SETCO™
AUTOMOTIVE LTD
LIPE™ CLUTCH

CERTIFIED TS 16949/ISO 14001 EMS OHSAS 18001
CIN No. : L35999GJ1982PLC005203

September 03, 2019

To,

BSE Limited,	National Stock Exchange of India Ltd,
Dept. of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 **Company Code: 505075**	**Listing Department** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 **Scrip Symbol: SETCO**

Dear Sirs,

Sub: 36th Annual Report for the financial year 2018-19

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Please find enclosed herewith 36th Annual Report of the Company for the financial year 2018-19.

The above may also be accessed on the website of the Company i.e. www.setcoauto.com

Kindly take the above information on your records.

Thanking you,

Yours faithfully,
For Setco Automotive Limited

Chandra Kant Sharma
Company Secretary

SETCO AUTOMOTIVE LTD.

Encl: As above

CORPORATE OFFICE : 2/A, GROUND FLR., FILM CENTER BLDG., 68, TARDEO RD., TARDEO, MUMBAI - 400 034. INDIA. PHONE : +91 22 407 55555 Fax : +91 22 2352 0754
REGISTERED OFFICE : VADODARA GODHRA HIGHWAY, KALOL (PMS) - 389 330, GUJARAT, INDIA. PHONE : +91(0) 2676 - 270600 FAX : +91 (0) 2676 - 235524
WEB : www.setcoauto.com E-MAIL : contact@setcoauto.com

SETCO AUTOMOTIVE LTD

SINCE 1982

36th ANNUAL REPORT | 2018-19

WE ARE BS-VI READY

FORWARD-LOOKING STATEMENT

The report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words like ‘plans’, ‘expects’, ‘anticipates’, ‘believes’, ‘intends’, ‘estimates’, or other similar expressions as they relate to the company or its business are intended to identify such forward-looking statements, which are based on certain assumptions and expectations of future events. The company’s actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements.

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Harish Sheth	Chairman & Managing Director
Mr. Udit Sheth	Vice Chairman
Mr. Shvetal Vakil	Executive Director
Mrs. Urja Shah	Executive Director
Dr. Arun Arora	Independent Director
Mr. Ashok Jha	Independent Director
Mr. Bhalchandra Naik*	Independent Director
(*Resigned w.e.f. October 31, 2018)	
Ms. Suhasini Sathe	Independent Director
Mr. Arun Tiwari	Independent Director

AUDIT COMMITTEE:

Dr. Arun Arora	Chairman
Mr. Ashok Jha	Member
Mr. Arun Tiwari	Member

NOMINATION & REMUNERATION COMMITTEE:

Dr. Arun Arora	Chairman
Mr. Ashok Jha	Member
Ms. Suhasini Sathe	Member

STAKEHOLDERS GRIEVANCES & RELATIONSHIP COMMITTEE:

Dr. Arun Arora	Chairman
Mr. Harish Sheth	Member
Mrs. Urja Shah	Member

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Mrs. Urja Shah	Chairperson
Mr. Udit Sheth	Member
Dr. Arun Arora	Member
Ms. Suhasini Sathe	Member

BANKERS:

Bank of Baroda
HDFC Bank Limited
Yes Bank
IDBI Bank Limited

SOLICITORS:

Wadia Ghandy & Co., Mumbai, Maharashtra, India.

STATUTORY AUDITORS:

V. Parekh & Associates
Chartered Accounts,
Mumbai, Maharashtra - India

SECRETARIAL AUDITORS:

P. P. Shah & Co.
Practicing Company Secretary,
Mumbai, Maharashtra - India

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083, Maharashtra, India.

COMPANY COMMUNICATION:

Registered Office:
Vadodara – Godhra Highway,
Kalol, Dist. Panchmahal – 389 330,
Gujarat – India.

CORPORATE OFFICE:

2A, Film Centre Building,
Ground Floor, 68,
Tardeo Road,
Mumbai – 400 034,
Maharashtra – India.

SUBSIDIARIES & MANUFACTURING INFORMATION:

Setco India

1. Vadodara - Godhra Highway, Kalol,
   Dist. Panchmahal - 389 330, Gujarat - India.
2. Sitarganj, Dist. Udham Singh Nagar - 262 405,
   Uttarakhand - India.

Lava Cast Private Limited
Alindra (Village) Vadodara – Godhra Highway,
Kalol (Panchmahals) – 389 330, Gujarat, India

Setco Automotive (UK) Limited
York Avenue, Haslingden, Lancashire,
United Kingdom BB4 4HU.

Setco Automotive (NA) Inc.
565 Hwy, 77, Paris, Tennessee 38242

Setco MEA DMCC
Unit No. 3558, DMCC Business Centre, Level No. 1,
Jewellery & Gemplex 3, United Arab Emirates

OUR BRANDS:

Corporate Brand

CSR Brand

Product Brands

FIVE MANUFACTURING UNITS ACROSS FOUR COUNTRIES

Kalol (Panchmahal), Gujarat, India
Sitarganj, Uttarakhand, India
Haslingden, Lancashire, UK
Paris, Tennessee, USA
Valladolid, Spain

PRODUCTS:

Clutch Products & Systems
Hydraulics (pressure converters)

OTHER INFORMATION:

a. Corporate Identification Number (CIN):
L35999GJ1982PLC005203

b. Listing Information:
Listed with: BSE Limited (BSE) &
National Stock Exchange of India Limited (NSE)
BSE Scrip Code: 505075
NSE Scrip Symbol: SETCO

c. Website: www.setcoauto.com

d. 36th Annual General Meeting information:
Date: September 27, 2019
Day: Friday
Time: 12.00 Noon
Place: Vadodara – Godhra Highway,
Kalol, Dist. Panchmahal – 389 330,
Gujarat – India.

e. Investor Grievance:
email:- investor.relations@setcoauto.com

VISION.

To be a market-leading brand in our chosen sphere of work with quality products and services, cost-effective manufacturing, state-of-the-art technology and environment-friendly practices, creating value for our stakeholders.

MISSION.

To be the preferred clutch of choice in 1 out of 3 commercial vehicles and 1 out of 5 farm tractors globally.

VALUES.

Excellence I Integrity I Team Spirit I Customer Focus I Environmental Consciousness I Safety & Hygiene

> **“ LAST YEAR,**
> **WE ADOPTED “EFFICIENT ENGINEERING”**
> **AS OUR MOTIF THAT WOULD HELP US MODERNIZE**
> **THE ENTERPRISE-WIDE ACTIVITIES AND PREPARE**
> **US FOR NEWER CHALLENGES.**

KEY MILESTONES

1982
INCORPORATION

1999 - 2000
TECHNICAL COLLABORATION WITH LIPE UK DIVISION OF DANA CORP. (USA) DURING INDIA'S BS MIGRATION

2005 - 2006
PE INVESTMENT BY NEW VERNON
SET UP SETCO UK – AQUIRED LIPE (UK) FROM DANA CORP. (USA)
SET UP SETCO NA – ACQUIRED THE US FACILITY FROM HALDEX AB SWEDEN

2009 - 2011
FORAYED INTO NEW GLOBAL MARKETS – CENTRAL ASIA, MENA REGION, AFRICA, LATIN AMERICA & SOUTH ASIA
STARTED VERTICAL INTEGRATION
SET UP R&D
SET UP SOA PRESS SHOP

2013 - 2014
LAUNCH OF CLUTCHES TO CATER AFTERMARKET SEGMENT

2014 - 2015
SETTING UP OF DIAPHRAGM SPRING MANUFACTURING FACILITY LAUNCHED FOUNDRY (LAVA CAST PVT. LTD.) UNDER JV ARRANGEMENT

2016 - 2017
SUPPLY OF NEW CLUTCH COVER ASSEMBLY TO OEMS
COMMENCEMENT OF COMMERCIAL OPERATIONS OF LAVA CAST

2017 - 2018
LAUNCH OF CLUTCHES FOR FARM EQUIPMENT (TRACTOR) SEGMENT AND AMERICAN MARKET

2018 - 2019
BS-VI APPROVALS FROM ALL OEM PARTNERS ON TARGET

BOARD OF DIRECTORS

Harish Sheth
Chairman & Managing Director

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 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.

Mr. Udit Sheth started his career at Setco in 2002. A strategist by temperament, he has been responsible for Strategy and Business Development for Group Information Technology and the Joint Ventures of the Company. A key member within the M&A team, he has contributed to the Company's U.K. and USA acquisitions. Mr. Udit Sheth has a Bachelor's Degree in Science with a specialization in Finance & MIS from Purdue University and has completed an Executive Education program from MIT, Cambridge-Boston, USA.

Udit Sheth
Vice Chairman

Shvetal Vakil
Executive Director

Mr. Shvetal Vakil has over 40 years of diverse experience ranging from Greenfield projects, setting up JVs, strategising M&As, etc. In his career path, Mr. Shvetal Vakil has also been associated with Hindustan Unilever wherein he was extensively involved with the setting up of the export business of Agri Products of the Company. He has also been the Director & Vice President in Bunge India Pvt. Ltd., an American Transnational & Global Leader in Veg. Oils and Oilseeds. Mr. Shvetal Vakil holds a Bachelor's degree from Mumbai University and has also pursued an Advanced Management Programme from IIM, Ahmedabad.

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 Boston University, USA. Mrs. Urja Shah has been playing a very significant role in the Company's activities related to Corporate Social Responsibility.

Urja Shah
Executive Director

Arun Arora
Independent Director

Dr. Arun Arora has been the Executive Chairman with Edvance Learning Private Limited and Edvance Pre-Schools Private Limited. He was also the former CEO of The Economic Times and President, Bennett & Coleman. Dr. Arun Arora also holds an Advanced Management Programme Degree from the Harvard Business School. In recognition of his immense contribution in the field of education, Dr. Arun Arora was conferred with a degree of Doctor of Philosophy by EIILM University, Sikkim for the academic session 2013-14.

Mr. Ashok Kumar Jha has retired as the Finance Secretary, Ministry of Finance, Government of India. He has also served extensively in the Ministry of Economic Affairs. Post retirement, he joined the industry as President of Hyundai Motors. Mr. Ashok Kumar Jha is a graduate from St. Stephen's College in Economics and holds a Masters Degree from the Delhi School of Economics. He also holds a Masters Degree in Development Economics from the Australian National University, Canberra.

Ashok Kumar Jha
Independent Director

Arun Tiwari
Independent Director

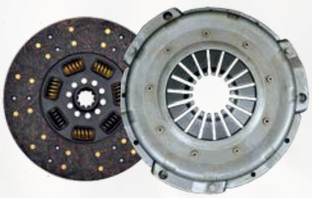
Mr. Arun Tiwari is a post-graduate in chemistry and has over 39 years of rich experience in the field of banking. He was Chairman & Managing Director of the Union Bank of India from December 26, 2013 to June 30, 2017. Prior to this, he was executive Director of Allahabad Bank from June, 2012. He worked with Bank of Baroda for over three decades and was working as General Manager before his elevation to Allahabad Bank.

Ms. Suhasini Sathe is an entrepreneurial person by nature and holds the expertise 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, and 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 the managing director of the Sathe Group of Companies. Ms. Suhasini Sathe holds a Bachelors of Engineering (Mechanical) from V.J.T.I., Mumbai University and is proficient in the use of CAD-CAM software. Her interests include travelling and, knows German & Spanish languages.

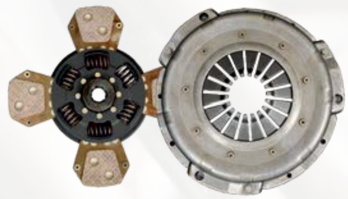
Suhasini Sathe
Independent Director

PRODUCTS AT A GLANCE

275 & 280 Dia Single Diaphragm Clutch



280 Dia Clutch Set Ceramic Single

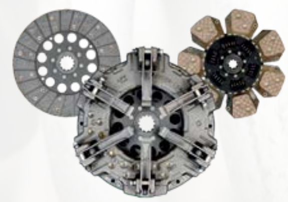


280 Dia Clutch Set Double 4P

280 Dia Clutch Set Dual 4P

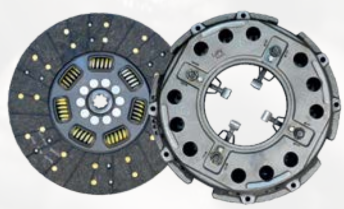
280 Dia Clutch Set Dual 5P

280 Dia Clutch Set Dual 7P



280 Dia Dual-Rigid 4P

310 Dia Clutch Set Organic Single

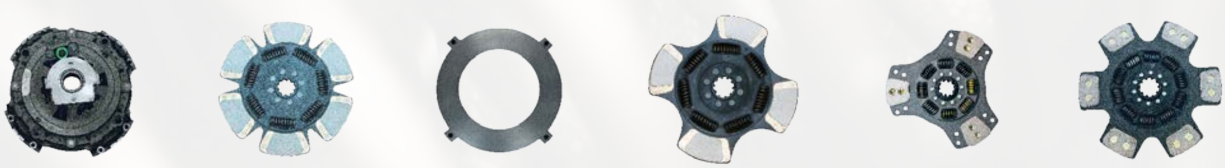


310mm Dia Double Clutch with 6P

310 Dia Double Clutch 7P

330 Dia Single Coil Clutch

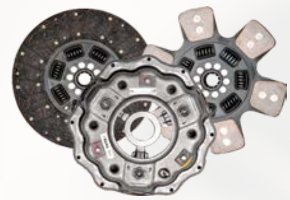
NEW RANGE FOR NORTH AMERICA MARKET : ANGULAR SPRING DESIGN CLUTCHES



170mm Single
Diaphragm Spring

12"/310mm Single
Diaphragm Spring

13"/330mm Single
Direct Pressure Coil Spring



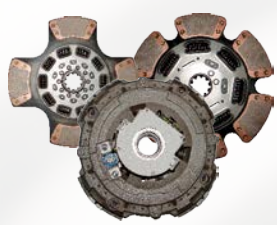
14"/352mm Single & Twin
Direct Pressure Coil Spring

362mm Single
Diaphragm Spring

15"/380mm Single & Twin
Direct Pressure Coil Spring

15"/380mm Single Push
Coil Spring

15.5"/395mm Angular Spring
Twin Clutch



395mm Single Push
Diaphragm Spring

400mm Twin
Diaphragm Spring

430mm Single
Diaphragm Spring

Off - Highway, Construction
Hydraulics (Pressure Converters)

CUSTOMERS

TATA

ASHOK LEYLAND

BHARATBENZ

VE COMMERCIAL VEHICLES

Mahindra
Trucks and Buses

MAN

VE

SONALIKA INTERNATIONAL

Disclaimer: All the Company names, Brand names, Trademarks and Logos are the property of their respective owners.

TESTIMONIALS

I am fully-satisfied with Setco product. The packaging is also very good.

SWASTIK AUTO PARTS, Jamshedpur
Mr. Hitesh Ranpara

Using LIPE since the launch of the product; its quality and packaging are very good. Satisfied to sell this product.

National Motor Store, Ranchi
Damandeep Singh Chandok

I am using LIPE clutches since 2014. The product is same as you supplied to OE. Quality-wise very satisfied.

Halim Motor Garrage, Jamshedpur
Halim Khan

SETCO AUTOMOTIVE LTD

AWARDS & RECOGNITIONS

- "Cost Excellence Award" at the Tata Motors Limited Annual Conference 2019 for suppliers
- "Reliability Gold" and "Aftermarket Gold" at the Ashok Leyland Annual Conference 2019 for suppliers
- "The Machinist" at Super Shopfloor Awards 2019

Harvard Business School published a case study "Setco Automotive Ltd: Drivers of a Successful Turnaround" to highlight Setco's journey from a financial and operational business perspective to key turnaround factors for the company's profitability & survivability.

The quality is very good , best thing is that you have supplied same quality product to OE and Aftermarket. Satisfied to use LIPE.

Ashok Motor Garrage, Ranchi
Ashok Vishwakarma

I have visited your Kalol plant, very satisfied to use LIPE clutches.

Pradeep Garrage, Dhanbad
Mr Pradeep Kumar Saw

I am using only LIPE clutches.
Very satisfied with this brand.

Swastik Motor, Dhanbad
Binay Kumar Agarwal

"काममयाएवायंपुरुषइति सायथाकामोभवततित्क्रतुरभवति"

"You are what your deep, driving desire is. As your desire is, so is your will. As your will is, so is your deed. As your deed is, so is your destiny" – Brihadaranyaka Upanishad.

Dear Shareholders,

It gives us great pleasure to share with you an update on the performance of your Company for the year 2018-19.

The year gone by has been rewarding as well as challenging for the Company. Along with maintaining 85 per cent market share in MHCV market, we also made significant headway on the goal we established at the beginning of the year – to emerge as a visionary and evolving Company. Towards achieving this vision, we are effectively moving with the changing times as seen through our transition from BS-IV to BS-VI-compliant clutches. Despite a challenging business environment with an ongoing threat from the automotive industry slowdown, your Company has delivered a strong performance.

Given the clear mandate to the present government in the recent general elections, the potential fall-out of any political instability is put to rest. We expect major policy initiatives to support both manufacturing and exports.

Looking at the last year, the Commercial Vehicles segment witnessed instability in terms of vehicle demand. The first half of the year saw an upscale in the performance of commercial vehicles' sales, whereas the second half showed a downward trend. Despite this, the Company's overall sales grew by 17 per cent. This was also supported through the additional penetration in the Aftermarket business, which constitutes almost 60 per cent of our overall sales.

Additionally, with the recent inroads into the farm-equipment segment, the Company is poised to grow significantly going forward. The scrappage policy which was recently announced will contribute to improving vehicle demand in the coming years. With the launch of the new generation ASD clutches in the North American Aftermarket and more for the international markets, the Company will derive success through focused-market segmentation.

Also, the imminent merger between Lava Cast and Setco would facilitate an increase in business opportunities, allow operational efficiency, reduce overheads and enable administrative efficiencies.

These five pillars – OEMs, Farm Segment, Aftermarket & Exports, and Lava Cast – will enable high growth through diversification in the coming years.

With the expiry of the 10-year-period of tax incentives in Uttarakhand, our benefits expired in FY18. This resulted in a loss of 200 bps in our EBITDA margins in FY2019. Our income tax rate also increased from 20% to 35%, resulting in a PAT reduction of Rs. 7 CR. Despite this, due to various steps taken by the Company, our EBITDA increased to 15% in FY19 from 12.8% in FY18. With all the steps taken by your Company, our PBT has increased from Rs. 35.93 CR in FY18 to 53.06 CR in FY19 showing a growth of 48%

We are also pleased to inform you that during the last five years, the net sales of 2769 companies (as tracked by Capitaline) has increased by a modest 34.5% (CAGR of ~6%) with a net profit increase of only 20.6% (CAGR of ~ 3.8% which is less than inflation) **whereas Setco has grown by ~87% (CAGR of 13.3%) in Sales and 118% (CAGR of 16.9%) in PBT.**

Though the NBFC liquidity crisis has temporarily affected the growth rate of the MHCV sector, the long-term fundamentals of Setco remain robust. With the liquidity crisis and demand contraction abating, the OE demand will be subdued during the year, but growth in the aftermarket business continues to remain substantial. Commodity and forex headwinds have now stabilized and the Company has implemented measures to address them through robust pricing and segment mix.

Our products have been accepted for BS-VI vehicles. At Setco, we believe that the BS-VI transition is an inflection point for OEMs, auto component makers and the entire ecosystem to move up the value chain and gain more in terms of new knowledge and value

Therefore we have focused this year on efficient and high-quality engineering. The key narrative of efficient engineering is to find timely answers and improvements. This enabled us to effectively disentangle from some of our existing operational issues, sustain strength in our core areas and drive growth to further improve our performance.

Research and Development is poised to play a substantial role in national and global plans. In the last three years, our R&D division has developed over 50 variants of clutches for farm equipment and commercial vehicles. This plan of supplying new generation clutches to the farm equipment sector coincides perfectly with the greater thrust of the rural sector, high investment planned for infrastructure development and higher Minimum Support Price (MSP) to ease rural distress. To meet these demands, we are also focusing on capacity augmentation. We expect to see the full benefits of these to be reflected in FY 2021.

In recognition of our efforts, several awards have been received in cost efficiency and contribution to the industry from our esteemed customers. This year Setco was endorsed with three awards:

- 'Cost Excellence Award" at the Tata Motors Limited Annual Conference 2019 for suppliers
- "Reliability Gold" and "Aftermarket Gold" at the Ashok Leyland Annual Conference 2019 for suppliers
- 'The Machinist' at Super Shopfloor Awards 2019

Furthermore, Harvard Business School published a case study "Setco Automotive Ltd: Drivers of a Successful Turnaround" to highlight Setco's journey from a financial and operational business perspective to key turnaround factors for the Company's profitability & survivability.

The welfare of our communities and human capital form one of the cornerstones of our Company is. As we grow, so do all our people. Towards our vision of improving the socio-economic positions of our communities, your Company spends 5 per cent of its net-profit annually on Corporate Social Responsibility. Additionally, our CSR arm, the Setco Foundation which completed a decade-long journey this year, was recently honoured at the Outlook POSHAN awards by the Vice-President of India, Shri M. Venkaiah Naidu, for significant contribution in addressing maternal and child malnutrition in our district.

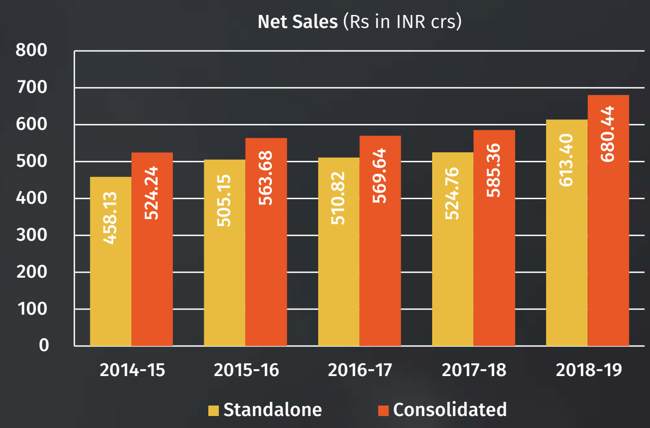
In this journey, the customers have been at the heart of our initiatives and our sense of responsibility has strengthened the relationships even further to the point that they show unstinted trust and confidence in your Company. Finally, we would like to extend our gratitude to all our employees who are our shareholders too. Our consistent growth is sustained because of the clear articulation of our strategy, the strong support of our board and the continual and dedicated commitment of the management team.

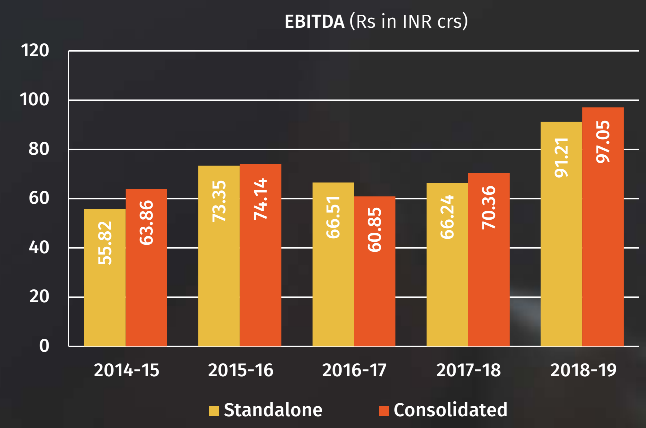
The core value of holding central the best interest of all the stakeholders has always set Setco apart in the past. It is this core value that continues to drive us towards excellence and growth in the future.

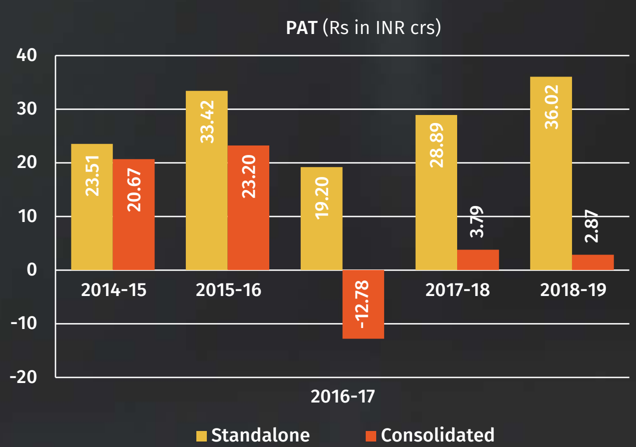
Thanking you,

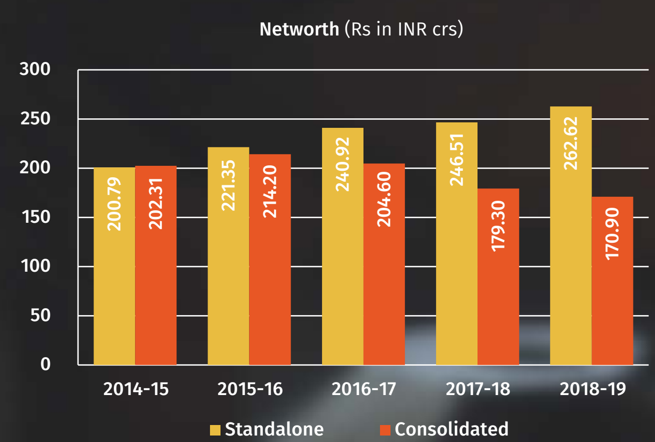
Harish Sheth
Chairman & Managing Director

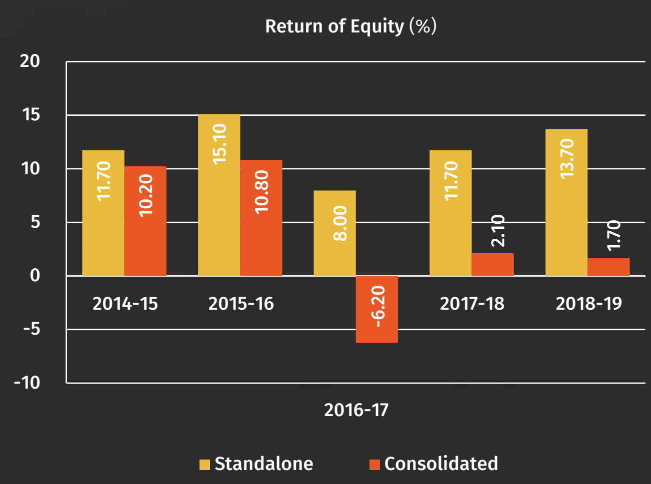
FINANCIAL SNAPSHOT



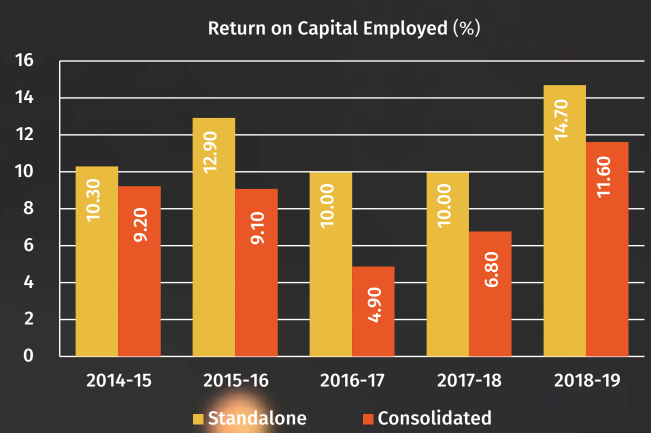




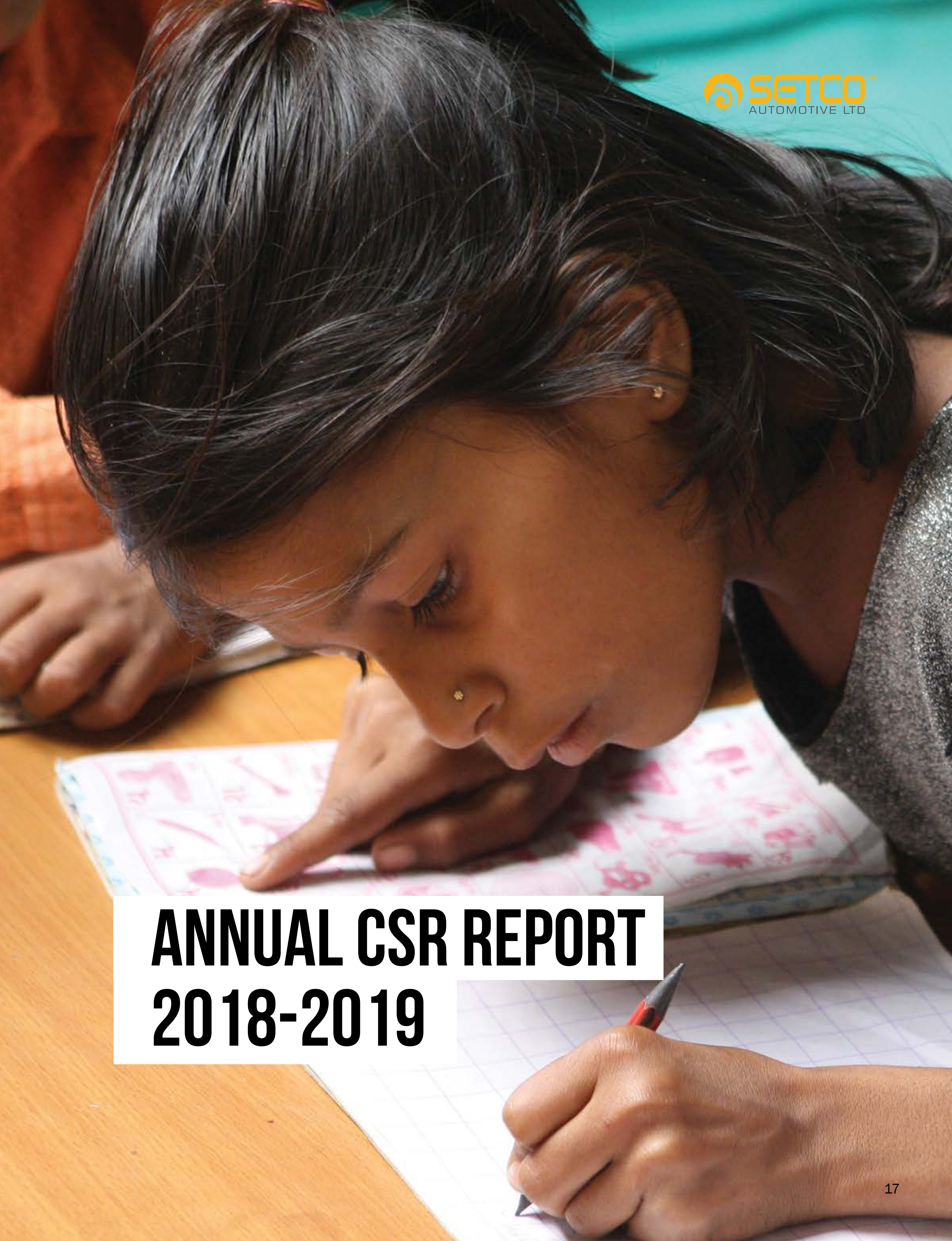




Return of Equity (%)
20
15
10
5
0
-5
-10
11.70
10.20
15.10
10.80
8.00
-6.20
11.70
2.10
13.70
1.70
2014-15
2015-16
2016-17
2017-18
2018-19
Standalone
Consolidated



Return on Capital Employed (%)
16
14
12
10
8
6
4
2
0
10.30
9.20
12.90
9.10
10.00
4.90
10.00
6.80
14.70
11.60
2014-15
2015-16
2016-17
2017-18
2018-19
Standalone
Consolidated



ANNUAL CSR REPORT 2018-2019

SETCO™ FOUNDATION

MILESTONE JOURNEY

The Setco Group spends 5% of its net profit annually on Corporate Social Responsibility in an effort to enhance the quality of life across the entire socio- economic spectrum and benefit the underprivileged communities. In 2018-2019, SAL directed nearly Rs. 1.53 crore towards this objective through grants to Setco Foundation (Gujarat), Setco Foundation (Mumbai) and other grant recipients. This last year marked a major milestone year for the Setco Group's Corporate Social Responsibility as it constructively completed a decade long journey of improving lives, living conditions and livelihood for a stronger and inclusive India. Being a firm believer of environmental sustainability, the foundation has flourished in developing technologies to converse natural resources and promote organic renewable energy.

Through the Setco Foundation's life-cycle approach implemented in 22 communities, your Company has transformed 9500 lives annually, with approximately 5000 direct beneficiaries.

- The life-cycle approach includes maternal-infant health including first 1000 days of childcare, early childhood growth, health and overall development through growth & milestone monitoring, support, therapy, nutrition management, and pre-school education. Through these initiatives, your Company has made a positive transformation among 2300 children and 800 mothers annually.
- The foundation also supports women's empowerment through initiatives that enrich their livelihoods and builds them for self - employment. Through self-help groups and counselling, your Company has achieved building better lives for about 500 women.
- Additionally, the foundation keeps investing in the future by working on adolescent health and empowerment. Towards this endeavour, the foundation has driven nutrition management & counselling, growth monitoring, menstrual and reproductive health awareness& support for 400 girls; reviving their livelihood towards healthier adulthood.
- The foundation also engaged itself into developing local leadership, teamwork, gender-parity among 700 boys and girls through sports. In an attempt to raise the sports culture among the underprivileged youth, this initiative brought light on the natural talent concealed behind the line of poverty. Supporting and providing direction to the talented youth had been the aim to elevate the disregarded and vulnerable communities towards a healthier and better lifestyle.

IMPACT

The Setco Foundation's integrated approach has yielded a powerful and sustained impact across the broader spectrum.

- Malnutrition has dropped from 77% in 2009 to less than 14% for children aged 0-6 in 2018 (as opposed to the current national average of 52%*)
- A decline from 38% prevalence of developmental delay to approximately 13% in 2018.
- In 2018, 92% of the babies were born at a healthy weight of 2.5 kgs or higher.

SETCO AUTOMOTIVE LTD

- 97% of regularly attending 5-year-olds and 6-year-olds joined primary school annually.
- The ratio of under weight girls dropped from 44% a few years ago to 15% in 2018-2019.
- Today, due to the Skikhar program, no girl associated with the foundation is forced to endure marriage below the age of 19. This leads to achieving an unachievable of **zero child marriages**; letting the young girls exercise the freedom to both – voice and choice.

SOME KEY INITIATIVES in 2018-2019

This last decade saw the foundation continuously evolving to achieve better milestones with the focus moved from "fix the problem" to co-designing the development with the deprived communities. Hence the last year's initiatives focused on a more holistic approach and in building partnerships across communities, corporates and institutions.

- Developing a holistic vision & mission of the Setco Foundation.

