

November 14, 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 Sirs,

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, November 14, 2019 has, inter alia, approved the following:

1. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2019 along with the Limited Review Report of the Statutory Auditors thereon; and
2. Appointment of Ms. Suhasini Sathe as a Non-Executive Independent Director on the Board of Lava Cast Private Limited, which is material subsidiary of the company.

Brief Profile of Ms. Suhasini S. Sathe

Ms. Suhasini S. Sathe is an entrepreneurial person by nature and able to see the 'bigger picture'. She has more than 30 years hands on experience gained from the manufacturing industry with specific skills in Product, Performance & Marketing Management, Business Growth & Development. She utilizes skills from an extensive background within General Management, Sales and Marketing / Business Development and Innovation Management. She is also the Co-Founder





and presently Managing Director of the Sathe Group of Companies. Ms. Suhasini Sathe holds a Bachelors of Engineering (Mechanical) for V.J.T.I., Mumbai University and is proficient in the use of CAD-CAM software.

Accordingly, please find enclosed the following:

- a) Unaudited Standalone and Consolidated financial results of the Company for the quarter and half year ended September 30, 2019 along with the Limited Review Report of the Statutory Auditors thereon;
- b) Investor Presentation

The Board meeting commenced at 1:00 p.m. and concluded at 4 p.m.

We request you to kindly take the above information on record.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

For Setco Automotive Limited


Chandra Kant Sharma
Company Secretary



Encl: As above

V. PAREKH & ASSOCIATES

CHARTERED ACCOUNTANTS

37, HAMAM STREET, 2nd FLOOR, FORT, MUMBAI - 400 001. ☎ : 2265 02 64 • 2265 35 55 • 2266 62 19 FAX: 2265 43 70 E-Mail : mail@vparekh.com

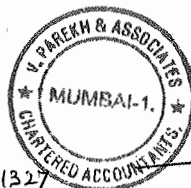
Limited Review Report on Quarterly and Half Yearly Unaudited Standalone Financial Results of SETCO Automotive Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review report to
The Board of Directors
SETCO AUTOMOTIVE LIMITED

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of SETCO Automotive Limited ("the Company"), for the quarter and half year period ended September 30, 2019 ("the Statement"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review. Attention is drawn to the fact that the Unaudited Standalone Statement of Cash Flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in the Statement of Unaudited Standalone Financial Results have been approved by the Company's Board of Directors, but have not been subjected to review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



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

Rasesh V. Parekh

(Rasesh V. Parekh)
Partner
Membership No. 038615

UDIN.: K038615AAAATG1327
Place : Mumbai
Date : 14th November, 2019



Regd. Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat
Tel :- 02676 - 270600, Fax :- 02676 -235524

Website: www.setcoauto.com, Email :- investor.relations@setcoauto.com
Corporate Identity Number : L35999GJ1982PLC005203

Part I: Statement of Standalone unaudited Financial Results for the Quarter and Half Year ended September 30, 2019

Rs. in Lakhs

| Sr. No. | Particulars | Quarter Ended | | Half Year Ended | | Year Ended | |
|-----------|--|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | | September 30, 2019 | June 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 | March 31, 2019 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income | | | | | | |
| a. | Revenue from Operations | 11,642 | 12,826 | 16,758 | 24,468 | 30,460 | 61,340 |
| b. | Other Income | 397 | 395 | 440 | 792 | 914 | 1,515 |
| | Total Income | 12,039 | 13,221 | 17,198 | 25,260 | 31,374 | 62,854 |
| 2 | Expenses | | | | | | |
| a. | Cost of materials consumed | 7,286 | 7,631 | 10,743 | 14,916 | 18,897 | 37,853 |
| b. | Changes in inventories of finished goods and work-in-progress | (615) | (263) | (264) | (878) | (396) | (1,614) |
| c. | Employee benefits expense | 1,338 | 1,319 | 1,231 | 2,657 | 2,412 | 5,673 |
| d. | Finance costs | 845 | 807 | 780 | 1,652 | 1,638 | 3,398 |
| e. | Depreciation and amortisation expense | 475 | 469 | 486 | 944 | 968 | 1,931 |
| f. | Other expenses | 2,040 | 2,109 | 2,679 | 4,149 | 5,142 | 10,307 |
| | Total Expenses | 11,369 | 12,071 | 15,655 | 23,440 | 28,661 | 57,548 |
| 3 | Profit / (Loss) before exceptional and tax (1-2) | 670 | 1,150 | 1,543 | 1,820 | 2,713 | 5,306 |
| 4 | Exceptional Items | - | - | - | - | - | - |
| 5 | Profit / (Loss) before tax (3+4) | 670 | 1,150 | 1,543 | 1,820 | 2,713 | 5,306 |
| 6 | Tax Expense | | | | | | |
| a. | Current Tax | 277 | 451 | 661 | 728 | 1,048 | 826 |
| b. | Deferred Tax | 6 | (50) | 2 | (44) | (33) | 858 |
| 7 | Profit / (Loss) for the period (5-6) | 388 | 749 | 880 | 1,136 | 1,698 | 3,622 |
| 8 | Other Comprehensive Income (OCI) | | | | | | |
| a. | Items that will not be reclassified to Profit or Loss | - | - | - | - | - | (31) |
| b. | Income Tax relating to items that will not be reclassified to Profit or Loss | - | - | - | - | - | 11 |
| c. | Items that will be reclassified to Profit or Loss | - | - | - | - | - | - |
| d. | Income Tax relating to items that will be reclassified to Profit or Loss | - | - | - | - | - | - |
| | Other Comprehensive Income (Net of Tax) | - | - | - | - | - | (20) |
| 9 | Total Comprehensive income for the period (7+8) | 388 | 749 | 880 | 1,136 | 1,698 | 3,602 |
| 10 | Paid up Equity Share Capital (Face Value Rs. 2/- per share) | 2,675 | 2,675 | 2,674 | 2,675 | 2,674 | 2,674 |
| 11 | Other Equity | | | | | | 23,588 |
| 12 | Earnings per equity share (Face Value of Rs. 2/-) (not annualised) : | | | | | | |
| (a) | Basic - Rs. | 0.29 | 0.56 | 0.66 | 0.85 | 1.27 | 2.71 |
| (b) | Diluted - Rs. | 0.29 | 0.56 | 0.66 | 0.85 | 1.27 | 2.71 |





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Corporate Identity Number : L35999GJ1982PLC005203

Part II: Statement of Standalone unaudited Assets & Liabilities

Rs in lakhs

| Sr. No. | Particulars | As at | |
|----------|--|--------------------|----------------|
| | | September 30, 2019 | March 31, 2019 |
| | | Unaudited | Audited |
| A | ASSETS | | |
| 1 | Non-Current Assets | | |
| | a. Property, Plant and Equipment | 10,915 | 11,362 |
| | b. Capital Work-in-Progress | 2 | - |
| | c. Intangible Assets | 2,859 | 2,459 |
| | d. Intangible Assets Under Development | 909 | 1,366 |
| | e. Financial Assets | | |
| | (i) Investments | 16,991 | 14,031 |
| | (ii) Loans and Advances | 1,388 | 1,307 |
| | (iii) Other Financial Assets | 148 | 148 |
| | f. Deferred Tax Assets (Net) | 733 | 1,133 |
| | g. Other Non-Current Assets | 194 | 85 |
| | Sub-total - Non-Current Assets | 34,140 | 31,891 |
| 2 | Current Assets | | |
| | a. Inventories | 11,668 | 12,249 |
| | b. Financial Assets | | |
| | (i) Trade Receivables | 11,716 | 12,484 |
| | (ii) Cash and Cash Equivalents | 163 | 694 |
| | (iii) Bank Balances Other Than (ii) Above | 106 | 106 |
| | (iv) Loans and Advances | 9,089 | 6,386 |
| | c. Other Current Assets | 2,824 | 2,337 |
| | Sub-total - Current Assets | 35,565 | 34,255 |
| | TOTAL ASSETS | 69,705 | 66,146 |
| B | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | a. Equity Share Capital | 2,675 | 2,674 |
| | b. Other Equity | 23,266 | 23,588 |
| | Sub-total - Equity | 25,941 | 26,262 |
| | Liabilities | | |
| 1 | Non-Current Liabilities | | |
| | a. Financial Liabilities | | |
| | (i) Borrowings | 4,388 | 1,347 |
| | (ii) Other Financial Liabilities | 641 | 719 |
| | b. Other non current liabilities | 14 | 14 |
| | c. Provisions | 217 | 185 |
| | Sub-total - Non-Current Liabilities | 5,260 | 2,265 |
| 2 | Current Liabilities | | |
| | a. Financial Liabilities | | |
| | (i) Borrowings | 18,412 | 18,419 |
| | (ii) Trade Payables | | |
| | (a) Dues of micro, small and medium enterprises | 931 | 871 |
| | (b) Dues of creditors other than micro, small and medium enterprises | 11,124 | 10,866 |
| | (iii) Other Financial Liabilities | 2,745 | 3,438 |
| | b. Other Current Liabilities | 2,564 | 3,121 |
| | c. Provisions | 2,041 | 376 |
| | d. Current Tax Liabilities (Net) | 687 | 528 |
| | Sub-total - Current Liabilities | 38,504 | 37,619 |
| | TOTAL EQUITY AND LIABILITIES | 69,705 | 66,146 |





