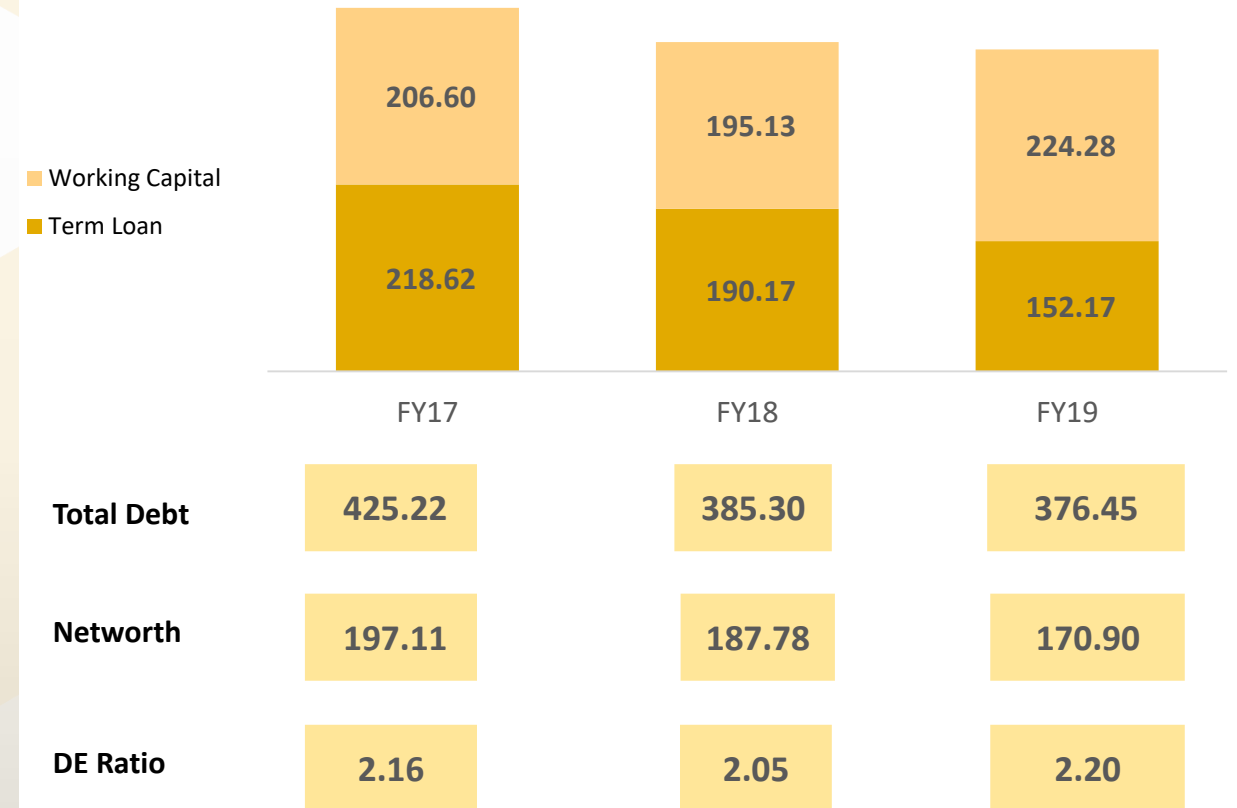
Debt and DE Ratio (Standalone)

In INR Crs



Debt and DE Ratio (Consolidated)