VISION:

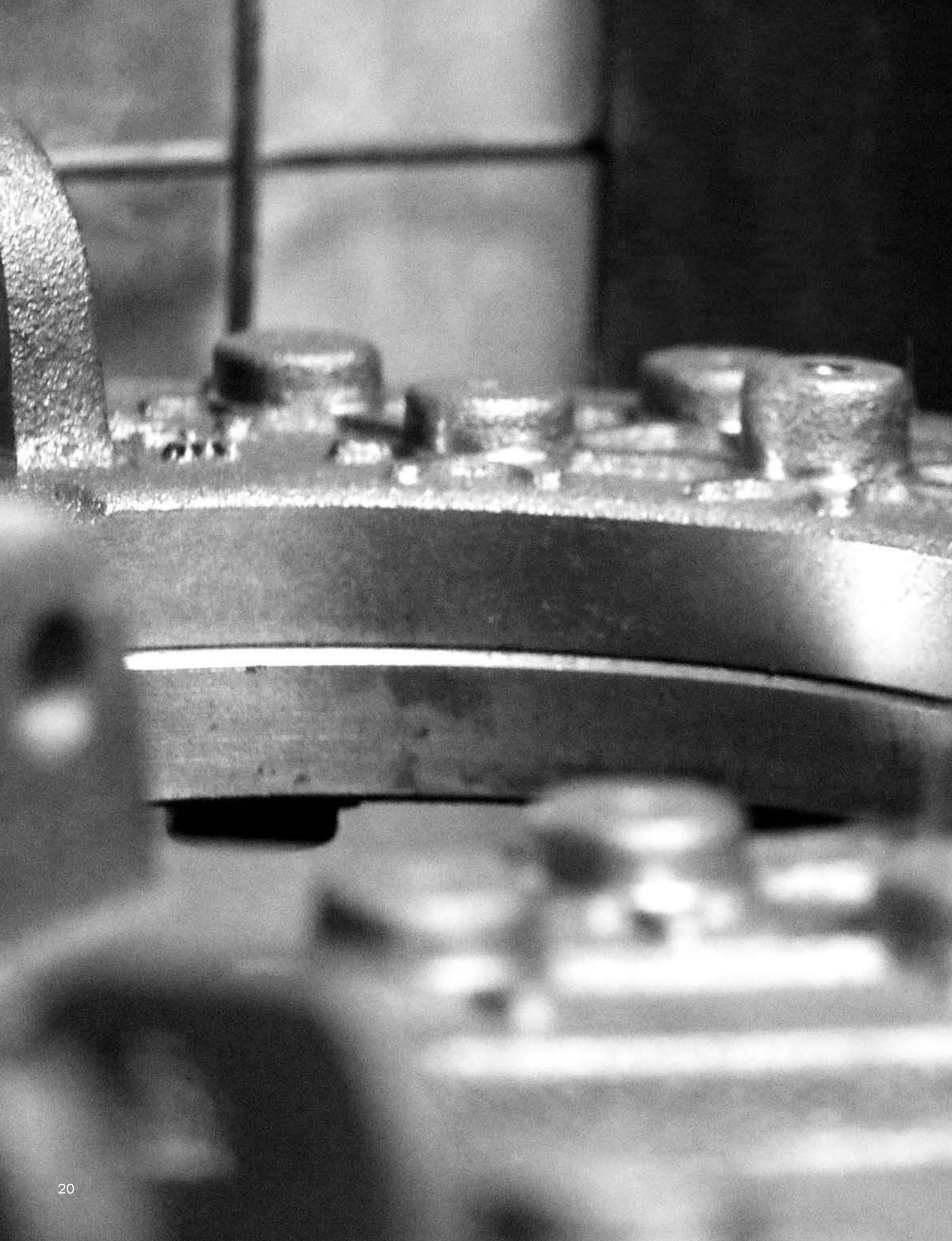
A JUST AND SUSTAINABLE SOCIETY THROUGH EMPOWERED COMMUNITIES

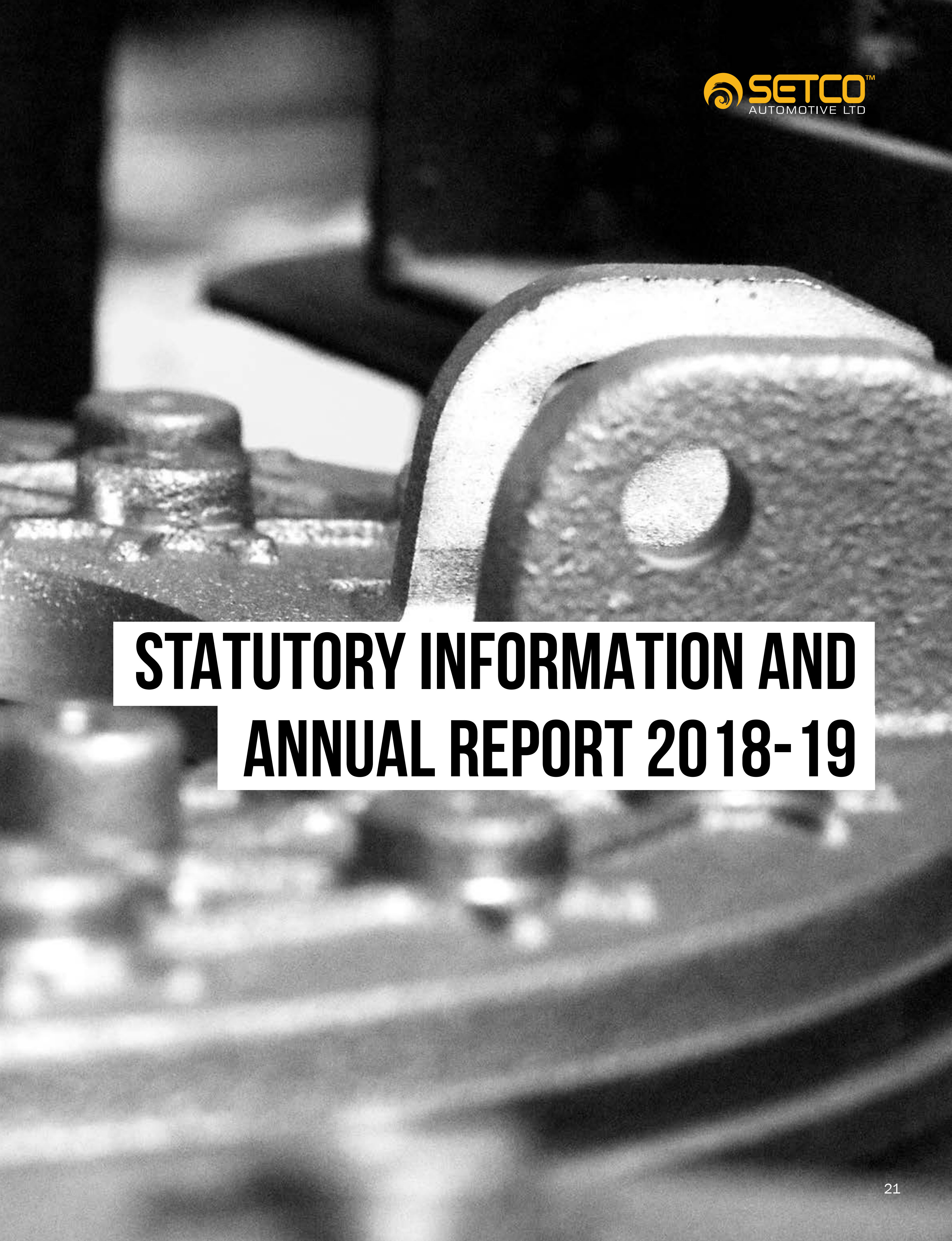
MISSION:

WE COLLABORATE WITH COMMUNITIES TO DEVELOP EQUITABLE ACCESS TO HEALTHCARE,EDUCATION, ENVIRONMENTAL SUSTAINABILITY AND OPPORTUNITIES FOR GROWTH

- Building the first five-year strategic plan to position Setco Foundation's scale, growth, learning and partnerships.
- Successful implementation and renewal of the first externally funded project implementation cycle with the foundation's funding partners, Hero Motor Corp and Gujarat CSR Authority.
- Exploring larger partnership opportunities with the Gujarat CSR Authority and the University of Michigan Ann-Arbor to bring more thought leadership into the region.
- The first joint initiative with plant leaders of Setco Automotive team to build a common vision that aligns mission and values of the in-house corporate practices with those of the foundation.

The Setco Foundation takes great pride in driving the Setco Group's CSR initiatives. However,the foundation strives to redefine CSR as not mere philanthropy but as an opportunity to leverage corporate resources to incubate out-of-the-box, evidence-based solutions. The foundation hopes that this can be scaled through continuous partnerships with the government channels. It's the belief that this is the real purpose of CSR and going forward, it is what will drive the foundation's vision of building a just and equitable society, not just locally but across the country.





STATUTORY INFORMATION AND ANNUAL REPORT 2018-19

MANAGEMENT DISCUSSION & ANALYSIS

Economic Scenario

"THE GREATEST DANGER IN TERMS OF TURBULENCE IS NOT THE TURBULENCE; IT IS TO ACT WITH YESTERDAY'S LOGIC,"SAID PETER DRUCKER.

Our motto ***efficient engineering*** creates a collective consciousness through all our team members to ensure that we are efficient and calculated in everything we do; we are a technology-driven company and our efficiency is the core of what our products deliver.

The Indian & Global economy has been passing through dynamic yet turbulent times for some time now. The way we consume goods and services is rapidly changing; the way India's tax reforms are taking place there is a positive change – these actions together have set up a completely unexpected and expected range of outcomes. One such major driver of changing consumption is the Aspirant Indian in a fast-changing environment where reforms are speeding up. The implementation of GST as well as a change in consumption patterns led by e-commerce along with access to cheap data services is a major driver of economic changes fast leading for the need to restructure traditional businesses.

The economy in India is going through a major structural change that requires patience, perseverance and capital preservation. The NBFC crisis has created a liquidity crisis in the market and the reset of banking norms is also changing the way people do and view a business.

Indian exports have been trailing for the last few quarters after a short spurt in 2018 due to various reasons including the global slowdown and poor economic growth in major importers. Next, the issue of incentives provided by the United States under the Generalised System of Preferences (GSP) programme arises. India had exported goods worth $ 6.3 billion to the US in 2018 under the GSP programme, which the latter terminated from June 5, 2019.

Exports contribute around 5 per cent of our overall business. We have introduced new products for our major export markets, namely the US and Europe. Given the favourable response to our products in these countries, we expect exports to grow and account for 10-15 per cent of our total turnover in the coming years.

Outlook: Cautious Sustainability

The latter half of 2018-19 saw a wide range of issues – from industry-specific challenges to policy resets and macro-economic headwinds – constraining the MHCV sector sales to a large extent. Policy-wise, several decisions including the advancing to BS-VI emission standards, the sudden diesel ban and the aggressive EV thrust have pushed the industry to look for sustainable and technology-driven solutions.The recent changes in insurance policies, including the hike in third-party liability premium, have dented the consumer demand in general. On its part, the BS-VI switch will cost the industry upwards of Rs. 70,000 crores to comply and we, as a company, are getting ready for the switchover. While most of the industry is also getting ready for BS-VI, their needs to be a strong switchover well-supported by a vehicle scrappage policy will become key demand drivers for the sector.

Post GST, the truck & CV movements have improved by anywhere between 30-40 per cent due to the removal of hurdles at the border checks. This has improved existing vehicle utilization by 30 per cent. Govt. has increased the allowable tonnage load by 25 per cent, and both these factors have improved commercial vehicles utilization by almost 50-60 per cent. This means for the existing fleet to reach optimal utilization, it needs 50-60 per cent more load than earlier before new vehicles can be planned. These factors have resulted in creating a demand constraint.

The unusual tightening of liquidity in the Non-Banking Financial Companies (NBFCs) space, following the troubles faced by few large companies, which worsened the situation for the auto industry where financing plays a critical role; more than 80 per cent of new vehicles sold are financed by alternate banking companies. Though the government and the RBI are working towards easing the pain, it will take some time before the scenario returns to normalcy. These unexpected developments have hit those who had built up a big inventory ahead of the festival season and New Year, hurting dealers the most. With the rural demand dipping below average, the picture has become bleak.

BS-VI: Towards a Sustainable Future

Nothing seems to fret the Indian automobile landscape like the transition to Bharat Stage VI (BS-VI) emission standards that come into force by April 2020 – from the current BS-IV standards; for most of the players, the transition has so far been a painstakingly technology-driven task, needing new investments in not only the MHCV sector but also in oil refining and other supportive industries.

Though there have been many conflicting reports regarding the impact of BS-VI norms on the industry, a report by the rating agency CRISIL, affirms our point of view, considering it to be "marginal". The report adds "in commercial vehicles, changes are expected in engine components and the exhaust management system which have a low impact on auto-casting."

However, since BS-VI norms will lead to the addition of both non-casted components and more electricals/sensors and changes in ECUs, it will push up prices across vehicle segments. It will also bring big data into the sector, which will help future technology. The CRISIL report says "as we anticipate an advancement in sales, particularly in CVs, we estimate auto-castings sales (in value terms) to grow 9-11 per cent in fiscal 2020, largely driven by volume growth owing to expected advancement of sales in fiscal 2020, ahead of the institution of BS-VI norms."

Amid such debates on the future of automotive companies, **the opportunity from the BS-VI implementation is multifaceted for us as we are one of the first in MHCV space to receive BS-VI approval, achieved with our intense design and development focus, and by leveraging in-house capabilities.** This would further reinforce our product offering as our proprietary engineering capability is expected to solve specific engineering issues on NVH (noise vibration harmonics). Coupled with upsizing of clutches for BS-VI, this would increase the content per vehicle by 5-8 per cent for us and add about 2 per cent to our EBITDA. We are nearly a single-source supplier in our segment and we believe that our readiness will further augment our place in the sector.

As the BS-VI deadline has been advanced (three months by the Supreme Court), the immediate challenge will be to flush out the pipeline of BS-IV vehicles and start new production; this would require every component supplier to be ready at least three months in advance.

Electric Vehicles: Not a Threat

A few years ago, the government had announced an ambitious target that India will fully adopt Electric Vehicles (EVs) by 2030, posing several questions before the auto industry. The discussion over the increasing focus on EVs for public transportation is sometimes being interpreted as a serious challenge – beyond the automakers – to component makers such as Setco. But the overall increase in spending power will ensure that both the ICE and the EV can co-exist. **Setco, been in the Commercial Vehicle & Farm Equipment sectors, has little to no threat from EV/ Automatic transmissions.**

The fact is that in India, of the total CVs, 80 per cent are goods vehicles and 20 per cent are passenger carriers, mainly buses. Within this 20 per cent, only 12-13 per cent could be inter-state buses and 7-8 per cent is city buses. Essentially, the city buses are being mandated to become EVs to solve the rising pollution in India's urban centres. Thus, we consider the alarm over the impact of EVs on players like us to be not very relevant. Aftermarket accounts for 65-70 per cent of the overall business and we'll continue to need clutches for existing vehicles for additional 10-15 years after EV comes into effect, if at all. In case EV gets introduced in highly unlikely scenario in our sector, we will have minimal impact on our business model.

Besides looking for modern solutions, we had also taken a strategic decision a few years ago to diversify into supplying clutches for tractors rather than cars. We also believe that since the EV revolution is at least a decade away from catching up in other areas, we are fully insulated from the after-effects of such a drastic change. Yet, we would like to see the brighter side here where there are opportunities too. Aftermarket accounts for 65-70 per cent of the overall business and we'll continue to need clutches for existing vehicles for additional 10-15 years after EV comes into effect, if at all. In case EV gets introduced in highly unlikely scenario in our sector, we will have minimal impact on our business model.

According to *Autotech Review magazine,* even though the conventional thinking on EV drivelines is to use a single-speed transmission, relying on the torque spread of the electric motor to provide adequate performance under all operating conditions, the new eDCT (electric Dual Clutch Transmission) allows for a total of seven gear combinations from the four distinct gear ratios through a combination of single-motor driving and dual-motor driving combinations. Reducing the energy use helps to overcome a key issue – range anxiety – by providing a greater operational range. Alternatively, the vehicle gets increased performance, using smaller, lighter battery packs and motor.

Thus, we believe that the clutch will continue to play an integral role in the ICE (Internal Combustion Engine) which will be the core of the MHCV sector.

Efficient Engineering - Driving Innovations

In this context, 'frugal innovation' or 'frugal engineering' will help reduce both the complexity and costs of manufacturing while driving the industry's future growth. Regulation-wise, manufacturing companies – which are competing with each other to have greater visibility into global supply chains – must also keep abreast of regulations and managing compliance reporting. As product innovations come at a dizzying pace, manufacturers need to be on top of rapid innovations, sourcing adequate engineering skills, resources and time.

In terms of people skills, every industry is seeking better skills in their younger workforce who are filling up many critical roles as most of the baby boomers are approaching retirement. As such, manufacturers are now exploring more and more avenues to equip them with necessary skills outside the factories. Other challenges include growing environmental concerns that have necessitated the introduction of many regulations on various aspects of the manufacturing process such the use of certain materials, disposal of waste and byproducts, where we as a company constantly strive to ensure minimal impact to the environment while being more sustainable. Apart from these, regular preventive maintenance is mission-critical to help increase throughput and ensure customer satisfaction with delivery lead times.

In this emerging domestic and international background, let us discuss our company's growth outlook. Last April, the International Monetary Fund (IMF) forecast showed that the world economic growth will slow to 3.3 per cent in 2019 from 3.6 per cent last year. The World Trade Organisation (WTO) estimated it even lower at 2.6 per cent for 2019 with a matching growth in merchandise trade volumes. The trade slowdown seems tariff-driven seemingly on account of the US-China trade dispute. Already, the negative impact on global stocks, bonds and currencies along with the overall business confidence is visible. As the slowdown intensified, the world's large central banks have responded with responsive monetary policies.

This darkening environment bears an important significance for India whose economy is now firmly integrated with the rest of the world. While many of its domestic corporates regularly seek funding from abroad, foreign portfolio capital flows play a key role in financing the current account gap.

Global trade is dominated by trade in intermediate goods due to the transnational supply chains. These supply chains could be redesigned or reallocated because of the exorbitant labour costs in China as well as its clabbering trade war with the US. In this scenario, experts point out that India has an opportunity here as the nation can exploit this humungous opportunity in the new transnational supply chains. Union Commerce Ministry has already expressed that India is well placed to handle the crossfire of the trade war. Both our national and individual corporate strategies are, thus, shaped in that direction.

Farm Equipment Sector

India is the biggest producer of tractors. We are producing more tractors than commercial vehicles if you take only the medium and heavy vehicles into account. Interestingly, tractors that are being manufactured today have a powerful engine with high horsepower and accordingly, they need new types of clutches. Thus, there is a shift or even a vacuum in the market and we are entering that space and expect to reap a good growth, from both OE and aftermarkets.

Interestingly, the clutch has a lifespan of 2-2.5 years in tractors. Given this prospect, we expect this sector to contribute about Rs. 100 crore to our top line in the next couple of years. We will soon be launching new products for the domestic market, meeting its requirements. One such product is dual and double clutch, which have undergone rigorous field testing in different farm applications besides internal lab testing in an accelerated mode and completing approval cycles from key farm tractor manufacturers.

We have outlined the farm tractor business to be a significant aspect of our growth story and aim to achieve nearly a 40 per cent share in the tractor clutch market in India. We aim to expand our portfolio by developing this new generation dual and double clutches for tractors.

With a good monsoon and an improvement in global growth, the agricultural sector demand will further grow, bolstering the demand from the tractor segment.

Setco: Drivers of a Successful Turnaround -A Study by IIM-A & Harvard University

Harvard Business School has studied Setco indepth (on back of a report / case study by the reputed IIM-A) and published a case study on its remarkable turnaround story – which made the company the largest producer of clutches for medium and heavy vehicles in India. The financial impact of the turnaround factors on the company's profitability and survivability as well as the optimal capital structure were thoroughly examined in the story. Commenting on the effort, the publication said, "The case provided an opportunity to identify the alternative financial rehabilitation strategies by the company to capitalise on the prospective business environment."

Company's Operational Highlights for FY 2018 -19

The company has improved its performance for FY 2019 despite the loss of Uttarakhand benefits which expired in the FY18. Additionally, the effective income tax rate also went up from 21% to 35%.

Particulars	FY 2019 IN INR crs	FY2018 IN INR crs	YoY Change
Sales	613.40	524.76	16.9%
EBIDTA	91.21	66.24	37.7%
EBIT (Operating)	71.90	48.48	48.3%
Profit before Tax (including Other Income)	53.06	35.93	47.7%
Profit After Tax	36.02	28.89	24.7%

Key Financial Ratios:

Particulars	FY 2019	FY 2018	YoY Change	Reasons for change, where changes are significant
EBITDA Margin	14.9%	12.6%	18%	Higher sales & improved operating efficiency have resulted in improved Margins
EBIT (Operating) Margin	11.7%	9.4%	24%	
PBT Margin	8.7%	6.8%	26%	Better operating margins
PAT Margin	5.9%	5.5%	7%	-
Debtors Turnover	74.29	100.18	-26%	Better operating controls and change in Revenue recognition in view of IND AS requirements.
Inventory Turnover	72.89	66.02	10%	-
Interest Coverage Ratio	2.68	2.12	27%	Improved margins and control over total debt have resulted in better Interest coverage
Current Ratio	0.99	1.01	-2%	-
Debt Equity Ratio	0.86	0.97	11%	Repayment of long term debt and increased networth has resulted in improvement of Debt Equity Ratio.
Return of Networth	13.7%	11.7%	17%	-

Original Equipment Manufacturer (OEM)

We anticipate a robust momentum in the OEM growth given the strong pre-buying of BS-IV MHCV expected – before BS-VI migration – next year. Engineered customized solutions to suit different power trains of OEMs (for meeting BS-IV/BS-VI/EURO-VI norms) are the hallmark of our engineering skills.

With the implementation of GST and E-way bill, the material movement in India has smoothened out substantially. Also, with this, manufacturers cannot classify products in different categories and get away with lower rates of tax as they did earlier. We are seeing a strong shift towards using the right quality OE product as the price is no longer the major differentiator.

Replacement Market

Our company's aftermarket business comprises two segments; sales of clutch assemblies and service kits through the service and spare sales network of Original Equipment Spares (OES) and sales to the Independent Aftermarket (IAM) network of distributors/dealers and local garages under 'LIPE' brand.

Aftermarket is a vital part of our plan. As a strategy, the aftermarket was carefully developed and nurtured over the years and today, it constitutes almost 60 per cent of our revenue. The segment ensures not only sustainable growth but also decreases the vulnerable nature of the industry due to cyclical OEM demand. The already-peaked OEM cycle in the past is expected now to boost aftermarket replacements, coming up in FY20. The aftermarket business and the OES sectors will ensure that the cyclical nature of the MHCV sector will not dent our business.

International Business

The company believes that the international business will be the driving factor in its medium-term growth plans and help improve consolidated margins. With the introduction of the new generation ASD clutches in the North American aftermarket, we anticipate a strong performance going forward. Opening a Subsidiary in Dubai will help us in increasing our penetration in the Middle East & African markets.

Our Overseas Subsidiaries

Setco Automotive (UK) Ltd. (SAUL)

The management expects that the various steps taken to increase the operating efficiency in yielding positive EBITDA contributions will help improve overall performance. This subsidiary is an integral part of the group as it positions itself as a research and development base for our global operations; additionally, the team also drives sales and supports the UK and European customers. The operation is strategically critical to the success of the company's global vision.

Setco Automotive (NA) Inc. (SANAI)

With the launch of ASD series of heavy-duty clutches, our American subsidiary has seen improved growth and acceptance in the North American market. We have started penetration into newer markets with the launch of this new range of clutches. Along with the promotion of our heavy-duty clutch range; our American subsidiary is manufacturing Hydraulic Pressure Converters for the Off-highway Equipment (OHE). We expect our subsidiaries' performance to help improve our consolidated performance.

Setco MEA DMCC – Dubai

The company's subsidiary, Setco MEA DMCC had started its operations from Dubai in December 2017. It is now expected to provide greater access to the vast markets of Africa and the Middle East. It has substantially cut our logistical costs.

Lava Cast Private Limited

Lava Cast is all set to merge with Setco Automotive Ltd soon. The merger would facilitate an increase in business opportunities for Setco Automotive (through the demand of castings from OEMs) further enabling it to bring all supplies under one vendor code. This will also result in an increase in orders from MHCV and tractor OEMs. Additionally, the merger would improve operational efficiencies due to the competitive buying, economies of scale, reduction in overheads and administrative efficiencies, and can save the company around Rs. 5 crore annually.

Lava Cast was established with the vision that there would be a consistent shortage of supply of quality castings in India, which had been observed by Setco in the past years. To overcome that obstacle, Lava Cast was set up to help Setco in its growth which is heavily dependent on the supply of quality machined castings. Besides, it also fulfils the demand of other customers like Tata Motors, Ashok Leyland, ZF steering, Daimler, etc. as well as that from export markets.

Such a large customer base is expected to add much to the company's overall profit.

Lava Cast is focused on manufacturing fully machined ferrous cast products for the automotive industry. The capacity utilization will be enhanced up to 100 per cent in near future, and also, Lava Cast has added external customers, apart from Setco, enabling it to ramp up the volumes. Setco plans to invest in excess of Rs. 120 crores in the foundry business in upcoming years to meet the local and international demands along with the rationalization of inventory and working capital.

Particulars	FY2019 IN INR crs	FY 2018 IN INR crs	Remarks
Sales	106.37	75.08	Sales has grown by ~42% YoY, EBITDA has improved due to increase sales, better operational efficiency and tight cost control.
EBIDTA	2.11	(0.77)	
Profit Before Tax	(28.24)	(30.10)	PBT has slightly improved in-line with EBITDA, but PAT has come down due to tax effect.
Profit After Tax	(28.29)	(23.77)	

Opportunities

- A shift in norms gives ample opportunities for us to make rapid strides.
- Political stability in India is sure to give impetus to the economic process thereby helping our sector and business to grow fundamentally.
- 'Auto Mission Plan 2016-26' projects (commercial vehicle production) to reach the 20 lakh mark by 2026, creating a vast opportunity in OEM space as well as aftermarket segments.
- The planned Voluntary Vehicle Fleet Modernisation Plan will incentivize fleet owners to replace old vehicles. It will result in a significant number of old vehicles being replaced by new vehicles, reducing vehicle pollution.
- Expected good growth in agriculture and food sectors to give numerous opportunities in farm tractor segment.
- Rising demand from International markets offers unexplored opportunities enabling significant growth potential.
- Initialization of road infra development has led to a rise in demand for medium and heavy vehicles to carry out material transportation.

Threats

- Volatility in commodity prices and/or foreign exchange fluctuations can have a direct bearing on operating margins in the short term.
- Possibility of competition and loss of market share can dent the company's competitive advantage and margins.
- The Indian economy is still predominantly agriculture-based. Dependence on the monsoon and poor irrigation network can affect the overall growth.
- The general slowdown may impact our business.
- The ability to attract and retain managerial/technical talent and availability of skilled labour is critical given the increasing competition and entry of global players.

Human Resources

"To win the marketplace, you must first win the workplace," said Doug Conant.

We strictly adhere to this principle. Our employees are our shareholders too, and that is a testimony of the care we are showing in this area. We are having an impressive lineup of people who are the best in the industry.

The STYLE (Setco Team's Young Leaders Excellence)– a career development program – is very much intact and is delivering desired results.

Risk Management & Internal Controls

The company has a comprehensive risk management policy and a framework to identify, evaluate and mitigate business risks. It focuses on ensuring that risks are identified on a timely basis and reasonably addressed. Risks are broadly classified into strategic risks, operational risks, financial risks and statutory compliance risks. The risk rating is periodically reviewed to devise adequate mitigation plans.

The company has a proper and adequate internal control system in place to safeguard its assets and protect against loss from unauthorized use or disposition. The system authorizes records and reports the transactions and ensures the reliability of data to prepare financial information. The company's internal controls are supplemented by an extensive program of internal audits, review by the management and documented policies, guidelines and procedures.

Cautionary Statement

Statements in this Report on Management Discussion and Analysis describing the company's objectives, projections, estimates and forecasts may be viewed as"forward-looking statement" within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those either expressed or implied. Important developments that could affect the company's operations include significant changes in the political and/or economic environment in India, a downturn in the commercial vehicles segment, exchange rate fluctuations, tax laws, labour relations, interest and other costs and other factors such as litigations and industrial relations.

DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Thirty Sixth Annual Report together with the audited financial statements for the financial year (FY) ended March 31, 2019. This report states compliance as per the requirements of the Companies' Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company.

FINANCIAL PERFORMANCE

The highlights of the financial performance for the year under review as compared to the previous financial year are given below:

The equity shares of the Company continue to be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The stipulated listing fees for FY2019-20 have been paid to both stock exchanges.

DIVIDEND

The Board of Directors have recommended payment of Rs.1.00 (Rupee One Only) i.e @ 50% per equity share of the face value of Rs. 2/- (Rupee Two Only) each as final dividend for the financial year 2018-19. The amount of Dividend and Tax thereon aggregate to Rs.1611.50 lakhs. The dividend on equity shares, subject to the approval of shareholders at the Annual General Meeting (AGM) to be held on September 27, 2019 will be paid on or after September 28, 2019 to the Members whose

(Rs. in Cr. Except for EPS)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operation & Other Income	628.54	547.72	686.26	603.58
Gross Profit before Finance Cost & Depreciation	106.34	84.94	102.85	83.08
Less: Finance Cost	33.98	31.25	52.58	50.41
Less: Depreciation	19.30	17.76	33.51	32.20
Profit/(Loss) before Tax	53.06	28.90	16.76	0.47
Less: Provisions for Tax Expenses	16.83	--	17.31	1.43
Profit/ (Loss) from continuing operations	36.22	28.81	(0.55)	(0.96)
Other Comprehensive Income	0.20	0.09	(0.25)	0.03
Profit/(Loss) after Taxes including other Comprehensive Income	36.02	--	(0.79)	(0.93)
Less: Non-Controlling Interest	--	--	(3.67)	(4.72)
Profit/(Loss) for the Year attributable to Equity Holders of the parent	36.02	28.90	2.88	3.79
Earning Per Shares (Rs.)	2.71	2.16	0.23	0.28

During the financial year 2018-19 Revenue from operations on standalone basis increased to Rs. 628.54 crores as against Rs. 546.32 crores in the previous year – a growth of 15.05%.

The Profit after Tax for the current year is Rs. 36.02 crores against Rs. 28.90 crores in the previous year – a growth of 24.63%.

The Financial Results of the Company are discussed in detail in the Management Discussion & Analysis Report.

INCREASE IN SHARE CAPITAL

During the year under review, your Company has issued and allotted in aggregate 80,600 equity shares of the Company to eligible employees on exercise of options granted under Setco Employees Stock Option Scheme formulated by the Company. Consequent to the aforesaid, the issued, subscribed and paid–up capital of the Company increased from 13,35,96,675 equity shares of Rs. 2/- each to 13,36,77,275 equity shares of Rs. 2/- each.

names appear in the Register of Members as of the close of business hours on Friday, September 20, 2018 [Adjusted as Members' Register and Share Transfer Books shall be closed from Saturday, September 21, 2019 to Friday, September 27, 2019 (both days inclusive)].

Shares that may be allotted on exercise of stock options granted under the Setco Employees Stock Options Scheme, 2015 before the book closure date for payment of dividend will rank pari-passu with the existing shares and be entitled to receive the dividend.

FIXED DEPOSITS

During the year under review, the Company has not acceptedany deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) orre- enactment(s) thereof for the time being in force).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Act read with the Companies (Meeting of Board and its Powers) Rules, 2014, are provided in the Notes to Standalone Financial Statements of the Company, forming part of this Annual Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Company undertakes various transactions with related parties in the ordinary course of its business. All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year, were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly and annual basis.

There were no materially significant transactions with the related parties during the financial year, which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS-18) has been made in the notes to the Financial Statements.

The Policy on materiality of related party transactions and dealing with related party transactions may be accessed on the Company's website at the link http://www.setcoauto.com/statutory-policies.

The details of related party transactions as per Indian Accounting Standards (IND AS) – 24 are set out in Note 37 to the Standalone Financial Statements of the Company.

EMPLOYEE STOCK OPTION PLAN (ESOPS)

The Company implemented the Employee Stock Option Scheme ("Scheme") in accordance with the Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the SEBI (SBEB) Regulations') as a measure to reward and motivate the employees by creating an employee ownership as also to attract and retain talent.

Disclosures pertaining to the Scheme of the Company pursuant to SEBI (SBEB) Regulations are placed on the company's website: www.setcoauto.com. Details of options vested, exercised and cancelled are provided in the Notes to the standalone financial statements. No employee has been issued stock options, during the year, equal to or exceeding 1% of the issued capital of the company at the time of grant.

The Company has received a certificate from the Statutory Auditors of the Company that the Scheme have been implemented in accordance with the SEBI (SBEB) Regulations and the resolution passed by the shareholders of the Company. The certificate would be placed at the Annual General Meeting for inspection of the members.

There has been no material change in the subsisting scheme. In terms of the provisions of the SEBI (SBEB) Regulations, the details of the Stock Options granted under the ESOP Scheme is annexed herewith as Annexure 1.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years.

Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the General Shareholders Information section of this Annual Report.

MATERIAL CHANGES AFFECTING THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2018-19 and the date of this report. There has been no change in the nature of business of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report. It provides details about the overall industry structure, global and domestic economic scenarios, developments in business operations/ performance of the Company's, internal controls and their adequacy, risk management systems and other material developments during the financial year 2018-19.

SUBSIDIARIES

Performance of Company's subsidiaries is elaborated in detail under 'Management Discussion & Analysis'.

Your Company has five subsidiaries across the globe which includes Lava Cast Private Ltd. (CIN: U27205GJ2011PTC100777), Setco Automotive (UK) Ltd (SAUL), Setco Automotive (NA) Inc. (SANAI), Setco MEA DMCC, Dubai and WEW Holdings Ltd (Mauritius).

In accordance with Section 136 of the Companies Act, 2013 has exempted companies from attaching the annual reports and other particulars of its subsidiary Companies with the annual report of the Company. Accordingly, the Annual Reports of the subsidiaries are not attached with this Annual

Report. However, statement containing salient features of financial statements of subsidiaries as per 129 (3) of the Act, is also included in this Annual Report in form AOC-1 as Annexure 2 to the Directors' Report. The financial statements of the subsidiary companies are available for inspection of the shareholders at the Registered Office of the Company between 11.00 a.m. to 3.00 p.m. on all working days except Tuesdays, up to and including the date of the Meeting.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link http://www.setcoauto.com/statutory-policies.

INTERNAL FINANCIAL CONTROLS

The Company has appropriate internal control system in place to ensure reliability of financial reporting, orderly and efficient conduct of business, compliance with policies, procedures, safeguarding of assets and economical and efficient use of resources. Appropriate review and control mechanisms are in place to ensure that such control systems are adequate and operate effectively.

Audit Committee and the Board review these internal control systems to ensure they remain effective and are achieving their intended purpose. The Company's internal audit team conducts periodic audits, checks and has laid down controls to prevent, detect and correct any irregularities in the operations of the Company.

INDIAN ACCOUNTING STANDARDS (IND AS) 2015

The financial statements up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

The annexed financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Act [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2018-19, together with the Auditors' Report form part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company primarily works through Setco Foundation and also supports other NGOs, towards supporting projects to facilitate a neighborhood to ensure full access to healthcare, nutrition, education and opportunity for growth. We strongly believe that, as a model corporate citizen, our Corporate Social Responsibility (CSR) activities should CSR – Care, Support and Revive. It is our way of giving back to the community and environment which has helped us grow and thrive. Details of the CSR activities are more particularly exhibited at the link http://setcofoundation.org/what-we-do/.

The Corporate Social Responsibility Committee (CSR Committee) formulated and recommended to the Board, the Corporate Social Responsibility Policy (CSR Policy) of the Company indicating therein the CSR activities to be undertaken by the Company. The CSR Policy has been approved by the Board of Directors.

The CSR Policy may be accessed on the Company's website at the link http://www.setcoauto.com/statutory-policies.

During the year under review, the Company has spent Rs.151.72 lakhs on CSR activities. The Annual Report on CSR activities is given at Annexure 3 hereto.

HUMAN RESOURCES

Your Company takes great pride in its Human Capital and takes significant effort in hiring, advancing and retaining the talent.The Company's comprehensive Human resource strategy takes into cognizance the key aspects of people development such as employee engagement, talent management, performance management capability development and progressive industrial relations. Training and consequent learning, therefore, forms an important element of each employee's career growth. The endeavor is to build and strengthen organizational capabilities there by enabling the Organization to sustain attractive growth in a dynamic business environment.

Setco ensure that there is full adherence to the code of ethics and fair business practices. It provides an equal opportunities employer and employees are evaluated solely on the basis of their qualifications and performance. The Human Resource function is a business partner that focusses on improving the way of life, work culture, employee engagement, productivity, effectiveness and efficiency. The Company believes in developing an efficient and committed employee base that is aware and empowered.

Industrial relations with the employees have continued to remain cordial.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WORKMEN AT WORKPLACE

In accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has framed a Policy on Prevention of Sexual Harassment at Workplace and constituted an Internal Complaints Committee for Prohibition, Prevention and Redressal of Sexual Harassment and matters connected therewith or incidental thereto covering all the related aspects.

All employees (permanent, contract, temporary, trainees) are covered under the policy. During the year under review, there were no cases reported under the said scheme.

VIGIL MECHANISM

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) ofthe Act and Regulation 22 of the Listing Regulations.

The Policy also provides protection to the employees and business associates who report unethical practices and irregularities.

Your Company has adopted a Vigil Mechanism / whistle blower Policy to enable employees to raise concerns about unacceptable, improper practices and/or any unethical practices being carried out in the organisation without the knowledge of management. This Whistle Blower Policy will also be applicable to the Directors of the Company.

The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Audit Committee. The Audit Committee reviews on a quarterly basis, reports made under this policy and implements corrective actions, wherever necessary. The policy has been appropriately communicated to all the employees and posted on the Company's website at the link http://www.setcoauto.com/statutory-policies. No such fraud or wrongful conduct was reported during the year under review.

RISK MANAGEMENT

The Company has a well-defined process in place to ensure appropriate identification and mitigation of risks. Risk identification exercise is inter-woven with the annual planning cycle which ensures both regularity and comprehensiveness. The identification and mitigation of strategic, business, operational and process risks are carried out for all functions. Your Company is committed to managing the risks in a proactive and efficient manner.

Your Company, through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

INDUSTRIAL RELATIONS

The relations with the employees have continued to remain cordial.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors of the Company is furnished in the Corporate Governance Report annexed to this report.

Changes in the Board

During the year the Board of Directors appointed Mr. Bhalchandra Naik (DIN:02490022) as an Additional Director of the Company w.e.f. May 30, 2018 in the category of No-Executive and Independent Directors. Mr. Bhalchandra Naik (DIN:02490022), resigned w.e.f. October 31, 2018 on personal grounds. The Board places on records its appreciation of the contribution made Mr. Bhalchandra Naik as Director of the Company.

During the year, in order to strengthen the Board, on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Arun Tiwari (DIN: 05345547) as an Additional Director of the Company w.e.f. July 31, 2018 in the category of Non-Executive and Independent Director. The Shareholder in their meeting held on 28th September 2018 have appointed Mr. Arun Tiwari (DIN: 05345547) as Director of the Company in the category of Non-Executive and Independent Director for the period of 5 years.

As on date of this report, Company's Board comprises of 8 (eight) Directors, out of which 5 (five) are Non-Executive Directors (NEDs) including 1 (one) Woman Director. NEDs represent 63% of the total strength. Out of 5 (five) NEDs, 4 are independent directors.

Retirement by rotation and subsequent re-appointment

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shvetal Vakil, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as a Director.

The disclosure in pursuance of Schedule V to the Companies Act, 2013 and SEBI Listing Regulations pertaining to the remuneration, incentives etc. to the Directors is given in the Corporate Governance Report.