Registered Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat, India

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

Corporate Identity Number : L35999GJ1982PLC005203

Part III: Standalone Unaudited Cash Flow Statement

(Rs. In lakhs)

| Particulars | Half Year Ended | | |
|---|-----------------------|-----------------------|---------------------------------|
| | September 30, 2019 | September 30, 2018 | Year Ended March 31, 2019 |
| | Unaudited | Unaudited | Audited |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before tax | 1,820 | 2,713 | 5,306 |
| Adjustment for : | | | |
| Depreciation and amortisation expense | 944 | 968 | 1,931 |
| (Profit)/loss on sale of property, plant and equipment | 0 | (8) | (6) |
| Unrealized exchange loss/(gain) | 34 | 205 | 19 |
| Interest expense | 1,487 | 1,485 | 3,031 |
| Other Financial charges | 165 | 152 | 368 |
| Rent Income | (16) | (16) | (33) |
| Interest income | (623) | (390) | (830) |
| Finance Income Related to Financial Guarantee Measured at Fair Value | (79) | (83) | (170) |
| Corporate tax | (284) | (543) | (1,057) |
| MAT credit entitlement | (444) | (506) | 232 |
| Employee stock options cost | (13) | 8 | (10) |
| Employee Benefits Designated Through Other Comprehensive Income | - | - | (31) |
| Operating profit / (loss) before changes in working capital | 2,991 | 3,987 | 8,747 |
| Adjustments for changes in : | | | |
| Trade receivables | 733 | (556) | (1,094) |
| Inventories | 581 | 338 | (786) |
| Loans and other assets | (2,230) | 179 | (3,094) |
| Other non-current and current assets | (568) | 121 | 1,052 |
| Non-current and current financial assets | (0) | (398) | 4 |
| Trade payables | 345 | 19 | 1,559 |
| Other non-current and current provisions | 1,855 | 1,745 | 332 |
| Other non-current and current liabilities | (557) | 790 | 926 |
| Non-current and current financial liabilities | 68 | 32 | 56 |
| Change in current assets/liabilities | 228 | 2,271 | (1,045) |
| Cash generated from operations | 3,219 | 6,257 | 7,702 |
| Direct taxes (Tax deducted at source) | (29) | (22) | (27) |
| Net Cash flow from operating activities | 3,190 | 6,235 | 7,676 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant and Equipment | (278) | (192) | (416) |
| Proceeds on sale of Property, Plant and Equipment | 4 | 8 | 13 |
| Intangible asset | (168) | (5) | (772) |
| Interest income | 623 | 390 | 830 |
| Rent Income | 16 | 16 | 33 |
| Government Grants - Cash Subsidy amortization | - | - | 1 |
| Investment in Equity Shares | - | (850) | (850) |
| Investment in Preference Shares | (2,960) | - | - |
| Net Cash used in investing activities | (2,762) | (632) | (1,161) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Cash Credit | (20) | (204) | 2,079 |
| Proceeds from Short Term /Other Loans | 14 | - | - |
| Proceeds from Term/Other Loans | 4,500 | 104 | 496 |
| Repayment of Short Term Loans | - | (273) | (500) |
| Repayment of Term Loans | (2,218) | (1,462) | (3,414) |
| Interest expense | (1,487) | (1,485) | (3,031) |
| Other Financial charges | (165) | (152) | (368) |
| Proceeds from issue of Shares including Premium | 29 | 13 | 26 |
| Share Application Money Received | - | - | - |
| Final dividend and dividend distribution tax | (1,612) | (1,289) | (1,289) |
| Net Cash used in financing activities | (959) | (4,749) | (6,001) |
| Net increase/(decrease) in Cash and Cash Equivalents (A + B + C) | (531) | 854 | 513 |
| Opening Cash and Cash Equivalents | 694 | 181 | 181 |
| Closing Cash and Cash Equivalents | 163 | 1,035 | 694 |

Note:-

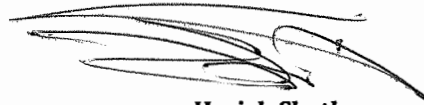
- The above Cash Flow Statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows, as notified under section 133 of Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015.



Notes (Standalone):-

1. The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, as amended and other recognized accounting practices and policies to the extent applicable.
2. The other income of Rs. 397 lakhs for the quarter ended September'19 (for June'19 Qtr Rs. 395 lakhs, for September'18 Qtr Rs. 440 lakhs) includes interest charged to subsidiaries of Rs. 322 lakhs for September'19 Qtr (for June'19 Qtr Rs. 301 lakhs, for September'18 Qtr Rs. 163 lakhs), foreign exchange fluctuation Rs. Nil for September'19 Qtr (for June'19 Qtr Rs. Nil, for September'18 Qtr gain Rs. 216 lakhs), interest on VAT refund received for September'19 Qtr Rs. Nil (for June'19 Qtr Rs. Nil, for September'18 Qtr Rs. 46 lakhs), finance income on Financial Guarantee of Rs. 42 lakhs for September'19 Qtr (for June'19 Qtr Rs. 51 lakhs, for September'18 Qtr Rs. 10 lakhs), duty drawback of Rs. 6 lakhs for September'19 Qtr (for June'19 Qtr Rs. 9 lakhs, for September'18 Qtr Rs. 8 lakhs) and other misc. income of Rs. 27 lakhs for September'19 Qtr (for June'19 Qtr Rs. 34 lakhs, for September'18 Qtr Rs. -3 lakhs).
3. In the opinion of Management and based on advice received, no provision is made in respect of contingent liability contested at ITAT of Rs. 590 lacs relating to tax on book profit for Assessment Year 2011-12.
4. Effective from April 01, 2019, the company has adopted Ind AS 116 "Leases". Upon review of existing leases, the management is of the view that no material impact is there on this quarter/half year result.
5. 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".
6. The Cash Flow Statement for the half year ended September 30, 2018 is approved by the Board of Directors of the Company but has not been subjected to review by the Statutory Auditors.
7. Previous period figures have been regrouped / rearranged wherever considered necessary.
8. The above financial results were reviewed and recommended by the Audit Committee at its meeting held on November 14, 2019 and subsequently approved by the Board of Directors at its meeting held on November 14, 2019. The Statutory Auditors have carried out a limited review of the financial results for the quarter/half year ended September 30, 2019.

For and behalf of the Board



**Harish Sheth
Chairman & Managing Director
DIN : 01434459**



**Place : Mumbai
Date : November 14, 2019**



V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS

37, HAMAM STREET, 2nd FLOOR, FORT, MUMBAI - 400 001. ☎ : 2265 02 64 ● 2265 35 55 ● 2266 62 19 FAX : 2265 43 70 E-Mail : mail@vparekh.com

Limited Review Report on Quarterly and Half Yearly Unaudited Consolidated Financial Results of SETCO Automotive Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report to
The Board of Directors
SETCO AUTOMOTIVE LIMITED

1. We have reviewed the unaudited consolidated financial results of **SETCO Automotive Limited** (the "Parent") and its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group") for the quarter and half year ended September 30, 2019 which are included in the accompanying 'Statement of consolidated unaudited financial results for the quarter and half year ended September 30, 2019, the unaudited consolidated statement of assets and liabilities as on that date and the consolidated statement of cash flows for the half-year ended on that date (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended September 30, 2018, the corresponding period from April 01, 2018 to September 30, 2018 and consolidated figures for the Statement of Cashflows for the period from April 01, 2018 to September 30, 2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



V. PAREKH & ASSOCIATES

CHARTERED ACCOUNTANTS

37, HAMAM STREET, 2nd FLOOR, FORT, MUMBAI - 400 001. ☎ : 2265 02 64 ● 2265 35 55 ● 2266 62 19 FAX : 2265 43 70 E-Mail : mail@vparekh.com

We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

| Sr No. | Name of Entity | Relationship |
|--------|-------------------------------|-------------------------|
| 1. | Setco Automotive (UK) Limited | Wholly Owned Subsidiary |
| 2. | Setco Automotive (NA), INC. | Wholly Owned Subsidiary |
| 3. | WEW Holding Limited | Wholly Owned Subsidiary |
| 4. | Setco MEA DMCC | Wholly Owned Subsidiary |
| 5. | Lava Cast Private Limited | Subsidiary |