In INR Crs



Consistent reduction in Debt. Showing continuous improvement in DE ratio

Management Message



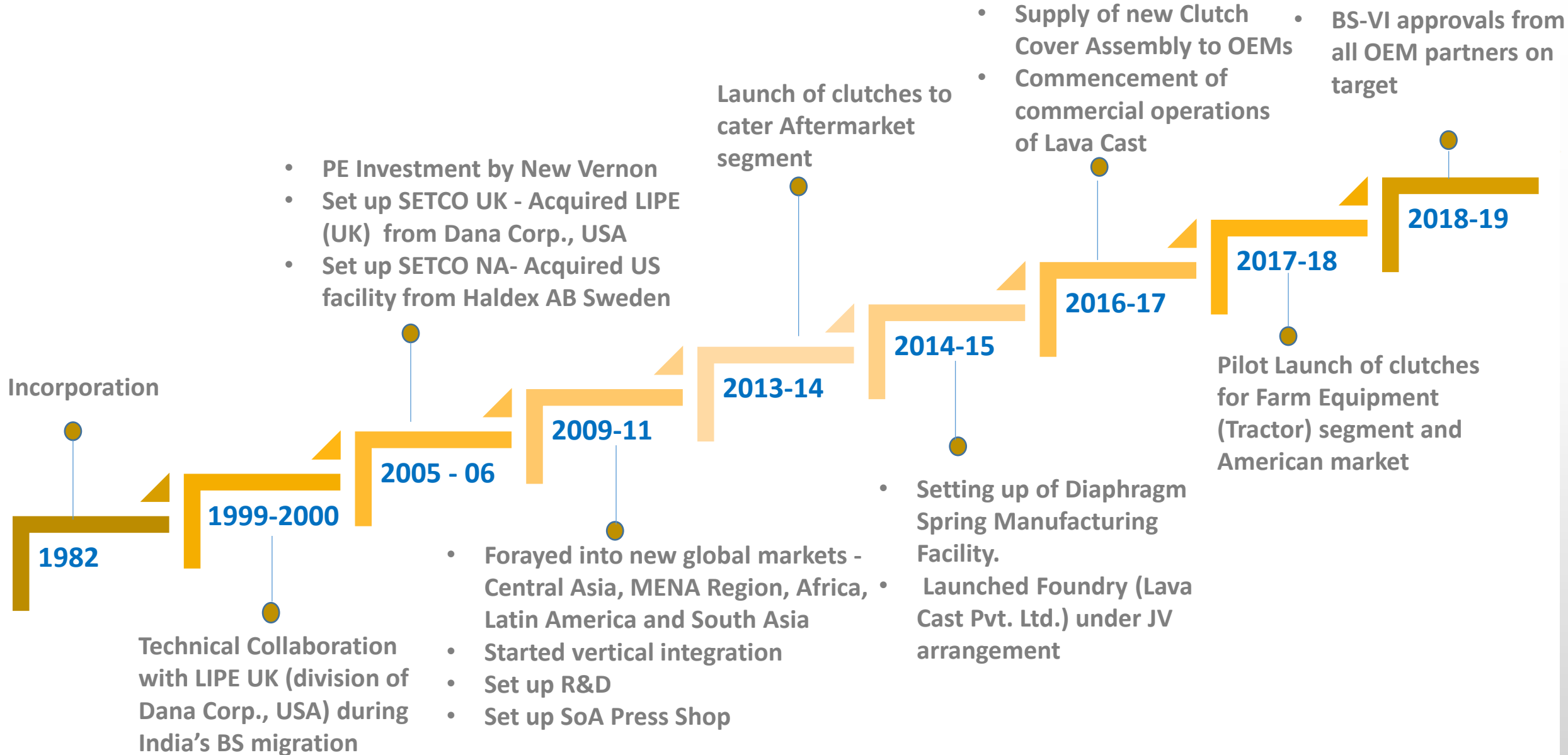
**Harish Sheth,
Chairman & MD**

In Q4, the M&HCV segment continued to be subdued for a second quarter in a row. This blip is more of a short term correction & the long term fundamentals remain robust. With the return of the BJP Govt with an even stronger mandate we expect the market to bounce back aided by the impending switchover to BS-VI norms and also implementation of the scrapping policy

Our planned initiatives on cost management, introduction of Tractor clutches and gearing up for BS-VI introduction & growth in aftermarket segment are proceeding as per the plan and early results are visible. We are confident of delivering superior top-line and bottom-line performance in this fiscal

Company Positioning

Our Journey So Far



Setco Fact Sheet



Market Share - MHCV Clutch



Key Aspects

- ▶ Largest producer of Medium & Heavy Commercial Vehicle (MHCV) Clutches in India.
- ▶ Serving more than 85% of MHCV Clutch demand of OE in India.
- ▶ Present across lifecycle of MHCV – OEM, OES & Aftermarket
- ▶ R&D centre at India and UK, providing competitive advantage
- ▶ Building and gaining market share in MHCV international business
- ▶ Launching new products in domestic market for farm equipment business
- ▶ Employs more than 2000 people and for over 70% of the people this is the first job
- ▶ Consistent dividend pay-out practice