Re-appointment of Independence Directors:

Dr. Arun Arora, Mr. Ashok Kumar Jha and Mrs. Suhasini Sathe were appointed as an independent directors at the 31st Annual General Meeting (AGM) held on 9th September, 2014 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, their re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

The Notice convening forthcoming Annual General Meeting includes the proposal for appointment/re-appointment of the aforesaid Directors. A brief resume of the Directors seeking appointment/re-appointment at the forthcoming AGM and other details as required to be disclosed in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) forms part of the Notice calling the AGM.

As on 31st March, 2019, none of the Directors are disqualified for appointment/re-appointment under Section 164 of the Companies Act, 2013.

Declaration of independence from Independent Directors:

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation. In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

BOARD EFFECTIVENESS:

FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

In compliance with the requirement of the Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights, responsibilities as directors, nature of the industry in which the Company operates, business model of the Company and related matters. The details of familiarization programmes are explained in the Corporate Governance Report.The said details are also available on the website of the Company at the link http://www.setcoauto.com/statutory-policies.

PERFORMANCE EVALUATION OF BOARD

In line with the statutory requirements enshrined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out a performance evaluation. A formal evaluation of performance of the Board, its Committees, the Chairman and that of the individual Directors was carried out for the financial year 2018-19.

The evaluation of Individual Directors was done taking into consideration the role played by each Director as a member at the respective meetings, in pursuit of the purpose and goals, participation at the meetings, independent views and judgement, initiative, ownership of value building.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, information shared and participation of members. In respect of evaluation for performance of the Board, the parameters inter alia comprised of key areas such as Board composition, competency of Directors, diversity, frequency of Board and Committee meetings, information sharing and disclosures made to the Board and its Committees. The responses received on evaluation of the Board and its Committees and that of the individual Directors were shared with the Chairman.

The overall performance evaluation process for functioning of Board and its Committees was based on discussions amongst the Board Members, Committee Members and responses shared by each Member. The Board found that there was considerable value and richness in the discussions and deliberations. Based on the outcome of the evaluation, the Board and Committees have agreed for possible continuous improvisation to ensure better effectiveness and functioning of the Board and Committees.

Similarly, the Board at its meeting assessed the performance of the Independent Directors. The Directors were quite satisfied with the results of the performance evaluation of the Board & its Committees, Chairman and individual directors.

KEY MANAGERIAL PERSONNEL

The following persons have been designated as Key managerial Personnel of the Company pursuant to section 2(51) and section 203 of the Act, read with the Rules framed thereunder:

- Mr. Harish Sheth, Chairman & Managing Director
- Mr. Shvetal Vakil, Executive Director
- Mrs. Urja Shah, Executive Director
- Mr. Jatinder Bir Singh Gujral, Chief Executive Officer
- Mr. Vinay Shahane, Vice President Finance (Chief Financial Officer)
- Mr. Chandra Kant Sharma, Company Secretary and Compliance officer. (w.e.f. May 6, 2019)

Mr. Nishant Javlekar, the earlier Company Secretary of the Company and KMP resigned from the services of the Company w.e.f. August 31, 2018.

Policy on Remuneration of Directors, KMPs and Senior Managerial Personnel and criteria for matters under Section 178 of the Act

Information regarding the Policy on Remuneration of Directors, KMPs and Senior Managerial Personnel and criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations adopted by the Board is appended as Annexure 4 to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

a) in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2019 and of the profit and loss of the Company for the financial year ended 31st March, 2019;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a 'going concern' basis;

e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

MEETINGS

A calendar of meetings is prepared and circulated in advance, to the Directors.

MEETINGS OF THE BOARD OF DIRECTORS AND ITSCOMMITTEES

The Board of Directors met 7 (Seven) times during the financial year 2018-19. The details of composition of the Board and its Committees, their meetings held during the year under reviewand the attendance of the Directors/ Committee Members at the respective meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board. The Board evaluates the recommendations made by Audit Committee and seeks further information as they may require. There were no instances where the Board has not accepted any recommendation of Audit Committee.

The Company also has CSR Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Finance & Operation Committee, Selection Committee, Shares allotment Committee and Qualified Institutional Placement Committee. The constitution and details of their meetings are given in the report on Corporate Governance.

AUDITORS

Statutory Auditors

M/s. V. Parekh & Associates, Chartered Accountants (Firm Registration No. 107488W) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 34th Annual General Meeting of the Company held on September 27, 2017 until the conclusion of the 39th Annual General Meeting of the company to be held in the financial year 2021-22.

M/s. V. Parekh & Associates, Chartered Accountants have confirmed that they are not disqualified from continuing as Auditors of the Company.

Directors' comments on Auditors Qualification in Consolidated Auditors Report:

The Auditors have made qualification in their Report on the Consolidated Accounts for not having ascertained and eliminated the unrealized profit element in the stocks lying with the subsidiaries out of inter-company transactions, in terms of the Accounting Standard-21, "Consolidated Financial Statements".

In view of the accounting method followed at the subsidiaries, it was very difficult / not possible to segregate the stock from different sources and work out its valuation. However, the steps are being taken to modify the accounting software to enable the extraction of the relevant information. This will enable the subsidiaries to provide information on unrealized profits in the stocks received from the Company.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and Rules thereunder, the Company had appointed M/s. P. P. Shah & Co., Practicing Company Secretaries, (Membership No.1483, CP No. 436) as the Secretarial Auditor to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as Annexure 5 in Form MR-3 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Directors' comments on Secretarial Auditors Qualification in Appointment of Company Secretary:

As per Section 203 (1) (ii), the Company is required to appoint Company Secretary. The Company Secretary has resigned on 15th September, 2018. In this regard the management of the Company has provided the following reply:

The Company is required to appoint Company Secretary within 6 months of vacancy i.e. by 15th March, 2019. The Company has made efforts for appointment of Company Secretary but no suitable candidate was found during this period. The non-compliance is for 17 days only.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards i.e. SS -1 and SS -2, relating to 'Meeting of the Board of Directors' and 'General Meeting', respectively, have been duly followed by the Company.

CORPORATE GOVERNANCE

A report on Corporate Governance alongwith a certificate from the Secretarial Auditors of the Company regarding the compliance with provisions of corporate governance as stipulated under Schedule V of the Listing Regulations forms a part of this Annual Report.

All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2018-19. A declaration to this effect signed by the Chairman & Managing Director of the company is contained in this Annual Report.

The Chairman & Managing Director and CFO have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the SEBI LODR Regulations and the said certificate is contained in this Annual Report.

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

A. Conservation of Energy: The operations of the Company are not energy – intensive. However, the Company takes necessary steps wherever applicable, to conserve energy. To this extent, employees and operators are regularly educated about saving energy.

B. Technology Absorption: The Company's product i.e. clutches for commercial vehicles are manufactured under the proprietary technology and heritage 'Lipe' Brand. Most of the components for manufacturing clutches are procured indigenously except for certain critical components, for offering better quality at a competitive price to customers, being imported.

C. Foreign Exchange Earnings and Outgo: Details of foreign exchange earnings and outgo during the financial year 2018-19, are provided in the Notes to Standalone Financial Statements of the Company, forming part of this Annual Report.

QUALITY STANDARD ACCREDIATION

Your Company is ISO 9002 as well as TS 16949 certified in line with the global requirements of the automotive sector by Bureau Veritas Certification (formerly BVQI).

Further, the Company's Unit is accredited with Environmental Management System (EMS) (ISO 14001) as well as Occupational Health, Safety Standards (OHSAS 18001) and VDA 6.3 Certification.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March, 2019 in Form MGT - 9 in accordance with Section 92 (3) of the Act read with Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://www.Setcoauto.com/investors/ financial-results.html and is set out in Annexure 6 to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to the remuneration of Directors, KMPs and employees under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided under Annexure 7, which is annexed to this Report.

In terms of the provisions of Section 136 of the Act, the copy of the Financial Statements of the Company, including the Consolidated Financial Statements, the Auditors' Report and relevant Annexures to the said financial statements and reports are being sent to the Members and other persons entitled therefor, excluding the information in respect of the said employees containing the particulars as specified in Rule 5(2) of the said Rules, which is available for inspection by the Members at Registered Office of the Company during all working days except on Tuesday, Public Holidays and National Holidays between 10.00 a.m. and 5.00 p.m. upto the date of the AGM. If any member is interested in obtaining a copy thereof, he/ she may write to the Company Secretary and the same shall be provided.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
3. Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).
6. The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors.

ACKNOWLEDGEMENTS:

The Board of Directors place on record sincere gratitude andappreciation for all the employees at all levels for their hardwork, solidarity, cooperation and dedication during the year.

The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support

For and on behalf of the Board

Harish Sheth
Chairman and Managing Director
DIN: 01434459

Place: Mumbai
Date:13th August, 2019

ANNEXURE 1 TO DIRECTORS' REPORT

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 as amended.

A General Disclosure

Disclosures in terms of the Guidance note on accounting for employee share-based payments or any other relevant accounting standards: For details please refer to notes to Financial Statement mentioned in Annual Report 2018-19.

B Summary

	Description	
1	Date of Shareholders Approval	June 5, 2015 – Extra Ordinary General Meeting
2	Total number of options approved under the scheme*	25,00,000 stock options were approved under the Setco Employee Stock Option 2015
3	Date of Grant	May 30, 2016
4	Options Granted	6,10,000 stock options
5	Vesting Schedule	20% of the total options - 30.5.2017 30% of the total options – 30.5.2018 50% of total options – 30.5.2019
6	Pricing Formula	The options are granted to Eligible Employees and Directors of the Company at an Exercise Price of Rs. 16/- per share (as against closing price of Rs.31.95/- as on May 27, 2016) in accordance with the provisions of the Scheme.
7	Maximum Term of Options Granted	Four years from the date of grant
8	Source of Shares	Primary
9	Variation in terms of Options	--
10	Method used for Accounting of ESOP	Fair Value Method
11	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock option, the difference between employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the option, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	The Company is following accounting as per (Indian Accounting Standard) Ind-As 102 issued by the Ministry of Corporate Affairs
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (IND-AS) Earnings Per Share	The diluted EPS of the Company after considering the effect of potential equity shares arising on account of exercise of options is Rs. 2.71 per share
13	Weighted average exercise price and weighted average fair value of the options shall be disclosed separately for options whose exercise price either equals or is less than the market price for the stock.	Weighted average exercise price : Rs. 16.00 Weighted average fair value of options based on Black Scholes methodology: Rs. 16.48

C Options Movement During the year

Description		
1	Number of Options outstanding at the beginning of the Period	4,35,000
2	Number of Options granted during the year	Nil
3	Number of Options forfeited / lapsed during the year	69,600
4	Number of Options vested during the year	87,000
5	Number of Options exercised during the year	80,600
6	Number of shares arising as a result of exercise of Options	80,600
7	Money realized by exercise of Options	12,89,600
8	Number of options outstanding at the end of the year	2,84,800
9	Number of Options exercisable at the end of the year	1,06,800

D Options granted to Senior Management Personnel/s

The company has not granted any options during the current financial year under the ESOP scheme to Senior Management Personnel/s.

E Options granted to any employee during the year amounting to 5% or more of options granted during the year

The company has not granted options during the current financial year under the ESOP scheme to employees during the year amounting to 5% or more of options.

F Options granted to any employee equal to or exceeding 1% of the issued capital of the company at the time of grant

The company has not granted options during the current financial year under the ESOP scheme to any employee equal to or exceeding 1% of the issued capital of the company.

G A description of the method and significant assumption used during the year to estimate the fair values of options.

For share options granted to employees, in many cases market prices are not available, because the options granted are subject to terms and conditions that do not apply to traded options. If traded options with similar terms and conditions do not exist, the fair value of the options granted shall be estimated by applying a Black Scholes option pricing model.

The inputs to the model are:

- Underlying price of the shares as on the date of the grant
- Exercise price of the options
- Expected life of the options
- Expected volatility of the options
- Expected dividend yield of the option
- Risk free rate of interest

*The Shareholders at the Extra Ordinary General Meeting of the Company held on June 5, 2015 had approved the 5,00,000 (Five Lakhs) stock options under the Setco Stock Option scheme 2015 of Rs. 10/- each. Further, at the Annual General meeting of the Company held on September 28, 2015, the shareholders approved the sub- dividsion of shares from face value Rs.10/- each into five equity shares of Rs. 2/- each w.e.f. December 17, 2015, consequently the number of options now stands at 25,00,000 (Twenty Five lakhs) of Rs.2/- each.

Annexure 2 to Directors' Report

Form AOC-1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": Subsidiaries

(Rs. In Lakhs)

Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries*	Share Capital	Reserve and Surplus	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
WEW Holdings Limited	Same as Holding Company	1 GBP = Rs. 90.43	576.80	-23.75	568.64	15.60	568.64	-	-12.58	-	-12.58	-	100.00
Lava Cast Private Limited	Same as Holding Company	INR	10,556.00	-6,414.11	23,214.63	19,072.75	-	10,616.03	-2,823.81	-0.22	-2,828.60	-	87.24
Setco Automotive (UK) Ltd.	Same as Holding Company	1 GBP = Rs. 90.43	2,472.60	-3,380.60	6,380.31	7,288.31	1,483.11	3,250.28	-1,097.57	-15.54	-1,082.02	-	100.00
Setco Automotive (NA) Inc	Same as Holding Company	1 USD = Rs. 69.39	1,821.49	-263.17	5,427.54	3,869.22	-	4,823.06	276.12	63.16	212.96	-	100.00
SETCO MEA DMCC	Same as Holding Company	1 AED = Rs. 18.34	18.34	-15.80	628.32	625.79	-	393.68	28.42	-	28.42	-	100.00

*Rates as on March 31, 2019

ANNEXURE 3 TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1	Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to CSR policy and projects or programs	Setco Automotive conducts its CSR Programs through its social development arm,Setco Foundation Daman and Mumbai; and through direct grant giving. The Setco Foundation was created in 2007 to implement the Setco Group's Corporate Social Responsibility (CSR) initiatives. The Setco Foundation focuses on healthcare, nutrition, education and empowerment of the under privileged women and children in the Panchmahal district of Gujarat. The foundation aims to create a strong, self sufficient and progressive society.The Setco Foundation works alongside the Integrated Child Development Services (ICDS) and government anganwadis. Setco Foundation's fundamental areas of operation can be categorized under three heads, • Health and nutrition • Pre-school education support • Empowerment For further details about the above listed programs,please refer to https://setcofoundation.org/. Setco's CSR policy is available on Company's website
2	Composition of CSR & Sustainability Committee	Mrs. Urja Shah, Executive Director (Chairman) Mr. Udit Sheth, Non-Executive Director Dr. Arun Arora, Independent Director Mrs. SuhasiniSathe, Independent Director
3	Average net profit of the company for last three financial years	Rs. 34.53 Cr.
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs. 69.06 Lakhs
5	Actual amount spend on CSR during the financial year	Rs. 135.44 Lakhs

Expenditure Statement for the year 2018-19 as per Schedule VII of the Companies Act, 2013

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount Spent on Programs / Projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
1	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Health and Nutrition	Local Area: Kalol District: Panchmahal State: Gujarat	Rs. 27.53 Lakhs	Rs. 27.53 Lakhs	Rs. 27.53 Lakhs	Through Setco Foundation Daman (Ayushi Program)
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Anganwadi centers, Early childhood education centers and women skill development	Local Area: Kalol District: Panchmahal State: Gujarat	Rs. 39.90 Lakhs	Rs. 39.90 Lakhs	Rs. 39.90 Lakhs	Through Setco Foundation Daman (NandGhar, Pahel and Aeshani Program)
3	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	Sports	Local Area: Kalol District: Panchmahal State: Gujarat	Rs. 14.37 Lakhs	Rs. 14.37 Lakhs	Rs. 14.37 Lakhs	Through Setco Foundation Daman (Shikhar Program)
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Smokeless Stove	Local Area: Kalol District: Panchmahal State: Gujarat	Rs. 2.56 Lakhs	Rs. 2.56 Lakhs	Rs. 2.56 Lakhs	Through Setco Foundation Daman (Parivartna Program)
5	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	School for children	Local Area:Bolundra District: Aravalli State: Gujarat	Rs. 20 Lakhs	Rs. 20 Lakhs	Rs. 20 Lakhs	Through K.G. Vyas Charitable Trust

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount Spent on Programs / Projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
6	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Children with special needs	Local Area: Mumbai District: Mumbai State: Maharashtra	Rs. 20 Lakhs	Rs. 20 Lakhs	Rs. 20 Lakhs	Through Setco Foundation Mumbai (Play Pal program)
7	Eradicating extreme hunger, promoting preventive health care and sanitation and making available safe drinking water	Health and Nutrition	Local Area: Mumbai District: Mumbai State: Maharashtra	Rs. 2 Lakhs	Rs. 2 Lakhs	Rs. 2 Lakhs	Through SNEHA
8	Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socioeconomic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women	Disaster Relief Activities	Local Area: Kalol District: Panchmahal State: Gujarat	Rs. 5.67 Lakhs	Rs. 5.67 Lakhs	Rs. 5.67 Lakhs	Prepared 400 Kits for Kerala Flood relief & send them in co-ordination with Govt of Gujarat
		Total		**Rs. 132.02 Lakhs**	**Rs.132.02 Lakhs**	**Rs. 132.02 Lakhs**	
	Overheads	**Overheads**		**Rs. 3.42 Lakhs**	**Rs 3.42 Lakhs**	**Rs. 3.42 Lakhs**	
	Cumulative expenditure up to the reporting period			**Rs. 135.44 Lakhs**	**Rs.135.44 Lakhs**	**Rs. 135.44 Lakhs**	

Responsibility Statement of the CSR Committee

The CSR & Sustainability Committee affirms that the implementation and monitoring of CSR Policy is in compliance with CSR Policy and Objectives of the Company.

On behalf of the CSR Committee:

Harish Sheth
Chairman and Managing Director
DIN: 01434459

Urja Shah
Chairman- CSR Committee
DIN: 02675341

ANNEXURE 4 TO DIRECTORS' REPORT

Appointment & Remuneration Policy

1. Introduction:

Setco Automotive Limited (SAL) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

2. Scope:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of the Independent Directors; and for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Criteria for Determining Qualifications, Positive Attributes & Independence of Director:

(a) Qualifications of Directors:

A director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

In evaluating the suitability of individual Board members, the NRC may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background;
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

(b) Positive attributes of Directors:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

(c) Independence of Independent Directors:

An Independent director shall meet the requirements of the Companies Act, 2013 and Listing Regulation concerning independence of directors.

4. Remuneration Policy:.

(a) Remuneration to Executive Directors and Key Managerial Personnel:

The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

(b) Remuneration to Non-Executive Directors (NEDs):

The Board, on the recommendation of the NRC shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. In addition to the sitting fees, the Non-Executive Directors shall also be entitled to Commission based on the profit of the Company.

(c) Remuneration to other employees:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

ANNEXURE 5 TO DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
Setco Automotive Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Setco Automotive Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
    f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
    h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India i.e. Secretarial Standards – 1 on Meetings of Board of Directors and Secretarial Standards – 2 on General Meetings.

2. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015];

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following qualification:

A. Appointment of Company Secretary:

As per Section 203 (1) (ii), the Company is required to appoint Company Secretary. The Company Secretary has resigned on 15th September, 2018. In this regard the management of the Company has provided the following reply:

i. The Company is required to appoint Company Secretary within 6 months of vacancy i.e. by 15th March, 2019. The Company has made efforts for appointment of Company Secretary but no suitable candidate was found during this period. The non-compliance is for 17 days only.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period, there were no instances of:

1. Public / Right / Preferential issue of shares / Debentures / Sweat Equity etc.;
2. Redemption / Buy Back of Securities;
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013;
4. Merger / Amalgamation / Reconstruction etc.;
5. Foreign Technical Collaborations.

Pradip Shah
For P. P. Shah & Co.

Place: Mumbai
Date: 18th May, 2019

Practicing Company Secretaries
FCS No. 1483, C P No.: 436

ANNEXURE 6 TO DIRECTORS' REPORT
FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L35999GJ1982PLC005203
ii	Registration Date	5-May-1982
iii	Name of the Company	Setco Automotive Limited
iv	Category/Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	Baroda - Godhra Highway, Kalol (Panchmahal), Gujarat - 389 330 Contact No.: 02676 - 270600 Email Id: investor.relations@setcoauto.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083; Contact No: 022 49186000

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacture of clutches for Medium and Heavy Commercial Vehicles	29301	100

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE"	% OF SHARES HELD	APPLICABLE SECTION
1	Lava Cast Private Limited	U27205MH2011PTC217467	Subsidiary	87.24	2(87)(ii)
2	Setco Automotive (UK) Ltd	N.A.	Subsidiary	100*	2(87)(ii)
3	Setco Automotive (NA), Inc	N.A.	Subsidiary	100#	2(87)(ii)
4	WEW Holdings Limited	N.A.	Subsidiary	100	2(87)(ii)
5	Setco MEA DMCC	N.A.	Subsidiary	100	2(87)(ii)

* The share capital of Setco Automotive (UK) Ltd is held 32.2%(in terms of voting power) by Setco Automotive Limited and 67.8% by WEW Holdings Limited.
# Wholly owned Subsidiary of Setco Automotive (UK) Ltd.

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	17,122,880	-	17,122,880	12.82	13,368,743	-	13,368,743	10.00	-2.82
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	67,763,845	-	67,763,845	50.72	65,713,845	-	65,713,845	49.16	-1.56
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	**84,886,725**	**-**	**84,886,725**	**63.54**	**79,082,588**	**-**	**79,082,588**	**59.16**	**-4.38**
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**84,886,725**	**-**	**84,886,725**	**63.54**	**79,082,588**	**-**	**79,082,588**	**59.16**	**-4.38**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	454,243	375	454,618	0.34	436,869	375	437,244	0.33	-0.01
C) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	--	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (FPI)	100,000	-	100,000	0.07	175,000	-	175,000	0.13	0.06
SUB TOTAL (B)(1):	**554,243**	**375**	**554,618**	**0.41**	**611,869**	**375**	**612,244**	**0.46**	**0.05**
(2) Non Institutions									
a) Bodies corporates	7,136,115	3,950	7,140,065	5.34	8,029,918	1,050	8,030,968	6.01	0.67
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	26,031,183	3,005,080	29,036,263	21.73	28,599,909	1,916,465	30,516,374	22.83	1.10
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	3,634,183	127,500	3,761,683	2.82	6,670,459	-	6,670,459	4.99	2.17
c) Others (specify)									
i Clearing Members	1,853,438	-	1,853,438	1.39	1,963,203	-	1,963,203	1.46	0.07
ii IEPF	406,580	-	406,580	0.30	1,264,480	-	1,264,480	0.94	0.64
iii Foreign Nationals	-	-	-	-	34,790	-	34,790	0.04	0.03
iv Non Residents Indians (Repat)	651,631	-	651,631	0.50	787,479	-	787,479	0.58	0.09

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
v Non Residents Indians (Non Repat)	1,025,755	-	1,025,755	0.77	1,034,856	-	1,034,856	0.77	-
vi Foreign Companies	2,383,831	-	2,383,831	1.78	980,568	-	980,568	0.73	-1.05
vii Trusts	750	-	750	-	750	-	750	-	-
viii Hindu Undivided Family	1,585,986	20,600	1,606,586	1.20	1,959,506	20,100	1,979,606	1.48	0.28
ix Independent Director	288,750		288,750	0.22	305,415	-	305,415	0.23	0.22
x NBFCs registered with RBI	-	-	-	-	413,495	-	413,495	0.32	0.31
SUB TOTAL (B)(2):	**44,998,202**	**3,157,130**	**48,155,332**	**36.05**	**52,044,828**	**1,937,615**	**53,982,443**	**40.38**	**4.33**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**45,552,445**	**3,157,505**	**48,709,950**	**36.46**	**52,656,697**	**1,937,990**	**54,594,687**	**40.84**	**4.38**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**130,439,170**	**3,157,505**	**133,596,675**	**100**	**131,739,285**	**1,937,990**	**133,677,275**	**100**	-

Note: During the financial year 2018-19 the Company has issued and alloted 80,600 equity shares under Setco Employees Stock Options Scheme 2015.

SETCO™ AUTOMOTIVE LTD

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shares held at the beginning of the year			Shares held at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	"% of shares pledged encumbered to total shares	
1	Harish Kiritbhai Sheth	8,822,655	6.60	2.02	5,222,655	3.91	2.02	2.69
2	Urja Shah	725	-	-	725	-	-	-
3	Sneha Harish Sheth	1,032,500	0.77	-	3,032,500	2.27	-	-1.50
4	Udit Harish Sheth	7,267,000	5.44	1.56	5,112,863	3.82	1.56	1.62
5	Setco Engineering Private Limited	66,113,845	49.49	21.00	64,063,845	47.92	42.48	1.57
6	Transstadia Capital Private Limited (Formerly know as Urdit Investment Private Limited)	1,650,000	1.24	-	1,650,000	1.23	-	0.01
	Total	**84,886,725**	**63.54**	**24.58**	**79,082,588**	**59.16**	**46.06**	**4.38**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) / end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
1	Harish Kiritbhai Sheth	8,822,655	6.60	01-Apr-18				
				06-Apr-18	(1,600,000)	Sale	7,222,655	5.40
				26-Oct-18	1,600,000	Purchase	8,822,655	6.60
				01-Feb-19	(2,000,000)	*Refer Note	6,822,655	5.10
				08-Feb-19	(1,000,000)	Sale	5,822,655	4.36
				15-Mar-19	(600,000)	Sale	5,222,655	3.91
		5,222,655	3.91	31-Mar-19			5,222,655	3.91

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) / of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
2	Udit Harish Sheth	7,267,000	5.44	01-Apr-18				
				06-Apr-18	(3,300,000)	Sale	3,967,000	2.97
				02-Nov-18	1,575,715	Purchase	5,542,715	4.15
				09-Nov-18	(545,715)	Sale	4,997,000	3.74
				16-Nov-18	(155,998)	Sale	4,841,002	3.62
				23-Nov-18	(24,827)	Sale	4,816,175	3.60
				30-Nov-18	(3,312)	Sale	4,812,863	3.60
				11-Jan-19	1,700,000	Purchase	6,512,863	4.87
				22-Feb-19	(1,400,000)	Sale	5,112,863	3.82
		5,112,863	3.82	31-Mar-19			5,112,863	3.82
3	Urja Shah	725	0.00	01-Apr-18				
		725	0.00	31-Mar-19			725	0.00
4	Sneha Harish Sheth	1,032,500	0.77	01-Apr-18				
				01-Feb-19	2,000,000	*Refer Note	3,032,500	2.27
				31-Mar-19			3,032,500	2.27
5	Setco Engineering Private Limited	66,113,845	49.49	01-Apr-18				
				13-Jul-18	(8,500,000)	Sale	57,613,845	43.10
				24-Aug-18	1,000,000	Purchase	58,613,845	43.85
				29-Sep-18	1,500,000	Purchase	60,113,845	44.97
				12-Oct-18	(1,500,000)	Sale	58,613,845	43.85
				26-Oct-18	150,000	Purchase	58,763,845	43.96
				02-Nov-18	(150,000)	Sale	58,613,845	43.85
				14-Dec-18	50,000	Purchase	58,663,845	43.88
				01-Feb-19	1,300,000	Purchase	59,963,845	44.86
				08-Feb-19	1,000,000	Purchase	60,963,845	45.61
				22-Feb-19	1,400,000	Purchase	62,363,845	46.65
				29-Mar-19	1,700,000	Purchase	64,063,845	47.92
		64,063,845	47.92	31-Mar-19			64,063,845	47.92
6	Transstadia Capital Pvt. Ltd. (Formerly know as Urdit Investment Pvt. Ltd.	1,650,000	1.24	01-Apr-18				
		1,650,000	1.24	31-Mar-19			1,650,000	1.23

*Inter se off market Transfer of Equity Shares

(iv) Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) /end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
1	BARCLAYS WEALTH TRUSTEES INDIA PRIVATE LIMITED	2,300,000	1.72	01-Apr-18				
				24-Aug-18	(50,000)	Sale	2,250,000	1.68
				02-Nov-18	92,290	Purchase	2,342,290	1.75
				09-Nov-18	157,700	Purchase	2,499,990	1.87
		2,499,990	1.87	31-Mar-19			2,499,990	1.87
2	EDELWEISS CUSTODIAL SERVICES LIMITED	457,213	0.34	01-Apr-18				
				06-Apr-18	60,336	Purchase	517,549	0.39
				13-Apr-18	66,755	Purchase	584,304	0.44
				20-Apr-18	12,977	Purchase	597,281	0.45
				27-Apr-18	(8,066)	Sale	589,215	0.44
				04-May-18	(81,027)	Sale	508,188	0.38
				11-May-18	149,955	Purchase	658,143	0.49
				18-May-18	(15,571)	Sale	642,572	0.48
				25-May-18	(281,420)	Sale	361,152	0.27
				01-Jun-18	2,266	Purchase	363,418	0.27
				08-Jun-18	741	Purchase	364,159	0.27
				15-Jun-18	4,337	Purchase	368,496	0.28
				22-Jun-18	23,158	Purchase	391,654	0.29
				30-Jun-18	(30)	Sale	391,624	0.29
				06-Jul-18	2,992	Purchase	394,616	0.30
				13-Jul-18	(22,459)	Sale	372,157	0.28
				20-Jul-18	310	Purchase	372,467	0.28
				27-Jul-18	1,392	Purchase	373,859	0.28
				03-Aug-18	(1,573)	Sale	372,286	0.28
				10-Aug-18	94,075	Purchase	466,361	0.35
				17-Aug-18	28,161	Purchase	494,522	0.37
				24-Aug-18	(21,095)	Sale	473,427	0.35

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) /end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
				31-Aug-18	(8,722)	Sale	464,705	0.35
				07-Sep-18	(2,241)	Sale	462,464	0.35
				14-Sep-18	2,965	Purchase	465,429	0.35
				21-Sep-18	4,649	Purchase	470,078	0.35
				29-Sep-18	5,843	Purchase	475,921	0.36
				05-Oct-18	(7,910)	Sale	468,011	0.35
				12-Oct-18	(2,624)	Sale	465,387	0.35
				19-Oct-18	7,792	Purchase	473,179	0.35
				26-Oct-18	(256,359)	Sale	216,820	0.16
				02-Nov-18	(8,705)	Sale	208,115	0.16
				09-Nov-18	(4,951)	Sale	203,164	0.15
				16-Nov-18	9,736	Purchase	212,900	0.16
				23-Nov-18	(130,690)	Sale	82,210	0.06
				30-Nov-18	5,136	Purchase	87,346	0.07
				07-Dec-18	4,792,502	Purchase	4,879,848	3.65
				14-Dec-18	38,622	Purchase	4,918,470	3.68
				21-Dec-18	(176,895)	Sale	4,741,575	3.55
				28-Dec-18	(156,001)	Sale	4,585,574	3.43
				31-Dec-18	178,711	Purchase	4,764,285	3.56
				04-Jan-19	5,767	Purchase	4,770,052	3.57
				11-Jan-19	5,992	Purchase	4,776,044	3.57
				18-Jan-19	(30,764)	Sale	4,745,280	3.55
				25-Jan-19	(14,912)	Sale	4,730,368	3.54
				01-Feb-19	(2,250,091)	Sale	2,480,277	1.86
				08-Feb-19	(29,715)	Sale	2,450,562	1.83
				15-Feb-19	892,272	Purchase	3,342,834	2.50
				22-Feb-19	(42,145)	Sale	3,300,689	2.47
				01-Mar-19	(55,113)	Sale	3,245,576	2.43
				08-Mar-19	(84,567)	Sale	3,161,009	2.36
				15-Mar-19	(309,609)	Sale	2,851,400	2.13
				22-Mar-19	17,414	Purchase	2,868,814	2.15
				29-Mar-19	(664,685)	Sale	2,204,129	1.65
				30-Mar-19	(50)	Sale	2,204,079	1.65
		2,204,079	1.65	31-Mar-19			2,204,079	1.65
3	HARDIK BHARAT PATEL#	0	0.00	01-Apr-18				
				22-Mar-19	125,820	Purchase	125,820	0.09
				29-Mar-19	972,672	Purchase	1,098,492	0.82
		1,098,492	0.82	31-Mar-19			1,098,492	0.82

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) / end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
4	NEW VERNON PRIVATE EQUITY LIMITED	2,383,831	1.78	01-Apr-18				
				03-Aug-18	(350,000)	Sale	2,033,831	1.52
				10-Aug-18	(83,795)	Sale	1,950,036	1.46
				19-Oct-18	(180,575)	Sale	1,769,461	1.32
				02-Nov-18	(59,000)	Sale	1,710,461	1.28
				09-Nov-18	(207,000)	Sale	1,503,461	1.12
				08-Mar-19	(372,893)	Sale	1,130,568	0.85
				15-Mar-19	(150,000)	Sale	980,568	0.73
		980,568	0.73	31-Mar-19			980,568	0.73
5	MINAL BHARAT PATEL#	0	0.00	01-Apr-18				
				15-Feb-19	400,571	Purchase	400,571	0.30
				22-Feb-19	366,288	Purchase	766,859	0.57
				01-Mar-19	16,263	Purchase	783,122	0.59
				15-Mar-19	76,106	Purchase	859,228	0.64
				29-Mar-19	3,317	Purchase	862,545	0.65
		862,545	0.65	31-Mar-19			862,545	0.65
6	K S GOPALASWAMY	770,596	0.58	01-Apr-18				
		770,596	0.58	31-Mar-19			770,596	0.58
7	ASHISH JAIN#	0	0.00	01-Apr-18				
				02-Nov-18	574,032	Purchase	574,032	0.43
				09-Nov-18	(574,032)	Sale	0	0.00
				30-Nov-18	574,032	Purchase	574,032	0.43
				07-Dec-18	(196,000)	Sale	378,032	0.28
				14-Dec-18	(110,000)	Sale	268,032	0.20
				22-Feb-19	66,000	Purchase	334,032	0.25
				29-Mar-19	319,781	Purchase	653,813	0.49
		653,813	0.49	31-Mar-19			653,813	0.49
8	BASAN EQUITY BROKING LIMITED#	0	0.00	01-Apr-18				
				13-Jul-18	7,000,010	Purchase	7,000,010	5.24
				20-Jul-18	(1,630,837)	Sale	5,369,173	4.02
				27-Jul-18	(69,163)	Sale	5,300,010	3.96
				10-Aug-18	(498,300)	Sale	4,801,710	3.59
				17-Aug-18	(1,700)	Sale	4,800,010	3.59
				24-Aug-18	(990,000)	Sale	3,810,010	2.85
				31-Aug-18	(10,000)	Sale	3,800,010	2.84
				07-Sep-18	(830,000)	Sale	2,970,010	2.22

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) /end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
				14-Sep-18	(120,000)	Sale	2,850,010	2.13
				21-Sep-18	109,990	Purchase	2,960,000	2.21
				29-Sep-18	(110,000)	Sale	2,850,000	2.13
				05-Oct-18	40,000	Purchase	2,890,000	2.16
				12-Oct-18	(536,900)	Sale	2,353,100	1.76
				19-Oct-18	(443,918)	Sale	1,909,182	1.43
				26-Oct-18	(157,182)	Sale	1,752,000	1.31
				02-Nov-18	(827,065)	Sale	924,935	0.69
				09-Nov-18	1,177,156	Purchase	2,102,091	1.57
				16-Nov-18	(1,941,003)	Sale	161,088	0.12
				23-Nov-18	127,616	Purchase	288,704	0.22
				30-Nov-18	30,053	Purchase	318,757	0.24
				07-Dec-18	(59,832)	Sale	258,925	0.19
				14-Dec-18	(55,257)	Sale	203,668	0.15
				21-Dec-18	(52,462)	Sale	151,206	0.11
				28-Dec-18	175,978	Purchase	327,184	0.24
				31-Dec-18	(177,184)	Sale	150,000	0.11
				04-Jan-19	31,500	Purchase	181,500	0.14
				11-Jan-19	(25,800)	Sale	155,700	0.12
				18-Jan-19	(5,700)	Sale	150,000	0.11
				25-Jan-19	100	Purchase	150,100	0.11
				01-Feb-19	949,900	Purchase	1,100,000	0.82
				08-Feb-19	(390,462)	Sale	709,538	0.53
				15-Feb-19	(254,508)	Sale	455,030	0.34
				22-Feb-19	(52,602)	Sale	402,428	0.30
				01-Mar-19	(974)	Sale	401,454	0.30
				15-Mar-19	707	Purchase	402,161	0.30
				22-Mar-19	56,949	Purchase	459,110	0.34
				29-Mar-19	110,701	Purchase	569,811	0.43
		569,811	0.43	31-Mar-19			569,811	0.43
9	ISSL SETTLEMENT AND TRANSACTION SERVICES LIMITED#	0	0.00	01-Apr-18				
				23-Nov-18	500,000	Purchase	500,000	0.37
		500,000	0.37	31-Mar-19			500,000	0.37

