

November 10, 2020

To,

<b>BSE Limited,</b> <b>Dept. of Corporate Services,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 <b>Company Code: 505075</b>	<b>National Stock Exchange of India Ltd,</b> <b>Listing Department</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 <b>Scrip Symbol: SETCO</b>
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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. Tuesday, November 10, 2020 has, inter alia, approved the following:

1. Unaudited Standalone and Consolidated financial results for the second quarter and half year ended September 30, 2020 alongwith the Limited Review Report of the Statutory Auditors thereon; and
2. Raising of funds by way of issuance of equity shares of the Company through various permitted methods including but not limited to qualified institutions placement for an amount not exceeding INR 150 Crores in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended and the Companies Act, 2013 and the rules made thereunder, subject to the approval of shareholders; and
3. Convening the 37<sup>th</sup> (Thirty Seventh) Annual General Meeting of the Company on Monday, December 28, 2020 through video conferencing or other audio-visual means.
4. Re-appointment of Mr. Harish Sheth, Chairman and Managing Director of the Company for another term of 3 consecutive years with effect from January 1, 2021, subject to the approval of shareholders at the ensuing Annual General Meeting.
5. Re-appointment of Mrs. Urja Shah, Executive Director of the Company for another term of 3 consecutive years with effect from November 11, 2020, subject to the approval of shareholders at the ensuing Annual General Meeting.

6. The Register of Members and Share Transfer Book of the Company will remain closed from Tuesday, December 22, 2020 to Monday, December 28, 2020 (both days inclusive).

The brief profile of aforesaid Director(s) is attached hereto as **Annexure A**.

Accordingly, please find enclosed the following:

- a) Unaudited Standalone and Consolidated financial results for the second quarter and half year ended September 30, 2020 alongwith the Limited Review Report of the Statutory Auditors thereon;
- b) Investor Presentation

The Board meeting commenced at 11:00 a.m. and concluded at 1:25 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

### Annexure A

Sr. No	Disclosure Requirement	Details	
		Harish Sheth	Urja Shah
1.	Reason for Change viz. appointment, <del>resignation,</del> <del>removal,</del> <del>death</del> or otherwise;	Re-appointment of Mr. Harish Sheth, Chairman and Managing Director of the Company for another term of 3 consecutive years with effect from January 1, 2021, subject to the approval of shareholders at the ensuing Annual General Meeting.	Re-appointment of Mrs. Urja Shah, Executive Director of the Company for another term of 3 consecutive years with effect from November 11, 2020, subject to the approval of shareholders at the ensuing Annual General Meeting.
2.	Date of Appointment / Cessation (as applicable) & term of Appointment	This is not a fresh Appointment.  As mentioned above, Re-appointment as Chairman and Managing Director for a period of 3 years with effect from January 1, 2021. He will be liable to retire by rotation.	This is not a fresh Appointment.  As mentioned above, Re-appointment as Executive Director for a period of 3 years with effect from November 11, 2020. She will be liable to retire by rotation.
3	Brief profile (in case of appointment);	Mr. Harish Sheth is the founder of Setco Automotive Limited. A core visionary of the Company, Mr. Harish Sheth has been instrumental in transforming the Company from a single product/single location to a multiple product/multi-location Company, catering towards a	Mrs. Urja Shah has completed Bachelors in Environmental Science and Masters in Environmental Policy from Duke University, USA. She also has a Certificate in International Development Studies from Duke University. She has pursued certificate courses in Financial Accounting and Marketing from

		remarkable presence for the Company in the international market as well. Mr. Harish Sheth has a Bachelor's degree in Mechanical Engineering from the University of Michigan, Ann Arbor and an MBA (Finance) from the Columbia University, New York.	Boston University, USA. Mrs. Urja Shah has been playing a very significant role in the Company's activities related to Corporate Social Responsibility.
4	Disclosure of relationships between directors (in case of appointment of a director).	Mr. Harish Sheth and Mr. Udit Sheth are related as father and son. Mrs. Urja Shah is daughter of Mr. Harish Sheth.	Mrs. Urja Shah and Mr. Harish Sheth are related as daughter and father. Mrs. Urja Shah is sister of Mr. Udit Sheth.
5	Information as required pursuant to BSE Circular with ref. no. LIST/COMP/ 14/ 2018- 19 and the National Stock Exchange of India Ltd with ref. no. NSE/CML/ 2018/24, dated 20th June, 2018.	Not Applicable since Mr. Harish Sheth is already Chairman and Managing Director of the Company.  Mr. Harish Sheth is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.	Not Applicable since Mrs. Urja Shah is already Executive Director of the Company.  Mrs. Urja Shah is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.



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 & Half Year ended September 30, 2020**

Rs. in Lakhs

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Income</b>						
a.	Revenue from Operations	8,051	3,022	11,642	11,072	24,468	41,808
b.	Other Income	471	469	397	941	792	1,901
	<b>Total Income</b>	<b>8,522</b>	<b>3,491</b>	<b>12,039</b>	<b>12,013</b>	<b>25,260</b>	<b>43,709</b>
<b>2</b>	<b>Expenses</b>						
a.	Cost of materials consumed	4,814	1,270	7,286	6,084	14,916	25,341
b.	Changes in inventories of finished goods and work-in-progress	38	548	(615)	587	(878)	(878)
c.	Employee benefits expense	938	970	1,338	1,908	2,657	5,227
d.	Finance costs	1,220	978	845	2,198	1,652	3,959
e.	Depreciation and amortisation expense	528	513	475	1,041	944	1,900
f.	Other expenses	1,220	798	2,040	2,018	4,149	8,010
	<b>Total Expenses</b>	<b>8,759</b>	<b>5,077</b>	<b>11,369</b>	<b>13,836</b>	<b>23,440</b>	<b>43,560</b>
<b>3</b>	<b>Profit / (Loss) before exceptional and tax (1-2)</b>	<b>(236)</b>	<b>(1,586)</b>	<b>670</b>	<b>(1,823)</b>	<b>1,820</b>	<b>149</b>
4	Exceptional Items	-	-	-	-	-	2,020
<b>5</b>	<b>Profit / (Loss) before tax (3+4)</b>	<b>(236)</b>	<b>(1,586)</b>	<b>670</b>	<b>(1,823)</b>	<b>1,820</b>	<b>(1,871)</b>
<b>6</b>	<b>Tax Expense</b>						
a.	Current Tax	-	-	277	-	728	145
b.	Deferred Tax	(49)	(39)	6	(88)	(44)	(499)
<b>7</b>	<b>Profit / (Loss) for the period (5-6)</b>	<b>(187)</b>	<b>(1,548)</b>	<b>388</b>	<b>(1,735)</b>	<b>1,136</b>	<b>(1,516)</b>
<b>8</b>	<b>Other Comprehensive Income (OCI)</b>						
a.	Items that will not be reclassified to Profit or Loss	-	-	-	-	-	(198)
b.	Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	69
c.	Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
d.	Income Tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	<b>Other Comprehensive Income (Net of Tax)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(129)</b>
<b>9</b>	<b>Total Comprehensive income for the period (7+8)</b>	<b>(187)</b>	<b>(1,548)</b>	<b>388</b>	<b>(1,735)</b>	<b>1,136</b>	<b>(1,645)</b>
<b>10</b>	Paid up Equity Share Capital (Face Value Rs. 2/- per share)	2,675	2,675	2,675	2,675	2,675	2,675
<b>11</b>	Other Equity						20,479
<b>12</b>	<b>Earnings per equity share (Face Value of Rs. 2/-) (not annualised) :</b>						
(a)	Basic - Rs.	(0.14)	(1.16)	0.29	(1.30)	0.85	(1.13)
(b)	Diluted - Rs.	(0.14)	(1.16)	0.29	(1.30)	0.85	(1.13)