5. Attention is drawn to the fact that the Company has estimated unrealized profit in inventory lying with subsidiary companies out of inter company transactions & eliminated it prospectively on consolidation for the period of September 2019. The net effect of it is, Retained Earnings decreased by Rs. 124.42 Lacs and Deferred Tax Asset increased by Rs. 66.83 Lacs as at 30.09.2019. In absence of such details in past, corresponding figures of previous periods are not comparable.
6. Subject to the above para, based on our review conducted and procedures performed as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards i.e. Ind AS and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement

For V. Parekh & Associates

Chartered Accountants

(Firm Registration No. 107488W)

Rasesh V. Parekh

(Rasesh V. Parekh)

Partner

Membership No. 038615



UDINo.: 19038615AAAATH1321

Place : Mumbai

Date : 14th November, 2019



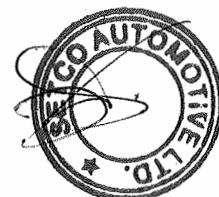
Regd. Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat
Tel :- 02676 - 270600, Fax :- 02676 -235524

Website: www.setcoauto.com, Email :- investor.relations@setcoauto.com
Corporate Identity Number : L35999GJ1982PLC005203

Part IV: Statement of Consolidated unaudited Financial Results for the Quarter and Half Year ended September 30, 2019

Rs. in Lakhs

| Sr. No. | Particulars | Quarter Ended | | | Half Year Ended | | Year Ended |
|-----------|--|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
| | | September 30, 2019 | June 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 | March 31, 2019 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income | | | | | | |
| a. | Revenue from Operations | 12,889 | 14,323 | 18,668 | 27,212 | 33,927 | 68,044 |
| b. | Other Income | 34 | 49 | 277 | 83 | 458 | 583 |
| | Total Income | 12,923 | 14,372 | 18,945 | 27,295 | 34,384 | 68,627 |
| 2 | Expenses | | | | | | |
| a. | Cost of materials consumed | 6,346 | 7,255 | 10,074 | 13,601 | 17,509 | 34,646 |
| b. | Changes in inventories of finished goods and work-in-progress | (296) | (549) | (303) | (845) | (585) | (1,746) |
| c. | Employee benefits expense | 2,188 | 2,112 | 2,087 | 4,300 | 4,057 | 9,083 |
| d. | Finance costs | 1,262 | 1,235 | 1,283 | 2,497 | 2,590 | 5,259 |
| e. | Depreciation and amortisation expense | 810 | 797 | 841 | 1,607 | 1,664 | 3,352 |
| f. | Other expenses | 3,309 | 3,245 | 4,258 | 6,554 | 8,071 | 16,355 |
| | Total Expenses | 13,620 | 14,095 | 18,240 | 27,715 | 33,306 | 66,949 |
| 3 | Profit / (Loss) before exceptional and tax (1-2) | (697) | 277 | 705 | (420) | 1,078 | 1,678 |
| 4 | Exceptional Items | - | - | - | - | - | - |
| 5 | Profit / (Loss) before tax (3+4) | (697) | 277 | 705 | (420) | 1,078 | 1,678 |
| 6 | Tax Expense | | | | | | |
| a. | Current Tax | 277 | 451 | 661 | 728 | 1,048 | 826 |
| b. | Deferred Tax | 6 | (50) | 3 | (44) | (33) | 905 |
| 7 | Profit / (Loss) for the period (5-6) | (979) | (124) | 41 | (1,103) | 62 | (53) |
| 8 | Other Comprehensive Income (OCI) | | | | | | |
| a. | Items that will not be reclassified to Profit or Loss | - | - | - | - | - | (36) |
| b. | Income Tax relating to items that will not be reclassified to Profit or Loss | - | - | - | - | - | 11 |
| c. | Items that will be reclassified to Profit or Loss | - | - | - | - | - | - |
| d. | Income Tax relating to items that will be reclassified to Profit or Loss | - | - | - | - | - | - |
| | Other Comprehensive Income (Net of Tax) | - | - | - | - | - | (25) |
| 9 | Total Comprehensive income for the period (7+8) | (979) | (124) | 41 | (1,103) | 62 | (79) |
| 10 | Profit for the period attributable to | | | | | | |
| | Owners of the company | (847) | (34) | 132 | (881) | 248 | 314 |
| | Non-controlling Interest | (133) | (90) | (91) | (223) | (186) | (367) |
| 11 | Other Comprehensive Income attributable to | | | | | | |
| | Owners of the company | - | - | - | - | - | (24) |
| | Non-controlling Interest | - | - | - | - | - | (1) |
| 12 | Total Comprehensive Income for the period attributable to | | | | | | |
| | Owners of the company | (847) | (34) | 132 | (881) | 248 | 289 |
| | Non-controlling Interest | (133) | (90) | (91) | (223) | (186) | (368) |
| 12 | Paid up Equity Share Capital (Face Value Rs. 2/- per share) | 2,675 | 2,675 | 2,674 | 2,675 | 2,674 | 2,674 |
| 13 | Other Equity | | | | | | 14,417 |
| 14 | Earnings per equity share (Face Value of Rs. 2/-) (not annualised) : | | | | | | |
| | (a) Basic - Rs. | (0.63) | (0.03) | 0.10 | (0.66) | 0.19 | 0.22 |
| | (b) Diluted - Rs. | (0.63) | (0.03) | 0.10 | (0.66) | 0.19 | 0.22 |





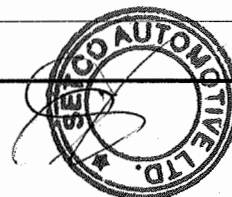
Regd. Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat
Tel :- 02676 - 270600, Fax :- 02676 -235524

Website: www.setcoauto.com, Email :- investor.relations@setcoauto.com
Corporate Identity Number : L35999GJ1982PLC005203

Part V: Statement of Consolidated unaudited Assets & Liabilities

Rs. in Lakhs

| Sr. No. | Particulars | As at | |
|----------|--|--------------------|----------------|
| | | September 30, 2019 | March 31, 2019 |
| | | Unaudited | Audited |
| A | ASSETS | | |
| 1 | Non-Current Assets | | |
| | a. Property, Plant and Equipment | 27,244 | 27,887 |
| | b. Capital Work-in-Progress | 2 | 221 |
| | c. Intangible Assets | 4,168 | 3,792 |
| | d. Intangible Assets Under Development | 909 | 1,366 |
| | e. Financial Assets | | |
| | (i) Investments | 4,495 | 1,535 |
| | (ii) Loans and Advances | - | - |
| | (iii) Other Financial Assets | 239 | 227 |
| | f. Deferred Tax Assets (Net) | 2,924 | 3,249 |
| | g. Other Non-Current Assets | 212 | 97 |
| | Sub-total - Non-Current Assets | 40,194 | 38,374 |
| 2 | Current Assets | | |
| | a. Inventories | 18,020 | 18,578 |
| | b. Financial Assets | | |
| | (i) Trade Receivables | 8,999 | 10,817 |
| | (ii) Cash and Cash Equivalents | 789 | 1,130 |
| | (iii) Bank Balances Other Than (ii) Above | 106 | 106 |
| | (iv) Loans and Advances | - | - |
| | c. Other Current Assets | 3,078 | 2,554 |
| | Sub-total - Current Assets | 30,991 | 33,185 |
| | TOTAL ASSETS | 71,186 | 71,559 |
| B | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | a. Equity Share Capital | 2,675 | 2,674 |
| | b. Other Equity | 11,746 | 14,417 |
| | Sub-total - Equity | 14,421 | 17,090 |
| | Liabilities | | |
| 1 | Non-Current Liabilities | | |
| | a. Financial Liabilities | | |
| | (i) Borrowings | 11,886 | 9,000 |
| | (ii) Other Financial Liabilities | 88 | 86 |
| | b. Other non current liabilities | 14 | 14 |
| | c. Provisions | 241 | 203 |
| | Sub-total - Non-Current Liabilities | 12,229 | 10,184 |
| 2 | Current Liabilities | | |
| | a. Financial Liabilities | | |
| | (i) Borrowings | 22,403 | 22,428 |
| | (ii) Trade Payables | | |
| | (a) Dues of micro, small and medium enterprises | 931 | 871 |
| | (b) Dues of creditors other than micro, small and medium enterprises | 10,313 | 9,849 |
| | (iii) Other Financial Liabilities | 4,952 | 5,615 |
| | b. Other Current Liabilities | 3,191 | 4,605 |
| | c. Provisions | 2,047 | 377 |
| | d. Current Tax Liabilities (Net) | 699 | 540 |
| | Sub-total - Current Liabilities | 44,535 | 44,285 |
| | TOTAL EQUITY AND LIABILITIES | 71,186 | 71,559 |





Registered Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat, India
Tel :- 02676 - 270600, Fax :- 02676 -235524

Website: www.setcoauto.com, Email :- investor.relations@setcoauto.com
Corporate Identity Number : L35999GJ1982PLC005203