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) / end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
10	ILA DHRUV KAJI	423,000	0.32	01-Apr-18				
		423,000	0.32	31-Mar-19			423,000	0.32
11	TEJAL MERCHANTILE PRIVATE LIMITED**	322,642	0.24	01-Apr-18				
				21-Sep-18	7,358	Purchase	330,000	0.25
		330,000	0.25	31-Mar-19			330,000	0.25
12	ANGEL BROKING LIMITED**	510,580	0.38	01-Apr-18				
				06-Apr-18	23,600	Purchase	534,180	0.40
				13-Apr-18	33,757	Purchase	567,937	0.42
				20-Apr-18	(43,096)	Sale	524,841	0.39
				27-Apr-18	(17,643)	Sale	507,198	0.38
				04-May-18	(5,302)	Sale	501,896	0.38
				11-May-18	(95,784)	Sale	406,112	0.30
				18-May-18	(3,689)	Sale	402,423	0.30
				25-May-18	(14,774)	Sale	387,649	0.29
				01-Jun-18	70,361	Purchase	458,010	0.34
				08-Jun-18	(69,646)	Sale	388,364	0.29
				15-Jun-18	51,782	Purchase	440,146	0.33
				22-Jun-18	(3,706)	Sale	436,440	0.33
				30-Jun-18	(15,632)	Sale	420,808	0.31
				06-Jul-18	(52,241)	Sale	368,567	0.28
				13-Jul-18	(51,953)	Sale	316,614	0.24
				20-Jul-18	(38,938)	Sale	277,676	0.21
				27-Jul-18	4,318	Purchase	281,994	0.21
				03-Aug-18	(13,635)	Sale	268,359	0.20
				10-Aug-18	87,996	Purchase	356,355	0.27
				17-Aug-18	(6,189)	Sale	350,166	0.26
				24-Aug-18	(38,002)	Sale	312,164	0.23
				31-Aug-18	67,137	Purchase	379,301	0.28
				07-Sep-18	48,519	Purchase	427,820	0.32
				14-Sep-18	(21,895)	Sale	405,925	0.30
				21-Sep-18	17,474	Purchase	423,399	0.32
				29-Sep-18	(86,550)	Sale	336,849	0.25
				05-Oct-18	(11,482)	Sale	325,367	0.24
				12-Oct-18	(19,904)	Sale	305,463	0.23
				19-Oct-18	17,104	Purchase	322,567	0.24
				26-Oct-18	15,066	Purchase	337,633	0.25
				02-Nov-18	(57,894)	Sale	279,739	0.21

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) / end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
				09-Nov-18	4,699	Purchase	284,438	0.21
				16-Nov-18	1,415	Purchase	285,853	0.21
				23-Nov-18	(30,152)	Sale	255,701	0.19
				30-Nov-18	(17,623)	Sale	238,078	0.18
				07-Dec-18	(20,751)	Sale	217,327	0.16
				14-Dec-18	(12,412)	Sale	204,915	0.15
				21-Dec-18	1,285	Purchase	206,200	0.15
				28-Dec-18	(15,828)	Sale	190,372	0.14
				31-Dec-18	(4,108)	Sale	186,264	0.14
				04-Jan-19	7,572	Purchase	193,836	0.15
				11-Jan-19	(8,779)	Sale	185,057	0.14
				18-Jan-19	5,177	Purchase	190,234	0.14
				25-Jan-19	(6,788)	Sale	183,446	0.14
				01-Feb-19	2,096	Purchase	185,542	0.14
				08-Feb-19	4,251	Purchase	189,793	0.14
				15-Feb-19	(11,674)	Sale	178,119	0.13
				22-Feb-19	(20,154)	Sale	157,965	0.12
				01-Mar-19	8,948	Purchase	166,913	0.12
				08-Mar-19	(4,816)	Sale	162,097	0.12
				15-Mar-19	24,544	Purchase	186,641	0.14
				22-Mar-19	(8,658)	Sale	177,983	0.13
				29-Mar-19	(7,731)	Sale	170,252	0.13
				30-Mar-19	(300)	Sale	169,952	0.13
		169,952	0.13	31-Mar-19			169,952	0.13
13	NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED**	623,508	0.47	01-Apr-18				
				06-Apr-18	(6,178)	Sale	617,330	0.46
				13-Apr-18	3,999	Purchase	621,329	0.46
				27-Apr-18	134,700	Purchase	756,029	0.57
				04-May-18	(8,000)	Sale	748,029	0.56
				11-May-18	(3,000)	Sale	745,029	0.56
				18-May-18	3,178	Purchase	748,207	0.56
				25-May-18	(28,429)	Sale	719,778	0.54
				01-Jun-18	(71,878)	Sale	647,900	0.48
				08-Jun-18	800	Purchase	648,700	0.49
				15-Jun-18	(44,900)	Sale	603,800	0.45
				22-Jun-18	(1,000)	Sale	602,800	0.45
				13-Jul-18	578	Purchase	603,378	0.45
				20-Jul-18	10,000	Purchase	613,378	0.46

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) / end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
				27-Jul-18	50,000	Purchase	663,378	0.50
				03-Aug-18	(4,000)	Sale	659,378	0.49
				10-Aug-18	31,501	Purchase	690,879	0.52
				17-Aug-18	13,749	Purchase	704,628	0.53
				24-Aug-18	(36,850)	Sale	667,778	0.50
				31-Aug-18	7,909	Purchase	675,687	0.51
				07-Sep-18	(6,692)	Sale	668,995	0.50
				14-Sep-18	(12,800)	Sale	656,195	0.49
				21-Sep-18	12,278	Purchase	668,473	0.50
				29-Sep-18	(25,228)	Sale	643,245	0.48
				05-Oct-18	(66,740)	Sale	576,505	0.43
				26-Oct-18	9,005	Purchase	585,510	0.44
				02-Nov-18	(582,032)	Sale	3,478	0.00
				09-Nov-18	571,532	Purchase	575,010	0.43
				16-Nov-18	10,000	Purchase	585,010	0.44
				23-Nov-18	2,800	Purchase	587,810	0.44
				30-Nov-18	(564,832)	Sale	22,978	0.02
				07-Dec-18	186,952	Purchase	209,930	0.16
				14-Dec-18	119,048	Purchase	328,978	0.25
				04-Jan-19	175	Purchase	329,153	0.25
				11-Jan-19	18,825	Purchase	347,978	0.26
				25-Jan-19	273,207	Purchase	621,185	0.46
				01-Feb-19	16,770	Purchase	637,955	0.48
				15-Feb-19	(20,000)	Sale	617,955	0.46
				22-Feb-19	(333,482)	Sale	284,473	0.21
				01-Mar-19	4,950	Purchase	289,423	0.22
				08-Mar-19	(24,355)	Sale	265,068	0.20
				15-Mar-19	2,910	Purchase	267,978	0.20
				29-Mar-19	(239,500)	Sale	28,478	0.02
		28,478	0.02	31-Mar-19			28,478	0.02
14	INDIANIVESH SECURITIES LIMITED**	300,509	0.22	01-Apr-18				
				06-Apr-18	(298,202)	Sale	2,307	0.00
				13-Apr-18	(1,854)	Sale	453	0.00
				20-Apr-18	300,551	Purchase	301,004	0.23
				27-Apr-18	(848)	Sale	300,156	0.22
				04-May-18	(100)	Sale	300,056	0.22
				11-May-18	(204,925)	Sale	95,131	0.07
				18-May-18	(94,731)	Sale	400	0.00
				15-Jun-18	(50)	Sale	350	0.00

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) /end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
				22-Jun-18	1,550	Purchase	1,900	0.00
				30-Jun-18	1,000	Purchase	2,900	0.00
				06-Jul-18	(1,550)	Sale	1,350	0.00
				13-Jul-18	17,000	Purchase	18,350	0.01
				20-Jul-18	(17,800)	Sale	550	0.00
				03-Aug-18	7,650	Purchase	8,200	0.01
				10-Aug-18	(1,608)	Sale	6,592	0.00
				17-Aug-18	(1,550)	Sale	5,042	0.00
				24-Aug-18	(2,992)	Sale	2,050	0.00
				31-Aug-18	(200)	Sale	1,850	0.00
				07-Sep-18	500	Purchase	2,350	0.00
				14-Sep-18	(978)	Sale	1,372	0.00
				21-Sep-18	828	Purchase	2,200	0.00
				29-Sep-18	(150)	Sale	2,050	0.00
				05-Oct-18	550	Purchase	2,600	0.00
				12-Oct-18	800	Purchase	3,400	0.00
				19-Oct-18	(1,150)	Sale	2,250	0.00
				26-Oct-18	(1,050)	Sale	1,200	0.00
				02-Nov-18	(1,000)	Sale	200	0.00
				09-Nov-18	200	Purchase	400	0.00
				16-Nov-18	(300)	Sale	100	0.00
				23-Nov-18	950	Purchase	1,050	0.00
				30-Nov-18	(950)	Sale	100	0.00
				07-Dec-18	135	Purchase	235	0.00
				14-Dec-18	(35)	Sale	200	0.00
				21-Dec-18	500	Purchase	700	0.00
				28-Dec-18	(500)	Sale	200	0.00
				15-Feb-19	(100)	Sale	100	0.00
				22-Feb-19	(75)	Sale	25	0.00
				08-Mar-19	125	Purchase	150	0.00
				15-Mar-19	(100)	Sale	50	0.00
				29-Mar-19	600	Purchase	650	0.00
		650	0.00	31-Mar-19			650	0.00
15	Shah Paryank Ramesh**	16,345	0.01	01-Apr-18				
		16,345	0.01	31-Mar-19			16,345	0.01

** Ceased to be in the list of Top 10 Shareholders as on 31-03-2019. The same is reflected above since the shareholder was on of the Top 10 shareholders as on 01-04-2018.

Not in the list of Top 10 Shareholdres as on 01-04-2018. The same is reflected above since the shareholder was on of the Top 10 shareholders as on 31-03-2019.

(v) Shareholding of Directors & KMP

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) / end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
1	Harish Sheth	8,822,655	6.60	01-Apr-18				
				06-Apr-18	(1,600,000)	Sale	7,222,655	5.40
				26-Oct-18	1,600,000	Purchase	8,822,655	6.60
				01-Feb-19	(2,000,000)	*Refer Note	6,822,655	5.10
				08-Feb-19	(1,000,000)	Sale	5,822,655	4.36
				15-Mar-19	(600,000)	Sale	5,222,655	3.91
		5,222,655	3.91	31-Mar-19			5,222,655	3.91
2	Arun Arora	266,250	0.20	01-Apr-18				
				27-Apr-18	(5,835)	Sale		
		260,415	0.19	31-Mar-19			260,415	0.19
3	Ashok Kumar Jha	22,500	0.02	01-Apr-18				
		22,500	0.02	31-Mar-19			22,500	0.02
4	Shvetal Vakil	258,750	0.19	01-Apr-18				
				03-Aug-18	16,000	ESOP		
		274,750	0.21	31-Mar-19			274,750	0.21
5	Suhasini Sathe	-	-	01-Apr-18				
		-	-	31-Mar-19			-	-
6	Udit Sheth	7,267,000	5.44	01-Apr-18				
				06-Apr-18	(3,300,000)	Sale	3,967,000	2.97

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No.of shares At the beginning (01-04-2018) / end of the year (31-3-2019)	% of total shares of the company				No of shares	% of total shares of the company
				02-Nov-18	1,575,715	Purchase	5,542,715	4.15
				09-Nov-18	(545,715)	Sale	4,997,000	3.74
				16-Nov-18	(155,998)	Sale	4,841,002	3.62
				23-Nov-18	(24,827)	Sale	4,816,175	3.60
				30-Nov-18	(3,312)	Sale	4,812,863	3.60
				11-Jan-19	1,700,000	Purchase	6,512,863	4.87
				22-Feb-19	(1,400,000)	Sale	5,112,863	3.82
		5,112,863	3.82	31-Mar-19			5,112,863	3.82
9	Urja Sheth	725	0.00	01-Apr-18				
		725	0.00	31-Mar-19			725	0.00
10	J S Gujral	-	-	01-Apr-18				
				03-Aug-18	8,000	ESOP		
		8,000	0.01	31-Mar-19			8,000	0.01
11	Vinay Shahane	18,750	0.01	01-Apr-18				
				03-Aug-18	6,000	ESOP		
		24,750	0.02	31-Mar-19			24,750	0.02
12	Nishant Javlekar**	-	-	01-Apr-18				
		-	-	31-Mar-19			-	-
13	Chandra Kant Sharma ***	-	-	01-Apr-18				
		-	-	31-Mar-19			-	-

*Inter se off market Transfer of Equity Shares ** Ceased to be the Company Secretary w.e.f. September 15, 2018 ***Appointed as the Company Secretary w.e.f. May 06, 2019

SETCO™ AUTOMOTIVE LTD

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	2,06,61,45,645	34,31,94,485	-	2,40,93,40,130
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	61,56,986	-	-	61,56,986
Total (i+ii+iii)	2,07,23,02,631	34,31,94,485	-	2,41,54,97,116
Change in Indebtedness during the financial year				
Additions	4,96,26,861	-	-	4,96,26,861
Reduction	8,96,15,409	10,01,01,915	-	18,97,17,324
Net Change	(3,99,88,548)	(10,01,01,915)	-	(14,00,90,463)
Indebtedness at the end of the financial year				
i) Principal Amount	2,03,23,14,083	24,30,92,570	-	2,27,54,06,653
ii) Interest due but not paid	54,67,539	-	-	54,67,539
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**2,03,77,81,622**	**24,30,92,570**	**-**	**2,28,08,74,192**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(Amount in Rs. Lakhs)

Sl. No	Name of the MD/WTD/Manager	Particulars of Remuneration										
		Gross salary										
		Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	Value of perquisites u/s 17(2) of the Income tax Act, 1961	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Contribution to Provident and Other Fund	Stock option	Sweat Equity	Commission	as % of profit	others (specify)	Total (A) *	Ceiling as per the Act
1	Harish Sheth	240.00	-	-	28.80	-	-	145.04	-	-	413.84	Within 10% of the Companies Act, 2013
2	Udit Sheth	-	-	-	-	-	-	-	-	-	-	
3	Shvetal Vakil	144.75	-	-	10.08	-	-	-	-	-	154.83	
4	Urja Shah	42.00	-	-	4.32	-	-	-	-	-	46.32	
											614.99	

* Excluding Contribution to Provident Fund

B. Remuneration to other directors:

(Amount in Rs. Lakhs)

Sl.No.	Name of the Directors	Particulars of Remuneration			
	Independent Directors	Fee for attending board committee meetings	Commission	Others, please specify	Total
1	Arun Arora	10.05	14.00	-	24.05
2	Ashok Kumar Jha	7.65	14.00	-	21.65
3	Bhalchandra Naik	2.70	5.83	-	8.53
4	Arun Tiwari	3.40	9.33	-	12.73
5	Suhasini Sathe	6.05	14.00	-	20.05
	Total (A)	**614.99**			
	Total (B)	**87.01**			
	Total Managerial Remuneration	**702.00**			
	Overall Cieling as per the Act.	**Within 10% of the Companies Act, 2013**			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs. Lakhs)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel				
1	Gross Salary	CMD	Company Secretary	CFO	CEO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	268.80	4.38	58.52	120.28	451.98
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission as % of profit	145.04 -	- -	- -	- -	145.04 -
5	Others, please specify	-	-	-	-	-
	Total	**413.84**	**04.38**	**58.52**	**120.28**	**597.02**

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeall made if any (give details)
A. COMPANY Penalty Punishment Compounding	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
B. DIRECTORS Penalty Punishment Compounding	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

ANNEXURE 7 TO DIRECTORS REPORT

Details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and Managing Director during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2018-19 excluding PF (Rs. in Lakhs)	% increase/ (decrease) in Remuneration for Financial year 2018-19	Median Remuneration (Rs. in Lakhs)	Ratio of remuneration of each to median Director remuneration of employees
1.	Mr. Harish Sheth - Chairman & Managing Director	385.04	220.87%	2.70	142.61
2.	Mr. Shvetal Vakil Executive Director	144.75	41.97%	2.70	53.61
3.	Mrs. Urja Shah Executive Director	42	35.48%	2.70	15.56
4.	Mr. Jatinder Gujaral Chief Executive Officer	107.64	16.94%	2.70	39.87
5.	Mr. Vinay Shahane Chief Financial Officer	50.76	10.78%	2.70	18.80
6.	Mr. Nishant Javlekar* Company Secretary	4.38	N.A.	2.70	N.A.

* Resigned w.e.f. 15th September 2018.

b) Percentage increase in the median remuneration of employees in the financial year

In the financial year 2018-19, there was an increase of 9.21% in the median remuneration of employees.

c) Number of permanent employees on the rolls of Company

There were 708 Permanent employees on the rolls of Company as on 31st March, 2019.

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

The average percentage increase made in the salaries of employees other than the managerial personnel for the financial year i.e. 2018-19 was 13.01% whereas the increase in the managerial remuneration for the same financial year was 15.77%.

e) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

f) The Statement containing particulars Employees who if employed throughout the year or part thereof was in receipt of remuneration in that year which in the aggregate is in excess of that drawn by the Chairman & Managing Director and CEO & Senior Executive Director.- Not Applicable

g) There were no employees who being employed throughout Financial Year were in receipt of remuneration not less than one crore and two lakh rupees except Mr. Harish Sheth, Mr. Shvetal Vakil and Mr. Jatinder Gujaral and the details are as follows:

Sr. No.	Name of the Employee	Designation	Remuneration received (in Lakhs)	Nature of Employment whether Contractual or otherwise	Qualifications and experience of the Employee	Date of Commen-cement of Employment	Age	Last employment held by such Employee
1	Mr. Harish Sheth	Chairman & Managing Director	413.85	Contractual	Bachelor's degree in Mechanical Engineering from the University of Michigan, Ann Arbor and an MBA (Finance) from the Columbia University, New York	05/05/1982	72	-
2	Mr. Shvetal Vakil	Executive Director	154.83	Contractual	Bachelor's degree from Mumbai University and Advanced Management Programme from IIM, Ahmedabad	01/11/2006	68	Bunge India Private Limited
3	Mr. Jatinder Gujaral	Chief Executive Officer	120.28	Contractual	Bachelor's degree in Mechanical Engineering from the Punjab University	29/09/2011	57	Goodyear Tire and Rubber Company

h) There were no employees who being employed for a part of Financial Year were in receipt of remuneration not less than eight lakh and fifty thousand rupees per month.

CORPORATE GOVERNANCE REPORT

1. Philosophy

Your Company Setco upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") in both letter and spirit. The Company's core values of honesty and transparency have since its inception been followed in every line of decision making.

The philosophy on corporate governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealing with the shareholders, employees, the government and other parties. Setco understands and respects its fiduciary role and responsibility to shareholders. Setting the tone at the top, your Directors cumulatively at the Board level, advocate good governance standards at Setco.

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Auditors confirming compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

Governance Structure

The Board of Directors of the Company includes individuals who are professionals in their respective areas of specialization and who have held eminent positions. The members of the Board are individuals with leadership qualities and strategic insights. The Company is currently headed by an Executive Chairman who is also the Managing Director. Directors including Non-Executive Directors are professionally competent. Company has an appropriate mix of Executive and Independent Directors to maintain independence of Board, and as at March 31, 2019, the Board consists of eight members, of which four are Non-Executive Independent Directors. Thus, Company is having total Four Non-Executive Independent Director on the Board which is half of total strength. All Directors have informed the Company about the Board Membership and Board's Committee Membership they occupy in other companies including Chairmanship in Board/Committee of such companies. Directors notify Company of any change that take place in these disclosures at the Board Meetings. The Board has unfettered and complete access to all information within the Company and to any of the employees.

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz., Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Finance / Operations Committee, Corporate Social Responsibility (CSR) Committee and Selection Committee. Each of these Committees has been mandated to operate within a given framework.

In accordance with Regulation 17 read along with Para C Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the details required are set forth.

2. Board of Directors

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value.

An active, well informed and independent Board is necessary to ensure high level of corporate governance.

(i) Composition of the Board

The Board of Directors of the Company comprising executive, non-executive and independent Directors are properly blended with in-depth knowledge and expertise accelerating the growth of the Company.

The Board comprises of 8 Directors of which 4 Directors are Independent, 1 (One) Director is Non-Executive/ Promoter Director and 3 (Three) Directors are Executive.

The Composition of Board and category of Directors are as follows:

Category	Name of the Director
Executive Directors	
• Promoter Directors	1. Mr. Harish Sheth 2. Mrs. Urja Shah
• Non Promoter Director	3. Mr. Shvetal Vakil
Non-Executive Directors	
• Promoter Directors	4. Mr. Udit Sheth
• Independent	5. Dr. Arun Arora 6. Mr. Ashok Kumar Jha 7. Mrs. Suhasini Sathe 8. Mr. Arun Tiwari 9. Mr. Bhalchandra Naik (Resigned w.e.f. October 31, 2018)

Mr. Harish Sheth is the father of Mr. Udit Sheth and Mrs. Urja Shah. None of the other present directors are related to each other.

As prescribed under Regulation 27 of the SEBI (LODR) Regulations, 2015, none of the Directors is a member of more than ten Committees nor is any of them, a chairman of more than five committees in which they are members.

The Company has an Executive Chairman. According to Regulation 27 of the Listing Regulations, in case a company does not have a regular non-executive Chairman at least half of the Board should comprise of Independent Directors.

(ii) The dates of Board Meetings, record of attendance, directorships of public limited companies & Membership / Chairmanship are as follows:

Board Meetings / Procedure

During the financial year, seven board meetings were held on April 17, 2018, May 23, 2018, July 31, 2018, October 23, 2018, November 27, 2018, February 11, 2019 and March 26, 2019. A separate meeting of the Independent directors was held on February 11, 2019.

Proper notices and detailed agenda papers for the Board / Committee meetings along with all material information are sent well in advance to enable Directors to study deliberate, suggest and guide the Company in its decisions.

The Board at its meetings reviews various management aspects such as performance of the Company, business plans, annual budgets, capex plans, appointment / remuneration of senior management, general economic conditions, functioning of foreign subsidiaries, foreign exchange exposures, details of investor grievances and major legal issues.

Further, the Board also periodically reviews the compliance reports of applicable laws to the Company as well as steps taken to rectify instances of non-compliances, if any.

The following table provides the attendance record at the Board Meeting and Annual General Meeting of the Company during the financial year 2018-19 and directorships, memberships and chairmanships in other public limited companies at the end of the financial year 2018-19:

The Composition of Board and category of Directors are as follows:

Table 1: Composition of the Board and attendance record of directors for 2018-19

Name of the Director (Alphabetically arranged)	Category	Relationship with other Directors	No. of Board Meetings attended	Whether attended last AGM
Dr. Arun Arora	Independent Director	N.A.	7/7	No
Mr. Ashok Kumar Jha	Independent Director	N.A.	7/7	No
Mr. Bhalchandra Naik*	Independent Director	N.A.	3/3	Yes
Mr. Harish Sheth	Chairman & Managing Director	Father of Mr. Udit Sheth & Mrs. Urja Shah	7/7	Yes
Mr. Arun Tiwari**	Independent Director	N.A.	4/4	No
Mr. Shvetal Vakil	Executive Director	N.A.	7/7	Yes
Mrs. Suhasini Sathe	Independent Director	N.A.	7/7	No
Mr. Udit Sheth	Non- Executive Director	Son of Mr. Harish Sheth & Brother of Mrs. Urja Shah	6/7	Yes
Mrs. Urja Shah	Executive Director	Daughter of Mr. Harish Sheth & Sister of Mr. Udit Sheth	6/7	No

*Appointed on May 23, 2018 and Resigned on October 31, 2018.

** Appointed on July 31, 2018.

Table 2: Number of directorships/committee positions of directors as on March 31, 2019

Name of the Director (Alphabetically arranged)	No. of Directorship of Public Limited Companies @	No. of Membership in Committees#	No. of Chairmanship in Committees#	No. of shares Held$
Dr. Arun Arora	2	3	2	2,60,415
Mr. Ashok Kumar Jha	4	5	2	22,500
Mr. Bhalchandra Naik*	1	1	1	46,000
Mr. Harish Sheth	1	1	-	51,61,575
Mr. Arun Tiwari**	4	3	2	0
Mr. Shvetal Vakil	1	-	-	2,74,750
Mrs. Suhasini Sathe	1	-	-	0
Mr. Udit Sheth	1	-	-	51,12,863
Mrs. Urja Shah	1	1	-	725

*Appointed on May 23, 2018 and Resigned on October 31, 2018.

** Appointed on July 31, 2018.

@ Including Directorship of Setco Automotive Limited.

Committees considered are Audit Committee and Stakeholders Relationship Committee including that of Setco Automotive Limited.

$ Face Value of Rs. 2/- each.

Performance Evaluation of the Board

The Independent Directors of the Company evaluated the performance of the Non Independent Directors and the Chairman, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc., the performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

Non-Executive Directors with materially significant, pecuniary or business relationship with the Company

There have been no pecuniary or business relationship between the Non-Executive Independent Directors and the Company, except for the sitting fees and commission payable to them annually in accordance with the applicable laws and with the approval of the shareholders. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

Declarations

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and are independent of the management of the Company. The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder. A sample letter of appointment/ re-appointment containing the terms and conditions, issued to the Independent Directors, is posted on the Company's website at www.setcoauto.com.

Familiarization Programme

The Company conducts Familiarization Programme for Independent Directors to enable them to understand their roles, rights and responsibilities. Presentations are also made at the Board meetings which facilitates them to clearly understand the business of the Company and the environment in which the Company operates. They are also provided a platform to interact with multiple levels of management and are provided with all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole. Further, they are periodically updated on material changes in regulatory framework and its impact on the Company.

The details of such familiarization programmes for Independent Director(s) are put up on the website of the Company i.e. www.setcoauto.com.

3. Committees of Board of Directors

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Board periodically reviews the composition and terms of reference of its Committees in order to comply with any amendments/modifications to the provisions relating to composition of Committees under the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Company currently has 6 (six) Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Finance/Operations Committee and Selection Committee. The composition of committees is in accordance with the Companies Act, 2013 and the Listing Regulations are as follows:

Audit Committee:

The terms of reference of Audit Committee inter alia includes the following:

a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company;

c) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

d) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

e) Review and monitor the auditor's independence and performance and effectiveness of audit process;

f) To approve transactions and subsequent modification(s) to the transactions of the Company with related parties;

g) To scrutinize inter-corporate loans and investments of the Company;

h) Valuation of undertaking or assets of the Company, wherever it is necessary;

i) Evaluation of internal financial controls and risk management systems;

j) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the provisions of Companies Act, 2013 and Rules thereto and that of the Listing Regulations.

The Committee met four times during the financial year 2018-19 viz., May 23, 2018, July 31, 2018, October 23, 2018 and February 11, 2019. The Board of Directors appointed Dr. Arun Arora, Independent Director, as a Chairman of the Committee, w.e.f. November 27, 2018, in place of Mr. Bhalchandra L. Naik who ceased to be Director on October 31, 2018. The detailed constitution and attendance at the Committee meetings which were held during the year are as follows:

Name of the Director	Category	Position	No. of meetings	
			Held	Attended
Mr. Bhalchandra L. Naik*	Independent Director	Chairman	2	2
Dr. Arun Arora**	Independent Director	Chairman	4	4
Mr. Ashok Kumar Jha	Independent Director	Member	4	4
Mr. Arun Tiwari	Independent Director	Member	1	1

*Consequent upon his resignation as Independent Director of the Company on October 31, 2018, Mr. Bhalchandra L. Naik-ceased to be a chairman of the Committee.

**Appointed as a chairman of the committee on November 27, 2018.

The Chairman of the Audit Committee attended the Annual General Meeting of the Company held during the year under review.

The Statutory Auditors, Internal Auditors, Group Financial Advisor and Chief Financial Officer are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Executive Directors as well as the nomination and appointment of Directors. The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

The Committee inter-alia reviews as well as recommends the remuneration package after considering the factors such as experience, expertise, position, responsibilities shouldered by the individual and leadership qualities, and the Committee also approves and oversees the operation of Employee Stock Option Plans.

It comprises of three Directors all of them are independent. The composition of Nomination and Remuneration Committee is in accordance with Regulation 19 of the Listing Regulations and the Companies Act, 2013.

Remuneration Policy of the Company is appended as Annexure 2 to the Directors' Report. The non-executive Directors are paid sitting fees as per the provisions of the Companies Act, 2013, the rules made there under and Articles of Association of the Company for attending the Board/Committee meetings.

The Committee met three times during the financial year 2018-19 viz. April 17, 2018, May 23, 2018 and July 31, 2018. The detailed constitution and attendance at meetings of the Committee is as under:

Name of the Director	Category	Position	No. of meetings Held	No. of meetings Attended
Dr. Arun Arora	Independent Director	Chairman	3	3
Mr. B. L. Naik*	Independent Director	Member	2	1
Mr. Ashok Kumar Jha	Independent Director	Member	3	3
Mrs. Suhasini Sathe	Independent Director	Member	-	-

*Consequent upon his resignation as Independent Director of the Company on October 31, 2018, Mr. Bhalchandra L. Naik ceased to be a member of the Committee. **Appointed as a member of the committee on November 27, 2018.

The members of the Company at the 31st Annual General Meeting held on September 9, 2014 have approved the payment of commission upto 1% of profits payable to Non-Executive Directors of the Company and authorized the Board to determine such commission.

The detailed information for Directors' remuneration/ commission for financial year 2018-19 are as follows:

(Rs. in Lakhs)

Name of the Director	Category	Salary, allowances and perquisites	Contribution to Provident and Other Fund	Commission / Performance Incentive	Sitting Fees	Total
Mr. Harish Sheth	Chairman and Managing Director	240.00	28.20	145.04	--	413.84
Dr. Arun Arora	Independent Director	--	--	14.00	10.05	24.05
Mr. Ashok Kumar Jha	Independent Director	--	--	14.00	1.50	15.50
Mr. Bhalchandra Naik*	Independent Director	--	--	5.83	2.70	8.53
Mr. Arun Tiwari**	Independent Director	--	--	9.33	3.40	12.73
Mrs. Suhasini Sathe	Independent Director	--	--	14.00	6.05	20.05
Mr. Shvetal Vakil	Executive Director	126.00	10.08	18.75	--	154.83
Mr. Udit Sheth	Non-Executive Director& Vice Chairman	--	--	--	--	--
Mrs. Urja Shah	Executive Director	42.00	4.32	--	--	46.32

*Resigned on October 31, 2018. **Appointed on July 31, 2018

Performance Evaluation of Board

In compliance with the provisions of Companies Act, 2013 and Listing Regulations, the Company has undertaken the performance evaluation process for the Board of Directors, its Committees and that of individual Directors. The performance evaluation was undertaken as per the Guidance Note on Board evaluation issued by Securities and Exchange Board of India, setting out parameters for conducting performance evaluation of the Board. The details of the performance evaluation undertaken are provided in the Directors' Report.

Stakeholders Relationship Committee

The name of the Shareholder's/Investors' Grievance Committee has been changed to Stakeholders Relationship Committee in line with the provisions of Companies Act, 2013. The Committee, inter-alia, oversees transfer of shares in physical form, transmission of shares, issue of duplicate share certificates, depository operations and compliances of regulatory provisions etc. and evaluates investor grievances redressal system.

The Stakeholders' Relationship Committee comprises of 3 Directors, of which one is independent director and two executive directors. The Chairman of the committee is an Independent Director.

The Committee met four times during the financial year 2018-19 viz., May 23, 2018, July 31, 2018, October 23, 2018 and February 11, 2019. The detailed constitution and attendance at the committee meetings is as under:

Name of the Director	Category	Position	No. of meetings Held	Attended
Dr. Arun Arora	Independent Director	Chairman	4	4
Mr. Harish Sheth	Chairman & Managing Director	Member	4	4
Mrs. Urja Shah	Executive Director	Member	4	4

Mr. Chandra Kant Sharma Company Secretary is designated as the Compliance Officer of the Company w.e.f May 6, 2019.

The status of investor grievances received during the financial year 2018-19 is as follows:

No. of Complaints pending as on April 1, 2018	NIL
No. of Complaints/queries received during the year	14
No. of Complaints resolved during the year	12
No. of Complaints pending as on March 31, 2019	02

Finance/Operations ommittee

The Finance / Operations Committee is empowered to borrow funds, invest surplus funds, to decide / modify operations of bank accounts and other routine administrative and management functions.

The Committee comprises of Mr. Harish Sheth, Chairman and Managing Director, Mr. Udit Sheth, Vice Chairman, Mr. Shvetal Vakil, Executive Director and Dr. Arun Arora, Independent Director.

Selection Committee

The Selection Committee has been constituted during the financial year 2013-14 to consider appointment of the Directors/relatives of Directors for place of profit, to recommend remuneration/perquisites payable to them and to review/recommend/approve increment/revision in the remuneration/perquisites payable to them.

The Committee comprises of Dr. Arun Arora, Mr. Ashok Kumar Jha and Mr. Arun Tiwari, Independent Directors and Mr. Pradip C. Shah, outside Expert.

Corporate Social Responsibility (CSR) Committee

The CSR Committee has been constituted during the financial year 2015-16, inter-alia, to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall define the activities to be undertaken by the Company; recommend the amount of expenditure to be incurred on the CSR activities; and monitor the Corporate Social Responsibility Policy of the company from time to time. The Corporate Social Responsibility Policy of the Company has been uploaded on the Company's website i.e. www.setcoauto.com.

The Committee comprises of Mr. Udit Sheth, Vice Chairman, Mrs. Urja Shah, Executive Director, Dr. Arun Arora and Ms. Suhasini Sathe, Independent Directors.

The Committee met two times during the financial year 2018-19 viz. May 23, 2018 and March 25, 2019. The detailed constitution and attendance at the committee meetings is as under:

Name of the Director	Category	Position	No. of meetings Held	Attended
Mrs. Urja Shah	Executive Director	Chairman	2	2
Dr. Arun Arora	Independent Director	Member	2	2
Ms. Suhasini Sathe	Independent Director	Member	2	2
Mr. Udit Sheth	Vice Chairman	Member	2	2

4. General Body Meetings

i. Details of last three Annual General Meetings held:

Financial Year	Venue	Day & Date	Time
2015-16 2016-17 2017-18	Baroda – Godhra Highway, Kalol, 389330 District– Panchmahal, Gujrat	Thursday, September 29, 2016 Wednesday, September 27, 2017 Friday, September 28, 2018	3.00pm 3.00pm 4.00pm

ii. Special Resolutions passed during the last three years

Date of AGM / EGM	Section	Particulars of Special Resolution
September 29, 2016	1. Section 14 of Companies Act, 2013	Alteration of Articles of Association of the Company
(33rd AGM)	2. Section 23, 42 and 62(1)(c) of Companies Act, 2013	Enabling resolution for Issue of Securities by way of QIP
September 27, 2017 (34th AGM)	1. Section 196, 197, 203 of the Companies Act, 2013	Re-appointment of Mr. Harish Sheth as Chairman and Managing Director
	2. Section 196 and 197 of the Companies Act, 2013	Re-appointment of Mr. Udit Sheth as Joint Managing Director
	3. Section 196 and 197 of the Companies Act, 2013	Re-appointment of Mr. Shvetal Vakil as an Executive Director
	4. Section 196 and 197 of the Companies Act, 2013	Re-appointment of Mrs. Urja Shah as an Executive Director
	5. Section 23, 42 and 62(1)(c) of the Companies Act, 2013	Enabling resolution for Issue of Securities by way of QIP
September 28, 2018 (35th AGM)	1. Section 149, 152 read with Schedule IV of the Companies Act, 2013	Appointment of Mr. Bhalchandra L. Naik (DIN: 024 90022) as an Independent Director of the Company
	2. Section 149, 152 read with Schedule IV of the Companies Act, 2013	Appointment of Mr. Arun Tiwari (DIN: 05345547) as an Independent Director of the Company
	3. Section 23, 42 and 62(1)(c) of the Companies Act, 2013	Enabling resolution for Issue of Securities by way of QIP
	4. Section 185 of the Companies Act, 2013	Loans to Lava Cast Pvt. Ltd., Subsidiary/Joint Venture of the Company
	5. Section 186(3) of the Companies Act, 2013	Increase of limit u/s 186(2) of Companies Act, 2013 for extending loans, providing guarantees or giving securities for loans taken by any person or body corporate

iii. There were no resolutions passed through the Postal Ballot during the Financial Year 2018-19. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing of resolution through postal ballot.

5. Polices and Disclosures:

i. Means of Communication:

The Company publishes its quarterly, half-yearly and yearly financial results in leading English and Gujarati newspapers like Economic Times, Business Standard, Vadodara Samachar etc. The results are also posted on Company's website viz. www.setcoauto.com and website of the stock exchange. Information relating to shareholding pattern and compliance on corporate governance norms are also posted on Company's website.

All unpublished price sensitive information is immediately informed to the Stock Exchange before the same is communicated to general public through press releases, if any. Further, the Company disseminates to the Stock Exchange all presentations made to Institutional Investors/Analysts which is also available on the website of the Company www.setcoauto.com.

ii. Details of Non-Compliance with Capital Markets:

The Company has complied with all the requirements of regulatory authorities on matters relating to capital markets and no penalties/strictures have been imposed on the Company by the Stock Exchange or SEBI or any other authority.

iii. Disclosure of materially significant Related Party Transactions:

The Company did not enter into any materially significant transactions with Promoters, Directors or the Management, their subsidiaries or relatives etc., which were in conflict with the interest of the Company. Details of Related Party Transactions are provided in Note 28 of notes forming part of financial statements. Necessary approvals have been obtained wherever required.

The Policy for dealing with related party transactions is placed on the website of the Company i.e. www.setcoauto.com.