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HARISH  
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Corporate Identity Number : L35999GJ1982PLC005203

**Part II: Statement of Standalone Assets & Liabilities**

Rs in lakhs

Sr. No.	Particulars	As at	
		September 30, 2020	March 31, 2020
		Unaudited	Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	a. Property, Plant and Equipment	10,372	10,178
	b. Capital Work-in-Progress	-	846
	c. Right of use of assets	1,420	1,495
	d. Intangible Assets	3,127	2,638
	e. Intangible Assets Under Development	594	1,316
	f. Financial Assets		-
	(i) Investments	17,607	16,879
	(ii) Loans and Advances	9,126	8,835
	(iii) Other Financial Assets	217	221
	g. Deferred Tax Assets (Net)	1,645	1,557
	h. Other Non-Current Assets	68	360
	<b>Sub-total - Non-Current Assets</b>	<b>44,176</b>	<b>44,325</b>
<b>2</b>	<b>Current Assets</b>		
	a. Inventories	10,525	11,731
	b. Financial Assets		
	(i) Trade Receivables	7,495	8,274
	(ii) Cash and Cash Equivalents	558	313
	(iii) Bank Balances Other Than (ii) Above	106	100
	(iv) Loans and Advances	2,979	2,398
	c. Other Current Assets	2,675	2,297
	<b>Sub-total - Current Assets</b>	<b>24,338</b>	<b>25,112</b>
	<b>TOTAL ASSETS</b>	<b>68,513</b>	<b>69,436</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	a. Equity Share Capital	2,675	2,675
	b. Other Equity	18,744	20,479
	<b>Sub-total - Equity</b>	<b>21,419</b>	<b>23,154</b>
	<b>Liabilities</b>		
<b>1</b>	<b>Non-Current Liabilities</b>		
	a. Financial Liabilities		
	(i) Borrowings	8,902	7,405
	(ii) Lease Liability	764	882
	(iii) Other Financial Liabilities	832	660
	b. Other non current liabilities	13	13
	c. Provisions	310	310
	<b>Sub-total - Non-Current Liabilities</b>	<b>10,820</b>	<b>9,270</b>
<b>2</b>	<b>Current Liabilities</b>		
	a. Financial Liabilities		
	(i) Borrowings	18,988	16,759
	(ii) Lease Liability	285	271
	(iii) Trade Payables		-
	(a) Dues of micro, small and medium enterprises	685	1,033
	(b) Dues of creditors other than micro, small and medium enterprises	8,311	13,043
	(iv) Other Financial Liabilities	4,582	3,483
	b. Other Current Liabilities	2,566	1,643
	c. Provisions	504	428
	d. Current Tax Liabilities (Net)	353	353
	<b>Sub-total - Current Liabilities</b>	<b>36,274</b>	<b>37,012</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>68,513</b>	<b>69,436</b>

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Registered Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat, India  
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**Part III: Standalone Cash Flow Statement**

(Rs. In lakhs)

Particulars	Half Year Ended		Year Ended
	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax	(1,823)	1,820	(1,871)
Adjustment for :			
Depreciation and amortisation expense	1,041	944	1,900
(Profit)/loss on sale of property, plant and equipment	2	0	0
Unrealized exchange loss/(gain)	13	34	(203)
Impairment loss/(reversal) in the value of Investments	-	-	1,414
Impairment loss allowance on advances/receivables	-	-	606
Interest expense	2,071	1,487	3,516
Other Financial charges	127	165	443
Rent Income	-	(16)	(33)
Interest income	(873)	(623)	(1,377)
Finance Income Related to Financial Guarantee Measured at Fair Value	(2)	(79)	(89)
Corporate tax	-	(284)	-
MAT credit entitlement	-	(444)	(145)
Employee stock options cost	-	(13)	(18)
Employee Benefits Designated Through Other Comprehensive Income	-	-	(44)
Government Grants - Cash Subsidy amortization	-	-	(1)
<b>Operating profit / (loss) before changes in working capital</b>	<b>557</b>	<b>2,991</b>	<b>4,100</b>
<b>Adjustments for changes in :</b>			
Trade receivables	791	733	4,402
Inventories	1,206	581	518
Loans and other assets	(853)	(2,230)	(3,174)
Other non-current and current assets	(2)	(568)	(763)
Non-current and current financial assets	4	(0)	(73)
Trade payables	(5,125)	345	2,272
Other non-current and current provisions	76	1,855	1
Other non-current and current liabilities	924	(557)	(1,479)
Non-current and current financial liabilities	(151)	68	90
<b>Change in current assets/liabilities</b>	<b>(3,130)</b>	<b>228</b>	<b>1,794</b>
<b>Cash generated from operations</b>	<b>(2,573)</b>	<b>3,219</b>	<b>5,894</b>
Direct taxes (Tax deducted at source)	(85)	(29)	(84)
<b>Net Cash flow from operating activities</b>	<b>(2,658)</b>	<b>3,190</b>	<b>5,810</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	(65)	(278)	(2,612)
Proceeds on sale of Property, Plant and Equipment	2	4	4
Intangible asset	(21)	(168)	(578)
Interest income	873	623	1,377
Rent Income	-	16	33
Government Grants - Cash Subsidy amortization	-	-	1
Investment in Equity Shares	-	-	(500)
Investment in Preference Shares	(708)	(2,960)	(3,885)
<b>Net Cash used in investing activities</b>	<b>81</b>	<b>(2,762)</b>	<b>(6,160)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Cash Credit	(21)	(20)	(664)
Proceeds from Short Term /Other Loans	2,338	14	-
Proceeds from Term/Other Loans	3,001	4,500	9,236
Proceeds from Lease	-	-	1,154
Repayment of Short Term Loans	(88)	-	(996)
Repayment of Term Loans	(106)	(2,218)	(3,216)
Repayment of Lease	(105)	-	-
Interest expense	(2,071)	(1,487)	(3,516)
Other Financial charges	(127)	(165)	(443)
Proceeds from issue of Shares including Premium	-	29	29
Final dividend and dividend distribution tax	-	(1,612)	(1,613)
<b>Net Cash used in financing activities</b>	<b>2,821</b>	<b>(959)</b>	<b>(30)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>245</b>	<b>(531)</b>	<b>(381)</b>
<b>Opening Cash and Cash Equivalents</b>	<b>313</b>	<b>694</b>	<b>694</b>
<b>Closing Cash and Cash Equivalents</b>	<b>558</b>	<b>163</b>	<b>313</b>