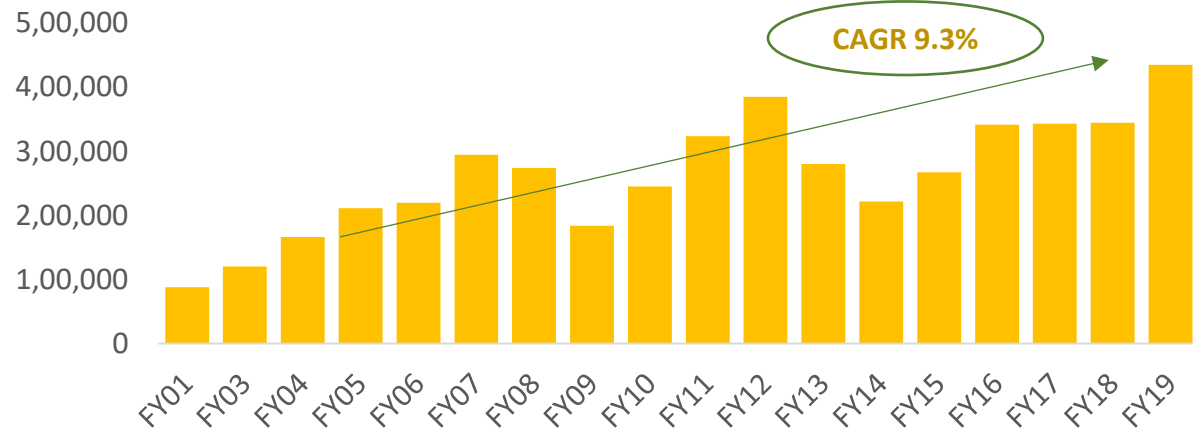
Standalone	FY19	FY18	
			In INR Cr
Sales	613.40	513.46	+19.5%
EBITDA	91.01	56.45	+61.2%
PAT	36.02	28.89	+24.7%

Numbers in Lakhs	FY15	FY16	FY17	FY18	FY19
M&HCV Production*	2.67	3.41	3.43	3.44	3.84
Setco clutch Sales to OEM	2.49	3.15	3.15	3.51	3.73

* Source SIAM - Some OEMs do not participate in SIAM data

Domestic M&HCV Industry

Growth in MHCV – Past 18 years



- 🌀 Despite MHCV industry being cyclical, historically it has grown with a CAGR of close of 10%.
- 🌀 Setco has a de-risked business model :
 - Serve all OEM manufacturers.
 - Consistently Over 50% (57% in FY 19) is from aftermarket demand which is non cyclical.
 - Development of full range for diversification into farm tractor clutches .

Growth Levers - MHCV Industry

- 1** Introduction of BSVI Norms from FY20
- 2** Investments in Infrastructure, rural areas and mining sector
- 3** Stricter norms for overloading
- 4** Scrapage Policy – Age of vehicle 15/20 yrs

MHCV - No Perceived threat from EV & AMT

Automatic Transmission technology

- ❑ Very low adoption of fully automated transmission less than 5% even in Developed markets :
 - Low acceptance due to higher price and untested for Indian roads .
 - Higher fuel consumption and costly maintenance thereby increasing operating cost
- ❑ Automated Manual Transmission (AMT) vehicles :
 - Lower in cost of ownership versus fully automatic .
 - This requires a standard clutch which Setco manufactures



Electronic / Battery operated Technology

- ❑ Mainly applicable to Intra-city buses
 - Need for lower pollution levels in big cities .
 - Requires Govt. Subsidies.
 - Constitutes only 5% of the market
- ❑ No threat in goods & Inter-city bus segment due to
 - Charging infrastructure and time
 - Reduction in pay-load and deck area
 - Commercial segment, not viable without govt. Subsidy.
 - Pollution not an issue in this segment.



Business Update

Customer focus and growth

Growth Strategy

Aftermarket – Increased share improves both profitability and stability

1



Merger with **Lava Cast**

2



OEM Business – Maintained our pre-dominant share

3



Foray into **Farm Equipment**

4



Cost Optimization

Enhance productivity and asset utilization

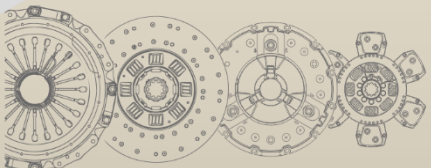
5

Build culture of innovation & performance

6

Continuous improvement in Working Capital and Debt Management

7



Efficient Engineering

Lava Cast – Merger with Setco



Setco Group in process to acquire 100% shareholding of Lava Cast



Lava Cast Merges with Setco



Reap benefit from the synergy

The process of buying back the shareholding of the foreign JV partner in Lava Cast is nearing completion. We then plan to merge Lava Cast with Setco Automotive.