The Company has adopted a Policy for determining material subsidiary in line with the requirements prescribed under the Listing Regulations. The Policy for determining material subsidiary is available on the website of the Company i.e. www.setcoauto.com.

iv. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Schedule V of Listing Regulations.

v. Risk Management:

The Company has laid down the procedures to inform the Board members about effective risk assessment and risk mitigation.

vi. Code of Conduct:

Pursuant to the Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has laid down a 'Code of Conduct' for all Board and Senior Management Members and they have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2018-19.

The declaration stating that all the Board Members and Senior Management Members have affirmed their compliance with the said code of conduct for the year ended March 31, 2019 as per Para D of Schedule V of Listing Regulation is annexed to this Report.

The Code of conduct is also placed on the Company's website.

vii. Insider Trading:

The Company has also laid down a Code for Prevention of Insider Trading as required under SEBI (Prohibition of Insider Trading) Regulations, 1992. The Directors and Senior Management affirmed compliance of the said Code. The Company has amended and adopted the Code for Prevention of Insider Trading, 2015 as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.

viii.Whistle/Vigil mechanism Policy:

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. In its endeavor to provide its employee(s), secure and fearless working environment, the Company has established the 'Vigil Mechanism Policy' for its Directors, employee(s) and other stakeholders ("Policy"). The purpose of the Policy is to provide a framework to promote responsible and secure whistle blowing and to provide a channel to the employee(s), Directors and other stakeholders to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policy/ies of the Company, as adopted / framed from time to time. The mechanism provides for adequate safeguards against victimization of employee(s), Directors and other stakeholders to avail of the mechanism and also provide for direct access to the CEO / Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Audit Committee under the Whistle Blower Policy.

The Policy is in line with the vision and objectives of the Company and should be read in conjunction with applicable regulations and existing policies and procedures of the Company.

ix. Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations:

During the financial year 2018-19, the Company has not raised funds through preferen-tial allotment or qualified institutional placement.

x. Certificate from Practicing Company

A certificate from a Company Secretary in practice has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

xi. Recommendations of Committees of the Board:

There were no instances during the financial year 2018-19, wherein the Board had not accepted recommendations made by any committee of the Board.

xii. Total fees paid to Statutory Auditors of the Company:

Total fees of Rs. 77.92 Lakhs (Rupees Seventy Seven Lakhs Ninety Two Thousand Only) for financial year 2018-19, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/ network entity of which the statutory auditor is a part.

xiii. Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

The Credit Rating assigned to the Company by CARE Ratings Limited in respect of Bank Facilities is as under:

Facilities	Rating	Rating Action
Long term Bank Facilities	CARE BBB-; Stable (Triple B minus; Outlook: Stable)	Revised from CARE BBB-; Positive (Triple B minus; Outlook: Positive)
Short term Bank Facilities	CARE A3	Reaffirmed

During the year under review, Care Ratings Limited has revisedLong Term Bank Facilities credit rating from CARE BBB-; Positive (Triple B minus; Outlook: Positive) toCARE BBB-; Stable (Triple B minus; Outlook: Stable).

xiv. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2018-19 are as under:

a. Number of complaints filed during the financial year: NIL

b. Number of complaints disposed of during the financial year: NIL

c. Number of complaints pending as on end of the financial year: NIL

6. General Shareholder Information:

	36th Annual General Meeting	
(i)	Day & Date	Friday, September 27, 2019
	Time	12:00 Noon
	Venue	Vadodara – Godhra Highway, Kalol, District Panchmahal, Pin Code – 389 330, Gujarat.
(ii)	Financial year	April 1 to March 31
	First Quarterly Results	On or before 14th August, 2019
	Second Quarterly Results	On or before 14th November, 2019
	Third Quarterly Results	On or before 14th February, 2020
	Fourth Quarterly Results	On or before 30th May, 2020
(iii)	Dates of Book Closure	Saturday, September 21, 2019 to Friday, September 27, 2019
(iv)	Dividend Payment Date	on or after September 27, 2019
(v)	Listing details	
	Name of Stock Exchanges & Stock Code(s)	Address
	BSE Ltd (Stock Code- 505075)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
	National Stock Exchange of India Ltd. (Scrip Symbol: SETCO)	Exchange Plaza, C -1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051
	ISIN for Depositories	INE878E01021
	Listing Fees	The Company has paid Listing Fees of both the Stock Exchanges for the financial year ended 31st March, 2019.

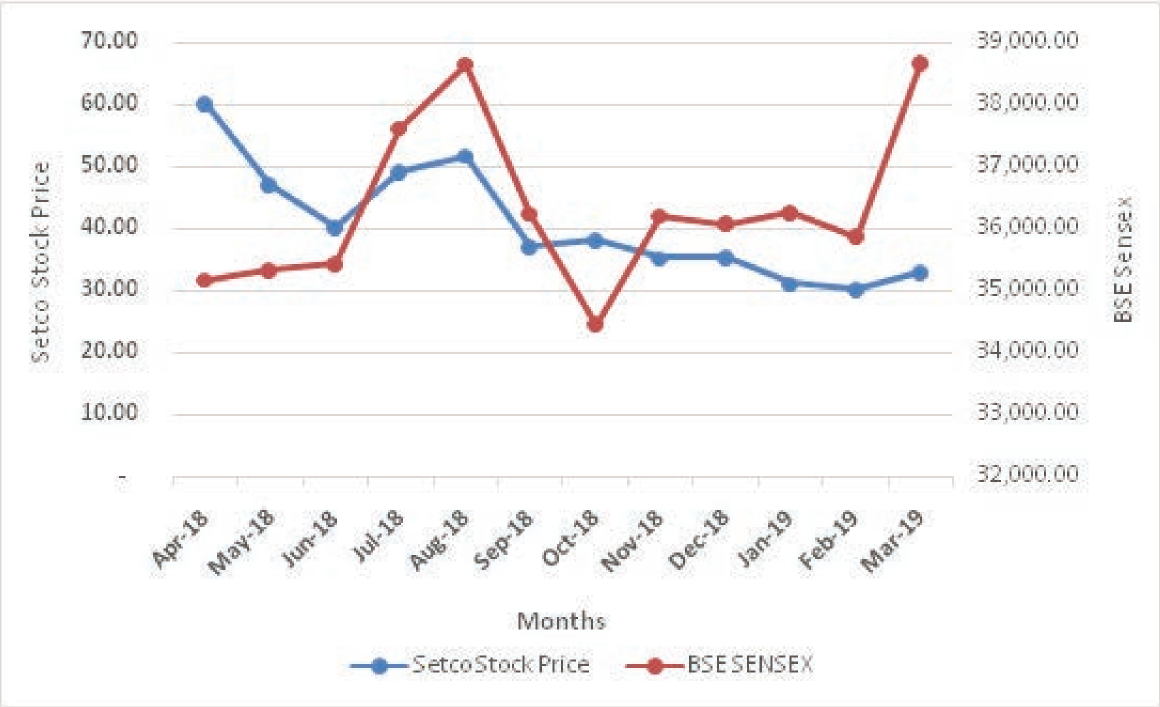
(vi) Market Price Data – the monthly high and low prices of the company's shares at BSE and NSE for the financial year ended 31st March, 2019 are as follows:

Month(s) FY2018-19	**BSE**		**NSE**	
	High (Rs.)	**Low (Rs.)**	**High (Rs.)**	**Low (Rs.)**
April-18	63.10	52.00	63.05	52.10
May-18	61.90	46.80	61.80	46.80
June-18	49.50	37.05	49.35	37.05
July-18	54.20	38.70	54.10	38.65
August-18	54.80	46.50	54.90	46.35
September-18	52.90	35.50	52.95	35.40
October-18	41.70	33.60	40.45	33.60
November-18	40.30	34.50	40.40	34.40
December-18	37.70	32.90	37.70	33.00
January-19	37.60	30.30	37.60	30.25
February-19	33.00	28.75	32.40	28.60
March-19	36.05	30.70	35.95	30.25

Source: BSE and NSE website

(vii) Performance of share price in comparison with board – based indicates viz. BSE Sensex and NSE Nifty:

The Chart below shows the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2019 (based on month end closing):



(viii) Registrar and Share Transfer Agents:

Link Intime India Private Limited, Unit: Setco Automotive Limited, C-101, 247 Park, LBS.Marg, Vikhroli (West), Mumbai - 400083, Tel No.:(022) 4918 6000

(ix) Share Transfer System:

Shareholders are requested to communicate with Link Intime India Private Limited, Company's Registrar and Share Transfer Agents for matters related to share transfers in physical form, dividend, share certificates and change of address.

The Company ensures that the Registrar processes all the requests received from shareholders within 15 days from the date of receipt provided the documents are in order. The Registrar also updates the Company on action status.

The shares held in dematerialized form are electronically traded in the depository and the Registrar & Share Transfer Agents receives from Depositories, periodical details of beneficiary holdings to update their records and registers.

The Stakeholders Relationship Committee of the Board of Directors of the Company at its meetings held periodically takes note of status of investors' grievances / correspondences received during the quarter and also ratifies transfers affected during the quarter.

(x) Distribution of Shareholding as on March 31, 2019:

	Distribution of Shareholding			
No. of Shares	**Shareholders**		**Shares Held**	
	No.	%	Shares	%
1 - 500	22,393	66.31	45,11,040	3.37
501 - 1000	5,213	15.44	43,76,844	3.27
1001 - 2000	3,100	9.18	46,34,711	3.47
2001 - 3000	1,055	3.12	27,28,855	2.04
3001 - 4000	387	1.15	13,99,882	1.05
4001 - 5000	447	1.32	21,36,649	1.60
5001 - 10000	634	1.88	47,88,969	3.58
10001 - 20000	279	0.83	40,99,428	3.07
20001 - 30000	88	0.26	22,64,296	1.69
30001 - 40000	39	0.11	14,00,799	1.05
40001 - 50000	19	0.05	8,74,823	0.65
50001 - 1000000	102	0.30	1,78,64,883	13.36
More than 1000000	13	0.04	8,25,96,096	61.79
	33,769	**100.00%**	**13,36,77,275**	**100.00%**

(xi) Dematerialisation and Liquidity:

As on 31st March, 2019, a total of 13,17,39,285 equity shares aggregating to 98.55% of the total issued, subscribed and paid-up equity share capital of the Company are in dematerialised form. The Company's Equity Shares are regularly traded on BSE Limited and on National Stock Exchange of India Limited.

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after 1st April, 2019, transferof securities can not be processed unless the securities are held in the dematerialized form with a depository.

The Company has sent three reminders to those shareholders holding shares in physical form advising them to dematerialize their holding. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode going forward.

The said measure of SEBI is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities in demat form will improve ease, convenience and safety of transactions for investors.

SEBI vide Press Release No. 12/2019 dated 27th March, 2019, clarified that the transfer deed(s) once lodged prior todeadline of 1st April, 2019 and returned due to deficiency indocument(s) may be re-lodged for transfer.

(xii) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:

There were no outstanding GDRs / ADRs / Warrants or any convertible instruments as at March 31, 2019.

(xiii) Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

(xiv) Plant Locations in India:

Gujarat: Vadodara – Godhra Highway, Kalol, District Panchmahal, Pin Code 389 330, Gujarat.

Uttarakhand: Plot No. 196/A Phase 1, Eldeco Sidcul Industrial Park (E.S.I.P), Village Lalarpatti, P.O. Sia Camp, Udham Singh Nagar, Pin Code – 262 403, Uttarakhand.

(xv) Address for correspondence:

The members are requested to write to the Registrar & Share Transfer Agents of the Company, Link Intime India Private Limited for any query related to share transfers, dematerialization, transmissions, change of address, non-receipt of divided or any other related queries.

The address of Link Intime India Private Limited is as follows:

Unit: Setco Automotive Limited, C-101, 247 Park, LBS.Marg, Vikhroli (West), Mumbai - 400083, Tel No.:(022) 4918 6000

The members can also send their grievances, if any, to the Company Secretary at the Corporate Office of the Company at 2/A, Ground Floor, Film Centre Building, Tardeo Road, Mumbai – 400 034 or email at investor.relations@setcoauto.com

7. Other Mandatory / Non Mandatory Requirements:

A certificate from the Practicing Company Secretary Auditor of the Company certifying compliance of Corporate Governance is annexed herewith.

Discretionary Requirements as per Part E of Schedule II under SEBI (LODR) Regulations, 2015.

The Company complied with majority of such non mandatory requirements, details of which are as follows:

a. The Board: The Board of the Company is chaired by Executive Chairman who maintains the Chairman's Office at the Company's expense.

c. Shareholder Rights: The quarterly, half yearly and annual financial results are published in newspapers having wide circulation in English and Gujarati and are also available on Company's website. The Annual Report is sent to all shareholders of the Company.

d. Reporting of internal auditor: As per the requirements, the internal auditor may report directly to the Audit Committee. The same is reported by briefing the Audit Committee through discussion and presentation of the observations, review, comments and recommendations etc. in the Internal Audit presentation by the Internal Auditor of the Company.

   The Company has made all disclosures regarding compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI Listing Regulations, in the section on corporate governance of the annual report.

8. Transfer of Shares to Investor Education Protection Fund (IEPF)

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, which have come into effect from September 07, 2016, the shares on which dividend has not been paid or claimed for seven consecutive years or more, such shares have to be transferred to the Investor Education and Protection Fund (IEPF), a Fund constituted by the Government of India under Section 125 of the Companies Act, 2013.

The Company has sent communication to all the concerned Shareholders whose shares are liable to be transferred to IEPF as per the aforesaid Rules, requesting them to encash the unclaimed dividend within three months from the date of the communication sent to them. The detail of Shareholders to whom communication has been sent along with details of dividend pertaining to them is available on the Company's website i.e. www.setcoauto.com under 'Investors Section'.

In the event valid claim is not received from you within the aforesaid timeline, the Company will proceed to transfer the Equity Shares to IEPF without any further notice.

The details of unclaimed dividends and shares transferred to IEPF during F.Y 2018-19 are as follows:

Financial Year	Amount of unclaimed dividend transferred (Rs. In Lakhs)	Number of shares transferred
2010-11	10.60	857,900

Please note that the concerned Shareholders can claim both, the unclaimed dividend amount and the shares from the IEPF Authority by making an application in the prescribed Form IEPF – 5, online and sending a physical copy of the same, duly signed (as per the specimen signature recorded with the Company), along with requisite documents enumerated in Form IEPF – 5, to the Company Secretary. Please also note that no claim shall lie against the Company in respect of shares/unclaimed Dividend transferred to IEPF pursuant to the said Rules.

To claim above unpaid dividend or in case you need any information/clarification, please write to or contact our RTA M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, LBS.Marg, Vikhroli (West), Mumbai - 400083, Tel No.:(022) 49186270, e-mail : iepf.shares@linkintime.co.in

Please provide following details in all your communications: 1. Name of the Company, 2. Folio No. or DP and Client ID, 3. Name of shareholder, 4. Contact No., 5. Email ID. Also provide self-attested KYC documents of the shareholder like PAN, cancelled cheque leaf along with Aadhar Card / latest utility bill as address proof.

Other useful information for Shareholders

Dividend: Electronic Clearing Services (ECS)/ National Electronic Clearing Services (NECS) facility. The dividend remittances to shareholders will happen through ECS/ NECS as per the locations approved by RBI from time to time. If you are located at any of the ECS/ NECS centers and have not registered your ECS/NECS mandate, please arrange to forward your ECS/NECS mandate to your depository participant if the shares are held in demat form, or to the Company/Registrars, if the shares are held in physical form, immediately.

It may be noted that any amount remaining unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred to the Investor Education & Protection Fund as required under Section 125 of the Companies Act, 2013. Due dates for Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF) are as under:

Financial Year	Date of declaration of Dividend	Due date to transfer to IEPF
Final Dividend 2011-12	17.09.2012	16.10.2019
Final Dividend 2012-13	28.09.2013	27.10.2020
Final Dividend 2013-14	09.09.2014	08.09.2021
Interim Dividend 2014-15	11.11.2014	10.11.2021
Final Dividend 2014-15	28.09.2015	27.09.2022
Final Dividend 2015-16	29.09.2016	28.09.2023
Final Dividend 2016-17	27.09.2017	26.09.2024
Final Dividend 2017-18	28.09.2018	27.09.2025

Shareholders who have not yet encashed their dividend warrants for the previous years may approach with un-encashed dividend warrants to the Company, at its Corporate Office for revalidation / issue of duplicate dividend warrants.

Certificate on Corporate Governance

The Certificate from the Practicing Company Secretaries regarding compliance of conditions of corporate governance is annexed and forms part of this Annual Report in terms of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached and forms part of this Annual Report.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Setco Automotive Limited
2A Film Centre Building,
Ground Floor,Tardeo Road,
Mumbai – 400 034

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Setco Automotive Limited having CIN: L35999GJ1982PLC005203 and having registered office at Baroda Godhra Highway, Kalol (Panchmahal), Gujarat – 389330 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Shvetal Shatrughna Vakil	00140956	01/07/2010
2.	Ashok Kumar Jha	00170745	22/01/2010
3.	Arun Arora	00172044	28/03/2007
4.	Udit Harish Sheth	00187221	30/06/2008
5.	Suhasini Somesh Sathe	00205174	12/02/2014
6.	Harish Kiritbhai Sheth	01434459	05/05/1982
7.	Urja Harshal Shah	02675341	28/09/2015
8.	Arun Tiwari	05345547	31/07/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 22nd May, 2019

Pradip Shah
For P. P. Shah & Co.,
Practicing Company Secretaries
FCS No. 1483, C P No.: 436

Certificate under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Setco Automotive Limited

We, Harish K. Sheth, Chairman and Managing Director and Udit Sheth, Vice Chairman of Setco Automotive Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2019.

Harish K. Sheth
Chairman & Managing Director
DIN: 01434459

Udit Sheth
Vice Chairman
DIN: 00187221

Place: Mumbai
Date: May 30, 2019

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Harish Sheth, Chairman & Managing Director and Vinay Shahane, Vice President – Finance of Setco Automotive Limited hereby certify that: -

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. We hereby certify that, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 30, 2019	**Harish K. Sheth**	**Vinay Shahane**
Place: Mumbai	**Chairman & Managing Director**	**Vice President – Finance**
	DIN: 01434459	

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To

The Members of Setco Automotive Limited

1. We have examined the compliance of conditions of Corporate Governance by Setco Automotive Limited ("the Company"), for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the secretarial and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the financial year ended 31st March, 2019.

6. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For M/s. P. P. Shah & Co.
Practicing Company Secretaries

Pradip C. Shah
Partner
Membership No. 1483
Certificate of Practice: 436

Place: Mumbai
Date: 18th May, 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SETCO AUTOMOTIVE LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Setco Automotive Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule 2015, as amended ("Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statement

EMPHASIS OF MATTER

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

a) Trade payables' balances are under reconciliation process. Necessary adjustments, if any, will be accounted when the same is reconciled. In respect of trade receivables and other debit/ credit balances for which balance confirmation have been received, are under reconciliation process and necessary adjustment, if any will be accounted when the same is reconciled. While others are subject to reconciliation and adjustment if any. (Refer Note No. 42 of Standalone Ind AS Financial Statements).

b) The Company has invested Rs. 2,217.19 lakhs (Rs. 2,199.44 lakhs) in Equity & Preference shares of wholly owned ultimate foreign subsidiaries and also has outstanding receivables in form of loans & advances and debts (net) aggregating Rs. 7,236.56 lakhs (Rs. 7,178.59 lakhs) from them as at 31.03.2019. Apart from company's direct investments into these wholly owned ultimate foreign subsidiaries referred to above, the company's ultimate wholly owned subsidiary, M/s Setco Automotive (UK) Ltd has an exclusive investment of Rs. 1,483.11 lakhs into equity shares of its step down wholly owned subsidiary, M/s. Setco Automotive (N.A.) Inc. These wholly owned ultimate foreign subsidiaries incurred consolidated accumulated losses of Rs. 3,747.23 lakhs (Rs. 2,884.60 lakhs) as at 31.03.2019 resulting into erosion of fair portion of their consolidated net worth. The management is of the opinion that this is a temporary phase considering business plans, future projected profitable operations, asset base, the investment being strategic in nature, going concern basis and solvency of subsidiaries supported by the Parent company (i.e. Setco Automotive Ltd), no provision is required to be made for diminution in value of these investments made in, loans & advances & debts due from the said subsidiaries and they are considered good. The carrying value of company's investment in equity is supported by valuation report of Independent Valuer. (Refer Note No. 45 (ii) of Standalone Ind AS Financial Statements).

c) The company has in earlier years invested Rs. 1,535.00 lakhs in 30,70,000 equity shares of SE Transstadia Private Limited, a sports and entertainment infrastructure company. The said company has completed the project and has commenced commercial operations in March, 2017. The company has accumulated loss of Rs. 11,180.08 lakhs (Rs. 1,768.86 lakhs in F.Y. 2016-17) as per latest audited financial statements as at 31.03.2018. In the opinion of the management, this investment is strategic in nature which has long term perspective and has comparatively long gestation period. This situation being a temporary phase and considering the future business plans, assets base and other developments, despite accumulated losses, the management firmly believes that there is no erosion in value of its investment in said related entity. The carrying value of Company's investment in equity shares of said related entity is also supported by valuation report obtained from independent Valuer. (Refer Note No. 45 (iii) of Standalone Ind AS Financial Statements).

d) The company has invested Rs. 9,209.00 lakhs (Rs. 8,359.00 lakhs) in 9,20,90,000 (8,35,90,000) equity shares of Rs. 10/- each in its partly owned subsidiary Lava Cast Private Limited. The company's third year of commercial production ended on 31st March, 2019 resulting in accumulated loss of Rs. 7,487.97 lakhs (Rs. 4,659.36 lakhs). The management is of the opinion that this being a temporary phase and company is in initial years of operations and considering the future business plans, assets base etc., no provision is required to be made for diminution in the value of this investment made in the said subsidiary. The carrying value of Company's investment in equity shares of said related entity is also supported by valuation report obtained from independent Valuer. (Refer Note No. 45 (iv) of the Standalone Ind AS Financial Statements).

e) In F.Y. 2017-18 The Company has recognised Rs. 398 Lakhs as income being reimbursement of Central Goods & Service Tax (CGST)/Integrated Goods & Service Tax (IGST) share of State for the Uttarakhand unit pending notification of incentives by the State Government. The Company believed, the issuance of notification for Goods & Service Tax (GST) benefits by the State Government was certain based on the notification already issued by the Central Government. In absence of any notification in the said matter till date and based on legal opinion, the Company has filed writ petition claiming refund of said amount & has continued to show this as asset recoverable in accounts. (Refer Note No. 13 of the Standalone Ind AS Financial Statements).

Our opinion is not modified in respect of these matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS

Accuracy of recognition, measurement, presentation and disclosure of revenue and other related balances in view of adoption of Ind AS 115 " Revenue from contracts with customers" (New revenue accounting standarad)

The company has adopted IND AS – 115 "Revenue from contracts with customer" From 1st April, 2018 using the modified retrospective approach, with cumulative effect of initially applying the standard to be adjusted to the opening retained earning under equity on 1 April, 2018 and therefore the comparative information has not been restated and continues to be reported under Ind AS – 18.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Our audit procedures on adoption of Ind AS 115 includes-

- Evaluation of Internal control policy and process designed to recognise revenue as per Ind AS – 115.
- Analysed existing contract with customers, performance obligation assumed, terms of delivery and current revenue recognition policy with respect to those contract.
- Analysed the cumulative effect of IND AS 115 adjustment and its recognition in accounts.
- Analysed the complete, appropriate and arithmetical accuracy of disclosure as per IND AS 115.

Refer to note no. 35 of the accompanying standalone financial statement.

KEY AUDIT MATTERS

Intangible Assets: Product development

The Company conducts a significant level of development activities and has to apply judgments in identifying product development expenses meeting the criteria for capitalization under the requirements of accounting standards. Expenditure, Identifiable and reliably measurable, incurred on product development yielding future economic benefits is capitalized as Product Development Expenses. We identified the capitalization of Product development costs as a key audit matter due to significant management judgments about the future performance and viability of the products.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

- Testing management's controls over capitalization of Product development costs.
- Evaluating the nature of the type of development expenses incurred that are capitalized into product development expenses;
- Assessing the reasonableness of the capitalization based on success of the product,
- Verifying amortization of capitalization after commercial production commences as per consistent policy of company to amortise it in 10 years.
- Fair valuation of product development expenses was done by independent valuer.

Refer to note no. 2 (ii) of the accompanying standalone financial statement.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report i. e. Corporate Information, Board of Directors, Management Discussion and Analysis, Directors Report and Corporate Governance Report but does not include the standalone financial statements and our auditors' report thereon. The above information is yet to be provided to us.

MANAGEMENT'S RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report express an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i.The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 41 B to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(Rasesh V. Parekh),
Partner
Membership No. 038615

Place : Mumbai
Date : 30th May 2019

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of Setco Automotive Limited on the Standalone Financial Statements as of and for the year ended on March 31, 2019

1. In respect of its fixed assets :
   a) The Company has maintained proper records showing full particulars including, quantitative details and situation, of fixed assets on the basis of available information.
   b) The Company has a program of verification to cover all the items of fixed assets in phased manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. During the year, the company has verified certain fixed assets in accordance with this program. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
   c) The title deeds of immovable properties disclosed in Note No. 2 on Fixed Assets to the Standalone Financial Statements are held in the name of the company. In respect of leased hold land that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the company.
2. According to the information and explanations given to us, inventories (excluding stocks with third parties) were physically verified during the year by the management at reasonable intervals. The discrepancies noticed on verification between the physical stock and book records were not material. In respect of inventory lying with third parties, these have substantially been confirmed by them.
3. According to the information and explanations given to us, the Company has not granted any loans,secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 except loans given to its wholly owned ultimate foreign subsidiary companies and Indian subsidiary company.
   a) The terms and conditions of such loans are not prima facie prejudicial to the Company's interest.
   b) No schedule of repayment of principal or interest has been stipulated for such loans.
   c) In view of (b) above, the question of any overdue amount does not arise.
4. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to Loans & Investments made.
5. According to the information and explanations given to us, the Company has not accepted any deposits under the directives issued by the Reserve Bank of India or within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. We have been informed that company is not required to maintain cost records u/s. 148 (1) of the Act.
7. According to the information and explanations given to us and on the basis of our examination of books of account :
   a) The Company has been generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Employees' State Insurance, Income Tax, Professional Tax, Custom Duty, Cess and Tax Deducted at source, except few Instances of delays observed in deposition of Provident Fund, Income Tax, Professional Tax, Tax Deducted at Source, Custom Duty and Goods and Service Tax. According to the information and explanations given to us, there are no undisputed items outstanding as at 31st March, 2019 for more than six months from the date they became payable.
   b) According to information and explanations given to us and records of the company examined by us, there were disputed dues of Income Tax as of 31st March, 2019 which have not been deposited as per following details :

Sr. No.	Name of the Statute	Nature of the dues	Amount (Rs. In Lakhs)	Period to which the amount related	Forum where dispute is pending	Remark, if any
1.	Income Tax Act, 1961	Penalty u/s. 271(1)(c)	12.01	A. Y. 04-05	ITAT, Ahmedabad	Refer Note no. 41 (B) of Standalone Financial Statements.
2.	Income Tax Act, 1961	Demand u/s 156	590.13	A. Y. 11-12	CIT (A) – Vadodara	
3.	Income Tax Act, 1961	Income Tax dues as per Intimation u/s 143(1)	394.48	A. Y. 15-16	CPC, Bengluru.	
4.	Income Tax Act, 1961		486.02	A. Y. 16-17	CPC, Bengluru.	
5.	Income Tax Act, 1961		6.07	A. Y. 17-18	CPC, Bengluru.	

8. In our opinion and according to the information & explanations given to us, the company has not defaulted in repayment of loans or borrowing obtained from banks and financial institutions. The company has neither taken any loan from government nor issued any debentures.

9. In our opinion and according to the information and explanations given to us and examination of records of the company, the company has not raised moneys by way initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the money raised by way of term loans have been applied for the purpose for which they were obtained.

10. During the course of our examination of the books and records of the company and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees were noticed or reported during the year.

11. The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

12. As the company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

13. As per the information and explanation given to us, the transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details there of have been disclosed in the standalone financial statements as per Ind AS 24, "Related Party Disclosures". (Refer Note No. 36 of the Standalone Financial Statements).

14. As per the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review.

15. As per the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

(Rasesh V. Parekh),
Partner
Membership No. 038615

Place : Mumbai
Date : 30th May 2019

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph (g) under the heading "Report on Other Legal and Regulatory Requirements" by Section 143(3) of the Act" of our report of even date.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION 143(3)(I) OF THE ACT.

We have audited the internal financial controls over financial reporting of **Setco Automotive Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial-reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. However, such internal financial controls over financial reporting need to be improved and strengthened further in future.

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

(Rasesh V. Parekh),
Partner
Membership No. 038615

Place : Mumbai
Date : 30th May 2019

BALANCE SHEET
AS AT 31st MARCH, 2019

Rs. in Lakhs

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS :			
1. Non-current assets			
a. Property, plant and equipment	2	11,362.47	12,480.73
b. Capital work-in-progress	2	-	-
c. Intangible assets	2	2,459.40	1,966.64
d. Intangible Assets Under Development	2	1,365.57	1,489.57
e. Financial assets			
(i) Investments	3	14,030.80	13,174.17
(ii) Loans Receivables	4	1,306.74	1,465.17
(iii) Other financial assets	5	147.66	146.53
f. Deferred tax assets (net)	6	1,133.03	1,748.59
g. Other non-current assets	7	84.85	134.45
Total non-current assets		**31,890.52**	**32,605.84**
2. Current assets			
a. Inventories	8	12,249.01	9,492.39
b. Financial assets			
(i) Trade receivables	9	12,483.57	14,131.97
(ii) Cash and cash equivalents	10	693.77	180.51
(iii) Bank Balances Other Than (ii) Above	11	106.03	92.38
(iv) Loans Receivables	12	6,386.06	3,384.25
c. Other current assets	13	2,336.58	3,312.48
Total current assets		**34,255.01**	**30,593.98**
Total assets		**66,145.53**	**63,199.82**
EQUITY AND LIABILITIES :			
EQUITY			
Equity share capital	14	2,673.55	2,671.93
Other equity	15	23,588.35	21,979.25
Total equity		**26,261.89**	**24,651.18**
LIABILITIES			
1. Non-current liabilities			
a. Financial liabilities			
(i) Borrowings	16	1,347.10	3,913.87
(ii) Other financial liabilities	17	718.68	852.91
b. Other non current liabilities	18	13.86	14.62
c. Provisions	19	185.12	162.85
Total non-current liabilities		**2,264.75**	**4,944.25**
2. Current Liabilities			
a. Financial liabilities			
(i) Borrowings	20	18,418.72	16,840.03
(ii) Trade payables			
(a) Dues of micro,small and medium enterprises	21	871.33	764.00
(b) Dues of creditors other than micro,small and medium enterprises		10,866.26	9,463.08
(iii) Other financial liabilities	22	3,437.76	3,749.12
b. Other current liabilities	23	3,120.57	2,193.98
c. Provisions	24	375.80	247.66
d. Current tax liabilities (net)	25	528.45	346.52
Total current liabilities		**37,618.88**	**33,604.39**
Total liabilities		**39,883.63**	**38,548.64**
Total equity and liabilities		**66,145.53**	**63,199.82**

Notes including Significant Accounting Policies are an integral part of the Financial Statements : 1 To 54

As per our report of even date attached
For V. Parekh & Associates
Chartered accountants
(Firm registration No. : 107488W)

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place: Mumbai
Date : 30th May 2019

For and on behalf of the Board

Harish Sheth
Chairman & Managing Director

Udit Sheth
Vice Chairman

Shvetal Vakil
Executive Director

Urja Shah
Executive Director

Arun Arora
Independent Director

Ashok Jha
Independent Director

Suhasini Sathe
Independent Director

Arun Tiwari
Independent Director

Vinay Shahane
Vice President – Finance

Chandra Kant Sharma
Company Secretary

Place: Mumbai
Date : 30th May 2019

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED ON 31st MARCH 2019

Rs. in Lakhs

	Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME :				
I.	Revenue from operations	26	61,339.77	51,773.10
II.	Other income	27	1,514.61	2,859.15
III.	**Total Revenue (I + II)**		**62,854.38**	**54,632.25**
IV.	**EXPENSES :**			
	Cost of materials consumed	28	37,852.92	30,923.08
	Changes in inventories of finished goods and work-in-progress	29	-1,613.65	-172.22
	Excise duty on sales	-		426.64
	Employee benefit expenses	30	5,673.07	4,837.25
	Finance costs	31	3,398.44	3,125.43
	Depreciation and amortization expenses	2	1,930.57	1,866.20
	Less : Capitalized under the head “Intangible Assets Under Development”	-	-	-89.83
	Net Depreciation and Amortization Expenses	2	1,930.57	1,776.37
	Other expenses	32	10,306.90	10,123.08
	Total expenses (IV)		**57,548.23**	**51,039.63**
V.	**Profit/(loss) before exceptional items and tax (III - IV)**		**5,306.15**	**3,592.62**
VI.	Exceptional items		-	-
VII.	**Profit/(loss) before tax (V - VI)**		**5,306.15**	**3,592.62**
VIII.	**Tax expense/(credit)**			
	- Current tax		1,063.45	726.51
	- Deferred tax		857.81	-7.96
	MAT credit entitlement			
	- Previous years		-775.78	41.98
	- Current year		544.28	-48.38
	Tax adjustment for earlier years		-5.97	0.01
			1,683.79	**712.16**
IX.	**Profit/(loss) for the year from continuing operations (VII - VIII)**		**3,622.36**	**2,880.46**
X.	**Other comprehensive income/(loss)**			
	A. (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of gain /(loss) on defined benefit plans		-30.76	6.71
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		10.75	-2.32
	B. (i) Items that will be reclassified to Profit or Loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
			-20.01	**9.03**
XI.	**Total comprehensive income for the year (IX + X)**		**3,602.35**	**2,889.49**
XII.	**Earnings per equity share (face value of Rs. 2/- Each)**			
	- Basic (In Rs. per share)	34	2.71	2.16
	- Diluted (In Rs.per share)	34	2.71	2.15

Notes including Significant Accounting Policies are an integral part of the Financial Statements : 1 To 54

As per our report of even date attached
For V. Parekh & Associates
Chartered accountants
(Firm registration No. : 107488W)

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place: Mumbai
Date : 30th May 2019

For and on behalf of the Board

Harish Sheth
Chairman & Managing Director

Udit Sheth
Vice Chairman

Shvetal Vakil
Executive Director

Urja Shah
Executive Director

Arun Arora
Independent Director

Ashok Jha
Independent Director

Suhasini Sathe
Independent Director

Arun Tiwari
Independent Director

Vinay Shahane
Vice President – Finance

Chandra Kant Sharma
Company Secretary

Place: Mumbai
Date : 30th May 2019

CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2019

Rs. in Lakhs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	**5,306.15**	**3,592.63**
Adjustment for :		
Depreciation and amortisation expense	1,930.57	1,776.37
(Profit)/loss on sale of property, plant and equipment	-6.00	2.45
Unrealized exchange loss/(gain)	19.46	379.11
Interest expense	3,030.86	2,794.60
Other Financial charges	367.58	330.83
Rent Income	-32.52	-
Finance Income - Fair value gain on redemption of Investment in Preference Shares	-	-723.20
Interest income	-830.22	-561.22
Finance Income Related to Financial Guarantee Measured at Fair Value	-170.47	-97.60
Corporate tax	-1,057.48	-726.52
MAT credit entitlement	231.50	6.40
Employee stock options cost	-10.31	17.75
Employee Benefits Designated Through Other Comprehensive Income	-30.76	6.70
Operating profit / (loss) before changes in working capital	**8,747.09**	**6,798.30**
Adjustments for changes in :		
Trade receivables	-1,093.69	-1,510.35
Inventories	-786.15	-1,419.33
Loans and other assets	-3,094.47	-923.45
Other non-current and current assets	1,052.08	-153.22
Non-current and current financial assets	4.30	-247.44
Trade payables	1,559.32	1,747.57
Other non-current and current provisions	332.34	268.20
Other non-current and current liabilities	925.50	1,673.74
Non-current and current financial liabilities	55.84	54.52
Change in current assets/liabilities	**-1,044.92**	**-509.76**
Cash generated from operations	**7,702.17**	**6,288.54**
Direct taxes (Tax deducted at source)	-26.58	-19.24
Net Cash flow from Operating Activities	**7,675.59**	**6,269.30**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-416.23	-1,062.40
Proceeds on sale of Property, Plant and Equipment	13.38	23.59
Intangible asset	-772.23	-536.88
Interest income	830.22	561.22
Rent Income	32.52	-
Government Grants - Cash Subsidy amortization	1.26	-

Rs. in Lakhs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Investment in Equity Shares	-850.00	-3,061.25
Investment in Preference Shares	-	-2,225.00
Redemption of Preference Shares	-	2,225.00
Redemption of Preference Shares by Setco Engineering Private limited	-	2,741.80
Finance Income - Fair value gain on redemption of Investment in Preference Shares	-	723.20
Net Cash used in Investing Activities	**-1,161.07**	**-610.72**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Cash Credit	2,078.69	-1,308.94
Proceeds from Short Term /Other Loans	-	1,900.00
Proceeds from Term/Other Loans	496.27	2,544.11
Repayment of Short Term Loans	-500.00	-860.00
Repayment of Term Loans	-3,414.30	-4,217.10
Interest expense	-3,030.86	-2,794.60
Other Financial charges	-367.58	-330.83
Proceeds from issue of Shares including Premium	25.75	-
Share Application Money Received	-	-
Final dividend and dividend distribution tax	-1,289.24	-1,045.16
Net Cash used in Financing Activities	**-6,001.26**	**-6,112.52**
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	**513.26**	**-453.94**
Opening Cash and Cash Equivalents	**180.51**	**634.45**
Closing Cash and Cash Equivalents	**693.77**	**180.51**

Notes:-

1. 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.
2. Previous year's figures have been regrouped / restated / reclassified whenever necessary.
3. Purchase of Property, Plant & Equipment includes cost incurred on Capital Work-in-Progress.
4. Cash and Cash Equivalents includes cash on hand, cheques on hand and readily convertible deposit accounts held with scheduled banks.