RASESH VINAYKAN T PAREKH  
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HARISH KRITIBHAI SHETH

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## Notes (Standalone):-

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, as amended and other recognized accounting practices and policies to the extent applicable.
2. The other income of Rs. 472 lakhs for the quarter ended Sep'20 (for June'20 Qtr Rs. 469 lakhs, for Sep'19 Qtr Rs. 397 lakhs) includes interest charged to subsidiaries of Rs. 441 lakhs for Sep'20 Qtr (for June'20 Qtr Rs. 432 lakhs, for Sep'19 Qtr Rs. 322 lakhs), finance income on Financial Guarantee of Rs. 6 lakhs for Sep'20 Qtr (for June'20 Qtr Rs. 7 lakhs, for Sep'19 Qtr Rs. 42 lakhs), duty drawback of Rs. 2 lakhs for Sep'20 Qtr (for June'20 Qtr Rs. 3 lakhs, for Sep'19 Qtr Rs. 6 lakhs) and other misc. income of Rs. 23 lakhs for Sep'20 Qtr (for June'20 Qtr Rs. 27 lakhs, for Sep'19 Qtr Rs. 27 lakhs).
3. Pending compliance of bank condition, company could not remit share application money to Setco MEA DMCC, resulting to non-issuance of share certificate to the company. The company has recognized it as investment in the wholly owned foreign subsidiary based on 100% control.
4. Lava Cast Pvt Ltd (LCPL), a subsidiary company had submitted Restructuring plan which was approved by lender on 23.10.2020. Full effect of Restructuring shall be accounted by LCPL in next quarter after execution of required documents with lender.
5. Company has obtained a legal opinion that the amount receivable beyond normal credit period, representing reimbursement of expenses, from a related party is not covered under Section 185 of Companies Act, 2013. However, as an abundant caution, the company shall seek approval of shareholders in the ensuing annual general meeting.
6. During the quarter, the company has made investment of Rs. 108 lakhs in 9% non-convertible cumulative preference shares of Setco Engineering Private Limited (SEPL).
7. Finance cost includes interest of Rs. 9 lakhs towards unpaid Dividend to promoters and Dividend Distribution Tax for the quarter ended September 30, 2020.
8. No Deferred Tax Asset is recognized on loss for the quarter and half year ended September 30, 2020.
9. 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".
10. Previous period figures have been regrouped / rearranged wherever considered necessary.
11. The above financial results were reviewed and recommended by the Audit Committee at its meeting held on November 10, 2020 and subsequently approved by the Board of Directors at its meeting held on November 10, 2020. The Statutory Auditors have carried out a limited review of the financial results for the quarter and half year ended September 30, 2020.

**For and behalf of the Board**

HARISH  
KIRITBHAI  
SHETH

Digitally signed by Harish Sheth DN: cn=Harish Sheth, o=Setco Engineering Private Limited, email=harish.sheth@setcoengineering.com, c=IN

**Place : Kalol**  
**Date : November 10, 2020**

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

**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**

**To the Board of Directors of**  
Setco Automotive Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Setco Automotive Limited ("the Company"), for the quarter and half year ended September 30, 2020 ("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.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', specified under Section 143 (10) of the Companies Act, 2013. 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.
3. 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 applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

**FOR V. PAREKH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN NO. 107488W**

RASESH  
VINAYKANT  
PAREKH

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**RASESH V. PAREKH PARTNER**  
**MEMBERSHIP NO. 38615**  
**UDIN: - 20038615AAAANS2329**

**PLACE : MUMBAI,**  
**DATED : 10<sup>TH</sup> NOVEMBER, 2020**



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

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Corporate Identity Number : L35999GJ1982PLC005203

**Part IV: Statement of Consolidated unaudited Financial Results for the Quarter and Half Year ended September 30, 2020**