Part VI: Consolidated Unaudited Cash Flow Statement

Rs in lakhs

| Particulars | Half Year Ended | | Year Ended |
|---|------------------------------------|------------------------------------|------------------------------|
| | September 30, 2019 Unaudited | September 30, 2018 Unaudited | March 31, 2019 Audited |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before tax | (420) | 1,078 | 1,677 |
| Adjustment for : | | | |
| Depreciation and amortisation expense | 1,607 | 1,664 | 3,352 |
| (Profit)/loss on sale of property, plant and equipment | 0 | (8) | (8) |
| Unrealized exchange loss/(gain) | (180) | 122 | 383 |
| Interest expense | 2,298 | 2,369 | 4,645 |
| Other Financial charges | 200 | 221 | 614 |
| Interest income | (53) | (131) | (234) |
| Rent Income | (16) | (16) | (33) |
| Corporate tax | (240) | (510) | (1,963) |
| MAT credit entitlement | (444) | (506) | 232 |
| Employee stock options cost | (13) | 8 | (10) |
| Employee Benefits Designated Through Other Comprehensive Income | - | - | (25) |
| Operating profit / (loss) before changes in working capital | 2,739 | 4,291 | 8,629 |
| Trade receivables | 1,819 | 3 | (794) |
| Inventories | 557 | 192 | (336) |
| Other Financial Assets | (13) | (190) | (190) |
| Other Current / Non-Current Assets | (80) | 535 | 1,770 |
| Trade payables | 523 | 134 | 17 |
| Provisions | 1,867 | 1,754 | 310 |
| Other Current / Non-Current Liabilities | (1,414) | 1,767 | 958 |
| Other Financial Liabilities | 88 | (860) | 527 |
| Change in current assets/liabilities | 3,347 | 3,336 | 2,262 |
| Net cash flow generated from operating activities before tax | 6,086 | 7,628 | 10,891 |
| Direct taxes (tax deducted at source) | (29) | (22) | (27) |
| Net cash flow from operating activities | 6,057 | 7,606 | 10,864 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | (448) | (650) | (2,067) |
| Sale of property, plant and equipment | 4 | 8 | 13 |
| Purchase of Intangible asset | (168) | (5) | (841) |
| Rent Income | 16 | 16 | 33 |
| Interest income | 53 | 131 | 234 |
| Investment in Preference Shares | (2,960) | - | - |
| Net cash used in investing activities | (3,503) | (499) | (2,627) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from cash credit | (24) | 857 | 3,415 |
| Proceeds from short term loans | - | - | - |
| Proceeds from term / other loans | 4,500 | 104 | 496 |
| Repayment of short term loans | - | (273) | (500) |
| Repayment of term loans | (3,239) | (2,527) | (4,289) |
| Unclaimed Dividend | 0 | (2) | (14) |
| Proceeds from shares issued including premium | 29 | 13 | 26 |
| Dividend and dividend distribution tax | (1,612) | (1,289) | (1,289) |
| Interest expense | (2,298) | (2,369) | (4,645) |
| Other Financial charges | (200) | (221) | (614) |
| Net cash used in financing activities | (2,843) | (5,707) | (7,414) |
| D. Net effect of exchange gain/(loss) on cash and cash equivalents | (52) | (535) | (162) |
| Net Increase in Cash and Cash Equivalents (A + B + C + D) | (341) | 863 | 660 |
| Opening Cash and Cash Equivalents | 1,130 | 470 | 470 |
| Closing Cash and Cash Equivalents | 789 | 1,333 | 1,130 |

Note:

- The above Cash Flow Statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows, as notified under section 133 of Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015.



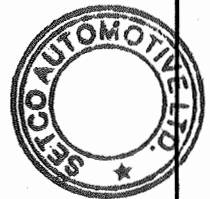
Notes (Consolidated):-

1. The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, as amended and other recognized accounting practices and policies to the extent applicable.
2. Company has estimated unrealized profit in inventory lying with subsidiary companies out of inter-company transactions & eliminated it prospectively on consolidation for September 2019 Quarter/Half Year. The net effect of it is, retained earnings decreased by 124.42 Lakhs and deferred tax asset increased by Rs. 66.83 Lakhs as at September 30, 2019 . In absence of such details in past, corresponding figures of previous periods are not comparable.
3. In the opinion of Management and based on advice received, no provision is made in respect of contingent liability contested at ITAT of Rs. 590 lacs relating to tax on book profit for Assessment Year 2011-12.
4. Effective from April 01, 2019, the company has adopted Ind AS 116 "Leases". Upon review of existing leases, the management is of the view that no material impact is there on this quarter/half year result.
5. 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".
6. The Cash Flow Statement for the half year ended September 30, 2018 and financial results for the corresponding quarter/half year ended September 30, 2018 are approved by the Board of Directors and have not been subject to Limited Review by the Auditors.
7. Previous period figures have been regrouped / rearranged wherever considered necessary.
8. The above financial results were reviewed and recommended by the Audit Committee at its meeting held on November 14, 2019 and subsequently approved by the Board of Directors at its meeting held on November 14, 2019. The Statutory Auditors have carried out a limited review of the financial results for the quarter/half year ended September 30, 2019.

For and behalf of the Board



Harish Sheth
Chairman & Managing Director
DIN : 01434459



Place : Mumbai
Date : November 14, 2019





SETCOTM
AUTOMOTIVE

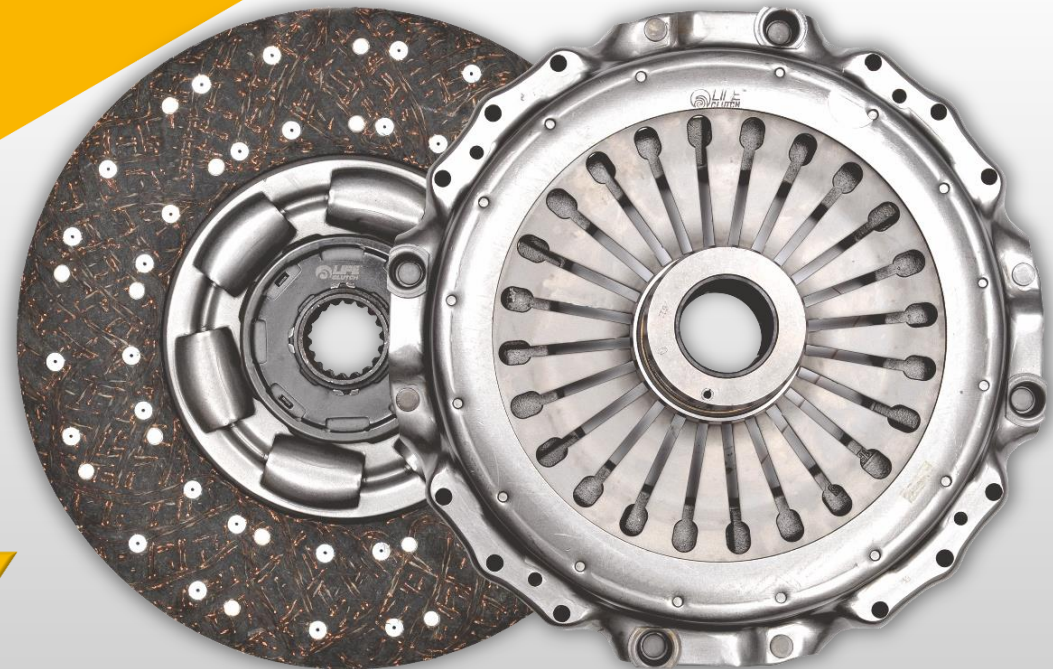
Efficient Engineering

Results Q2FY20
Setco Automotive Limited

SETCOTM
LIPE
CLUTCH

...**LIPE** FOR LIFETM

BS-VI
READY



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Agenda

- 1** Overview
- 2** Financial Results
- 3** Outlook
- 4** Business Update
- 5** Appendix

Overview

Highlights – Industry has bottomed-out



OEM Segment (contributes < 30% of revenue)

- 1
 - **Worst is behind in this segment** as inventory correction by MHCV manufacturers has already occurred. Therefore sharp reduction in MHCV production, witnessed in the last four quarters, is not expected to continue.
 - Going forward, **OEM production is expected to gradually pick-up** to match the demand. Historically, Q4 had been the strongest quarter.

Aftermarkets Segment (contributes ~70% of revenue)

- 2
 - Aftermarket is estimated to have declined by 10% based on data of freight MT/ freight rates, diesel consumption decline and lower GDP growth. In this declining segment, Setco continues to gain market share through both OE channels and direct aftermarket.
 - Aftermarket sales improved by 2% from INR 160.38cr in H1FY19 to INR 163.62cr in H1FY20
 - We expect growth rate to accelerate in H2FY20 resulting in overall profitability improvement due to superior mix.