Notes including Significant Accounting Policies are an integral part of the Financial Statements : 1 To 54

As per our report of even date attached
For V. Parekh & Associates
Chartered accountants
(Firm registration No. : 107488W)

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place: Mumbai
Date : 30th May 2019

For and on behalf of the Board

Harish Sheth
Chairman & Managing Director

Udit Sheth
Vice Chairman

Shvetal Vakil
Executive Director

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Executive Director

Arun Arora
Independent Director

Ashok Jha
Independent Director

Suhasini Sathe
Independent Director

Arun Tiwari
Independent Director

Vinay Shahane
Vice President – Finance

Chandra Kant Sharma
Company Secretary

Place: Mumbai
Date : 30th May 2019

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED ON 31ST MARCH, 2019

A. Equity Share Capital

Particulars	Rs. in Lakhs
Balance as at begining of 1st April, 2017	**2,671.93**
Changes in Equity Share Capital During the Period	-
Balance as at 31st March, 2018	**2,671.93**
Changes in Equity Share Capital During the Period	1.61
Balance as at 31st March, 2019	**2,673.55**

B. Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus				Share option outstanding amount	Other items of other comprehensive Income - Equity instruments at FVOCI	Total
	Capital Reserve	General Reserve	Security Premium	Retained Earnings*			
Balance as at 1st April, 2017	**0.21**	**1,948.62**	**188.20**	**17,944.70**	**35.42**	**-**	**20,117.15**
Employee stock option granted during the year					17.75	-	17.75
Dividend (including tax on dividend) declared and paid during the year				-1,045.16		-	-1,045.16
Profit for the year	-	-	-	2,880.46	-	-	2,880.46
Other Comprehensive Income (net of tax)	-	-	-	9.03	-	-	9.03
Total comprehensive income for the year ended 31st March, 2018				**2,889.49**	**-**	**-**	**2,889.49**
Balance as at 31st March, 2018	**0.21**	**1,948.62**	**188.20**	**19,789.03**	**53.17**	**-**	**21,979.23**
Ind AS Adjustments				-717.82			-717.82
Share Premium on Shares issued for ESOP			24.14				24.14
Employee stock option granted during the year					-10.31	-	-10.31
Dividend (including tax on dividend) declared and paid during the year				-1,289.24		-	-1,289.24
Profit for the year	-	-	-	3,622.36	-	-	3,622.36
Other Comprehensive Income (net of tax)	-	-	-	-20.01	-	-	-20.01
Total comprehensive income for the year ended 31st March, 2019				**3,602.35**	**-**	**-**	**3,602.35**
Balance as at 31st March, 2019	**0.21**	**1,948.62**	**212.34**	**21,384.32**	**42.86**	**-**	**23,588.35**

Notes including Significant Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 54

In terms of our report attached of even date
For V. Parekh & Associates
Chartered accountants
(Firm registration No. : 107488W)

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place: Mumbai
Date : 30th May 2019

For and on behalf of the Board

Harish Sheth
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Vice President – Finance

Chandra Kant Sharma
Company Secretary

Place: Mumbai
Date : 30th May 2019

SETCO™ AUTOMOTIVE LTD

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements comply in all material aspects with Indian Accounting Standards(IndAS) notified under Section133 of the Companies Act, 2013(the"Act") [Companies(Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.

The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- defined benefit plans where plan assets are measured at fair value; and
- share-based payments at fair value as on the grant date of options given to employees.

Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. The critical estimates and judgments are presented in detail in Significant Accounting Policy no. 1.23.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Asset out in the Schedule III to the Companies Act,2013, since normal operating cycle cannot be identified for the Company and hence it is assumed to have duration of twelve months.

FUNCTIONAL AND PRESENTATION CURRENCY

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs with two decimals.

1.2 PROPERTY, PLANT AND EQUIPMENT (PPE):

i. The company has initially recognised property, plant & Equipment at Cost. The cost of Property, Plant & Equipment includes directly attributable expenses incurred for the purpose of acquiring/constructing these assets, net of GST credit if any, on qualifying assets. The Company has chosen Cost Model for Property, Plant & Equipment accounting. Press Tools and such type of machinery items developed in house are capitalised at direct cost plus directly attributable overheads. Capital Work in progress comprises of the cost of Property, Plant & Equipment that are not ready for their intended use at the reporting date.

ii. The ministry of corporate affairs has made the component accounting approach for fixed assets mandatory from 1st April, 2015 vide notification dated 29th August, 2014. As per the external technical expert's opinion, the company's fixed assets are of such nature that separate components are not distinctly identifiable having different useful life and therefore, component level accounting and reporting is not practically feasible for the company.

iii. **Depreciation**
Depreciation is provided on straight line method (SLM) and is based on useful lives of the assets as determined by external technical experts in accordance with requirement of Schedule II to the Companies Act, 2013. Depreciation on additions made during the year to Property, Plant & Equipment is charged on pro-rata basis. Freehold land is not depreciated. The carrying value of long term leasehold land is amortized over a period of lease.

iv. The company estimates the useful lives of Property, Plant & Equipment as follows:

Asset Classification	Useful Life
Buildings (Including Temporary Shed)	3-30 Years
Plant & Machinery	1-15 Years
Furniture & Fixtures	1-10 Years
Equipments	2-5 Years
Electric Fittings	10 Years
Vehicle	4-8 Years
Pollution Equipments	2-8 Years
Computers	1-3 Years

The company believes that useful lives as given above best represent the useful lives of these assets based on technical advice and are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The useful lives of these assets are periodically reviewed.

v. **De-recognition**
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as

the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

1.3 INTANGIBLE ASSETS

i. Intangible Assets are stated at their cost of acquisition, net of GST creditif any, less accumulated amortization and impairment loss, if any. Expenditure, identifiable and reliably measurable, incurred on product development yielding future economic benefits is capitalized as Intangible Asset as per Ind AS-38 "Intangible Assets".The expenses incurred on product till such time its production commences are shown under the head "Asses Under Development" in the Property Plant and Equipment.

ii. Amortization

Intangible Assets are amortized as follows:

a) Product development: Product Development expenses incurred on the new product developed and whose commercial production started during the year are treated as Intangible Assets & are amortised over a period of ten years after commencement of commercial production of relevant product.

b) Computer Software (including License Fees) is amortized over a period of 3 years.

1.4 IMPAIRMENT OF ASSETS

At the end of each reporting period, the Company determines whether there is any indication that its assets have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.5 LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance lease is capitalized at the inception of the lease at lower of the fair value or present value of minimum lease payments and liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

All other leases that do not qualify as finance leases are classified as operating leases. Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

1.6 REVENUE RECOGNITION

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. It replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.
The Company has adopted Ind AS 115 using modified retrospective approach and cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the new standard on the financial statements of the Company is significant and is reported in notes to accounts.

(1) Sale of Goods:

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, and it is adjusted for volume discounts, cash discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, on the basis of which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for. Contract costs are expensed of as and when incurred.

Use of significant judgments and estimates in revenue recognition

- Contracts with customers could include promise to transfer multiple products and services to a customer. The company assesses a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- The company needs to decide transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, cash discounts, price concessions and incentives. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The company exercises judgment in determining whether the performance obligation is satisfied. The Company considers indicators such as how the customers consume the benefit or who controls the asset, transfer of significant risk and rewards to the customers, acceptance of delivery by the customer, specific bill and hold instructions from customers, etc.

(2) **Other Operating Revenue:**
Other operating revenue comprises of income from activities incidental to the operations of the company and is recognised when the right to receive the income is established and there exists no uncertainty of its ultimate realization or collection.

Rendering of Services:

Revenue from job work services is recognized when the services are performed as per the contract and when there is no uncertainty of its realization or collection.

(3) Insurance claims are accounted as and when admitted.

(4) Other Income is accounted on accrual basis except when the realization of such income is uncertain. Interest income on financial asset is recognized using the effective interest rate method. Dividend income is accounted when right to receive the same is established.

1.7 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classificationof Financial Assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

After initial recognition

i. Financial assets (other than Investments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Income on such debt instruments is recognised in profit or loss and is included in the "Other Income".

The Company has not designated any debt instruments as fair value through other comprehensive income.

I. Investments in equity/Preference instruments of subsidiaries:

The Company measures its investments in equity instruments of subsidiaries at cost in accordance with Ind AS 27. The company measures its investments in preference instruments of subsidiaries which in substance are equity instruments as per the terms of said instruments at cost in accordance with Ind AS 27.

II. Investment in Equity instruments of Related Entity:

The company has designated its investments in Equity Shares of one of its related entity at fair value through OCI. Such financial assets are measured at fair value at the end of each reporting period, with gains or losses arising on re-measurement recognised in OCI which are not subsequently reclassified to P & L and are reported in Other Equity.

III. Other Financial assets which are not carried at amortised cost or FVTOCI are measured at fair value through P & L.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Losses (ECLs) at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Expected Credit Losses/ impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected/reported under the head 'other expenses' in the statement of profit and loss.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs".

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured (if not designated as at Fair value though profit or loss) at the higher of:

- the amount of impairment loss allowance determined in accordance with requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

The financial guarantees extended by the company for its subsidiaries are disclosed as "Deemed Investment in equity of subsidiaries" under the head "Investments".

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.8 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency in respect of exports are recorded at exchange rates as notified by the concerned authorities at regular intervals. Transactions in foreign currency in respect of other items are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are restated at year end exchange rates. Non-monetary items (Investments) denominated in foreign currency are stated using the exchange rate on the date of transaction. Exchange differences arising on settlement of transactions and on restatement of monetary items are recognized as income or expense in the year in which they arise, except in respect of the foreign borrowing liabilities, if any for acquisition of fixed assets, where such exchange difference is adjusted in the carrying cost of fixed assets.

1.9 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expense in profit or loss in the period in which they are incurred.

1.10 INVENTORIES

Inventories are valued at lower of weighted average Cost (exclusive of Taxes & GST credits availed on inputs) and Net Realizable Value. Raw Material and Consumables are valued at weighted average Cost basis. Finished Goods and Work-in-Progress are valued at aggregate cost determined comprising Material Cost and Manufacturing Overheads. Scrap is valued at Net Realizable Value.

1.11 TAXES ON INCOME

A. Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

B. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

1.12 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The company is operating only in one segment viz. Auto Components.

1.13 RESEARCH AND DEVELOPMENT

a) Revenue expenses pertaining to research activities are charged to statement of profit and loss under the respective heads of expenses.

b) Expenditure incurred on fixed assets used for R & D is capitalized under the respective heads of PPE and Intangible Assets.

c) Expenditure incurred on development activities which do not qualify as Intangible Asset is charged to the statement of Profit and Loss.

1.14 CASH FLOW STATEMENT

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets".

A. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

B. Contingent Liabilities

The Contingent Liabilities are disclosed by way of a note to the Financial Statements, after careful evaluation by the management of the facts and legal aspects of the matter involved.

Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

C. Contingent Assets

A Contingent Asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset, if any is not recognised but disclosed where an inflow of economic benefit is probable.

1.16 BUSINESS COMBINATIONS

a) Business combinations, involving entities or businesses are accounted for using acquisition method.

b) There is no common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination.

1.17 SELLING/MARKETING EXPENSES

a) Warranty is extended when the products are sold. Provisions for expected cost of warranty obligations from sale of products are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

b) Commission, Discount and other expenses payable on sales are recognized on determination of amount payable in accordance with arrangement/contracts with the parties.

1.18 EMPLOYEE BENEFITS

A. Short Term Employee Benefits

Short Term Employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit & Loss of year in which the related services are rendered.

B. Defined Contribution Plans

Provident Fund & ESIC are defined contribution schemes established under a State Plan. The contributions to the schemes are charged to the Statement of Profit & Loss in the year of incurrence.

C. Defined Benefits Plans

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days' salary (last drawn salary) for each completed year of services as per the rules of the company. The aforesaid liability is provided for on the basis of an actuarial valuation made using Projected Unit Credit Method at the end of financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy. Remeasurement gains/losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income. These gains/losses which are recognised in Other Comprehensive Income are reflected in retained earnings and are not reclassified to profit or loss.

D. Compensated Absences

Employees are entitled to accumulate leave subject to certain limits for future encashment. The liability in respect of compensated absences is provided for on the basis of actuarial valuation made at the end of the financial year using Projected Unit Credit Method. The said liability is not funded.

1.19 DIVIDENDS

Provision is made for the amount of any final dividend declared in the accounts on the date of its approval by the shareholders and no longer at the discretion of the company. Interim dividends, if any are recorded as a liability on the date of declaration by the company's board of directors.

1.20 EARNINGS PER SHARE

The Earnings considered for ascertaining the Company's Earnings Per Share (EPS) comprises the Net Profit / Loss after Tax. The Number of Shares used in computing Basic EPS is the Weighted Average Number of Shares outstanding during the year. The number of shares used in computing diluted EPS comprises weighted average number of shares considered for deriving basis EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares. In case of dilutive potential equity shares, the difference between the number of shares issuable and number of shares that would have been issued at fair value are treated as diluted potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.21 SHARE-BASED PAYMENT ARRANGEMENTS

Equity-settled share-based payments to employees (employee stock option plan) are measured by reference to the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity at the end of the year. At the end of each year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account.

1.22 GOVERNMENT GRANTS

Government grants (including export incentives) are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

1.23 SUMMARY CRITICAL ESTIMATES & JUDGMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included below.

A. Deferred taxes

The company recognises that net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recover ability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income, which may have a scope of causing a material adjustment to the carrying amounts of assets and liabilities.

B. Inventories

The impairment of inventories is done on the basis of its aging, discontinuance of products/model, damage conditions of goods, obsolete, expected salability. The value is written down at its estimated realisable value less cost to sell.

C. Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, the Company treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome, the Company does not expect them to have a materially adverse impact on our financial position or profitability.

D. Provision for product Warranty

The Company's product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

E. Fair Value Measurements and Valuation Processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Company used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements. Fair Value of Financial Guarantees extended by the Company to secure credit facilities availed by the Company's subsidiaries from bank, has been determined based on estimated amount that would be payable to a third party for assuming the obligations.

Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. On transition, the Company will be using the practical expedient provided in the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Company is in the process of determining the impact of Ind AS 116, changes to systems and processes to meet the accounting and reporting requirements of this standard.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company is currently evaluating the effect of this amendment on the standalone financial statement

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to appendix, the company needs to determine the probability of the relevant tax authority accepting each tax treatment that the company has plan to use in their income tax filing which has to be considered to compute the most likely amount of tax treatment while determining taxable profit /(loss), tax bases, unused tax losses, unused tax credit and tax rates.

The company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any investment in associates or Joint venture.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement when, it obtains control / joint control of a business that is a joint operation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2019

Note - 2
Property, Plant and Equipment

Rs. in Lakhs

SR. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.4.2018	Additions for the year	Adjustment for the year	Cost as on 31.3.2019	Up to 01.4.2018	Additions for the year	Adjustment for the year	Up to 31.3.2019	As on 31.3.2019	As on 31.3.2018
A	**Property, Plant & Equipment**										
01	Free Hold Land	2,068.40	-	-	2,068.40	-	-	-	-	2,068.40	2,068.40
	Previous year	*2,068.40*	-	-	*2,068.40*	-	-	-	-	*2,068.40*	-
02	Lease Hold Land	360.89	-	-	360.89	7.80	3.90	-	11.70	349.19	353.09
	Previous year	*360.89*	-	-	*360.89*	*3.90*	*3.90*	-	*7.80*	*353.09*	-
03	Buildings	3,988.36	-	-	3,988.36	299.36	160.67	-	460.03	3,528.33	3,689.00
	Previous year	*3,696.91*	*291.44*	-	*3,988.36*	*146.22*	*153.14*	-	*299.36*	*3,689.00*	-
04	Plant & Machinery	7,777.04	252.07	-10.61	8,018.50	2,260.23	1,167.25	-10.61	3,416.86	4,601.64	5,516.81
	Previous year	*7,112.31*	*685.05*	*-20.32*	*7,777.04*	*1,093.63*	*1,166.63*	*-0.03*	*2,260.23*	*5,516.81*	-
05	Furniture & Fixtures	189.83	62.14	-	251.97	41.82	24.52	-	66.34	185.63	148.01
	Previous year	*187.76*	*2.07*	-	*189.83*	*19.21*	*22.61*	-	*41.82*	*148.01*	-
06	Office Equipments	103.52	7.56	-4.32	106.76	59.99	29.56	-3.91	85.64	21.12	43.53
	Previous year	*97.92*	*5.60*	-	*103.52*	*29.34*	*30.65*	-	*59.99*	*43.53*	-
07	Pollution Equipments	1.25	-	-	1.25	0.42	0.21	-	0.63	0.62	0.83
	Previous year	*1.25*	-	-	*1.25*	*0.21*	*0.21*	-	*0.42*	*0.83*	-
08	Computers	173.96	37.68	-	211.63	126.91	33.00	-	159.91	51.72	47.05
	Previous year	*158.47*	*15.48*	-	*173.96*	*84.20*	*42.71*	-	*126.91*	*47.05*	-
09	Electric Fittings	448.18	27.96	-	476.14	105.94	56.01	-	161.95	314.19	342.24
	Previous year	*442.41*	*5.76*	-	*448.18*	*52.28*	*53.66*	-	*105.94*	*342.24*	-
10	Vehicles	353.21	28.82	-22.13	359.91	81.44	51.99	-15.15	118.28	241.63	271.77
	Previous year	*298.95*	*67.97*	*-13.70*	*353.21*	*43.12*	*46.26*	*-7.94*	*81.44*	*271.77*	-
	Sub Total (Property, Plant & Equipment)	**15,464.64**	**416.23**	**-37.07**	**15,843.80**	**2,983.91**	**1,527.10**	**-29.68**	**4,481.33**	**11,362.47**	**12,480.73**
	Previous year	*14,425.28*	*1,073.37*	*-34.02*	*15,464.64*	*1,472.11*	*1,519.77*	*-7.97*	*2,983.91*	*12,480.73*	-

Rs. in Lakhs

SR. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.4.2018	Additions for the year	Adjustment for the year	Cost as on 31.3.2019	Up to 01.4.2018	Additions for the year	Adjustment for the year	Up to 31.3.2019	As on 31.3.2019	As on 31.3.2018
B	**Intangible Assets**										
01	Goodwill	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	-	-	
02	Product Development	2,421.97	866.81	-	3,288.78	486.43	372.18	-	858.61	2,430.17	1,935.54
	Previous year	*1,576.23*	*845.74*	-	*2,421.97*	*200.93*	*285.50*	-	*486.43*	*1,935.54*	
03	Technical Know how	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	-	-	
04	Computer Software	169.24	29.43	-	198.66	138.14	31.28	-	169.42	29.24	31.10
	Previous year	*165.28*	*3.96*	-	*169.24*	*77.22*	*60.92*	-	*138.14*	*31.10*	
05	Web Site Development	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	-	-	
	Sub Total (Intangible Assets)	**2,591.21**	**896.23**	**-**	**3,487.44**	**624.57**	**403.47**	**-**	**1,028.04**	**2,459.40**	**1,966.64**
	Previous year	***1,741.51***	***849.70***	**-**	***2,591.21***	***278.15***	***346.42***	**-**	***624.57***	***1,966.64***	
C	Intangible Asset Under Development	**1,489.57**	**742.80**	**-866.81**	**1,365.57**	**-**	**-**	**-**	**-**	**1,365.57**	**1,489.57**
	(Product Development)										
	Previous year	*1,712.55*	*622.76*	*-845.74*	*1,489.57*	-	-	-	-	*1,489.57*	
D	**Capital Work in Progress :**										
01	Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
	Previous year	*10.97*	-	*-10.97*	-	-	-	-	-	-	
	Grand Total (A + B + C + D)	**19,545.41**	**2,055.26**	**-903.87**	**20,696.80**	**3,608.48**	**1,930.57**	**-29.68**	**5,509.36**	**15,187.43**	**15,936.93**
	Previous Year :	***17,890.31***	***2,545.83***	***-890.73***	***19,545.41***	***1,750.26***	***1,866.19***	***-7.97***	***3,608.48***	***15,936.93***	-

Note :

(I) The estimated lives of Property, Plant & Equipments adopted are different from those prescribed under Schedule II of the act and have been determined based on certificate obtained from technical experts.

(II) Expenditure, identifiable and reliably measureable, incurred on Product Development yielding future economic benefits is capitalized as internally generated intangible asset and it is kept under asset under development (Product Development) till the start of Commercial Production of respective products. The carrying value is supported by valuation report of independent valuer.

(III) Intangible assets under development, inter alia includes qualifying expenses Including Depreciation of Rs.Nil lakhs (Previous Year Rs. 89.83 lakhs) incurred on product development activities carried out in in-house R & D Centre. (Refer Note no - 47)

(IV) Adjustment in "Intangible Asset Under Development" represents transfer to "Product Development" under the head Intangible Assets, of those items whose commercial production has commenced during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2019

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
3. Non-current investment		
i) Investment in Subsidiary Companies (At Deemed Cost) : 20,94,269 (20,94,269) Equity Shares of £ 1 each fully paid up of wholly owned ultimate foreign subsidiary - Setco Automotive UK Limited (UK)	1,691.84	1,691.84
1,28,778 (1,28,778) Equity shares of MUR 100 each fully paidup of wholly owned foreign subsidiary - WEW Holdings Limited (Mauritius)	190.81	190.81
9,20,90,000 (8,35,90,000) Equity share of Rs. 10/- each fully paid up of subsidiary - Lava Cast Private Limited	9,209.00	8,359.00
2,15,014 (2,15,014) 0% redeemable preference shares of MUR 100 each fully paid up of wholly owned foreign subsidiary - WEW Holdings Limited (Mauritius)*	316.79	316.79
100 (100) Equity shares of AED 1000 each fully paid up of wholly owned foreign subsidiary - Setco MEA DMCC (Dubai)	17.75	17.75
ii) Deemed Investment in Equity - Fair Value of Financial Guarantees extended to Subsidiaries		
Lava Cast Private Limited	1,069.62	1,062.98
iii) Investment in other related entities (At Fair Value Through Other Comprehensive Income) :		
30,70,000 (30,70,000) Equity Share @ Rs. 50/- each fully paid up of SE Transstadia Private Limited	1,535.00	1,535.00
Total	**14,030.80**	**13,174.17**
Non trade investment (unquoted) (at Deemed cost) :		
10 (10)Equity shares of Rs. 25/- each of Kalol Urban Co.op.Bank Limited (Rs. 250/-)	-	-
Total	**-**	**-**
Total (non-current investments)	**14,030.80**	**13,174.17**

Investments in other related entities, Subsidiaries/Joint Venture have been made in terms of investment limits approved by Board of Directors of the company from time to time.

The Company has entered into a joint venture agreement with Lingotes Especiales, Spain to establish a Foundry Project in Lava Cast Private Limited. The Company holds 87.24% Equity shares as on 31st March, 2019 in this joint venture and accordingly Lava Cast Private Limited has been reported as subsidiary company in financial statements.

As per Legal Experts' opinion obtained by the Company on its investment (along with Corporate Guarantee extended to the Bankers of investee company) in F.Y.2013-14, Lava Cast Private Limited qualifies to be treated as both, Subsidiary and Joint Venture for legal purposes and the Company's exposure in Lava Cast Private Limited is in compliance with the provisions of Sections 185 & 186 of the Companies Act, 2013 and relevant Rules prescribed there under.

For detailed investment strategies, Refer Note No. 45.

This investment in 0% Redeemable Preference Shares is, in substance investment in Equity instruments based on terms of the said instruments and hence treated accordingly at Deemed Cost.

Rs. in Lakhs

	Particulars		As at 31st March, 2019	As at 31st March, 2018
4.	**Loans Receivables**			
	Considered good, Unsecured			
	Loans to subsidiary companies			
	Setco Automotive (NA) Inc.		418.24	549.67
	Setco Automotive (UK) Ltd.		888.50	915.50
		Total	**1,306.74**	**1,465.17**
5.	**Others Financial Assets**			
	Considered good, Unsecured			
	Other deposits		147.66	146.53
		Total	**147.66**	**146.53**
6.	**Deferred Tax Assets (Net)**			
	Deferred tax liabilities:			
	Timing Differences related to Property,Plant & Equipment and Intanglibe Assets		5,147.98	2,991.42
	Deferred Tax Assets:			
	Timing differences related to Expenses		416.83	270.82
	MAT credit entitlement		2,380.24	2,148.75
	Deferred Tax Assets (Liability)		-1,247.22	-400.16
	Net Deferred Tax Assets		**1,133.03**	**1,748.59**
	Total provision made in Statement of Profit and Loss		**857.81**	**-7.96**
7.	**Other non-current assets**			
	Considered good, Unsecured			
	Capital advances		84.85	134.45
		Total	**84.85**	**134.45**
8.	**Inventories**			
	Raw materials [Including Goods in transit Rs. 114.21 lakhs (Rs. 76.14 lakhs)]		6,648.99	5,361.69
	Work-in-progress		2,558.67	1,873.52
	Finished goods [Including Sales in transit Rs. 644.93 lakhs (Rs. 121.98 lakhs)] (Refer Note No. 35)		2,222.25	1,293.17
	Stores and Packing Materials		814.70	959.04
	Scrap		4.39	4.97
		Total	**12,249.01**	**9,492.39**
9.	**Trade Receivables (Unsecured)**			
	Considered good		12,621.80	14,268.51
	Less : Allowance for doubtful trade receivables		138.23	136.54
		Total	**12,483.57**	**14,131.97**

Rs. in Lakhs

Particulars		As at 31st March, 2019	As at 31st March, 2018
10. Cash and Cash Equivalents			
Cash balance		54.78	6.18
Bank balances		212.11	142.76
Fixed Deposit Account (Lien-marked on Margin Account)		0.39	3.03
Cheques on hand		426.49	28.54
	Total	**693.77**	**180.51**
11. Bank Balances Other Than Cash and Cash Equivalents Above			
Other bank balance			
Unclaimed dividends		106.03	92.38
	Total	**106.03**	**92.38**
12. Loans Receivables			
Considered good, Unsecured			
Loans to subsidiary companies			
Lava Cast Private Limited		2,302.48	-
Setco Automotive (UK) Ltd.		4,083.57	3,384.25
	Total	**6,386.06**	**3,384.25**
13. Other Current Assets			
Advances to related parties			
Considered good, Unsecured			
Transstadia Technologies Private Limited		-	0.22
Setco MEA Limited. UAE		6.31	5.96
SE Transstadia Private Limited		-	307.25
Pre-payments			
Prepaid expenses		212.00	205.74
Capital advances		557.82	22.03
Advances to suppliers		621.73	686.04
Other Loans And Advances			
Employees advances		7.07	15.99
Balance with Income Tax		118.03	-
GST/VAT refund receivables *		787.05	2,050.01
Statutory dues receivable - Income Tax		26.58	19.24
	Total	**2,336.58**	**3,312.48**

* In FY 2017-18, the Company had recognised Rs. 398 lakhs as income being refund of IGST/CGST share of State for the Uttarakhand unit pending notification of incentives by the State Government. The Company believed, the issuance of notification for GST benefits by the State Government was certain based on the notification already issued by the Central Government. In absence of any notification in the said matter till date and based on legal opinion, the company has filed writ petition claiming refund of said amount & has continued to show this as asset recoverable in accounts.

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
14. Equity		
(i) Authorised capital		
25,00,00,000 (25,00,00,000) Equity Shares of Rs. 2/- each	5,000.00	5,000.00
	5,000.00	**5,000.00**
Issued, subscribed and fully paid up share capital		
13,36,77,275 (13,35,96,675) Equity Shares of Rs. 2 each	2,673.55	2,671.93
	2,673.55	**2,671.93**

a. Pursuant to the approval of members in the Annual General Meeting held on 28th September, 2015 the equity shares of face value of Rs. 10/- each have been subdivided into equity shares of face value of Rs. 2/- each with effect from 17th December, 2015. As a result, the number of equity shares has increased from 2,67,19,335 to 13,35,96,675 shares. Accordingly the number of shares has been adjusted for all the periods presented.

b. The company has only one class of equity shares having a par value of Rs. 2 per share. Each shareholder of equity share is entitled to one vote per share.

c. The company declares and pays dividends in Indian rupees. The board of directors in their meeting held on 30th May, 2019 have proposed dividend of Rs. 1 per share for financial year ended 31st March, 2019. The proposed dividend is subject to the approval of the share holders at the ensuing Annual General Meeting. The total dividend appropriation would amount to approximately Rs. 1572.67 lakhs including corporate dividend tax of Rs. 274.78 lakhs.

d. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year

Rs. in Lakhs

Particulars	As on 31-03-2019		As on 31-03-2018	
	Number	(Rs. In Lakhs)	Number	(Rs. In Lakhs)
Equity shares				
As at the beginning of the year	133,596,675	2,671.93	133,596,675	2,671.93
Add : Shares issued on exercise of employee stock options	80,600	1.6	-	-
	133,677,275	**2,673.55**	**133,596,675**	**2,671.93**
Less : Changes, if any during the year	-	-	-	-
Outstanding at the end of the year	**133,677,275**	**2,673.55**	**133,596,675**	**2,671.93**

(iii) Details of shareholders holding more than 5% shares in the company

Rs. in Lakhs

Name of Shareholders	As on 31-03-2019		As on 31-03-2018	
	Number	% Holding	Number	% Holding
Equity shares of Rs. 2/- each fully paid				
Setco Engineering Private Limited *	64,063,845	47.92	66,113,845	49.49
Harishbhai K. Sheth	N.A.	N.A.	8,761,575	6.56
Udit H. Sheth	N.A.	N.A.	7,267,000	5.44

* Setco Engineering Private Limited ceased to be Holding Company w.e.f. 19th March, 2018

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
15. Other Equity		
(i) Capital Reserve (Opening & Closing Balance)		
a) On forfeiture of Shares	0.21	0.21
Total	**0.21**	**0.21**
(ii) Securities Premium		
As per Last Balance Sheet	188.20	188.20
Add : Received during the year on exercise of employee stock options	24.14	-
Total	**212.34**	**188.20**
(iii) Employee Stock Options outstanding		
As per Last Balance Sheet	53.17	35.42
Add : Amounts recorded on grants/modifications/cancellations during the year	-10.31	17.75
Total	**42.86**	**53.17**
(iv) General Reserve		
As per Last Balance Sheet	1,948.62	1,948.62
Total	**1,948.62**	**1,948.62**
(v) Retained Earnings		
As per Last Balance Sheet	19,789.03	17,944.72
Less : Ind AS Adjustment	-717.82	-
Add : Profit for the year	3,602.35	2,889.49
Less : Dividend	-1,069.42	-868.38
Less : Dividend Distribution Tax	-219.82	-176.78
Total	**21,384.32**	**19,789.05**
Total (i to v)	**23,588.35**	**21,979.25**
16. Borrowings		
Term loans		
From banks		
Secured	916.63	1,865.63
Unsecured	430.46	1,431.94
From others		
Secured	-	-
Unsecured	-	-
Total (A)	**1,347.10**	**3,297.57**
Other loans		
From banks		
Secured	-	616.30
Total (B)	**-**	**616.30**
Total (A+B)	**1,347.10**	**3,913.87**

The above amount includes		
Secured borrowings	916.63	2,481.93
Unsecured borrowings	430.46	1,431.94

- Indian rupee term loan from Bank of Baroda is repayable in 16 quarterly instalments each of Rs. 240.00 lakhs to be repaid by August, 2019. The loan is secured by first pari passu charge on company's fixed assets (excluding cars / vehicles) and the second charge on pari passu basis on stocks and book debts as collateral security.
- Indian rupee corporate loan from Bank of Baroda is repayable in 16 quarterly instalments each of Rs. 312.50 lakhs to be repaid by August, 2019. The loan is secured by first pari passu charge on company's fixed assets (excluding cars/vehicles) and the second charge on pari passu basis on stocks and book debts as collateral security and personal guarantee of Chairman and Managing Director and Mr. Udit Sheth, Non Executive Vice Chairman of the Company.
- Indian rupee term loan from IDBI Bank is repayable in 16 quarterly instalments each of Rs. 62.50 lakhs to be repaid by January, 2020. The loan is secured by first pari passu charge on company's fixed assets (excluding cars/vehicles) and the second charge on pari passu basis on stocks and book debts as collateral security and personal guarantee of Chairman and Managing Director and Mr. Udit Sheth, Non Executive Vice Chairman of the Company.
- Indian rupee term loan from Bank of Baroda is repayable in 16 quarterly instalments each of Rs. 141.00 lakhs to be repaid by December, 2021. The loan is secured by first pari passu charge on company's fixed assets (excluding cars/vehicles) and the second charge on pari passu basis on stocks and book debts as collateral security and personal guarantee of Chairman and Managing Director and Mr. Udit Sheth, Non Executive Vice Chairman of the Company.
- Indian rupee vehicle loan from Daimler Financials Services India Pvt. Ltd. is repaid by February,2019. The loan was secured by hypothecation of particular vehicle.
- Indian rupee vehicle loan from Axis Bank is repayable in 36 EMI each of Rs. 0.97 lakhs to be repaid by July, 2019. The loan is secured by hypothecation of particular vehicle.
- Indian rupee vehicle loan from ICICI Bank is repayable in 60 EMI each of Rs. 1.01 lakhs to be repaid by December, 2022. The loan is secured by hypothecation of particular vehicle.
- Indian rupee term loan from Yes Bank is against personal guarantee of Chairman and Managing Director and Mr. Udit Sheth, Non Executive Vice Chairman of the Company. The loan is repayable in 4 EMI each of Rs. 500.00 lakhs to be repaid by April, 2020.
- The amount appearing in the non current portion as on the respective reporting date are exclusive of loan classified under Current maturities of long term borrowing disclosed under Note no. 22.
- Mr. Udit Sheth has been redesignated from Non Executive Director to Non Executive Vice Chairman w.e.f. 17th April, 2018.

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
17. Other financial liabilities		
Financial Guarantee Contracts - LCPL	632.43	796.37
Finance lease obligation	3.22	3.51
Deposits	83.03	53.03
Total	**718.68**	**852.91**

Rs. in Lakhs

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	MLP	PV of MLP	MLP	PV of MLP
Payable within 1 years	0.41	0.69	0.41	0.72
Payable within between 1 to 5 years	2.05	1.13	2.05	1.23
Payable after 5 years	30.09	2.09	30.50	2.28
Total Minimum Lease payment	**32.54**	**3.91**	**32.95**	**4.23**

Rs. in Lakhs

Particulars		As at 31st March, 2019	As at 31st March, 2018
18. Other Non - Current liabilities			
Government Grants - Cash Subsidy		13.86	14.62
	Total	**13.86**	**14.62**
19. Provisions			
Provision for employee benefits			
Provision for gratuity (Refer Note No. 43(ii))		67.52	75.26
Provision for compensated absences (Refer Note No. 43(iii))		117.59	87.59
	Total	**185.12**	**162.85**
20. Borrowings (At amortized cost)			
Loans repayable on demand from banks			
Secured		17,418.72	15,340.03
Unsecured		-	-
	Total (A)	**17,418.72**	**15,340.03**
From other parties			
Secured		-	-
Unsecured		1,000.00	1,500.00
	Total (B)	**1,000.00**	**1,500.00**
	Total (A+B)	**18,418.72**	**16,840.03**

Working Capital Loans are secured by first charge by way of hypothecation of current assets including stocks, book debts etc. and second charge on entire fixed assets of the company on paripassu basis.

Unsecured loan is from Tata Capital Financial Services Limited.

21. Trade payables			
Dues of Micro, small and medium enterprises		871.33	764.00
Dues other than of Micro, small and medium enterprises		10,866.26	9,463.08
	Total	**11,737.58**	**10,227.08**

This information as required to be disclosed under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Information in terms of Section 22 of Micro, Small and Medium enterprises Development Act, 2006 are given below :		
Principal amount remaining unpaid to any supplier at the end of each accounting year	871.33	764.00
Interest accrued & remaining unpaid	3.83	0.96

Rs. in Lakhs

	Particulars		As at 31st March, 2019	As at 31st March, 2018
22.	**Other financial liabilities**			
	Current maturities of long term loans (Refer Note No. 16)		2,933.57	3,277.93
	Interest accrued and but not due on borrowings		54.68	61.57
	Unpaid/unclaimed dividend *		106.03	92.38
	Other Payable		82.43	57.18
	Creditors for capital expenditure		67.45	66.55
	Financial Guarantee Contracts - LCPL		172.48	172.48
	Financial Guarantee Contracts - SAUL		0.36	0.78
	Financial Guarantee Contracts - SANAI		20.06	19.53
	Finance lease obligation		0.69	0.72
		Total	**3,437.76**	**3,749.12**

There are no amounts due for payment to the Investor Education and Protection Fund u/s. 125 of Companies Act, 2013 at the year end.