Rs. in Lakhs

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Income</b>						
a.	Revenue from Operations	9,284	4,104	12,889	13,388	27,212	47,032
b.	Other Income	255	31	34	286	83	469
	<b>Total Income</b>	<b>9,539</b>	<b>4,135</b>	<b>12,923</b>	<b>13,674</b>	<b>27,295</b>	<b>47,501</b>
<b>2</b>	<b>Expenses</b>						
a.	Cost of materials consumed	4,586	1,535	6,346	6,121	13,601	23,200
b.	Changes in inventories of finished goods and work-in-progress	29	526	(296)	555	(845)	(660)
c.	Employee benefits expense	1,622	1,635	2,188	3,257	4,300	8,138
d.	Finance costs	1,542	1,302	1,262	2,844	2,497	5,697
e.	Depreciation and amortisation expense	828	813	810	1,641	1,607	3,234
f.	Other expenses	2,196	1,393	3,309	3,589	6,554	12,752
	<b>Total Expenses</b>	<b>10,804</b>	<b>7,204</b>	<b>13,620</b>	<b>18,007</b>	<b>27,715</b>	<b>52,361</b>
<b>3</b>	<b>Profit / (Loss) before exceptional and tax (1-2)</b>	<b>(1,265)</b>	<b>(3,069)</b>	<b>(697)</b>	<b>(4,333)</b>	<b>(420)</b>	<b>(4,860)</b>
4	Exceptional Items	-	-	-	-	-	545
<b>5</b>	<b>Profit / (Loss) before tax (3+4)</b>	<b>(1,265)</b>	<b>(3,069)</b>	<b>(697)</b>	<b>(4,333)</b>	<b>(420)</b>	<b>(5,405)</b>
<b>6</b>	<b>Tax Expense</b>						
a.	Current Tax	-	-	277	-	728	145
b.	Deferred Tax	(58)	(39)	6	(97)	(44)	(595)
<b>7</b>	<b>Profit / (Loss) for the period (5-6)</b>	<b>(1,207)</b>	<b>(3,030)</b>	<b>(979)</b>	<b>(4,237)</b>	<b>(1,103)</b>	<b>(4,956)</b>
<b>8</b>	<b>Other Comprehensive Income (OCI)</b>						
a.	Items that will not be reclassified to Profit or Loss	-	-	-	-	-	(206)
b.	Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	69
c.	Items that will be reclassified to Profit or Loss	(43)	141	-	98	-	(150)
d.	Income Tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	<b>Other Comprehensive Income (Net of Tax)</b>	<b>(43)</b>	<b>141</b>	<b>-</b>	<b>98</b>	<b>-</b>	<b>(287)</b>
<b>9</b>	<b>Total Comprehensive income for the period (7+8)</b>	<b>(1,250)</b>	<b>(2,889)</b>	<b>(979)</b>	<b>(4,139)</b>	<b>(1,103)</b>	<b>(5,242)</b>
<b>10</b>	<b>Profit for the period attributable to</b>						
	Owners of the company	(1,118)	(2,916)	(847)	(4,033)	(881)	(4,457)
	Non-controlling Interest	(89)	(114)	(133)	(204)	(223)	(499)
<b>11</b>	<b>Other Comprehensive Income attributable to</b>						
	Owners of the company	(43)	141	-	98	-	(286)
	Non-controlling Interest	-	-	-	-	-	(1)
<b>12</b>	<b>Total Comprehensive Income for the period attributable to</b>						
	Owners of the company	(1,160)	(2,775)	(847)	(3,935)	(881)	(4,742)
	Non-controlling Interest	(89)	(114)	(133)	(204)	(223)	(500)
<b>12</b>	Paid up Equity Share Capital (Face Value Rs. 2/- per share)	2,675	2,675	2,675	2,675	2,675	2,675
<b>13</b>	Other Equity						7,827
<b>14</b>	<b>Earnings per equity share (Face Value of Rs. 2/-) (not annualised) :</b>						
(a)	Basic - Rs.	(0.84)	(2.18)	(0.63)	(3.02)	(0.66)	(3.33)
(b)	Diluted - Rs.	(0.84)	(2.18)	(0.63)	(3.02)	(0.66)	(3.33)

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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 Assets & Liabilities**

Rs. in Lakhs

Sr. No.	Particulars	As at	
		September 30, 2020	March 31, 2020
		Unaudited	Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	a. Property, Plant and Equipment	23,657	24,638
	b. Capital Work-in-Progress	-	846
	c. Right of use of assets	1,420	1,495
	d. Intangible Assets	4,402	3,965
	e. Intangible Assets Under Development	594	1,316
	f. Financial Assets		
	(i) Investments	5,830	5,122
	(ii) Other Financial Assets	239	242
	g. Deferred Tax Assets (Net)	3,849	3,847
	h. Other Non-Current Assets	84	376
	<b>Sub-total - Non-Current Assets</b>	<b>40,075</b>	<b>41,847</b>
<b>2</b>	<b>Current Assets</b>		
	a. Inventories	16,525	18,043
	b. Financial Assets		
	(i) Trade Receivables	4,906	4,721
	(ii) Cash and Cash Equivalents	1,603	1,107
	(iii) Bank Balances Other Than (ii) Above	106	100
	c. Other Current Assets	2,889	2,430
	<b>Sub-total - Current Assets</b>	<b>26,029</b>	<b>26,399</b>
	<b>TOTAL ASSETS</b>	<b>66,104</b>	<b>68,247</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	a. Equity Share Capital	2,675	2,675
	b. Other Equity	3,703	7,827
	<b>Sub-total - Equity</b>	<b>6,378</b>	<b>10,503</b>
	<b>Liabilities</b>		
<b>1</b>	<b>Non-Current Liabilities</b>		
	a. Financial Liabilities		
	(i) Borrowings	14,680	12,981
	(ii) Lease Liability	764	882
	(iii) Other Financial Liabilities	68	88
	b. Other non current liabilities	13	13
	c. Provisions	336	326
	<b>Sub-total - Non-Current Liabilities</b>	<b>15,861</b>	<b>14,290</b>
<b>2</b>	<b>Current Liabilities</b>		
	a. Financial Liabilities		
	(i) Borrowings	23,032	20,964
	(ii) Lease Liability	285	271
	(iii) Trade Payables		
	(a) Dues of micro, small and medium enterprises	685	1,099
	(b) Dues of creditors other than micro, small and medium enterprises	7,018	11,030
	(iv) Other Financial Liabilities	8,855	7,043
	b. Other Current Liabilities	3,110	2,248
	c. Provisions	527	445
	d. Current Tax Liabilities (Net)	353	353
	<b>Sub-total - Current Liabilities</b>	<b>43,865</b>	<b>43,454</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>66,104</b>	<b>68,247</b>