Setco's resilient performance

- 3
 - Despite unprecedented slowdown of the MHCV industry, Setco shows **resilient performance**, on the back of dominant leadership position in OEM and aftermarket segment.
 - MHCV production declined by ~40% in H1FY20. Despite this, driven by driven by strong aftermarket presence, the company has posted a revenue of INR 245cr, down by only 20% YoY.
 - Sustained operational profitability driven by higher aftermarket sales having better margins as well as cost management. **Contribution in H1 at 30.2%, up by 440bps**. With increase in fixed costs, EBITDA has increased by 60 bps to 14.8% in H1FY20 despite 20% lower topline.
 - We expect this improvement trend driven by lower material cost, superior mix and tight control on fixed costs to further improve profitability in H2FY20.

Topline growth levers going forward

- 4
 - Pick-up in MHCV production and build-up of inventory in Q1FY21 would result in equal increase in Setco's OEM sales.
 - Ready for supplying BS-VI clutches. Expects up-sizing & higher average realization of 5-8% along with **75-100bps improvement** in margins
 - Approvals from major Tractor OEMs are in **Final stages**, and benefits anticipated in next year FY21

Financial Results

Key figures – Standalone H1 & Q2 FY20

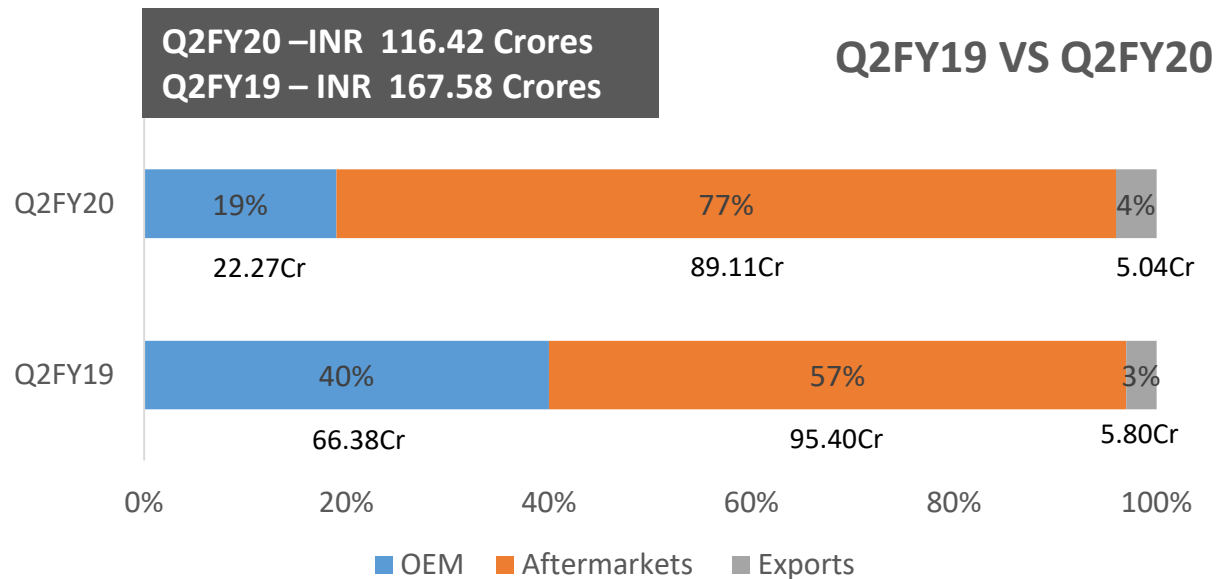
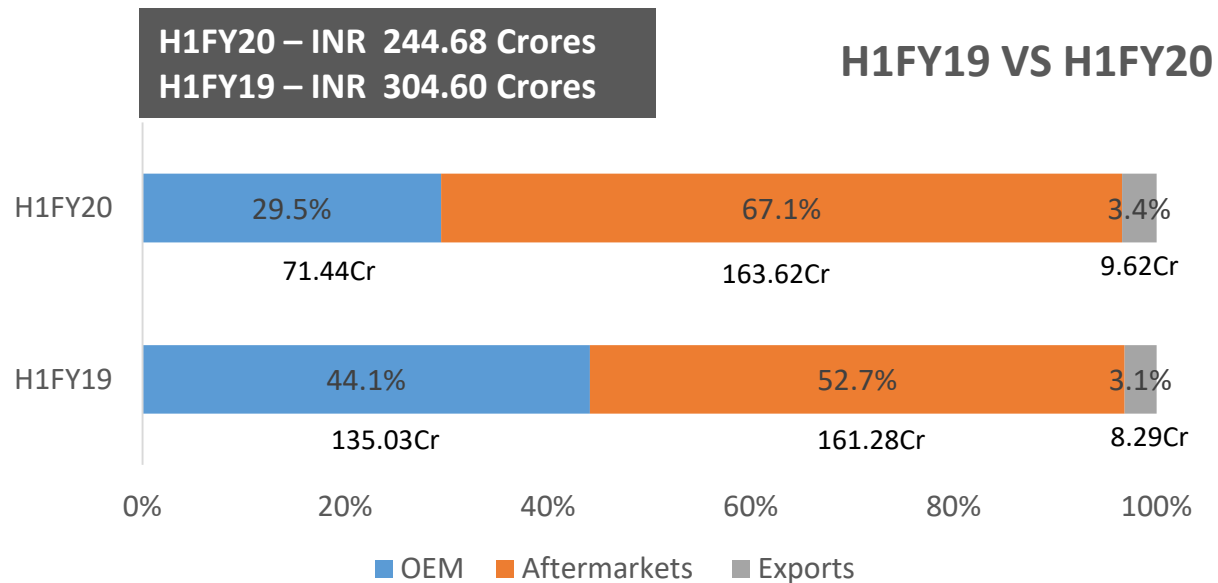
Standalone

| In INR crores | H1 FY20 | H1 FY19 | Growth | Q2 FY20 | Q2 FY19 | Growth | FY19 |
|-------------------------|----------------|----------------|--------------------|----------------|----------------|--------------------|-----------------|
| Sales | 244.68 | 304.60 | (20%) | 116.42 | 167.58 | (31%) | 613.40 |
| Contribution % to Sales | 73.87 30.2% | 78.53 25.8% | +440bps | 34.61 29.7% | 41.59 24.8% | +490bps | 172.59 28.1% |
| EBITDA Margin | 36.24 14.8% | 44.05 14.5% | 30bps | 15.93 13.7% | 23.69 14.1% | (40bps) | 91.01 14.8% |
| Operating PBT Margin | 10.28 4.2% | 18.00 5.9% | (6.87) (170bps) | 2.723 2.3% | 11.03 6.6% | (8.30) (430bps) | 37.72 6.1% |
| PBT PBT% | 18.20 7.4% | 27.13 8.9% | (33%) (150bps) | 6.70 5.8% | 15.43 9.2% | (57%) (340bps) | 52.86 8.6% |
| MAT Adj. | 4.00 | 4.72 | - | 2.25 | 3.52 | - | 6.26 |
| Corporate Tax | 2.84 | 5.43 | - | 0.57 | 3.11 | - | 10.57 |
| PAT PAT Margin | 11.36 4.6% | 16.98 5.6% | (100bps) | 3.88 3.3% | 8.80 5.3% | (200bps) | 36.02 5.9% |
| EPS | 0.85 | 1.27 | - | 0.29 | 0.66 | - | 2.71 |

Key aspects – Standalone

- H1FY20 sales lower by 20% YoY. However, H2FY20 expected to be better than H1FY20, due to-
 - Post inventory rationalization, OEM production is expected to pick up.
 - After market traditionally has a stronger H2 compared to H1.
- Contribution of 30.2% in H1FY20 compared to 25.8% in H1FY19, a YoY increase of 440bps
- EBIDTA margin of 14.8% in H1FY20 compared to 14.5% in H1FY19, a YoY increase of 30bps
- Company continues with older tax regime due to MAT credit availability

Segment mix – Standalone Sales



Key Aspects

- ▶ Continued slowdown in OEM is driven by higher load capacity and improved turnaround time (due to GST), coupled with lower freight demand. One time inventory reduction by OEM for planning BS IV to BS VI migration has further aggravated the decline in production of vehicles which impacts our OEM sales.
- ▶ Despite 40% de-growth in MHCV production, marginally higher Aftermarket sales has enabled Setco to perform better than the industry
- ▶ Improved mix (67%) in more profitable aftermarket segment