23.	**Other current liabilities**			
	Payable towards statutory liabilities		2,643.63	1,883.51
	Payable to employees		475.68	309.04
	Government Grants - Cash Subsidy		1.26	1.43
		Total	**3,120.57**	**2,193.98**
24.	**Provisions**			
	Provision for gratuity (Refer Note No. 44(ii)		53.82	53.01
	Provision for compensated absences (Refer Note No. 44(iii)		74.49	5.72
	Provision For warranty *		247.49	188.93
		Total	**375.80**	**247.66**

Provision is made for estimated warranty claims at discounted amount in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled as per Warranty Policy. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

25.	**Current Tax Liabilities (net)**			
	Provision for taxation (net of advance tax paid) (Refer Note No. 49)		528.45	346.52
		Total	**528.45**	**346.52**
26.	**Revenue from operations**			
	i) Sales of products		78,883.99	65,487.84
	Less : Sales in transit		752.33	145.10
	Less : Sales taxes and VAT		-	501.59
		Total	**78,131.67**	**64,841.15**
	Less : Goods and Service Tax		16,791.90	13,068.05
		Total	**61,339.77**	**51,773.10**

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
27. Other Income		
Investment Income		
Interest Income - Subsidiary	830.22	561.22
Others		
Lease rent	32.52	0.24
Interest Income - Others	216.45	79.38
Profit on sale of Property, Plant and Equipment (Net)	6.00	-
Finance Income - Financial Guarantee	199.41	134.06
Finance Income - Deposits	-	1.55
Miscellaneous Income - Others	20.98	2.81
Foreign Exchange Fluctuation Gain (Net)	132.47	341.20
VAT refund	-	12.75
Sundry balances written back	2.37	11.88
Insurance Claim Received	-	0.42
Finance Income - Fair value gain on redemption of Investment in Preference Shares	-	723.20
Government Grants - Cash Subsidy amortization	1.26	1.43
Duty drawback	72.93	41.49
GST Subsidy Receivable (Refer Note No. 13)	-	947.52
Total	**1,514.61**	**2,859.15**
28. Cost of Material Consumed		
Opening stock	5,361.69	4,106.81
Add : Purchases (net)	39,938.56	32,781.17
Less : Closing Stock	6,648.99	5,361.69
Less : Sales of manufacturing scrap	798.34	603.21
Total	**37,852.92**	**30,923.08**
29. Changes in Inventories of Finished Goods and Work in Progress		
Opening inventories :		
Work-in-progress	1,873.52	1,147.15
Finished goods	1,171.19	1,817.48
Goods-in-transit	121.98	121.35
Scrap	4.97	21.31
	3,171.66	**3,107.29**
Closing inventories :		
Work-in-progress	2,558.67	1,873.52
Finished goods	2,222.25	1,171.19
Goods-in-transit	-	121.98
Scrap	4.39	4.97
	4,785.31	**3,171.66**
	(1,613.65)	**(64.37)**
Movement in excise duty on finished goods stock	-	(107.85)
(Increase) / decrease in inventories	**(1,613.65)**	**(172.22)**

Rs. in Lakhs

Particulars		As at 31st March, 2019	As at 31st March, 2018
30.	**Employee Benefit Expenses**		
	Salaries, wages and bonus *	5,238.44	4,403.95
	Contribution to employees welfare funds	250.42	234.37
	Staff welfare expenses	184.20	198.93
	Total	**5,673.07**	**4,837.25**

Including managerial remuneration of Rs. 615.00 Lakhs (Previous year Rs. 278.14 Lakhs) net of Rs. Nil (Previous year Rs. 96.00 Lakhs) charged to Related Entity.

31.	**Finance Cost**		
	Interest expense	3,030.82	2,794.60
	Other financial charges	367.58	330.83
	Finance expenses	0.04	-
	Total	**3,398.44**	**3,125.43**
32.	**Other Expenses**		
	Stores and Tools Consumed	990.31	908.68
	Carriage Inward	757.89	702.31
	Power and fuel	693.43	643.48
	Job work charge	922.53	735.15
	Repairs and maintenance to machineries	90.54	97.66
	Repairs to building	20.85	13.14
	Other repairs	22.47	33.74
	Computer expenses	255.47	247.82
	Factory expenses	59.80	28.28
	Rent	98.83	99.18
	Rates and taxes	2.05	27.35
	Insurance	91.25	103.15
	Conveyance	155.61	160.56
	Travelling expenses	331.57	405.28
	Legal and professional charges	794.35	559.22
	Statutory auditors' remuneration	37.50	37.50
	Printing and stationary	43.27	41.63
	Communication expenses	37.88	45.92
	Books, subscription and membership	49.24	11.66
	Directors' sitting fees	29.85	32.30
	Commission to non executive directors	57.18	31.93
	Office expenses	29.32	20.31
	Corporate social responsibility expenses	120.66	88.70
	Donation	34.73	35.84
	General expenses	192.60	208.31
	Sundry balance written off	0.31	129.79

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Foreign Exchange Fluctuation Loss (Net)	-	-
Marketing and sales promotion	604.43	879.78
Advertisement expenses	7.70	4.20
Discount, commission and other expenses on sales	1,981.95	1,955.40
Allowance for Doubtful Debts	1.70	136.54
Packing and forwarding expenses	1,791.62	1,695.82
Loss on Sale of Property ,Plant & Equipment (Net)	-	2.45
Total	**10,306.90**	**10,123.08**

33. MAT CREDIT

In view of substantial appellate relief granted to the company in tax proceedings relating to earlier years which has resulted in credit of MAT of Rs. 752.76 lakhs. The relief granted has stabilised the treatment of certain development expense as revenue expenses in tax assessments, though the same were treated as Capital Expense in the books of account. In view of the above, the company has recognised this MAT credit and its consequent impact on deferred tax asset/deferred tax liability, as applicable. During the year, company has adjusted/(recognised) MAT Credit of Rs. 544.28 lakhs for current financial year (Previous year Rs. 48.38 lakhs) and same is shown as adjustment from the current tax amount in the statement of profit and loss. The company has also recognised/(reversed) Net MAT credit of Rs. 23.01 lakhs (Rs. 41.98 lakhs) in respect of previous periods.

34. Earning per share

Particulars	2018-2019	2017-2018
Profit available to Equity Shareholders after tax (Rs. In Lakhs)	3,622.36	2,880.46
Weighted average number of equity shares of Rs. 2/- each		
Basic - No. of Shares	13,36,77,275	13,35,96,675
Diluted - No. of Shares	13,37,43,474	13,39,01,266
Earnings per share in Rs. :		
Basic in Rs.	2.71	2.16
Diluted in Rs.	2.71	2.15

35. SALES-IN-TRANSIT

Effective from 1st April, 2018, the Company has adopted IND AS - 115 “Revenue from Contracts with Customers” using the modified retrospective approach and cumulative effect due to application of IND AS - 115 has been adjusted to the opening balance of retained earnings resulting in reduction of Rs. 723 lakhs. It has also resulted in the revenue and profit before tax for the current year being higher by Rs. 2693 lakhs and Rs. 723 lakhs respectively and hence the same are not comparable to the previous year. The Products dispatched from the factory, which remained in transit in respect of which the control have not been transferred amounts to Rs. 752.33 lakhs (Rs. 145.09 lakhs). With a view to reflect true and correct position of revenue, the said amount is reduced from total sales of the year and the stock value there of Rs. 644.93 lakhs (Rs. 121.98 lakhs) is shown under the head “Finished Goods” in Note 8 under the head “Inventories”.

36. Related Party Disclosures as per Indian Accounting Standard - 24 "RELATED PARTY DISCLOSURES"

A. Names of Related Parties and Nature of Relationship :

Sr. No.	Name of the Related Party	Relationship
1	Setco Automotive (UK) Limited UK	Wholly Owned Ultimate Foreign Subsidiary Companies
2	Setco Automotive N.A. Inc. (USA)	
3	WEW Holdings Limited, Mauritius	
4	Setco MEA DMCC, UAE	
5	Lava Cast Private Limited	Subsidiary Company
6	**Key Managerial Personnel ***	
	Shri Harish Sheth	Chairman and Managing Director
	Shri Shvetal Vakil	Executive Director
	Smt. Urja Shah	Executive Director
	Shri Jatinder Gujaral	Chief Executive Officer
	Shri Vinay Shahane	Chief Financial Officer
	Shri Nishant Javlekar (Upto 15.09.2018)	Company Secretary
7	Setco Engineering Private Limited	Enterprises over which key managerial personnel are able to exercise significant influence
8	Western Engineering Works	
9	SE Transstadia Private Limited	
10	White River Entertainment Pvt. Ltd.	
11	Transstadia Technologies Private Limited	
12	Transstadia Play sport Private Limited	
13	Transstadia Sport Sciences Private Limited	
14	Transstadia Capital Private Limited	
15	Transstadia Boxing India Private Limited	
16	Transstadia Holdings Private Limited	
17	Setco Holdings Private Limited	
18	Transstadia hospitality Private Limited	
19	Urdit Exports	
20	Pahadi Goodness Private Limited	
21	Pahadi Local Capital Private Limited	
22	Setco Foundation	
23	Shri Harshal Shah	Relatives of Key Managerial Personnel
24	Shri Udit Sheth	
25	Hrehan Venture Advisors Pvt. Ltd.	
26	Wingspun Funds Advisors LLP	

* The Company has designated Managing Director, Chief Financial Officer, Company Secretary and Chief Executive Officer as key managerial personnel for the purposes of Section 203 of Companies Act, 2013.

B. Transactions with Related Parties : **(Rs. In Lakhs)**

Sr. No.	Nature of transaction	2018-2019	2017-2018
A)	**Transactions with wholly owned ultimate foreign subsidiaries :**		
	Export		
	- Setco Automotive (UK) Limited	618.46	945.23
	- Setco Automotive (NA), Inc.	231.23	371.66
	- Setco MEA DMCC	394.42	131.85
	Import		
	- Setco Automotive (UK) Limited	0.29	-
	Expenditure including capital items (Net)		
	- Setco Automotive (UK) Limited	508.94	323.78
	- Setco Automotive (NA), Inc.	(4.55)	(5.38)
	- WEW Holding Limited	-	-
	- Setco MEA DMCC	9.18	(6.33)
	Interest income		
	- Setco Automotive (UK) Limited	674.06	501.20
	- Setco Automotive (NA), Inc.	70.07	60.02
	Finance Income		
	- Setco Automotive (UK) Limited	7.52	15.82
	- Setco Automotive (NA), Inc.	21.31	18.99
	Investment		
	- Setco MEA DMCC	-	17.75
	Outstanding at year end :		
	Investment		
	- Setco Automotive (UK) Limited	1,691.84	1,691.84
	- WEW Holding Limited	507.60	507.60
	- Setco MEA DMCC	17.75	17.75
	Financial Gurantees Liabilites		
	- Setco Automotive (UK) Limited	0.36	0.78
	- Setco Automotive (NA), INC.	20.06	19.53
	Loans and advances		
	- Setco Automotive (UK) Limited	4,972.07	4,299.75
	- Setco Automotive (NA), INC.	418.24	549.67
	- Setco MEA DMCC	-	-
	Amount receivable		
	- Setco Automotive (UK) Limited	2,135.13	2,294.49
	- Setco Automotive (NA), INC.	513.46	374.24
	- Setco MEA DMCC	478.45	133.96
	Amount Payable		
	- Setco Automotive (UK) Limited	798.06	339.56
	- Setco Automotive (NA), INC.	4.29	-
	- Setco MEA DMCC	26.93	17.75

B)	**Transactions with Indian subsidiary : Lava Cast Private Limited**		
	Investment	850.00	3,043.50
	Investment in preference shares during the year	-	2,225.00
	Redemption of preference shares during the year	-	2,225.00
	Sale - Scrap	889.82	550.92
	Sale - Others	1.15	-
	Purchase (gross)	13,347.83	9,255.96
	Jobwork charges	2.73	1.97
	Expenditure recovered	1.80	1.76
	Loans given	2,225.00	-
	Interest on Loans	86.09	-
	Finance Income	170.59	92.14
	Outstanding at year end :		
	Investment	9,209.00	8,359.00
	Loans and advances	2,302.48	-
	Financial Gurantees Liabilites	804.91	968.86
	Deemed Equity Investment	1,069.62	1,062.98
	Amount receivable	191.84	88.38
	Amount payable	2,827.15	1,362.59
C)	**Transactions with enterprises over which key managerial personnel are able to exercise significant influence :**		
	Redemption of investment		
	- Setco Engineering Private Limited	-	2,741.80
	Expenditure recoverable		
	- SE Transstadia Private Limited	110.65	230.58
	Loan taken during the year		
	- Setco Engineering Private Limited	-	500.00
	Loan repaid during the year		
	- Setco Engineering Private Limited	-	500.00
	Interest paid on loan		
	- Setco Engineering Private Limited	-	3.17
	Finance Income on redemption of investments		
	- Setco Engineering Private Limited	-	723.20
	Marketing Expenses		
	- SE Transstadia Private Limited	52.75	29.26
	- Pahadi Goodness Pvt. Ltd.	6.53	5.09
	Marketing commission paid		
	- Setco Engineering Private Limited	1,196.79	893.86
	- Western Engineering Works	-	145.33
	Purchase (gross)		
	-Transstadia Technologies P. Ltd.	-	11.02

Dividend paid		
- Transstadia Capital Private Limited	16.50	10.73
- Setco Engineering Private Limited	468.91	440.14
Setco Foundation (CSR Activity)	**117.78**	**87.50**
Outstanding at year end :		
Investment		
SE Transstadia Private Limited	1,535.00	1,535.00
Amount receivable		
- SE Transstadia Private Limited	-	307.25
- Transstadia Technologies P. Ltd.	-	0.22
Amount payable		
- Setco Engineering Private Limited	144.45	158.54
- SE Transstadia Private Limited	0.23	-
- Pahadi Goodness Pvt. Ltd.	1.41	0.57
- Western Engineering Works	24.72	34.09

D) Transactions with key managerial personnel and their relatives :

Managerial remuneration (directors)		
(Including provident fund and excluding commission to non-executive directors)		
- Shri Harish Sheth*	413.85	137.10
- Shri Shvetal Vakil	154.83	109.95
- Shri Udit Sheth	-	93.93
- Smt. Urja Shah	46.32	33.16
Dividend paid		
- Shri Harish Sheth	57.78	46.95
- Shri Udit Sheth	31.74	47.24
- Smt. Urja Shah (Rs. 580/-)	0.01	0.00
- Smt. Sneha Sheth	8.26	6.71
- Shri Shvetal Vakil	2.20	1.68
- Shri Vinay Shahane	0.20	0.12
- Shri Jatinder Gujaral	0.06	-
Loan taken		
- Shri Harish Sheth	-	400.00
Loan repaid		
- Shri Harish Sheth	-	400.00
Interest on Loan		
- Shri Harish Sheth	-	17.94
Remuneration of other Key Managerial Personnel	**183.18**	**125.96**
Others		
Relative of key managerial personnel		
- Hrehan Venture Advisors Pvt. Ltd.	-	81.67
- Wingspun Funds Advisors LLP	-	5.00

Outstanding at year end :		
Amount payable		
- Shri Harish Sheth	145.05	-
- Shri Shvetal Vakil	18.75	-
- Wingspun Funds Advisors LLP	5.40	5.40

The members of the company in Annual General Meetings held on 9th September, 2014 & 27th September, 2017 passed Special Resolutions for appointment of Mr. Harish Sheth as Chairman & Managing Director for a period of three years w.e.f 01.01.2015 & 01.01.2018 respectively. The minimum remuneration approved by the members in the said meetings is Rs. 120.00 lakhs (Rupees One Crore Twenty Lakhs) per annum. In pursuance of said special resolutions passed by the members and in view of inadequacy of profits in F.Y. 2017-18, the Chairman & Managing Director has been paid remuneration within the limits laid down under Part-II of Schedule V of the Companies Act, 2013.

37. Loans and advances in the nature of loans given to subsidiaries in terms of schedule V of SEBI (LODR) Regulations 2015.

Rs. in Lakhs

Sr.	Name of the company	As at 31-3-2019	As at 31-03-2018	Maximum Balance during 2018-2019	Maximum Balance during 2017-2018
	Wholly owned ultimate foreign subsidiary				
1	Setco Automotive (UK) Limited, UK	4,972.07	4,299.75	4,972.07	4,299.75
2	Setco Automotive (NA) Inc., USA	418.24	549.67	549.67	549.67

38. Disclosure under section 186 (4) of the Companies Act , 2013

Details of Investments made, loans and corporate guarantee given in respect of subsidiaries are presented at Note no. 3, 4, 12, 13, 17, 22, 36 and 37. Loans and corporate guarantees given are for Business purpose of Subsidiaries.

39. Segment information

The Company is operating only in one business segment viz. Auto Components.

40. Payment to Auditors

Particulars	As at 31st March, 2019	As at 31st March, 2018
As Auditors		
Statutory Audit Fees	37.50	37.50
Total	**37.50**	**37.50**

41. Contingent Liabilities and Commitments

A. Contingent Liabilities :

i) Guarantees given by the bank on behalf of the Company Rs.50.39 lakhs (Rs. 51.69 lakhs).

ii) Guarantee given for maximum £ 0.80 million (£ 0.80 million) to Bibby Financial Services, U.K. for wholly owned ultimate foreign subsidiary's credit facilities Rs. 723.44 lakhs (Rs. 742.00 lakhs). The carrying amounts of related financial guarantee contracts recognised in books of account are Rs. 0.36 lakhs as at 31.03.2019 (Rs. 0.78 lakhs).

iii) Guarantee given for maximum $ 3.20 million ($ 3.20 million) to Bank of Baroda, New York, USA for wholly owned ultimate foreign subsidiary's credit facilities Rs. 2,220.48 lakhs (Rs. 2,089.60 lakhs). The carrying amounts of related financial guarantee contracts recognised in books of account are Rs. 20.06 lakhs as at 31.03.2019 (Rs. 19.53 lakhs).

iv) Guarantee given for maximum Rs. 18,326.00 lakhs (Rs. 18,326.00 lakhs) to Bank of Baroda, Mumbai, India, for subsidiary's credit facilities. The carrying amounts of related financial guarantee contracts are recognised in books of account are Rs. 820.22 lakhs as at 31.03.2019 (Rs. 968.86 lakhs).

B. Note on Pending Litigation :

i) The Pollution control department had filed a civil /criminal case against the company and all the Directors in 1993. The civil matter was disposed in favour of the company.

In criminal matter against the company and the directors, Hon. High Court had quashed the case against all the nominee directors. The case will now proceed against the company and the managing director in local court.

ii) The Company had filed a case against a competitor for cancellation of registration of design granted by Controller of Patents and Designs in Kolkata High Court. In view of the settlement of differences under a consent terms, the said case became infructuous and the process of withdrawal of the case is under process.

iii) The Company has preferred an appeal against an order issued by CIT (A)-4 Vadodara confirming penalty of Rs. 12.01 lakhs for A.Y. 2004-05 with ITAT (Tribunal). The company is confident of receiving adjudication in its favour.

iv) The company has received order from A.O. Panchmahals, Godhra range for demand of Rs. 590.13 lakhs by way of adjustment of addition in book profit for calculation of tax under MAT which resulted into the above demand for Assessment Year 2011-2012. The company has preferred an appeal with CIT(A) - 4 Vadodara against such order. The company is confident of receiving adjudication in its favour.

v) The company has received intimation u/s 143(1) of Income Tax Act,1961 from CPC, Bengluru for A.Y. 2015-16 & 2016-17 wherein demand of Rs. 394.48 & Rs. 486.02 lakhs repectively have been raised mainly on account of non allowance of deduction u/s 80-IC. The company believes this is a mistake apparent from records and has filed rectification petition u/s 154 of Income Tax Act, 1961. The company is confident that the demand would be dropped in due course of time.

vi) The company has received intimation u/s 143(1) of Income Tax Act,1961 from CPC, Bengluru for A.Y. 2017-18 wherein demand of Rs. 6.07 lakhs has been raised on account of disallowance of Emplyee Benfit expenses u/s 36 & 43B. The company believes this is a mistake apparent from records and has filed rectification petition u/s 154 of Income Tax Act, 1961. The company is confident that the demand would be dropped in due course of time.

The company's management reasonably expects that these cases when ultimately concluded/adjudicated will not have any material or adverse effect on the company's results or the operations or financial condition.

C. Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 842.88 lakhs (Rs. 232.30 lakhs).

42. Trade payable and receivables

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

43. Employee Benefits

Disclosure pursuant to Ind AS – 19 "Employee Benefits"

i) Defined Contribution Plans

An amount of Rs 250.42 lakhs (Rs. 234.37 lakhs) (Provident Fund & ESIC) is recognized as an expense and included in Note 30 under the head "Employee Benefits".

ii) Gratuity - Long Term Defined Benefit Plan

In accordance with the Payment of Gratuity Act of 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company.

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) F unded tatus of the Plan		
Present value of funded obligations	630.61	561.15
Fair value of plan assets	(509.27)	(432.89)
Net Liability (Asset)	**121.35**	**128.27**
b) Profit and loss account for the year		
Service Cost :-		
Current service cost	53.44	49.07
Past service cost and loss/(gain) on curtailment and settlement	-	54.90
Net interest cost	7.82	4.06
Total included in 'Employee Benefit Expense'	**61.26**	**108.03**
Expenses deducted from the fund	-	-
Total charged to profit and loss account	**61.26**	**108.03**

Past Service cost is on account of increase in Gratuity ceiling from Rs. 10.00 lakhs to Rs. 20.00 lakhs.

Particulars	As at 31st March, 2019	As at 31st March, 2018
c) Other comprehensive income for the year		
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	2.56	(13.80)
Due to change in demographic assumption	-	-
Due to experience adjustments	(0.19)	0.18
Return on plan assets excluding amounts included in interest income	4.45	4.81
Amounts recognised in other comprehensive income	**6.82**	**(8.82)**
d) Reconciliation of net defined benefit obligation		
Net opening provision in books of accounts	561.15	461.24
Current service cost	53.44	49.07
Interest Cost	40.60	32.56
Actuarial(Gain)/Loss on obligation	2.37	(13.62)
Past service cost	-	54.90
Benefits paid	(26.96)	(22.99)
Closing provision in books of accounts	**630.61**	**561.15**
(e) Reconciliation of planned assets		
Opening value of plan assets	432.89	381.78
Expenses deducted from the fund	-	-
Interest Income	32.78	28.50
Return on plan assets excluding amounts included in interest income	(4.45)	(4.81)
Contributions by employer	75.00	50.41
Benefits paid	(26.96)	(22.99)
Closing value of plan assets	**509.27**	**432.89**

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(f) Principle actuarial assumptions		
Discount Rate	7.65%	7.70%
Salary Growth Rate	6.00%	6.00%
Withdrawal Rates	5% p.a. at younger ages reducing to 1% p.a. at older ages	5% p.a. at younger ages reducing to 1% p.a. at older ages
(g) Sensitivity to key assumptions		
Discount rate Sensitivity		
Increase by 0.5%	605.81	539.43
(% change)	-10.63%	-10.91%
Decrease by 0.5%	657.31	584.50
(% change)	11.71%	12.02%
Salary growth rate Sensitivity		
Increase by 0.5%	655.35	582.84
(% change)	11.07%	11.40%
Decrease by 0.5%	606.60	540.73
(% change)	-10.48%	-10.63%
Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	632.49	562.82
(% change)	0.91%	0.94%
W.R. x 90%	628.67	559.42
(% change)	-0.98%	-1.00%

Description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate any thing about the likelihood of change in any parameter and the extent of the change if any.

Particulars	As at 31st March, 2019	As at 31st March, 2018
(h) Bifurcation of liability as per Schedule III		
Current Liability*	53.82	53.01
Non-Current Liability	67.52	75.26
Net Liability	**121.35**	**128.27**

* The current liability is calculated as expected reduction in contributions for the next 12 months.

(i) Risk Analysis

Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons :

Adverse Salary Growth Experience : Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates : If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates : If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company, there can be strain on the cash flows.

Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(iii) Compensated Absences

The charge for the current year on Statement of Profit & Loss on account of compensated absences is Rs. 99.18 lakhs (Rs. 25.19 lakhs). The said liability is provided based on actuarial valuation. The said liability is not funded.

44. Share-based Payments : (Employee Stock Option Plan - ESOP 2015)

(a) Pursuant to approval of shareholders at their meeting held on May 30, 2016, the Company has established an 'Employee Stock Option Scheme 2015' ('ESOP 2015' or 'the Scheme') to be administered by the Nomination & Remuneration Committee of the Board of Directors.

(b) Under the Scheme, options not exceeding 610,000 have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted under the Scheme would vest not less than one year before and not more than four years after the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of one year from the date of vesting.

(c) The exercise price of the option is Rs. 16.00 per Option which is at discount of Rs. 15.95 from the closing market price of the shares on the Stock Exchange as on the date prior to the date of the Nomination & Remuneration Committee resolution approving the grant.

(d) Pursuant to the above mentioned scheme, the Company has, during the year, granted 2,84,800 (Previous year 4,35,000) options vesting over a period of three years commencing from the date of grant.

(e) The following are the number of options outstanding during the year:

(Rs. In Lakhs)

Stock options	As at 31st March, 2019	As at 31st March, 2018
At the beginning of the year	4,35,000	5,38,000
Exercised	80,600	-
Cancelled	69,600	1,03,000
At the end of the year	2,84,800	4,35,000

(f) The above outstanding options comprise of only one class granted to eligible employees in category of senior management.

(g) The company follows the fair value method of accounting for the options

(Rs. In Lakhs)

Balance sheet presentation	As at 31st March, 2019	As at 31st March, 2018
Total Stock Options Cost	44.44	69.38
Less: Deferred employee compensation	1.57	16.21
Stock Options Outstanding	42.86	53.17

(h) Notes / Assumptions :

Valuation method for share options granted to employees, in many cases market prices are not available, because the options granted are subject to terms and conditions that do not apply to traded options. If traded options with similar terms and conditions do not exist, the fair value of the options granted shall be estimated by applying a Black Scholes option pricing model. The inputs to the model are :

- Underlying price of the shares as on the date of grant
- Exercise price of the options
- Expected life of the options
- Expected volatility of the options
- Expected dividend yield of the option
- Risk free rate of interest

Valuation basis

Underlying price of the shares as on the date of grant

Since the shares of the company are listed on BSE, the closing price one day prior to the grant date 30th May, 2016 which is INR 31.95 has been considered.

Exercise price of the options

The exercise price is Rs. 16.00 per option.

Expected life of the options

The expected life of the option is assumed to be half way into the exercise period from the vesting date as all the options are likely to be exercised.

Vesting date	Expected life of options
30-05-2019	1.5

Expected volatility of the options

The expected life of the option is assumed to be half way into the exercise period from the vesting date as all the options are likely to be exercised.

Expected dividend yield of the option

The dividend yield has been taken from the BSE data and the average dividend yield has been worked out by giving higher weights to the recent years.

Year	Dividend (Absolute in INR)	Dividend yield per annum
31-05-2017	0.65	1.70%
30-05-2016	0.80	2.60%
26-05-2015	0.30	0.60%
11-11-2014	0.30	0.70%
30-05-2014	0.53	2.50%
29-05-2013	0.53	2.50%
06-07-2012	0.80	1.80%
		1.78%

Risk free rate of interest

The risk free discount rate assumed is equivalent to the average term of the option. The interest rate on the government bonds with equivalent term is approximately 7.1% per annum. Hence, we have used the same for our calculation.

Attrition rate

Since the underlying price of the option is significantly higher than the exercise price, it is assumed that all the options will be exercised as on the respective vesting dates. Attrition rate per annum is assumed to be 10% p.a.

Mortality rate

Since the term of the option is less than 3 year, mortality rates are not considered in the valuation.

Valuation results

The fair value of the each option as on the valuation date is dependent on the expected life of the options and is as given below:

Vesting date	Fair value per option
30-05-2018	16.48
30-05-2019	16.69

The total cost of the options granted, if all the outstanding shares are vested and exercised is Rs. 47.31 lakhs. However, it is expected that all the options will not be vested. Hence, total cost of options based on an attrition rate of 10% per annum works out to Rs. 46.80 lakhs.

45. Investment Strategies :

i) Over a period, considering the Company's growth prospects and overall economic scenario from time to time, necessitating building strength to withstand the challenges, the Company initiated/followed strategies to integrate, expand the base and diversify. In the process, the Company not only invested in Capex, but also ventured into inorganic developments by investments made into subsidiaries/joint ventures and related entities. These investments may not directly give returns in short term on year to year basis but will contribute to the Company, long term enduring benefits which will be reflected in growth in top and bottom line of the company.

1) Rs. 507.60 lakhs (Rs. 507.60 lakhs) Invested in Equity and Preference shares of WEW Holdings Limited (Mauritius), a Wholly Owned Foreign subsidiary to oversee global investments.
2) Rs. 1,691.84 lakhs (Rs.1,691.84 lakhs) Invested in Equity shares of Setco Automotive (UK) Limited, a Wholly Owned Ultimate Foreign Subsidiary, a Technical know How and development Hub of the group for domestic and international markets.
3) Rs. 9,209.00 lakhs (Rs. 8,359.00 lakhs) Invested in Equity shares of Lava Cast Private Limited, a Subsidiary

established as a backward integration project to augment the supply of critical casting components. The Company has entered in to joint venture agreement with Lingotes Especiales S.A. Spain.

4) Rs.1,535.00 lakhs (Rs. 1,535.00 lakhs) Invested in Equity shares of SE Transstadia Private Limited, a Unique and State of the Art Sports Infrastructure Project with the latest modern Technology, a first of its kind project in India.

5) The company has formed a 100% subsidiary in UAE in the name of Setco MEA DMCC. The said subsidiary's equity capitalisation has not been done as at 31.03.2019.

ii) The Company has invested Rs. 2,217.19 lakhs (Rs.2,199.44 lakhs) in Equity & Preference shares of wholly owned ultimate foreign subsidiaries and also has outstanding receivables in form of loans & advances and debts (net) aggregating Rs. 7,236.56 lakhs (Rs. 7,178.59 lakhs) from them as at 31.03.2019. Apart from company's direct investments into these wholly owned ultimate foreign subsidiaries referred to above, the company's ultimate wholly owned subsidiary, Setco Automotive (UK) Limited has an exclusive investment of Rs. 1,483.11 lakhs into equity shares of its step down wholly owned subsidiary, Setco Automotive (N.A.) Inc. These wholly owned ultimate foreign subsidiaries incurred consolidated accumulated losses of Rs. 3,747.23 lakhs (Rs. 2,884.60 lakhs) as at 31.03.2019 resulting into erosion of fair portion of their consolidated net worth. The management is of the opinion that this is a temporary phase considering business plans, future projected profitable operations, asset base, the investment being strategic in nature, going concern basis and solvency of subsidiaries supported by the Parent company (i.e. Setco Automotive Limited) , no provision is required to be made for diminution in value of these investments made in, loans & advances & debts due from the said subsidiaries and they are considered good. The carrying value of company's investment in equity & preference shares is also supported by valuation report of Independent valuer.

iii) The company has in earlier years invested Rs. 1,535.00 lakhs in 30,70,000 equity shares of SE Transtadia Pvt Ltd., a sports and entertainment Infrastructure company. The said company has completed the project and has commenced commercial operations in March 2017. The company has accumulated loss of Rs. 11,180.08 lakhs (Rs. 1,768.86 lakhs) as per latest audited Financial Statements as at 31.03.2018. In the opinion of the management, this investment is strategic in nature which has long term perspective and has comparatively long gestation period. This situation being a temporary phase and considering future business plans, assets base and other developments, despite accumulated losses, the management firmly believes that there is no erosion in value of its investment in said related entity. The carrying value of investment in equity shares of said related entity is also supported by valuation report obtained from independent valuer.

iv) The company has invested Rs. 9,209.00 lakhs (Rs. 8,359 lakhs) in 9,20,90,000 (8,35,90,000) equity shares of Rs. 10/- each in its partly owned subsidiary Lava cast Pvt Ltd. The company's third year of commercial production ended on 31st March,2019 resulting in accumulated loss of Rs. 7,487.97 lakhs (Rs. 4,659,36 lakhs). The management is of the opinion that this being a temporary phase and company is in the initial years of operations and considering the future business plans, assets base etc., no provision is required to be made for diminution in the value of this investment made in the said subsidiary. The carrying value of company's investment in equity shares of said related entity is also supported by valuation report obtained from independent valuer.

46. Corporate Social Responsibility Expenditure

a) Gross amount required to be spent by the Company during the year : Rs. 68.85 lakhs (Rs. 63.53 lakhs).

b) Amount spent during the year on :

(Rs. In Lakhs)

Particulars	In Cash	Yet to be paid in Cash	Total
(i) Construction / acquisition of any Assets	-	-	-
(ii) On purposes other than (i) above *	120.66	-	120.66

Includes Contribution to a trust controlled by the Company (Setco Foundation) in relation to CSR Expenditure : Rs. 117.78 lakhs (Rs. 87.50 lakhs)

47. Research and Development

The company has a set up of recognized Research & Development Centre (R & D Centre) at its Kalol plant. During the current financial year, the R & D Centre has conducted activities mainly related to the product development, particularly development of new products for domestic & international markets. Till previous financial year, such expenses were capitalized as Intangible Asset and was included under the head "Intangible Asser under Development in Note no. 2 -

"Property, Plant & Equipment" and the same shall be amortised as per amortization policy consistently followed by the company. From current financial year, the company has treated R & D expenditure as Revenue expenditure. Based on the Accounting Expert's opinion obtained by the company in preceding previous year, the accounting treatment referred to above is within the purview of Indian Accounting Standard - 38 "Intangible Assets".

The details of expenditure incurred during financial year 2018-2019 are as under :

(Rs. In Lakhs)

Particulars	Approved (DSIR) R&D Expenditure	Other R & D Expenditure	Total
Capital Expenditure	6.23	-	6.23
Intangible assets under development Including Depreciation of Rs. Nil (Rs. 89.83 lakhs)	-	-	-
Revenue Expenditure - Research Expenses	151.64	89.24	240.88
Total R&D Expenditure incurred in 2018-2019	**157.87**	**89.24**	**247.11**
Total R&D Expenditure incurred in 2017-2018	**47.23**	**290.70**	**337.93**

48. (i) Tax Expenses :

(Rs. In Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
(a) Tax expense :		
Current tax		
Current tax on profits for the year	1,607.73	678.13
Adjustments for current tax of prior periods	-781.75	41.99
Total current tax expense	**825.98**	**720.12**
Deferred tax		
Decrease/(increase) in deferred tax assets		
(Decrease)/increase in deferred tax liabilities	857.81	(7.96)
Total deferred tax expense/(benefit	**857.81**	**(7.96)**
Tax Expenses	**1,683.79**	**712.16**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :

Profit before tax	5,306.15	3,592.62
Tax at the Indian tax rate of 21.549% (previous year - 21.342%)		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
– Disallowance of expenditure	19.99	202.67
– Others IND-AS adjustment on Profit	(391.06)	(391.06)
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income:		
Revised Accounting Profit	**4,935.07**	**3,404.23**
Tax Expenses on 21.549% (Previous year 21.342%)	**1,063.45**	**726.51**
Current Tax as per Profit & Loss Account	**1,063.45**	**726.51**

(Rs. In Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(ii) Movement in Deferred Tax :		
Deferred Tax Liabilities :		
Timing Differences related to Property,Plant & Equipment and Intanglibe Assets	5,147.98	2,991.42
Investment measured at Fair Value	39.63	52.84
Other Expenses	5.99	7.99
Actuarial Gain / Loss - (Gratuity / Leave Benefits)	4.42	5.90
Borrowings at Amortised Cost	62.11	82.82
Remeasurement of stock options at fair value	0.92	1.22
Timing Differences	5,261.05	3,142.19
Rate of Tax	34.94%	34.61%
Deferred Tax Liabilities	**1,838.04**	**1,087.45**
Deferred Tax Assets :		
Timing Differences related to Expenses	416.83	270.82
Investment measured at Fair Value	473.55	631.41
Other Expenses	720.01	960.01
Other Deposit - at FVTPL (Finance Expense)	14.94	19.93
Actuarial Gain / Loss - (Gratuity / Leave Benefits)	21.84	29.12
Advances at Amortised Cost	55.57	74.09
MGVCL Deposit - at Amortised Cost	0.35	0.46
Timing Differences	1,703.09	1,985.84
Rate of Tax	34.94%	34.61%
Deferred Tax Assets	**590.83**	**687.29**
DTA / (DTL)	(1,247.21)	(400.16)
MAT Credit Entitlement	2,380.24	2,148.75
Net Deferred Tax Assets	**1,133.03**	**1,748.59**

49. Fair Value Measurements :

Financial instruments by category :
The carrying amounts of financial instruments by class are as follows :

(Rs. In Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
A. Financial assets		
I. Measured at amortised cost		
Loans	7,692.80	4,849.42
Trade Receivables	12,483.57	14,131.97
Cash and Cash Equivalents	0.39	3.03
Other Financial Assets	92.36	91.90

Particulars	As at 31st March 2019	As at 31st March 2018
II. Measured at fair value through profit and loss (FVTPL)		
Financial Guarantees-Deemed Investment	1,069.62	1,062.98
Investment in Preference Shares of Holding Company	-	-
Other Financial Assets	55.30	54.63
Other Financial Assets	92.36	91.90
III. Measured at fair value through other comprehensive income (FVOCI)		
Investment in Equity Instruments of Related Entity	1,535.00	1,535.00
	22,929.04	**21,728.93**
A. Financial liabilities		
I. Measured at amortised cost		
Borrowings	4,280.67	7,191.80
Trade Payables	11,737.58	10,227.08
II. Measured at fair value through profit and loss (FVTPL)		
Financial Guarantees	825.33	989.16
Finance lease obligation	3.91	4.23
	16,847.49	**18,412.27**

(ii) Fair value hierarchy :

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the entity has classified its financial instruments into 3 levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measure quoted prices.