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KIRITBHAI  
SHETH



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 Cash Flow Statement**

Rs in lakhs

Particulars	Half Year Ended		Year Ended
	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax	(4,333)	(420)	(5,405)
Adjustment for :			
Depreciation and amortisation expense	1,641.05	1,607	3,234
(Profit)/loss on sale of property, plant and equipment	(228.88)	0	0
Unrealized exchange loss/(gain)	145	(180)	25
Impairment loss/(reversal) in the value of Investments	-	-	145
Impairment loss allowance on advances/receivables	-	-	156
Loss on cancellation of Lease	-	-	244
Interest expense	2,648	2,298	5,203
Other Financial charges	196	200	494
Interest income	(50)	(53)	(128)
Rent Income	-	(16)	(33)
Corporate tax / Deferred Tax	97	(240)	595
MAT credit entitlement	-	(444)	(145)
Employee stock options cost	-	(13)	(18)
Employee Benefits Designated Through Other Comprehensive Income	-	-	(53)
Government Grants - Cash Subsidy amortization	-	-	(1)
<b>Operating profit / (loss) before changes in working capital</b>	<b>115</b>	<b>2,739</b>	<b>4,314</b>
Trade receivables	(173)	1,819	5,905
Inventories	1,518	557	535
Other Financial Assets	4	(13)	(16)
Other Current / Non-Current Assets	(85)	(80)	(530)
Trade payables	(4,471)	523	1,362
Provisions	92	1,867	4
Other Current / Non-Current Liabilities	862	(1,414)	(2,358)
Other Financial Liabilities	(145)	88	100
<b>Change in current assets/liabilities</b>	<b>(2,399)</b>	<b>3,347</b>	<b>5,002</b>
<b>Net cash flow generated from operating activities before tax</b>	<b>(2,284)</b>	<b>6,086</b>	<b>9,316</b>
Direct taxes (tax deducted at source)	(85)	(29)	(84)
<b>Net cash flow from operating activities</b>	<b>(2,369)</b>	<b>6,057</b>	<b>9,232</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(100.64)	(448)	(1,766)
Sale of property, plant and equipment	852.53	4	4
Purchase of Intangible asset	(20.61)	(168)	(124)
Rent Income	-	16	33
Interest income	50	53	128
Government Grants - Cash Subsidy amortization	-	-	1
Investment in Preference Shares	(708)	(2,960)	(3,885)
<b>Net cash used in investing activities</b>	<b>74</b>	<b>(3,503)</b>	<b>(5,610)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from cash credit	(182)	(24)	(486)
Proceeds from short term loans	2,338	-	-
Proceeds from term loans	3,001	4,500	9,236
Proceeds from lease	-	-	175
Repayment of short term loans	(88)	-	(978)
Repayment of term loans	635	(3,239)	(3,575)
Repayment of lease	(105)	-	(251)
Unclaimed Dividend	(6)	0	6
Proceeds from shares issued including premium	-	29	29
Dividend and dividend distribution tax	-	(1,612)	(1,613)
Interest expense	(2,648)	(2,298)	(5,203)
Other Financial charges	(196)	(200)	(494)
<b>Net cash used in financing activities</b>	<b>2,749</b>	<b>(2,843)</b>	<b>(3,153)</b>
<b>D. Net effect of exchange gain/(loss) on cash and cash equivalents</b>	<b>43.35</b>	<b>(52)</b>	<b>(492)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C + D)</b>	<b>497</b>	<b>(341)</b>	<b>(235)</b>
<b>Opening Cash and Cash Equivalents</b>	<b>1,107</b>	<b>1,130</b>	<b>1,130</b>
<b>Closing Cash and Cash Equivalents</b>	<b>1,603</b>	<b>789</b>	<b>1,107</b>

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## 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. Lava Cast Pvt Ltd (LCPL), a subsidiary company had submitted Restructuring plan which was approved by lender on 23.10.2020. Full effect of Restructuring shall be accounted by LCPL in next quarter after execution of required documents with lender.
3. Parent company has obtained a legal opinion that the amount receivable beyond normal credit period, representing reimbursement of expenses, from a related party is not covered under Section 185 of Companies Act, 2013. However, as an abundant caution, the company shall seek approval of shareholders in the ensuing annual general meeting.
4. Setco Automotive (UK) Limited, a subsidiary of the parent company, has entered into Sale and lease back transaction of its immovable properties (i.e. Land & Building) with Carlton Mill Company Limited (The) without the intention of the company to discontinue its operations.
5. During the quarter, the Parent Company has made investment of Rs. 108 lakhs in 9% non-convertible cumulative preference shares of Setco Engineering Private Limited (SEPL).
6. Finance cost includes interest of Rs. 9 lakhs towards unpaid Dividend to promoters and Dividend Distribution Tax for the quarter ended September 30, 2020.
7. 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".
8. Previous period figures have been regrouped / rearranged wherever considered necessary.
9. The above financial results were reviewed and recommended by the Audit Committee at its meeting held on November 10, 2020 and subsequently approved by the Board of Directors at its meeting held on November 10, 2020. The Statutory Auditors have carried out a limited review of the consolidated financial results for the quarter and half year ended September 30, 2020.

**For and behalf of the Board**

HARISH  
KIRITBHAI  
SHETH



**Place : Kalol**  
**Date : November 10, 2020**

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

**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**

**To the Board of Directors of**  
Setco Automotive Limited

1. We have reviewed the unaudited consolidated financial results of Setco Automotive Limited (the “Holding Company”) and its subsidiaries (collectively referred to as “the Group”) for the quarter and the half year ended September 30, 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
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 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’, specified under Section 143 (10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
5. The Statement includes results of the following entities:

<b>Sr No</b>	<b>Name of the Entity</b>
	<b>Subsidiaries</b>
1	WEW Holdings Limited, Mauritius
2	Setco Automotive (U.K.) Ltd., UK
3	Setco Automotive N.A. Inc., (USA)
4	Setco MEA DMCC, Dubai.
5	Lava Cast Private Limited, India

6. Based on our review conducted 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 applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised 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 REGN NO. 107488W**

RASESH VINAYKANT PAREKH  
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**RASESH V. PAREKH PARTNER  
MEMBERSHIP NO. 38615  
UDIN: - 20038615AAAANT1879**