Rationale for acquiring 100% of Lava Cast

- ▶ Lingotes (the technology partner which owns 12.75% of Lava Cast) want to focus on European geographies
- ▶ Lava Cast couldn't directly explore European market because of the JV with Lingotes. Post the acquisition & merger, the company can sell in that market which has a huge potential of machined casting.

Growth opportunity for Lava Cast

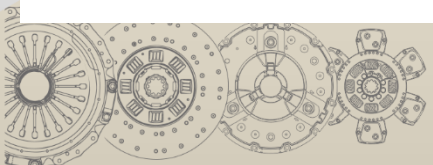
- ▶ At Setco, castings constitute 30% of raw material consumption and Lava Cast ensures timely availability of quality machined castings on a Just-In-Time basis
- ▶ Lava Cast foundry Production capacity is 30,000 MT P.A., of which approx. 20,000 MT will be captive consumption by Setco in 2019 -20.
- ▶ Castings are consumed in many industries such as - Construction, Automotive, Mining, Earth-Moving Equipment, Aerospace, Defence and Railways.
- ▶ Setco is a dominant player in the Indian MHCV and has long standing relationships with premier OEM's for Clutch supply; it is now supplying castings to them as well. Tata Motors Limited, one of the major customer of Setco, buys over 3.5 lakhs tonnes of machined castings annually and Lava Cast has already started supplying the castings. OEMs together buy about 1 mio tonnes of castings annually and would prefer to buy from state-of-art set ups with full machining capability
- ▶ Further, the company has forayed into the Farm Sector for supply of clutches. One of the biggest consumers of castings is the Farm-Tractor Industry (Farm Sector). Setco which has already entered into the supply of clutches to these sector, is confident of casting supplies to them as well.

Lava Cast – Merger with Setco



The proposed merger will accrue following benefits to Merged entity:

- 1. Increased business opportunity** – Normally OE's hesitate to increase their supplier base. The merger will facilitate business with OEMs as all their supplies will now be under one vendor code. **This will result in increase of orders from OEM's MHCV/Tractor industries.**
- 2. Operational Efficiency** - economies of scale, increase in purchasing power, reduction in overheads and administrative efficiencies; wherein we could have potential savings in the range of **INR 5-8 crs per annum.**
- 3. Increased Financial Strength** – easier availability of finance on more competitive rates on the strength of the combined entity; and contributes to improved cash flows



New Growth area - Farm Equipment clutches

Opportunity in Farm Equipment

1

India is the largest manufacturer of Tractors. Increased in level of Mechanization will further drive the industry

2

Industry is moving towards higher horse power tractors leading to growth in dual clutch technology , which currently has only one supplier in the market. There is a demand for second supplier

3

Govt. initiatives of doubling the farmer income by 2022 and huge government investments in Rural infrastructure



Key Developments

- ▶ Approvals from major OEMs are in progress and expected shortly, and full benefits of it will be available in second half of FY 20
- ▶ The company aims to generate around 10% of revenue from this segment in the coming years

Outlook

FY20 outlook and Beyond...

OEM

- We anticipate 9%-12% OEM growth momentum given strong pre-buying of BS-IV MHCV is expected before BS-VI migration from April 2020
- Farm Equipment – Approvals from major OEMs are in progress and expected shortly, and full benefits of it will be available in second half of FY20
- Benefit of pricing adjustments to compensate for Increase RM cost will be available for full year FY20.



Aftermarkets

- High OEM sales in the past are expected to boost the first/second aftermarket replacements in FY20.
- International Subsidiary - introduction of new generation clutches (ASD clutch) in US Aftermarket



Lava Cast

- Optimum capacity utilization in Lava Cast in FY20 and sales to major external customers, including exports, would lead to positive bottom line



Beyond FY20.....

BS-VI migration from April 2020. We are ready with BS VI products and approvals. Expects up-sizing & content improvement of 5-8% along with 100BPS improvement in margins

Planned capex of INR 55 crs starting this fiscal to augment capacity to INR 1200 crs



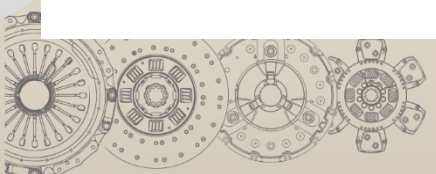
Guidance for FY20



Key Aspects

FY20 Guidance over merged entity

Sales Growth	About 25% over FY19
EBIDTA Margin	16% - 17%



Appendix

Awards and Recognition

Tata Motors Awards (Oct 2018)