Key figures – Consolidated H1 & Q2 FY20

Consolidated

| In INR crores | H1 FY20 | H1 FY19 | Growth | Q2 FY20 | Q2 FY19 | Growth | FY19 |
|-------------------------------------|-------------------|-----------------|----------------------|------------------|----------------|----------------------|-----------------|
| Sales | 272.12 | 339.27 | (20%) | 128.89 | 186.68 | (31%) | 680.44 |
| Contribution % to Sales | 96.08 35.3% | 107.04 31.6% | +370bps | 45.42 35.2% | 57.84 31.0% | +420bps | 222.24 32.7% |
| EBITDA EBITDA Margin | 36.02 13.2% | 48.74 14.4% | (26.1%) (120 bps) | 13.42 10.4% | 25.52 13.7% | (47.4%) (330 bps) | 96.81 14.2% |
| Operating PBT | (5.03) (1.8%) | 6.20 1.8% | (360 bps) | (7.31) (5.7%) | 4.28 2.3% | (800 bps) | 10.70 1.6% |
| PBT | (4.20) | 10.78 | (139%) | (6.97) | 7.05 | (199%) | 16.53 |
| PAT PAT Margin | (11.03) (4.1%) | 0.62 0.2% | (430 bps) | (9.79) (7.6%) | 0.41 0.2% | (780 bps) | (0.79) 0.1% |
| PAT (after Minority Interest) | (8.81) | 2.48 | - | (8.47) | 1.32 | - | 2.89 |
| EPS | (0.66) | 0.19 | - | (0.63) | 0.10 | - | 0.22 |

Key aspects – Consolidated

- Consolidated performance is subdued, mainly due to severe impact on LavaCast which is highly co-related to the OEM business
- Q2FY20 Contribution at 35.1% as compared to 31.6% in Q2FY19, YoY increase of 410bps.
- We expect improved performance by Lava Cast as OEM segment returns to normalcy and also introduction of tractor clutches
- We expect improved performance at consolidated level as standalone and subsidiaries traditionally have better H2.

Management Message



**Harish Sheth,
Chairman & MD**

Despite steep OEM slowdown, we continue to enjoy over 85% market share and are poised to reap the benefit when the business cycle turns to growth in FY21.

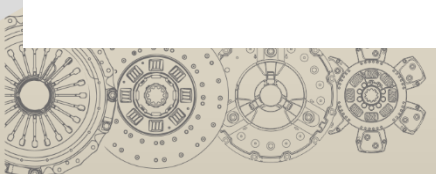
Strong distribution strength and increased focus in Aftermarket segment has resulted in growth in market share despite an estimated 15-20% decline in the segment. This improves our product mix, leading to sustained margin improvement which is visible in our H1 performance.

Our proactive steps in reducing cost and expanding business in newer segment of farm tractors and exports will strengthen our ability to arrest top line de-growth in future.

We expect bottoming out of this cycle in H2 and growth to be back from FY21.

We are BS-VI ready and this would improve revenue per vehicle as well as EBITDA margins. The proposed scrappage policy of commercial vehicles is likely to get implemented from April 2020 and will further give impetus to our growth momentum.

With higher capacity utilization and improved operating efficient, LavaCast is expected to contribute positively to the groups performance.



FY20 Outlook and Beyond...

OEM

- Post inventory correction in the industry, pick-up in MHCV to drive Setco's OEM sales
- Farm Equipment – Approvals from major OEMs are in progress and expected shortly, and benefits will be available in Q4FY20.
- Stable/Softening of RM prices coupled with pricing management to ensure protection/improved margins during FY20

Aftermarket

- OEM Sales in the growth years of FY14-FY16 will come-up for the first/second replacement cycle in the current year and would drive OES sales growth
- Better availability and network expansion will drive Independent Aftermarket
- International Subsidiary - introduction of new generation clutches (ASD clutch) in US

Lava Cast

- OEM slowdown has directly impacted castings demand. Despite challenging environment, we anticipate margin improvement from FY19 levels. Our Outlook remains robust in medium to long term.

Business Update

Customer focus and growth

Growth Strategy

Aftermarket – Increased share improves both profitability and stability

1



Lava Cast

2



OEM Business – Maintained our pre-dominant share

3



Foray into Farm Equipment

4



Cost Optimization

Enhance productivity and asset utilization

5

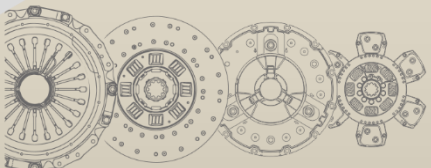
Build culture of innovation & performance

6

Continuous improvement in Working Capital and Debt Management

7

Efficient Engineering



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

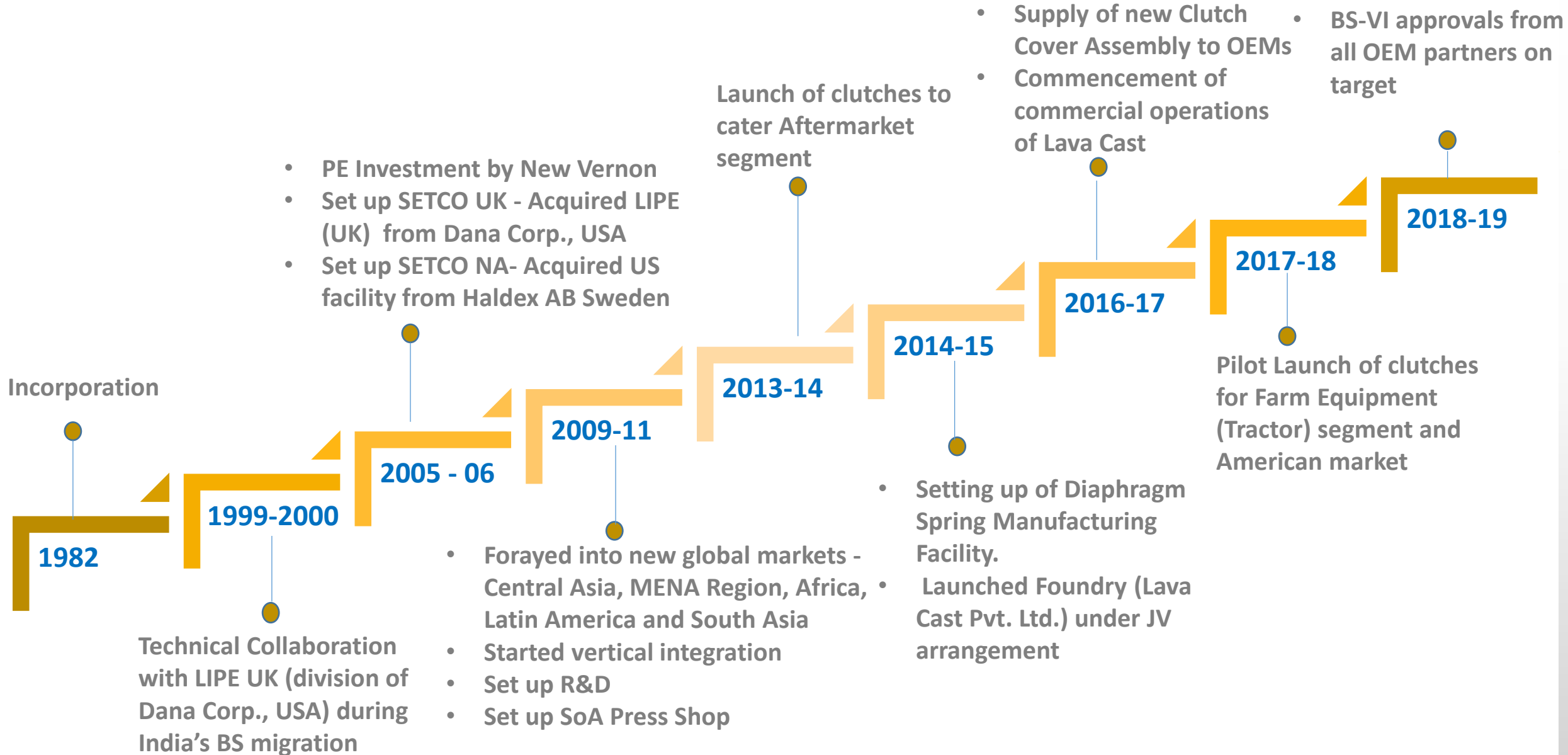


Key Developments

- ▶ Approvals from major OEMs are in progress and expected shortly, and full benefits of it will be available in Q4 FY 20
- ▶ The company aims to generate around 10% of revenue from this segment in the coming years