**PLACE : MUMBAI,  
DATED : 10<sup>TH</sup> NOVEMBER, 2020**



*Efficient Engineering*

**Results Q2FY21**

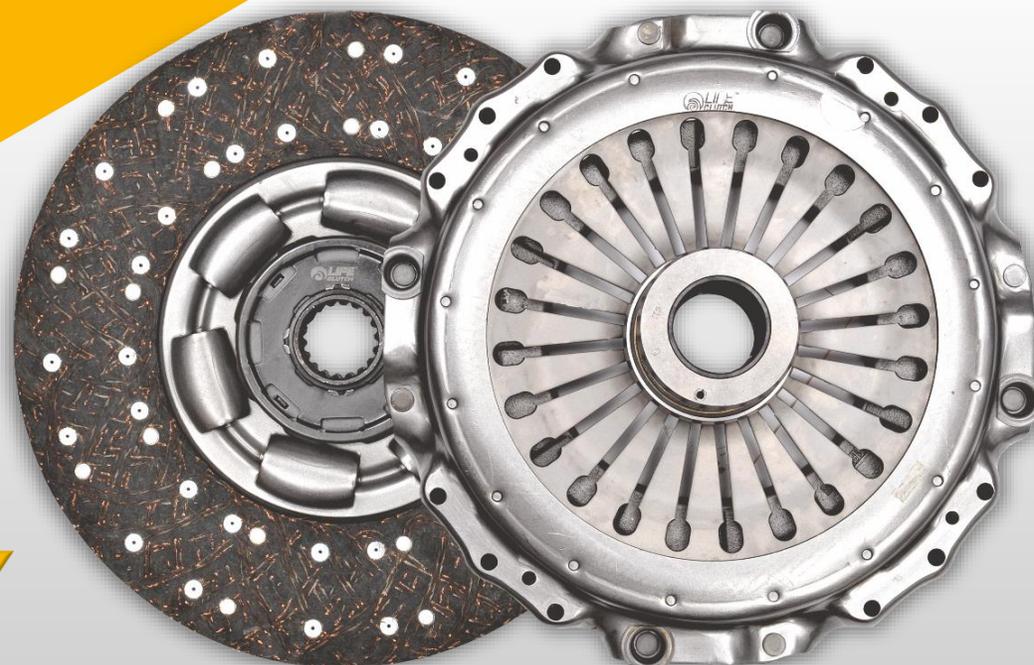
**Setco Automotive Limited**

Investor call: 10<sup>th</sup> Nov 2020 at 2:30pm



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This presentation also contain certain tables and other statistical analyses. Numerous assumptions were used in preparing the statistical information, which may or may not be reflected herein. The Company has not verified such statistical information with independent sources. As such, no assurance can be given as to the statistical information’s accuracy, appropriateness or completeness in any particular context nor as to whether the statistical information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The statistical information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice.

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# Agenda

**1** Overview

**2** Financial Results

**3** Outlook

# Highlights –MHCV Industry on fast track of recovery



## MHCV Industry

- ❖ MHCV Industry sales/production after dismal Q1FY21 has improved considerably and started strong trends of start of up-cycle
  - Economy opening with focus on infrastructure has shown improvement in MHCV production in Q2FY21
  - OEM production schedules of Q3FY21 and Q4FY21 exceeds Q3FY20 and Q4FY20

## Setco's OEM Segment (contributes ~22% of Setco's Revenue)

- Q2FY21, OEM segment showed improvement compared to last year Q2FY20
- Volumes are 67% of pre-covid levels in Q2FY21 and revenues are 79% of same period. Revenue per unit up by 12% due to upsizing. Will further improve to 15% as volumes increases
- Setco continues to retain its market leadership with >85% market share in MHCV OEM segment

## Aftermarket Segment (contributes ~78% of Setco's revenue)

- Aftermarket sales :
  - Revenue at 70% of Q2FY20. Order pipeline improving month on month and Q3FY21 demand exceeds Q3FY20
  - Long overdue replacement of the past has started coming and expect to continue for the foreseeable future

## Setco's resilient performance

- Sales in Q2FY21 is almost at Q3FY20 and Q4FY20 levels, expect to be much higher in coming quarters compare to last year
- Q2FY21 would have been much better, but supply chain constraint has effected the production
- Despite lower operating leverage:
  - Contribution margin in Q2FY21 at 29.9% up by 220 bps as against 27.7% in FY20
  - EBITDA margins in Q2FY21 at 12.9% up by 310bps as against 9.8% in FY20, due to substantial reduction in fixed cost which is further expected to improve
- Superior segment mix and pro-active cost management to drive profitability going forward

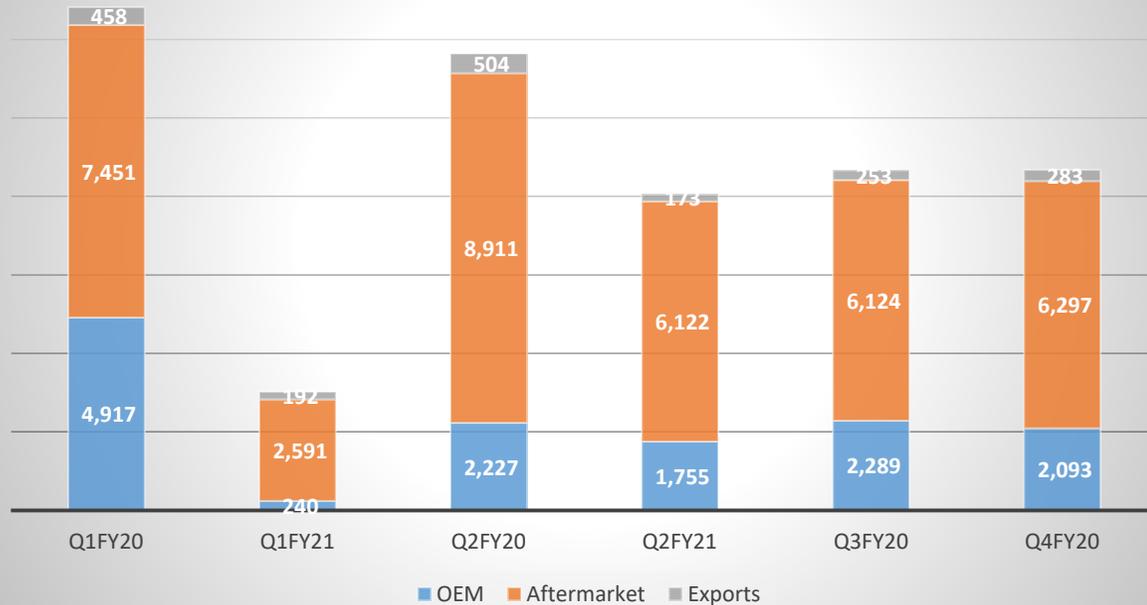
## Tractor Business update:

- Progress on track, expects orders from H2FY21 with 2 to 3 OEM's

## Lava Cast

- Restructuring Proposal with Cut-off date 1<sup>st</sup> Oct 2019 has been sanctioned by Bank of Baroda and now under implementation
- This will improve the profitability of Lava Cast and will make Lava Cast self-sufficient