1st in Cost Competitive Supplier Category



Udit Sheth, VC receiving - The Next Generation Entrepreneur of the year

The Machinist Award - 2019



Ashok Leyland – Awards (2019)

1. Reliability Gold



Ashok Leyland – Awards (2019)

2. Aftermarket Gold



-  Health & Nutrition
-  Education
-  Empowerment

Initiating



Engaging



Recognizing

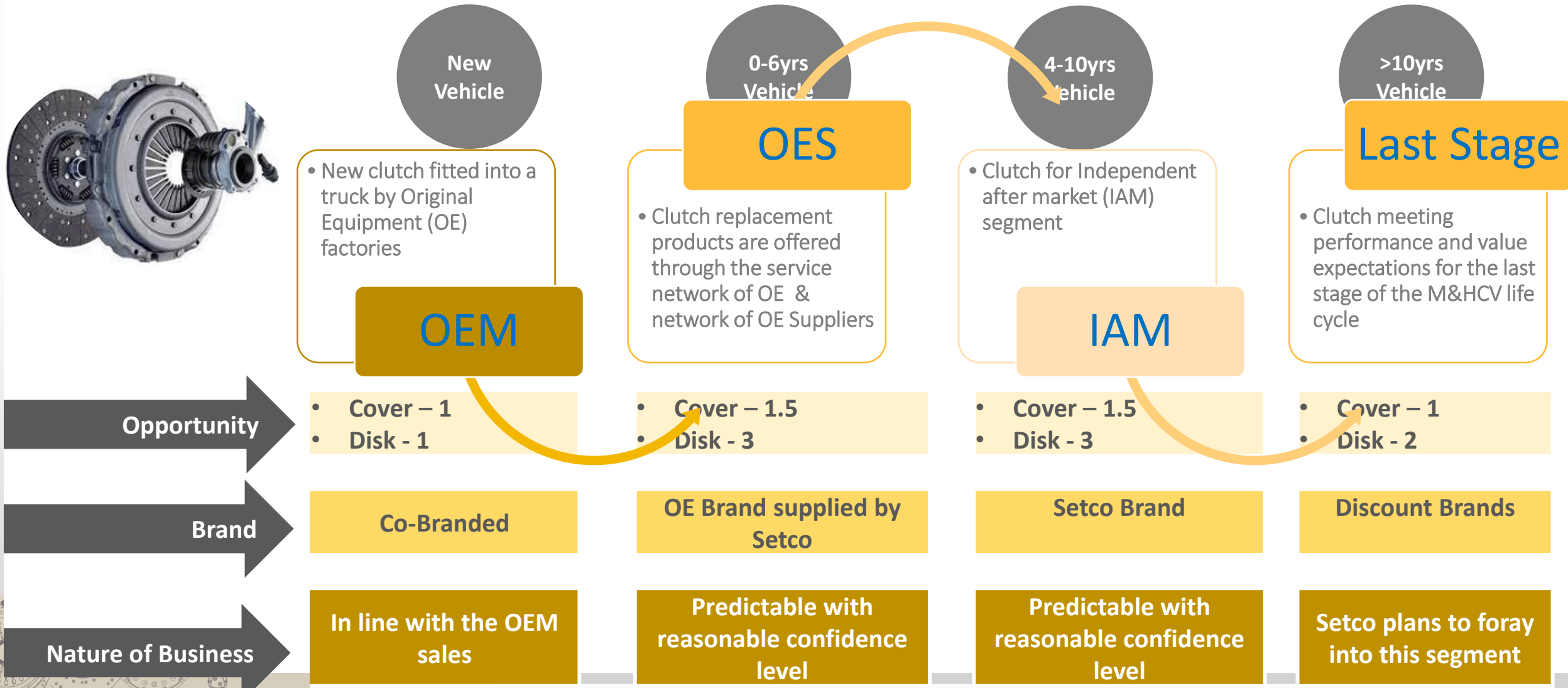


Lives Impacted **20,000+**



M&HCV Clutch Life Cycle

The clutch is the fuse of the drive train which is designed to fail optimally saving the engine and the gear-box and requires a strong service network to ensure that the vehicle performance is most efficient