Appendix

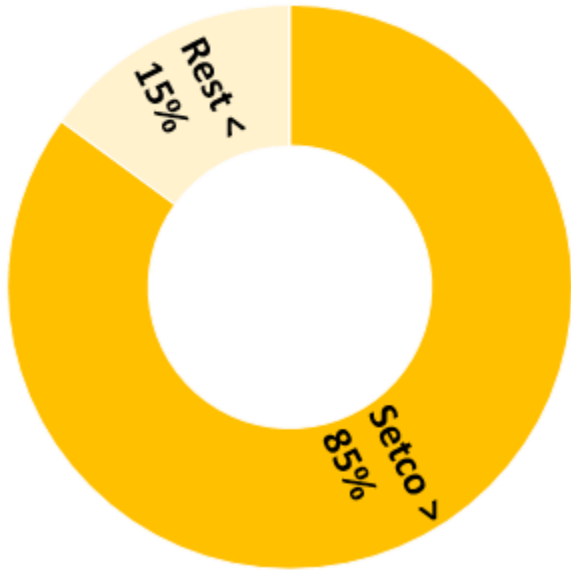
Our Journey So Far



Setco Fact Sheet



Market Share - MHCV Clutch



Key Aspects

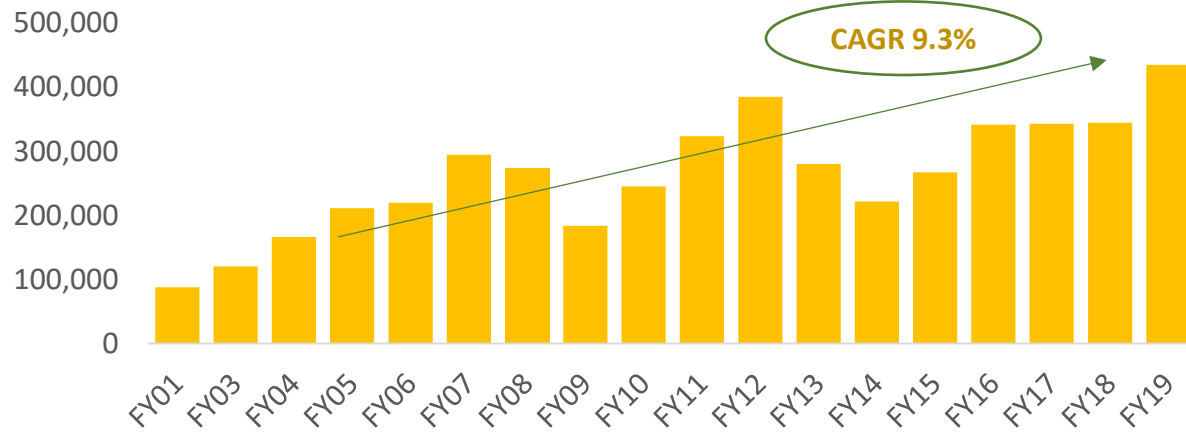
- ▶ Largest producer of Medium & Heavy Commercial Vehicle (MHCV) Clutches in India.
- ▶ Serving more than 85% of MHCV Clutch demand of OE in India.
- ▶ Present across lifecycle of MHCV – OEM, OES & Aftermarket
- ▶ R&D centre at India and UK, providing competitive advantage
- ▶ Building and gaining market 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

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% of sales (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

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.