Sales INR Lakhs



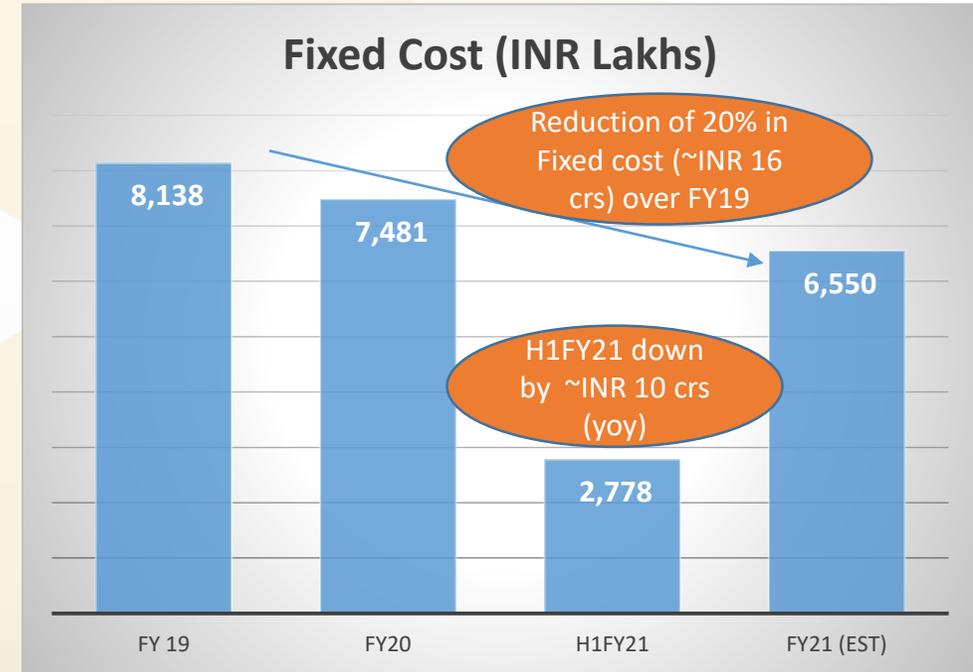
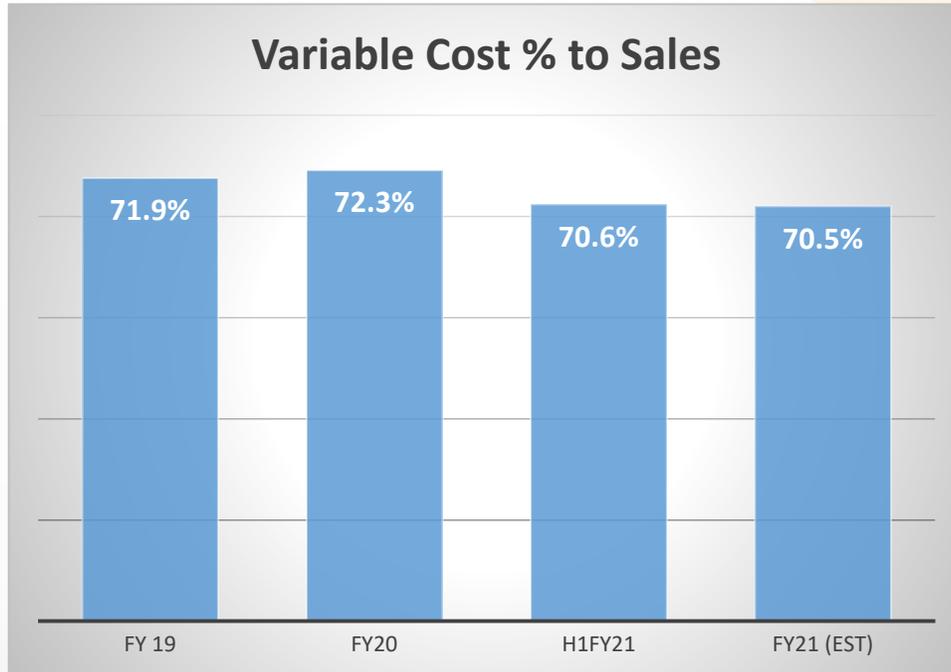
## Key Aspects

### Q2FY 21

- Sales in Q2FY21 is almost at Q3FY20 and Q4FY20 levels, expect to be much higher in coming quarters compare to last year
- Q2FY21 would have been much better, but supply chain constraint has effected the production
- Superior mix due to higher %age sales in Aftermarket compared to OEM sales.
- Improved mix will drive improved margins in forward years as activity levels reach/ surpass FY 19 figures .
- Aftermarket is back to pre Covid levels from Q2 and OEM has also started picking up and reached almost ~80% pre-covid levels

Revenue (INR Lakhs)	Q1FY20	Q1FY21	Q2FY20	Q2FY21	Q3FY20	Q4FY20
OEM	4,917	240	2,227	1,755	2,289	2,093
Aftermarket	7,451	2,591	8,911	6,122	6,124	6,297
Exports	458	192	504	173	253	283
<b>Total</b>	<b>12,826</b>	<b>3,023</b>	<b>11,642</b>	<b>8,051</b>	<b>8,666</b>	<b>8,674</b>

# Cost Analysis



## Variable Costs :

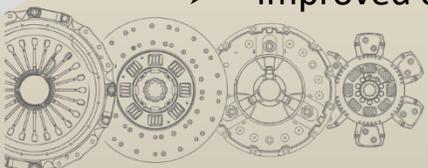
- In H1FY21 Variable Cost % age down by 170bps due to superior mix within OE (upsizing and higher realisations & margins/Unit) as well as higher aftermarket sales.
- This has resulted in higher contribution and margins

## Fixed Costs :

- On track to bring down the fixed cost by ~20% (INR 16crs) over FY19
  - ✓ Already achieved Fixed cost reduction /savings of ~10 crs in H1FY21

## EBITDA:

- Improved operating margin and reduction in Fixed cost, driving improvement in EBITDA margins



## Key figures – Q2FY21

## Standalone

In INR lakhs	Q1FY21	Q2FY21	QoQ Growth	FY20
Sales	3,022	8,051	2.6x	41,808
Contribution % to Sales	845 27.9%	2,408 29.9%	200bps	11,588 27.7%
EBITDA Margin	(566) (18.7%)	1,040 12.9%		4,107 9.8%
Operating PBT Margin	(2,061) (68.2%)	(708) (8.8%)		(1,752) (4.2%)
PBT PBT%	(1,586) (52.5%)	(237) (2.9%)		(1,871) (4.5%)
MAT Adj.	39	49		145
Corporate Tax	-	-		(499)
Other comprehensive income/(loss)	-	-		(129)
PAT PAT Margin	(1,548) (51.2%)	(187) (2.3%)		(1,645) (3.9%)

## Key aspects – Standalone

 Topline :

- ✓ Q2FY21 sales were at 8,051 lakhs.