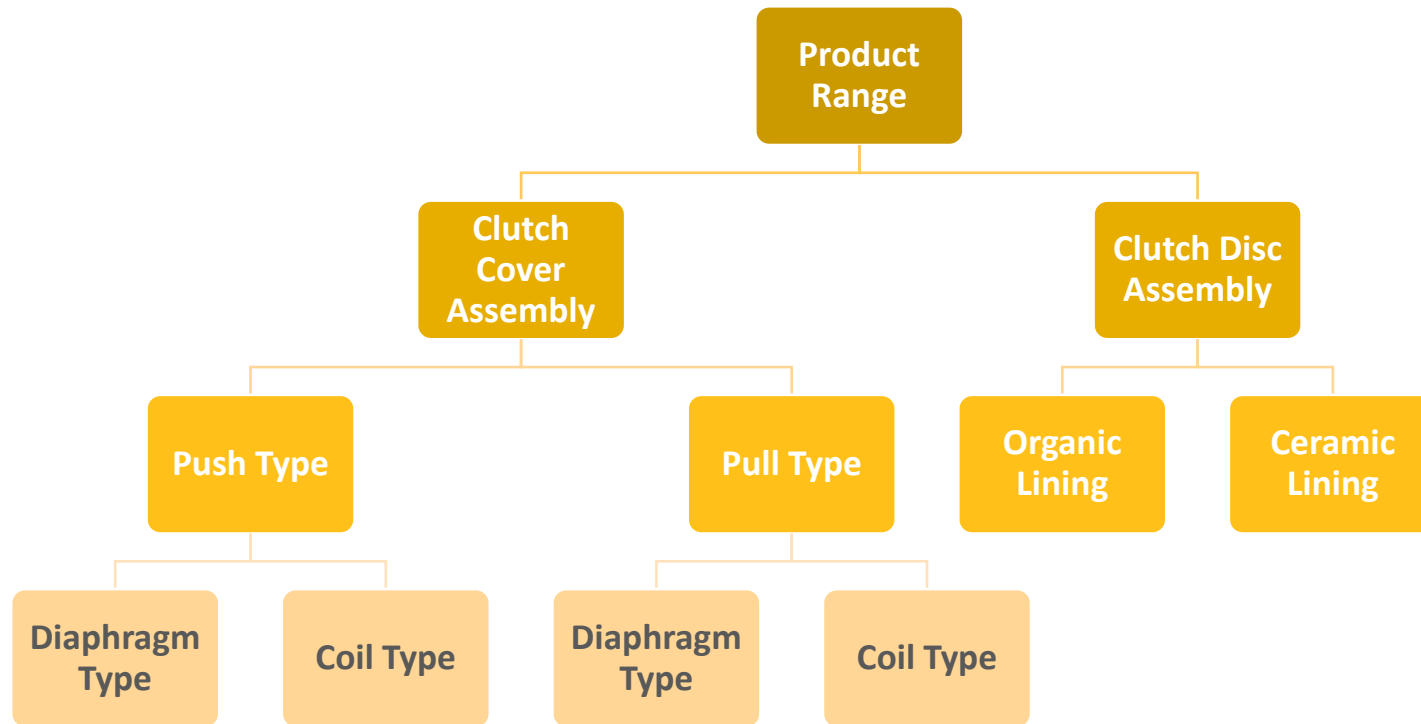


Opportunity →

Brand →

Nature of Business →

Product Range (MHCV & Farm Tractors)



Key Aspects

- Setco designs & manufacture both coil spring clutches (American) & diaphragm spring clutches (European)