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



Tata Motors Limited Annual Conference 2019
Cost Excellence Award



Outlook Poshan Awards 2019
Setco Foundation



Ashok Leyland – Awards (2019)
2. Aftermarket Gold



-  Health & Nutrition
-  Education
-  Empowerment

Initiating



Engaging



Recognizing

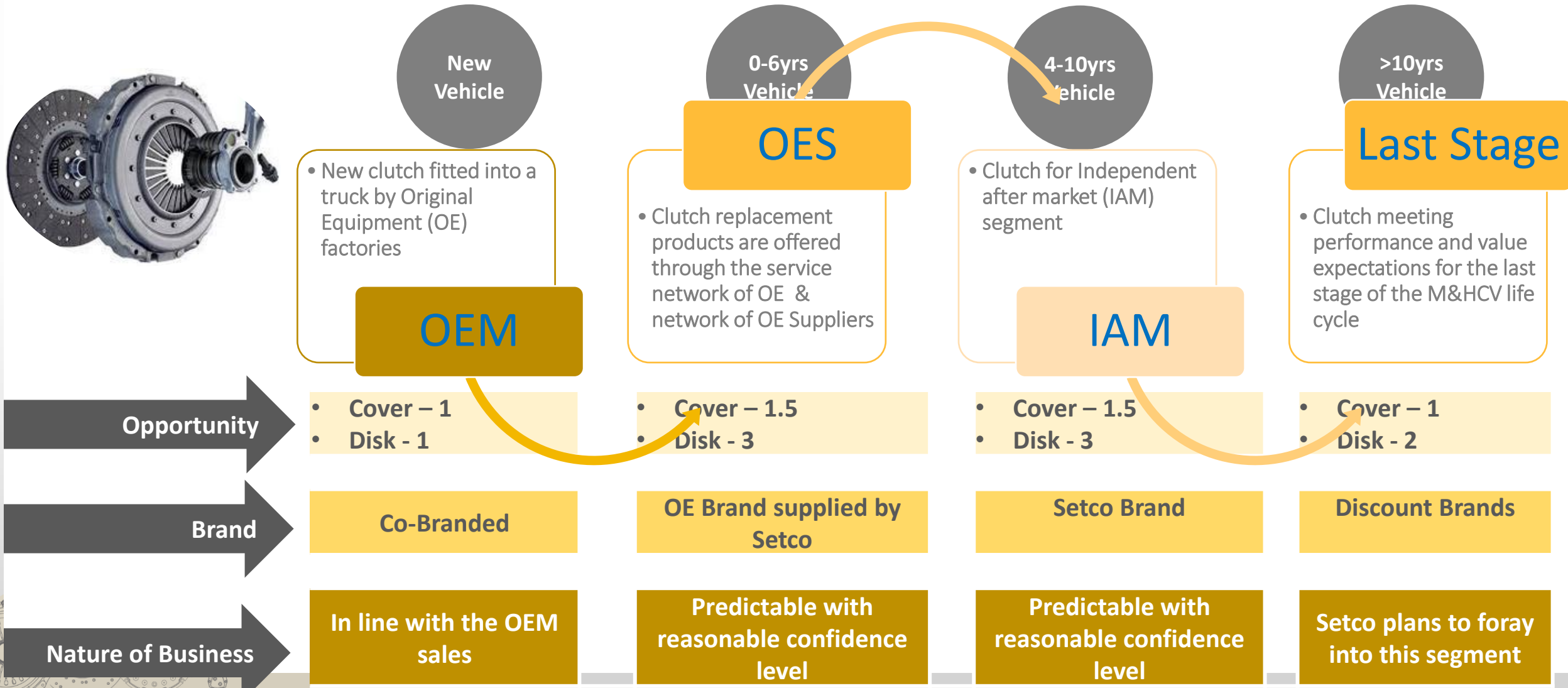


Lives Impacted **20,000+**

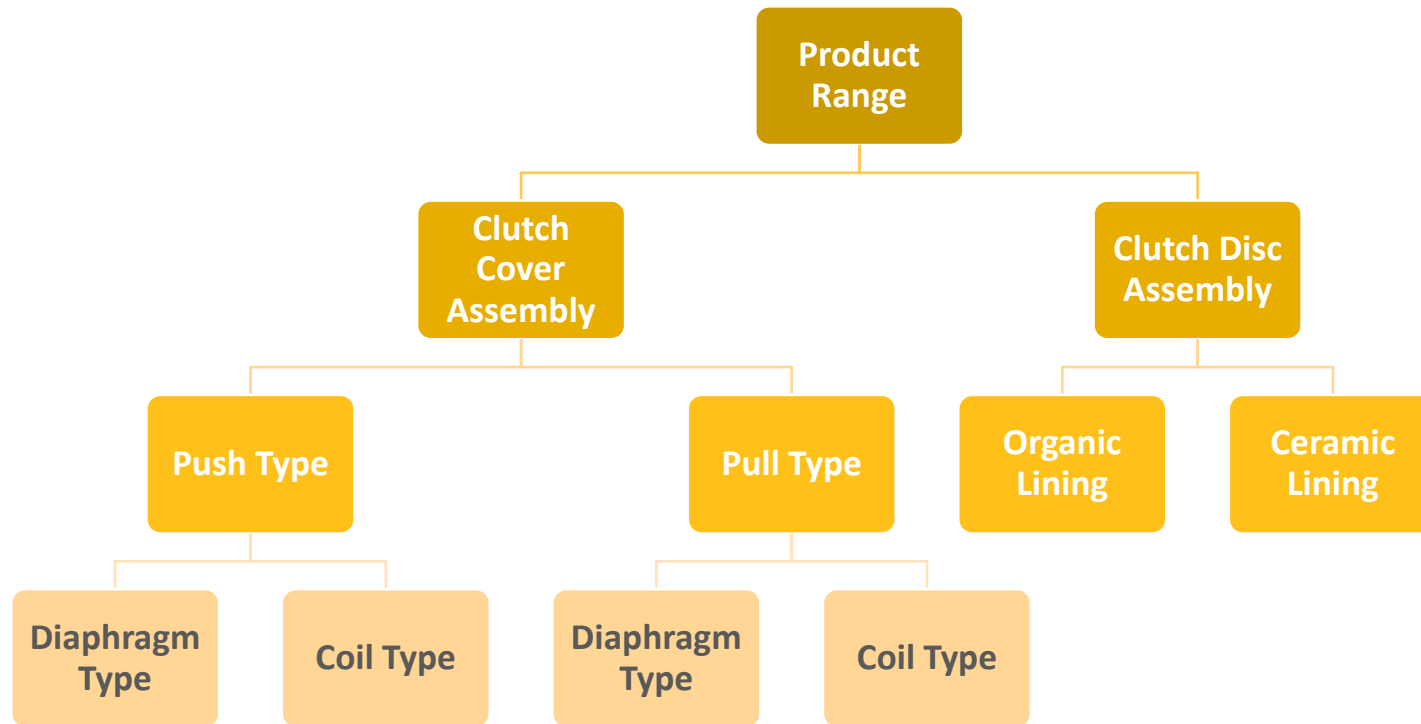


M&HCV Clutch Life Cycle

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



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

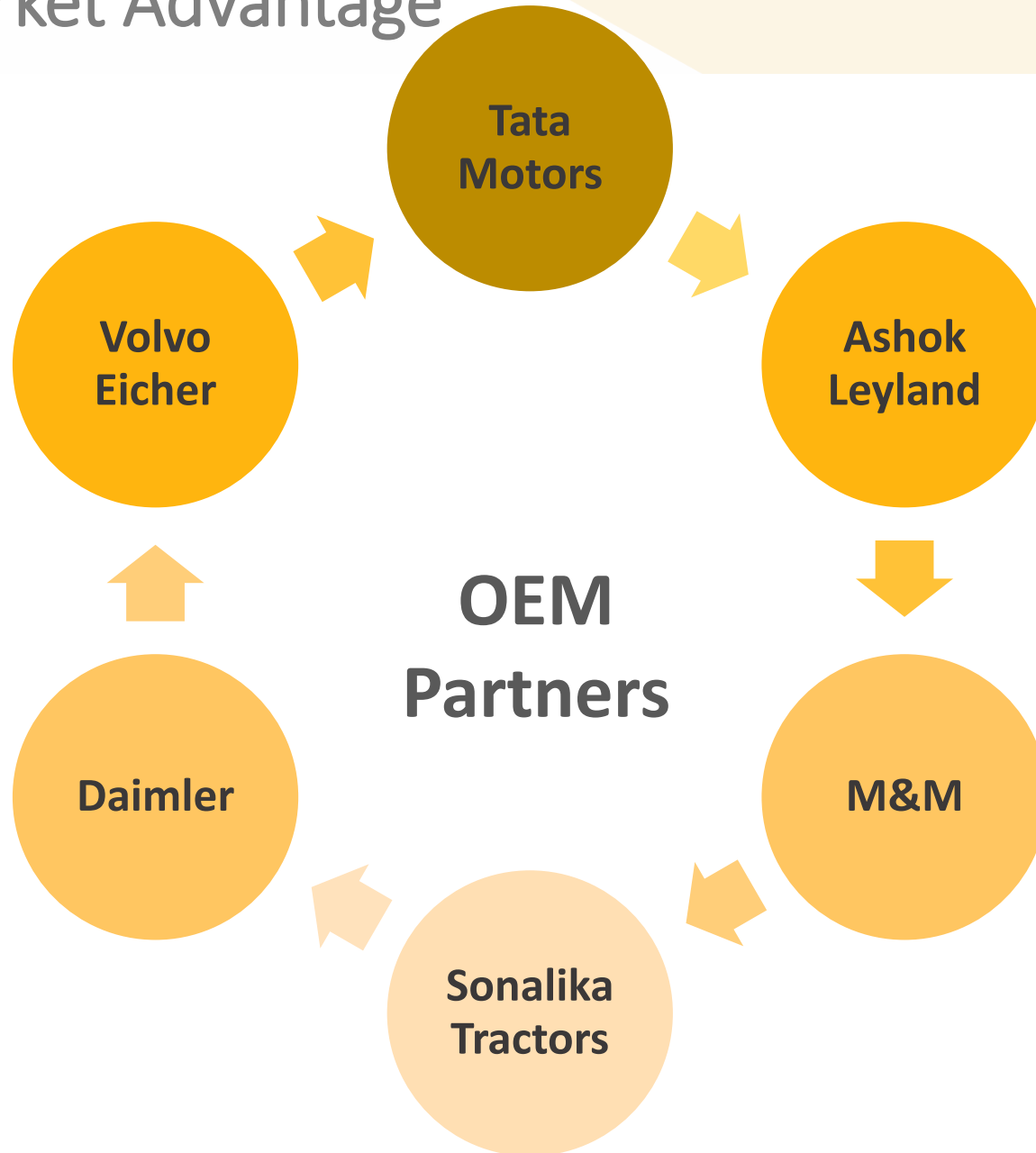


5 Manufacturing Advantage

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



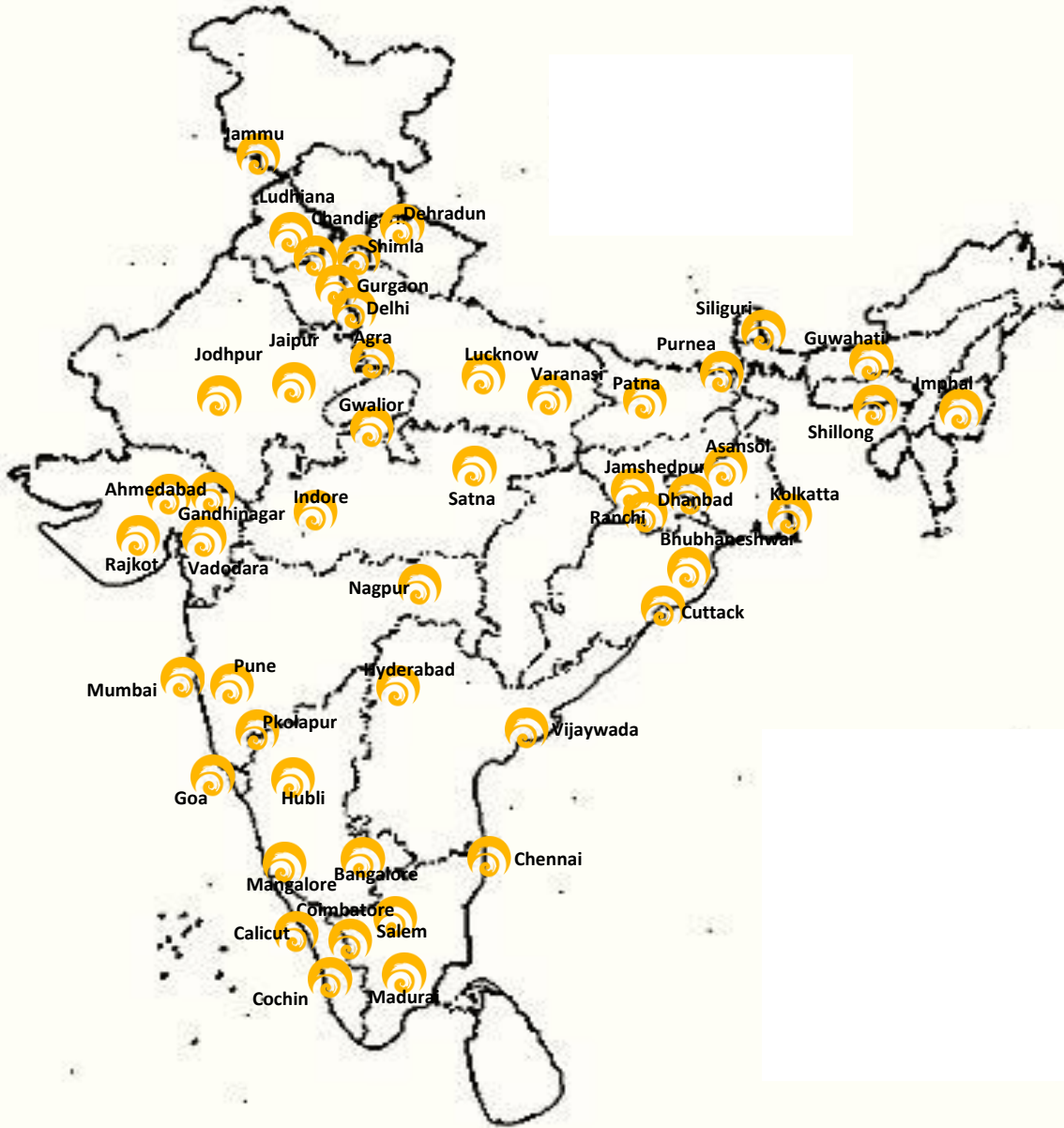
Setco Paris, TN, USA

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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