 Profitability :

- ✓ Compare to contribution margin of 27.7% in FY20, company has achieved contribution margin of 29.9% in Q2FY21.
- ✓ EBITDA margins has shown substantial improvement by 310bps due to substantial reduction in fixed cost. EBITDA margins is further expected to improve
- ✓ Favorable segment mix with improve product mix improve the profit
- ✓ Company continues with older tax regime due to MAT credit availability

### Restructuring Proposal:

❖ **Restructuring Proposal with Cut-off date 1<sup>st</sup> Oct 2019 has been sanctioned by Bank of Baroda and now under implementation**

❖ Brief contours of the restructuring:

➤ Term loan outstanding of ~INR 86crs divided into:

- ~INR 51crs is to be repaid with considerable reduction in rate of interest with a longer repayment in a ballooning manner
- Unsustainable portion of ~INR 35crs with Interest rate of 0.01% p.a. to be repaid after 9 years.

➤ Interest for 1.5years has been funded on Term Loan and Working Capital

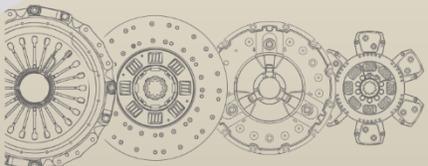
❖ Key highlights:

➤ **Despite lower capacity utilization, Lava Cast's was EBITDA positive for the month of Sep 2020 and is expected to improve substantially as capacity utilization goes up**

➤ **Unlike FY20, demand for castings in second half of FY21 is robust from Setco Auto**

➤ Exports identified as a major thrust area post Covid as US/European customers move business to India from China.

***With all of above Lava Cast to be net additive at EBITDA level going forward***



# Performance of Lava Cast

Particulars	Q2FY20	Q2FY21
Capacity (In MT)	7,500	7,500
Production (In MT)	2,222	1,570
Utilisation %	30%	21%

Amt INR lakhs	Q2FY20	Q2FY21
Sales	1,585	1,040
Contribution	301	313
Contribution %	18.9%	30.1%
Fixed Cost	449	361
EBITDA	(140)	(49)
EBITDA %	-8.8%	-4.6%

## □ Lava Cast turnaround plan hinges on 4 pillars:

- ❖ Improve operating parameters on key variable Costs
    - Q2FY21, Lava Cast achieved best ever contribution margin at 30.1% despite least capacity utilization
  - ❖ Reduce Fixed Costs to FY 18 levels. :
    - Fixed Cost rationalization led to savings of INR 89 lakhs in Q2FY21, all plans on track to reach FY18 levels
    - EBITDA improved substantially and was positive for the month of Sep 2020, with higher volumes envisaged in second half, it will be net positive additive.
  - ❖ De- Risked Business Portfolio :
    - Higher Capacity utilization with improved operating mix
      - RFQ's of over 15,000MT annually received from US/European manufacturers moving out of China. Expect 1/3<sup>rd</sup> conversion into orders
      - Higher castings content in Farm tractor clutches and US export clutches
  - ❖ Debt Restructuring :
    - Debt restructuring approved by the banks, implementation under progress.
- *We expect improved performance of Lava Cast in the second half. Lava Cast will be net positive additive to EBITDA and cash profit from H2FY21*

## Key figures – Consolidated Q2FY21

## Consolidated

In INR lakhs	Q1 FY21	Q2FY21	Growth	FY20
Sales	4,135	9,539	1.3x	47,032
Contribution % to Sales	1,314 31.8%	3,420 35.9%	410bps	14,995 31.9%
EBITDA EBITDA Margin	(953) (23.1%)	1,105 11.6%		3,601 7.7%
Operating PBT	(3,069)	(1,265)		(5,330)
PBT	(3,069)	(1,265)		(5,405)
PAT	(2,889)	(1,207)		(5,242)
PAT (after Minority Interest & OCI)	(2,775)	(1,189)		(4,742)

## Key aspects – Consolidated

- Consolidated performance subdued due to
  - Lower top-line of Setco and hence lower operating leverage
  - Contribution margin improvement 400bps on account of improved mix
  - EBITDA margins improved by 400 bps over FY20 and will continue to improve in H2FY21 due to higher volumes
  - **Lava Cast capacity utilisation on upward trend, and turn EBITDA positive for Sep 2020 and expects to be major turnaround going forward**
  - Overseas subsidiaries continue to face challenging conditions in aftermarket segment which is their main operation
  - Frequent lockdown in foreign countries has resulted in lower sales and impacted profitability

# 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 H2 FY21.**

**Strong distribution strength and increased focus in Aftermarket segment has resulted in growth in market share despite an estimated ~30% 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.**

**The newly introduced BS-VI products improve revenue per vehicle as well as EBITDA margins. As volumes increase this will manifest in coming quarters.**

**The expected Govt Boosters on demand creation (Scrappage Policy which is a long-term Booster) & GST reduction to 18% (Short Term booster for next 6-8 quarters) will further give impetus to our growth momentum.**

**The new strategy on Lava Cast, implemented since last fiscal is showing very good initial signs. We are well positioned to exploit the upcycle through higher capacity utilization and leveraging improved operating efficiencies. We expect Lavacast to be net EBDITA and Margin additive to the consol results starting H2 FY 21.**

# FY21 Outlook and Beyond...

## OEM (MHCV & Farm Tractors)

- Upsizing and higher engineering content in BS VI clutches will improve revenue and margins/unit .
- Farm equipment : Progress on track, expects orders from H2FY21 with 2 to 3 OEM's

## Aftermarket (OES&IAM)

- OEM Sales in the growth years of FY14-FY18 has started coming-up for the first/second replacement cycle in the current year and has been considerably driving OES sales growth
- Deferred fleet repairs of cannibalized vehicles in downturn of last two years, will grow spare parts business .
- Like in other segments after growth in pre-owned truck sales will add to this demands will give boost to aftermarket sales
- Better availability and network expansion will drive Independent Aftermarket
- International Subsidiary - introduction of new generation clutches (ASD clutch) in US

## Lava Cast

- Increase in demand from Setco Auto and Exports will drive the optimum utilization production capacity
- Improvement in EBITDA coupled with Interest rationalization will substantially improve the cash profit.
- Lava cast will be additive to consol profitability of Setco.

**We Invite You To Visit Setco**

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