- Both types validated and approved by OEM vehicle manufacturers

- For new entrant, normally it takes 3-4 years to get an approval from OEM

- The company has successfully forayed in the Farm Tractor clutches

Setco continues to strengthen its Competitive advantage



1 Service Advantage



2 People Advantage

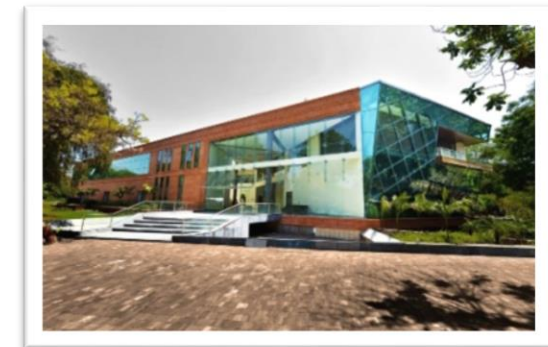


3 Integrated Play Advantage

4 Market Advantage

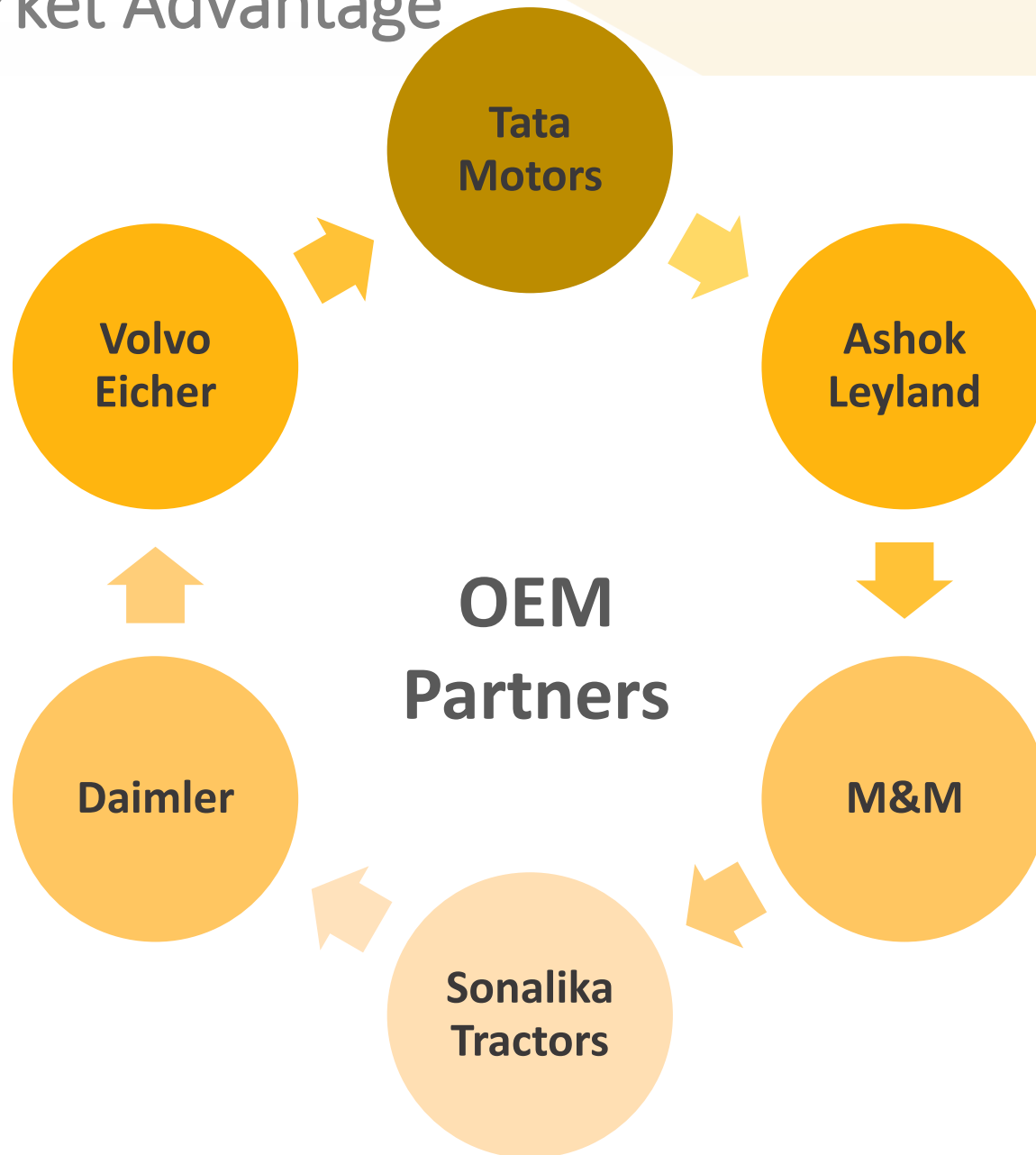


5 Manufacturing Advantage



6 Technology Advantage

Market Advantage



- ▶ Strong relations built over last 15 years with various OEM players.
- ▶ More than 85% of market share in MHCV space

4 MANUFACTURING FACILITIES 2 India | 2 International



Setco Kalol Complex, Gujarat



Setco Haslingden, Lancashire, UK



Setco Sitarganj, Uttarakhand



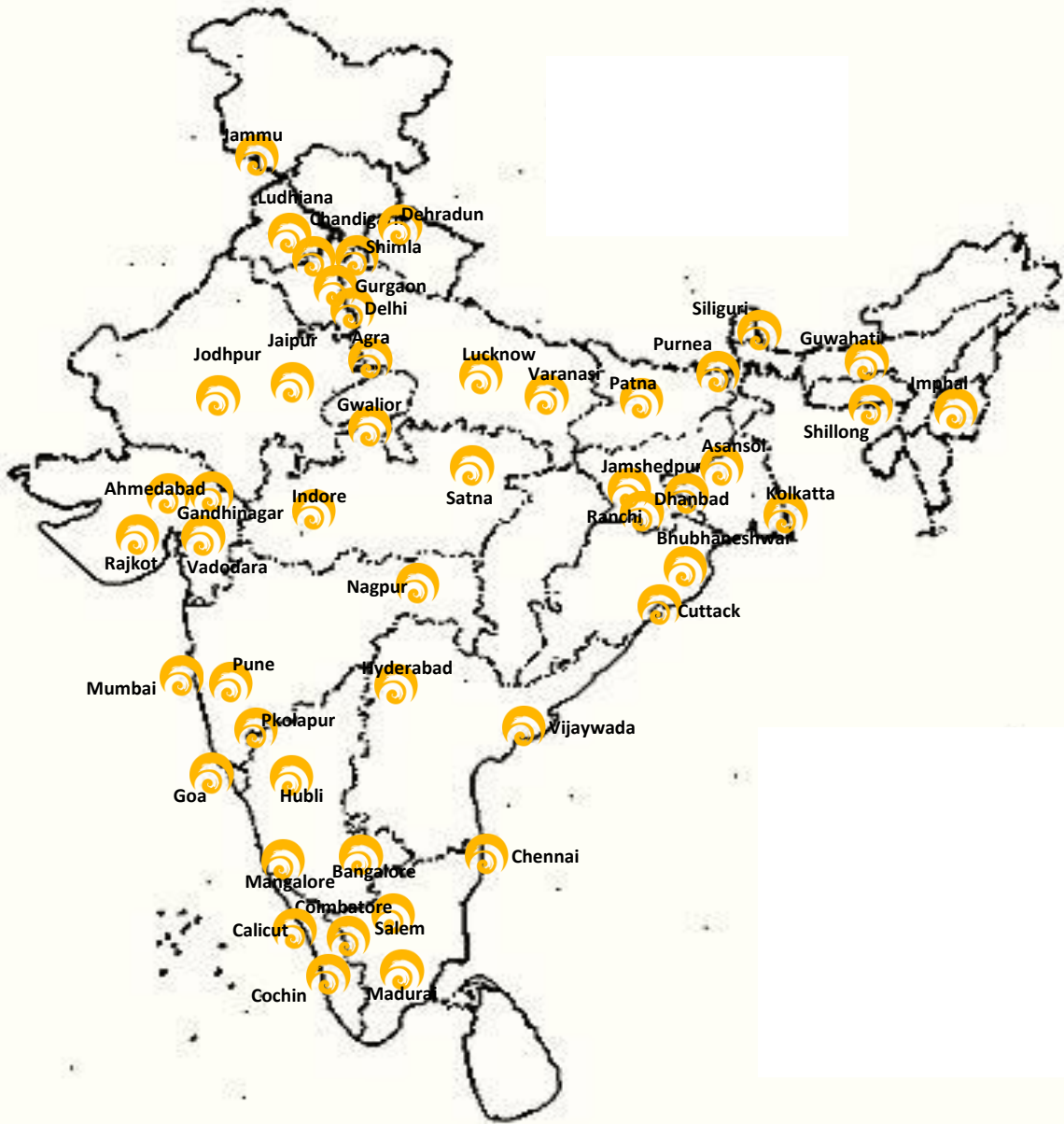
Setco Paris, TN, USA

Vertically Integrated Manufacturing

- ▶ State-of-the-art foundry with machine shop
- ▶ High tonnage press shop
- ▶ In-house surface treatment and heat treatment capability
- ▶ Diaphragm spring production

Plant: IATF 16949 :2009 | ISO 14001: 2004 , BS OHSAS 18001: 2007

Approval received for VDA 6.3 (The German Standard for Quality)



Key Aspects

23 distributors with 57 offices

The company aims to expand its aftermarket network to over 5000 touch points compared to 3500 touch points currently

Wide Independent Aftermarket - own distributor network through direct distributor arrangements

Distribution network covering retailers and garages

Training programs and field visits on servicing and troubleshooting & maintenance of clutch systems

Over 10,000 trained mechanics in India

We Invite You To Visit Setco



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