Level 2: The fair values of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all the significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3
Measured at fair value through profit and loss (FVTPL)			
As at 31 March 2019			
Financial Guarantees-Deemed Investment	-	-	1,069.62
Investment in Preference Shares of Holding Company	-	-	-
Other Financial Assets	-	-	55.30
Financial Guarantees	-	-	825.33
Finance lease obligation	-	-	3.91
	-	**-**	**1,954.16**

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3
As at 31 March 2018			
Financial Guarantees-Deemed Investment	-	-	1,062.98
Investment in Preference Shares of Holding Company	-	-	-
Other Financial Assets	-	-	54.63
Financial Guarantees	-	-	989.16
Finance lease obligation	-	-	4.23
	-	**-**	**2,111.00**
Measured at fair value through other comprehensive income (FVOCI)			
As at 31 March 2019			
Investment in Equity Instruments of Related Entity	-	-	1,535.00
	-	**-**	**1,535.00**
As at 31 March 2018			
Investment in Equity Instruments of Related Entity	-	-	1,535.00
	-	**-**	**1,535.00**

(iii) Valuation techniques used to determine the fair value- Level 3 :

Valuation is based on Income approach, wherein discounted cash flow method is used to capture present value of the expected future economic benefits to be derived from the ownership of particular financial instrument.

50. Financial Risk Management :

The company's activities expose it to credit risk, liquidity risk, market risk, price risk & operational risk. In order to minimise any adverse effects on the financial performance, the company takes various mitigation initiatives and measures. This note explains the source of risks which the entity is exposed to and how the entity manages the risks to minimise their impact on financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash equivalents, Trade Receivables, Financial assets measured at amortised cost	Review of fixed Deposits and bank balances, Review of Ageing analysis & financial assets on quarterly basis	Fixed Deposits are kept with large nationalised bank. Ensuring strict credit control through standard operating procedures. Review of financial assets on regular basis
Liquidity Risk	Borrowings, Trade Payables and Other financial liabilities	Cash flow projections are made based on business projections	Availability of undrawn credit lines and borrowing facilities are analysed & monitored.
Market Risk-Interest Rate	Term Loans & Working Capital	Review of interest rates	The company through review of

	facilities availed at floating interest rates monitored.	at regular intervals	the interest rates at regular intervals makes sensitivity analysis and take appropriate measures to mitigate adverse impact, if any on the financial performance
Price Risk	Price variation in raw materials & consumables	Review of prices on ongoing basis	The price risk is assessed to be low as the company is able to pass the price risk to the customer.
Operational Risk	Capacity Utilization and Process improvement	Review on daily basis	The company is persistently making efforts to achieve optimum capacity utilization and improve the operational processes to obtain better product yield and reduce rejection ratio to acceptable level.

51. Capital Management :

Risk Management

The Company manages its capital to ensure that it will be able to continue as going concern and to maximise shareholders value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity.

For the purposes of Capital Management, the Company considers following components of its Balance sheet to manage Capital:

Total equity includes Share Capital and Other Equity (Free Reserves). Total Debt includes current debt plus non-current debt.

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Total Debt (Rs. In Lakhs)	22,699.39	24,031.83
Total Equity (Rs. in Lakhs)	23,553.17	21,942.46
Debt-Equity Ratio	**0.96**	**1.10**

52. During the year, the company has made contribution of Rs. Nil (Rs. 10.00 lakhs) to Political party - Bhartiya Janta Party.

53. Figures in brackets represent previous year's figures.

54. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached
For V. Parekh & Associates
Chartered accountants
(Firm registration No. : 107488W)

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place: Mumbai
Date : 30th May 2019

For and on behalf of the Board

Harish Sheth
Chairman & Managing Director

Udit Sheth
Vice Chairman

Shvetal Vakil
Executive Director

Urja Shah
Executive Director

Arun Arora
Independent Director

Ashok Jha
Independent Director

Suhasini Sathe
Independent Director

Arun Tiwari
Independent Director

Vinay Shahane
Vice President – Finance

Chandra Kant Sharma
Company Secretary

Place: Mumbai
Date : 30th May 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SETCO AUTOMOTIVE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

QUALIFIED OPINION

We have audited the accompanying consolidated financial statements of Setco Automotive Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income),the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us,except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report , and based on consideration of the reports of the auditors on the financial statements of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, its consolidated loss, the consolidated total comprehensive income, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

BASIS FOR QUALIFIED OPINION

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

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

b) The Parent Company has in earlier years invested Rs. 1,535.00 lakhs in 30,70,000 equity shares of SE Transstadia Private Limited, a sports and entertainment infrastructure company. The said company has completed the project and has commenced commercial operations in March, 2017. The company has accumulated loss of Rs. 11,180.08 lakhs (Rs. 1,768.86 lakhs) as per latest audited financial statements as at 31.03.2018. In the opinion of the parent company management, this investment is strategic in nature which has long term perspective and has comparatively long gestation period. This situation being a temporary phase and considering the future business plans, assets base and other developments, despite accumulated losses, the Group management firmly believes that there is no erosion in value of its investment in said related entity. The carrying value of Holding Company's investment in equity shares of said related entity is also supported by valuation report obtained from independent valuer. (Refer Notes No. 3 of Consolidated Ind AS Financial Statements)

c) In F.Y. 2017-18 the Holding Company has recognised Rs. 398 Lakhs as income being reimbursement of Central Goods & Service Tax (CGST)/Integrated Goods & Service Tax (IGST) share of State for the Uttarakhand unit pending notification of incentives by the State Government. The Holding Company believed, the issuance of notification for Goods & Service Tax (GST) benefits by the State Government was certain based on the notification already issued by the Central Government. In absence of any notification in the said matter till date and based on legal opinion, the Holding Company has filed writ petition claiming refund of said amount & has continued to show this as asset recoverable in accounts. (Refer Notes No. 11 of Consolidated Ind AS Financial Statements)

d) Disclosure in respect of materials & component consumption, inventories, deferred tax assets, deferred tax liabilities, trade receivables and change in Inventories of finished goods and work in progress are reflected, each at aggregate amounts only on the basis of information available from wholly owned ultimate foreign subsidiaries. (Refer Notes No. 39 of Consolidated Ind AS Financial Statements)

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

Our opinion is not modified in respect of these matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS

Accuracy of recognition, measurement, presentation and disclosure of revenue and other related balances in view of adoption of Ind AS 115 " Revenue from contracts with customers" (New revenue accounting standarad)

The Holding Company & its subsidiary company incorporated in India have adopted IND AS – 115 "Revenue from contracts with customer" From 1st April, 2018 using the modified retrospective approach, with cumulative effect of initially applying the standard to be adjusted to the opening retained earning under equity on 1 April, 2018 and therefore the comparative information has not been restated and continues to be reported under Ind AS – 18.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Our audit procedures on adoption of Ind AS 115 includes-

- Evaluation of Internal control policy and process designed to recognise revenue as per Ind AS – 115.
- Analysed existing contract with customers, performance obligation assumed, terms of delivery and current revenue recognition policy with respect to those contract.
- Analysed the cumulative effect of IND AS 115 adjustment and its recognition in accounts.
- Analysed the complete, appropriate and arithmetical accuracy of disclosure as per IND AS 115.

  Refer to note no. 32 of the accompanying Consolidated financial statement.

KEY AUDIT MATTERS

Intangible Assets: Product development

The Group conducts a significant level of development activities and has to apply judgments in identifying product development expenses meeting the criteria for capitalization under the requirements of accounting standards Expenditure, Identifiable and reliably measurable, incurred on product development yielding future economic benefits is capitalized as Product Development Expenses. We identified the capitalization of Product development costs as a key audit matter due to significant management judgments about the future performance and viability of the products.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

- Testing management's controls over capitalization of Product development costs.
- Evaluating the nature of the type of development expenses incurred that are capitalized into product development expenses;
- Assessing the reasonableness of the capitalization based on success of the product,
- Verifying amortization of capitalization after commercial production commences as per consistent policy of company to amortise it in 10 years.
- Fair valuation of product development expenses was done by independent valuer.

  Refer to note no. 2(ii) of the accompanying Consolidated financial statement.

Other Matters:

1. Attention is also invited to Note No. 42 which refers to the fact that the audited financial statements of the wholly owned ultimate foreign subsidiaries have been prepared in accordance with local laws of the countries in which they operate. The said audited financial statements have been restated/recompiled by the management to meet the requirements of Indian Accounting Standards after exercising necessary due diligence to ensure true & fair view of said subsidiaries' affairs. We have also relied upon the parent company management's above assertion on restatement/recompilation of audited figures of wholly owned ultimate foreign subsidiaries to meet Ind AS requirements.
2. We did not audit the financial statements of wholly owned ultimate foreign subsidiaries prepared in accordance with local laws of countries in which they operate and which have been restated/recompiled by the parent company's management to meet Ind As requirements as well as of Indian subsidiary, whose Ind As financial statements reflect total assets of Rs. 36,219.44 lakhs as at 31st March, 2019, total revenues of Rs. 19,182.93 lakhs and net cash inflows amounting to Rs. 147.01 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements of wholly owned ultimate foreign subsidiaries & Ind AS financial statements of Indian subsidiary have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far

as it relates to the amounts and disclosures included in respect of these wholly owned ultimate foreign subsidiaries & Indian subsidiary, is based solely on the reports of the other auditors and parent company's restatement/re-compilation of audited figures of wholly owned foreign subsidiaries to meet Ind AS requirements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Holding Company's Board of Directors is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Holding Company's Board of Directors is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Holding Company's Board of Directors is responsible for overseeing the financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding

the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the Holding Company, which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of change in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Group Companies incorporated in India as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and Subsidiary company incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.(Refer Note No. 35 B to the consolidated financial statements).

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place : Mumbai
Date : 30th May, 2019

ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

(Referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

In conjunction with our audit of the consolidated Ind AS financial statements of the group as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of SETCO Automotive Limited (hereinafter referred to as "the Holding Company") and its subsidiary company which is incorporated in India, as of that date (collectively referred as "Companies").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the of the Holding company and its subsidiary company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India(ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Companies' internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by the auditors of Indian subsidiary company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Companies internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the companies; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes inconditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid report on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Indian subsidiary, is based on the corresponding report of the auditors of the said Indian subsidiary.

Our opinion is not modified in respect of above matter.

OPINION

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, a reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, such internal financial controls over financial reporting need to be improved and strengthened.

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

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place : Mumbai
Date : 30th May, 2019

CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH, 2019

Rs. in Lakhs

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS :			
1. Non-current assets			
a. Property, plant and equipment	2	27,887.30	28,577.60
b. Capital work-in-progress	2	221.01	11.14
c. Intangible assets	2	3,792.03	3,475.10
d. Intangible Assets Under Development	2	1,365.56	1,489.57
e. Financial assets			
(i) Investments	3	1,535.00	1,535.00
(ii) Loans Recievables	-	-	
(iii) Other financial assets	4	226.60	30.76
f. Deferred tax assets (net)	5	3,249.17	3,935.30
g. Other non-current assets	6	97.45	169.07
Total non-current assets		**38,374.12**	**39,223.54**
2. Current assets			
a. Inventories	7	18,577.53	16,270.62
b. Financial assets			
(i) Trade Receivables	8	10,817.14	12,716.63
(ii) Cash and cash equivalents	9	1,129.92	469.64
(iii) Bank balances other than (ii) above	10	106.03	92.38
(iv) Loans Receivables		-	-
(v) Other financial assets		-	-
c. Other current assets	11	2,554.27	3,540.18
Total current assets		**33,184.89**	**33,089.45**
Total assets		**71,559.01**	**72,312.99**
EQUITY AND LIABILITIES :			
EQUITY			
Equity share capital		2,673.55	2,671.93
Other equity	12	14,416.68	16,106.03
Total Equity		**17,090.23**	**18,777.96**
LIABILITIES			
1. Non-current liabilities			
a. Financial liabilities			
(i) Borrowings	13	9,880.44	13,583.16
(ii) Other financial liabilities	14	86.25	56.93
b. Provisions	15	203.46	175.56
c. Deferred tax liabilities (net)		-	-
d. Other non-current liabilities	16	13.86	14.62
Total non-current liabilities		**10,184.01**	**13,830.27**
2. Current liabilities			
a. Financial liabilities			
(i) Borrowings	17	22,427.70	19,512.91
(ii) Trade payables due to micro, small and medium enterprises	18	871.33	764.00
(iii) Trade payables other than due to micro, small and medium enterprises		9,849.40	9,939.70
(iv) Other financial liabilities	19	6,996.71	6,588.96
b. Other current liabilities	20	3,222.91	2,264.58
c. Provisions	21	376.71	248.22
d. Current tax liabilities (net)	22	540.02	386.39
Total current liabilities		**44,284.78**	**39,704.76**
Total liabilities		**54,468.79**	**53,535.03**
Total equity and liabilities		**71,559.01**	**72,312.99**

Notes including Significant Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 44

As per our report of even date attached
For V. Parekh & Associates
Chartered accountants
(Firm registration No. : 107488W)

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place: Mumbai
Date : 30th May 2019

For and on behalf of the Board

Harish Sheth
Chairman & Managing Director

Udit Sheth
Vice Chairman

Shvetal Vakil
Executive Director

Urja Shah
Executive Director

Arun Arora
Independent Director

Ashok Jha
Independent Director

Suhasini Sathe
Independent Director

Arun Tiwari
Independent Director

Vinay Shahane
Vice President – Finance

Chandra Kant Sharma
Company Secretary

Place: Mumbai
Date : 30th May 2019

SETCO AUTOMOTIVE LTD

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH, 2019

Rs. in Lakhs

	Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Continuing operations				
I.	Revenue from operations (gross)	23	68,043.99	57,953.86
II.	Other income	24	582.02	2,261.33
III.	**Total Revenue (I + II)**		**68,626.01**	**60,215.19**
IV.	**EXPENSES :**			
	Cost of materials consumed	25	34,645.67	28,938.63
	Changes in inventories of finished goods and work-in-progress	26	(1,745.65)	(519.79)
	Excise duty on sales		-	550.05
	Employee benefit expenses	27	9,083.37	7,933.48
	Finance costs	28	5,258.89	5,041.05
	Depreciation and amortization expenses	2	3,351.72	3,310.64
	Less : Capitalized under the head of intangible assets under development (Refer note no. 2(3) & 38)		-	(89.84)
	Net depreciation and amortization expenses		**3,351.72**	**3,220.80**
	Other expenses	29	15,004.03	16,355.30
	Total expenses (IV)		**66,949.30**	**60,168.25**
V.	**Profit/(loss) before exceptional items and tax (III - IV)**		1,676.71	46.93
VI.	Exceptional items		-	-
VII.	**Profit/(loss) before tax (V - VI)**		**1,676.71**	**46.93**
VIII.	**Tax expense/(credit)**			
	- Current tax		1,063.45	811.54
	- Deferred tax		905.22	(661.86)
MAT credit entitlement				
	- Previous years		(775.78)	41.98
	- Current year		544.28	(48.38)
Tax adjustment for earlier years			(5.97)	-
			1,731.20	**143.2**
IX.	**Profit/(loss) for the year from continuing operations (VII - VIII)**		**(54.49)**	**(96.35)**
X.	**Other comprehensive income/(loss)**			
	A. (i) Items that will not be reclassified to profit or loss			
	a. Fair value of equity instruments through other comprehensive income		-	-
	b. Remeasurement of gain /(loss) on defined benefit plans		(35.55)	0.78
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	B. (i) Items that will be reclassified to profit or loss		10.53	(2.35)
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
			(25.02)	**3.13**
XI.	**Total comprehensive income for the year (IX + X)**		**(79.51)**	**(93.22)**
	Profit for the year attributable to			
	Owners of the company		312.51	375.15
	Non-controlling Interest		(367.00)	(471.50)
	Other Comprehensive Income for the year attributable to			
	Owners of the company		(24.38)	3.95
	Non-controlling Interest		(0.64)	(0.82)
	Total Comprehensive Income for the year attributable to			
	Owners of the company		288.13	379.10
	Non-controlling Interest		(367.64)	(472.32)
XII.	**Earnings per equity share (face value of Rs. 2/- Each)**			
	- Basic (In Rs. per share) to the extent of profit attributable to the owners		0.23	0.28
	- Diluted (In Rs. per share) to the extent of profit attributable to owners		0.23	0.28

Notes including Significant Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 44

As per our report of even date attached
For V. Parekh & Associates
Chartered accountants
(Firm registration No. : 107488W)

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place: Mumbai
Date : 30th May 2019

For and on behalf of the Board

Harish Sheth
Chairman & Managing Director

Udit Sheth
Vice Chairman

Shvetal Vakil
Executive Director

Urja Shah
Executive Director

Arun Arora
Independent Director

Ashok Jha
Independent Director

Suhasini Sathe
Independent Director

Arun Tiwari
Independent Director

Vinay Shahane
Vice President – Finance

Chandra Kant Sharma
Company Secretary

Place: Mumbai
Date : 30th May 2019

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31st MARCH 2019

Rs. in Lakhs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	**1,676.71**	**46.93**
Adjustment for		
Depreciation	3,351.72	3,220.80
(Profit)/loss on sale of property, plant and equipment	-7.98	-1.74
Unrealized exchange loss/(gain)	335.23	379.11
Interest expense on financial liabilities at amortized cost	5,258.89	5,041.05
Finance Income - fair value gain on redemption of Investment in preference shares	-	-723.20
Interest income	-234.29	-92.55
Corporate tax	-1,962.70	-811.54
MAT credit entitlement	231.50	14.27
Employee stock options cost	-10.31	17.76
Employee Benefits Designated Through Other Comprehensive Income	-25.02	0.78
Minority Interest	47.51	502.86
Operating profit / (loss) before changes in working capital	**8,661.27**	**7,594.54**
Trade receivables	-788.80	-359.37
Inventories	-336.43	-2,502.00
Other Financial Assets	-195.84	568.39
Other Current / Non-Current Assets	1,770.24	-508.13
Trade payables	17.02	1,642.11
Provisions	310.02	-131.71
Other Current / Non-Current Liabilities	958.21	1,122.25
Other Financial Liabilities	527.34	1,781.44
Change in current assets/liabilities	**2,261.76**	**1,612.98**
Net cash flow generated from operating activities before tax	**10,923.02**	**9,207.52**
Direct taxes (tax deducted at source)	-26.58	-19.24
Net cash flow from operating activities	**10,896.44**	**9,188.28**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-2,066.88	-1,251.31
Sale of property, plant and equipment	13.38	23.59
Purchase of Intangible asset	-840.77	-543.68
Interest income	234.29	92.55
Redemption of Preference Shares by Setco Engineering Private limited	-	2,741.80
Finance Income - Fair value gain on redemption of Investment in Preference Shares with related parties	-	723.20
Net cash used in investing activities	**-2,659.97**	**1,786.14**

C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from cash credit	3,414.79	388.53
Proceeds from short term loans	-	1,431.94
Proceeds from term / other loans	496.27	2,544.11
Repayment of short term loans	-500.00	-1,535.48
Unclaimed Dividend	-13.65	
Repayment of term loans	-4,289.26	-7,835.91
Proceeds from shares issued including premium	25.76	-
Final dividend and dividend distribution tax	-1,289.24	-1,045.15
Interest expense on Financial Liabilities at Amortized Cost	-5,258.89	-5,041.05
	-7,414.21	**-11,093.02**
D. Impact of Exchange Fluctuation on the Cash Flow	**-161.97**	**-264.84**
Net Increase in Cash and Cash Equivalents (A + B + C + D)	**660.28**	**-383.44**
Opening Cash and Cash Equivalents	**469.64**	**853.08**
Closing Cash and Cash Equivalents	**1,129.92**	**469.64**

Notes:

1. 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.
2. Previous year's figures have been regrouped / restated / reclassified whenever necessary.
3. Purchase of property, plant & equipment includes cost incurred on capital work-in-progress.
4. Cash and cash equivalents includes cash on hand, cheques on hand and readily convertible deposit accounts held with scheduled banks.

Notes including Significant Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 44

As per our report of even date attached
For V. Parekh & Associates
Chartered accountants
(Firm registration No. : 107488W)

(Rasesh V. Parekh)
Partner
Membership No. 038615

For and on behalf of the Board

Harish Sheth
Chairman & Managing Director

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Independent Director

Suhasini Sathe
Independent Director

Arun Tiwari
Independent Director

Vinay Shahane
Vice President – Finance

Chandra Kant Sharma
Company Secretary

Place: Mumbai
Date : 30th May 2019

Place: Mumbai
Date : 30th May 2019

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED ON 31st MARCH, 2019

A. Equity share capital

Particulars	Rs. in lakhs
Balance as at 1st April, 2017	**2,671.93**
Changes in Equity Share Capital During the Period	-
Balance as at 31st March, 2018	**2,671.93**
Changes in Equity Share Capital During the Period	1.61
Balance as at 31st March, 2019	**2,673.54**

B. Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus				Share option outstanding amount	Currency Translation reserve	Total	Non-Controlling Interest	Owners' Equity
	Capital Reserve	General Reserve	Security Premium	Retained Earnings					
Balance as at 1st April, 2017	**0.21**	**1,948.62**	**188.20**	**13,900.59**	**35.41**	**149.56**	**16,222.59**	**816.65**	**17,039.24**
Employee Stock Option granted during the year	-	-	-	-	17.76	-	17.76	-	17.76
Profit for the year	-	-	-	379.10	-	-	379.10	-	379.10
Currency Translation Reserve for the year	-	-	-	-	-	-322.39	-322.39	-	-322.39
Dividend (including tax on dividend) declared and paid during the year.	-	-	-	-1,045.16	-	-	- 1,045.16	-	-1,045.16
Balance as at 31st March, 2018	**0.21**	**1,948.62**	**188.20**	**13,234.53**	**53.17**	**-172.83**	**15,258.01**	**848.02**	**16,106.03**
Ind AS Adjustment	-	-	-	-717.82	-	-	-717.82		-717.82
Share Premium on Shares issued for ESOP	-	-	24.14			-	24.14	-	24.14
Employee Stock Option granted during the year	-	-	-	-	-10.31	-	-10.31	-	-10.31
Profit for the year	-	-	-	288.13	-	-	288.13	-	288.13
Currency Translation Reserve for the year	-	-	-		-	335.23	335.23	-	335.23
Dividend (including tax on dividend) declared and paid during the year.	-	-	-	-1,289.24	-	-	-1,289.24	-	-1,289.24
Balance as at 31st March, 2019	**0.21**	**1,948.62**	**212.34**	**11,515.61**	**42.86**	**162.40**	**13,888.15**	**528.53**	**14,416.68**

Notes including Significant Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 44

As per our report of even date attached
For V. Parekh & Associates

(Firm registration No. : 107488W)

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place: Mumbai
Date : 30th May 2019

For and on behalf of the Board

Harish Sheth
Chairman & Managing Director

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Independent Director

Arun Tiwari
Independent Director

Vinay Shahane
Vice President – Finance

Chandra Kant Sharma
Company Secretary

Place: Mumbai
Date : 30th May 2019

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2019

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 The consolidated financial statements relate to Setco Automotive Limited ("the Company"/"Parent Company"/"Holding Company") and its subsidiary companies (referred to as "Group"). The consolidated financial statements have been prepared on following basis :

1.2 These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended and other relevant provisions of the Act. The group follows the mercantile system of accounting and recognises income and expenditure on an accrual basis. The financial statements are prepared under historical cost convention, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- defined benefit plans where plan assets are measured at fair value; and
- share-based payments at fair value as on the grant date of options given to employees.

Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. The critical estimates and judgments are presented in detail in Significant Accounting Policy no. 1.15.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Parent Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs with two decimals.

1.3 Principles of Consolidation

The consolidated financial statements relate to Setco Automotive Limited ("the Company"/ "Parent Company" / "Holding Company") and its subsidiary companies. The consolidated financial statements have been prepared on following basis :

a. The consolidated financial statements are based o n the audited accounts of the company and the audited accounts of the subsidiaries of the same reporting date.

b. The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating significant intra group balances and intra group transactions in accordance with Indian Accounting Standard (Ind AS) 110 - "Consolidated Financial Statements.

c. In case of foreign subsidiaries, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is accumulated under "Foreign Currency Translation Reserve.

d. The consolidated financial statements have been prepared, as far as possible, using uniform accounting policies for all material like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the parent company's financial statements.

e. Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

f. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

1.4 Business Combination

a) Business combinations, involving entities or businesses are accounted for using acquisition method.

b) There are no common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination.

1.5 Revenue Recognition

Effective April 1, 2018, the Parent Company & Indian Subsidiary Company have applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. It replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using modified retrospective approach and cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the new standard on the financial statements of the Group is significant and is reported in notes to accounts.

1.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement. A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease and accordingly all other leases that do not qualify as finance leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

1.7 Taxes on Income

A. Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

B. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the parent company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the parent Company.

1.8 Goodwill

Goodwill appearing in one of the wholly owned ultimate foreign subsidiary's books is tested annually for impairment, if any event occurs or circumstances change that more likely than not would indicate the carrying amount may be impaired. As of 31st March, 2019, goodwill is not considered to be impaired.

1.9 Impairment of Assets

At the end of each reporting period, the Group determines whether there is any indication that its assets have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification of Financial Assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

After initial recognition

i. Financial assets (other than Investments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.
- Income on such debt instruments is recognised in profit or loss and is included in the "Other Income". The Group has not designated any debt instruments as fair value through other comprehensive income.

II. Investment in Equity instruments of Related Entity:

The parent company has designated its investments in Equity Shares of one of its related entity at fair value through OCI. Such financial assets are measured at fair value at the end of each reporting period, with gains or losses arising on re-measurement recognised in OCI which are not subsequently reclassified to P & L and are reported in Other Equity

III. Other Financial assets which are not carried at amortised cost or FVTOCI are measured at fair value through P & L.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Group applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Losses (ECLs) at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Expected credit losses are a probability? weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Expected Credit Losses/ impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected/reported under the head 'other expenses' in the statement of profit and loss.

De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs".

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured (if not designated as at Fair value though profit or loss) at the higher of:

- the amount of impairment loss allowance determined in accordance with requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

The Intra group financial guarantees are eliminated in consolidation.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.11 Earnings per Share

The earnings considered for ascertaining the Group's Earnings Per Share (EPS) comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted EPS comprises the weighted average number of shares considered for deriving basic EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares. In case of dilutive potential equity shares, the difference between the number of shares issuable and the number of shares that would have been issued at fair value are treated as diluted potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.12 Share-based Payments:

Employee Stock Option Scheme

Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Indian Accounting Standard (Ind AS)- 102. "Share-based Payments". The Parent Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognized as deferred employee compensation and is charged to the statement of profit and loss on graded vesting basis over the vesting period of the options. The unamortized portion of the deferred employee compensation is netted out against "Stock options Outstanding".

1.13 Provisions, Contingent Liabilities and Contingent Assets

A. Provisions

Provision are recognized when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

B. Contingent Liabilities

The Contingent Liabilities are disclosed by way of a note to the Financial Statements, after careful evaluation by the management of the facts and legal aspects of the matter involved.

Group has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

C. Contingent Assets

A Contingent Asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset, if any is not recognised but disclosed where an inflow of economic benefit is probable.

1.14 Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Company's separate standalone financial statements.

1.15 Summary Critical Estimates & Judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included below.

A. Deferred taxes

The Group recognises that net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income, which may have a scope of causing a material adjustment to the carrying amounts of assets and liabilities.

B. Inventories

The impairment of inventories is done on the basis of its aging, discontinuance of products/model, damage conditions of goods, obsolesce, expected salability. The value is written down at its estimated realisable value less cost to sell.

C. Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, the Group treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome, the Group does not expect them to have a materially adverse impact on its financial position or profitability.

Provision for product Warranty

The Group's product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

Fair Value Measurements and Valuation Processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Group used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements.

Impairement of Goodwill

Goodwill appearing in one of the wholly owned ultimate foreign subsidiary's books is tested annually for impairment, if any event occurs or circumstances change that more likely than not would indicate the carrying amount may be impaired. As of 31st March, 2019, goodwill is not considered to be impaired.

Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Parent Company & the Indian Subsidiary have not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Parent Company & the Indian Subsidiary will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. On transition, the Parent Company & the Indian Subsidiary will be using the practical expedient provided in the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Parent Company & the Indian Subsidiary is in the process of determining the impact of Ind AS 116, changes to systems and processes to meet the accounting and reporting requirements of this standard.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Parent Company & the Indian Subsidiary is currently evaluating the effect of this amendment on the standalone financial statement The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to appendix, the Parent Company & the Indian Subsidiary needs to determine the probability of the relevant tax authority accepting each tax treatment that the company has plan to use in their income tax filing which has to be considered to compute the most likely amount of tax treatment while determining taxable profit /(loss), tax bases, unused tax losses, unused tax credit and tax rates. The Parent Company & the Indian Subsidiary is currently evaluating the effect of this amendment on the financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Parent Company & the Indian Subsidiary does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Parent Company & the Indian Subsidiary does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Parent Company & the Indian Subsidiary does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Parent Company & the Indian Subsidiary does not currently have any investment in associates or Joint venture.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Parent Company & the Indian Subsidiary will apply the pronouncement when, it obtains control / joint control of a business that is a joint operation.”

Notes Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED ON 31st MARCH 2019

Note - 2
Property, Plant and Equipment

Rs. in Lakhs

SR. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.4.2018	Additions for the year	Adjustment for the year	Cost as on 31.3.2019	Up to 01.4.2018	Additions for the year	Adjustment for the year	Up to 31.3.2019	As on 31.3.2019	As on 31.3.2018
A	**Property, Plant & Equipment**										
01	Free Hold Land	4,209.03	-	2.12	4,211.15	-	-	-	-	4,211.15	4,209.03
	Previous year	4,186.80	-		22.23	4,209.03	-	-		4,209.03	4,186.80
02	Lease Hold Land	360.89	-	-	360.89	7.80	3.90	-	11.70	349.19	353.09
	Previous year	366.34	-	(5.45)	360.89	3.90	3.90	-	7.80	353.09	362.44
03	Buildings	7,869.51	76.21	16.52	7,962.23	585.16	319.62	7.93	912.71	7,049.52	7,284.34
	Previous year	7,329.44	460.51	79.56	7,869.51	260.61	302.46	22.10	585.16	7,284.34	7,068.83
04	Plant & Machinery	17,541.97	380.59	23.67	17,946.23	3,484.03	1,850.69	17.29	5,352.01	12,594.22	14,057.93
	Previous year	16,745.51	817.27	24.24	17,587.03	1,608.83	1,837.08	38.13	3,484.03	14,102.99	15,136.68
05	Leased Plant & Machinery	45.06	1,272.40	-	1,317.46	0.39	45.21		45.60	1,271.86	45.06
	Previous year	-	-	-	-	-	-	-	-	-	-
06	Furniture & Fixtures	216.23	65.91	(0.38)	281.76	47.60	28.66	(0.23)	76.03	205.74	168.63
	Previous year	211.18	3.62	1.42	216.23	20.93	26.11	0.56	47.60	168.63	190.25
07	Office Equipments	121.50	10.13	(1.64)	129.99	63.02	33.81	(1.23)	95.60	34.39	58.48
	Previous year	103.97	17.51	0.01	121.50	29.10	33.91	0.01	63.02	58.48	74.88
08	Leased Office Equipment		2.71		2.71	0.41		-	0.41	2.30	-
	Previous year	-	-	-	-	-	-	-	-	-	-
09	Pollution Equipments	226.68	14.24	-	240.92	29.93	15.73	-	45.66	195.26	196.75
	Previous year	224.94	1.74	-	226.68	14.71	15.22	-	29.93	196.75	210.23

Note - 2
Property, Plant and Equipment

Rs. in Lakhs

SR. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.4.2018	Additions for the year	Adjustment for the year	Cost as on 31.3.2019	Up to 01.4.2018	Additions for the year	Adjustment for the year	Up to 31.3.2019	As on 31.3.2019	As on 31.3.2018
10	Leased Pollution Equipments	-	22.25		22.25	-	0.90		0.90	21.35	-
	Previous year	-	-	-	-	-	-	-	-	-	-
11	Computers	435.90	54.51	1.73	492.15	301.35	119.27	1.69	422.32	69.83	134.54
	Previous year	397.07	19.25	19.58	435.90	145.40	137.53	18.43	301.35	134.54	251.67
12	Electric Fittings	2,189.50	55.08	-	2,244.58	451.24	231.87	-	683.11	1,561.47	1,738.26
	Previous year	2,171.40	18.11	-	2,189.50	224.69	226.56	-	451.24	1,738.26	1,946.71
13	Vehicles	418.44	47.36	(17.89)	447.90	86.96	53.81	(13.86)	126.91	320.99	331.48
	Previous year	371.75	67.97	(21.28)	418.44	60.12	65.07	(38.23)	86.96	331.48	311.63
	Sub Total (Property, Plant & Equipment)	33,634.70	2,001.39	24.14	35,660.23	5,057.49	2,703.88	11.58	7,772.95	27,887.30	28,577.60
	Previous year	32,108.40	1,405.99	120.31	33,634.70	2,368.28	2,647.83	40.99	5,057.10	28,577.60	29,740.11
B	**Intangible Assets**										
01	Goodwill	825.67	-	47.68	873.36	-	-	-	-	873.36	825.67
	Previous year	825.48	-	0.19	825.67	-	-	-	-	825.67	825.48
02	Product Development	2,421.97	866.81	-	3,288.78	486.43	372.18	-	858.61	2,430.17	1,935.54
	Previous year	1,576.23	845.74	-	2,421.97	200.93	285.50	-	486.43	1,935.54	1,375.30
03	Technical Know how	940.15	-	(23.71)	916.44	336.00	178.15	(23.87)	490.27	426.17	604.15
	Previous year	842.69	-	97.46	940.15	88.95	170.60	76.45	336.00	604.15	753.74
04	Computer Software	501.78	31.05	76.80	609.63	392.04	97.52	57.72	547.28	62.35	109.74
	Previous year	484.44	17.96	(0.62)	501.78	182.75	206.72	2.57	392.04	109.74	301.69
05	Web Site Development	-	-	-	-	-	-		-	-	-
	Previous year	-	-	-	-	-	-		-	-	-

Rs. in Lakhs

SR. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.4.2018	Additions for the year	Adjustment for the year	Cost as on 31.3.2019	Up to 01.4.2018	Additions for the year	Adjustment for the year	Up to 31.3.2019	As on 31.3.2019	As on 31.3.2018
	Sub Total (Intangible Assets)	4,689.57	897.86	100.78	5,688.20	1,214.47	647.85	33.85	1,896.16	3,792.03	3,475.10
		3,728.83	863.70	97.04	4,689.57	472.63	662.81	79.03	1,214.47	3,475.10	3,256.21
C	**Intangible Asset Under Development (Product Development)**										
	Product Development	1,489.57	742.80	(866.81)	1,365.56	-	-	-	-	1,365.56	1,489.57
	Previous year	1,712.55	622.76	(845.74)	1,489.57	-	-	-	-	1,489.57	1,712.55
	Computer Software	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	-	-	-
D	Pre-Operative Expenses	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	-	-	-
E	**Capital Work in Progress** :	-	-								
01	Capital Work in Progres	11.14	221.27	(11.40)	221.01	-	-	-	-	221.01	11.14
	Previous year	10.97	11.14	(10.97)	11.14	-	-	-	-	11.14	10.97
	Total D	-	-	(11.40)	221.01	-	-	-	-	221.01	11.14
	Grand Total (A + B + C+D)	**39,824.98**	**3,863.32**	**(753.30)**	**42,935.00**	**6,271.96**	**3,351.72**	**45.43**	**9,669.12**	**33,265.88**	**33,553.41**
	Previous year	37,560.75	2,903.59	(639.36)	39,824.98	2,840.91	3,310.64	120.02	6,271.57	33,553.41	34,719.84

Note :

(i) Adjustment for the year include net impact of foreign exchange fluctuation of Rs.161.97 lakhs (Previous Year Rs. 264.84 lakhs)

(ii) In respect of partent company, Expenditure, identifiable and reliably measureable, incurred on Product Development yielding future economic benefits is capitalized as internally generated intangible asset and it is kept under asset under development (Product Development) till the start of Commercial Production of respective products. The carrying value is supported by valuation report of independent valuer.

(iii) Intangible assets under development, inter alia includes qualifying expenses including Depreciation of Rs.Nil lakhs (Previous Year Rs.89.83 lakhs/-) incurred on product development activities carried out in in-house R & D Centre in respect of Parent Company. (Refer Note No. 38)

(iv) Adjustment in “Intangible Asset Under Development” represents transfer to “Product Development” under the head Intangible Assets, of those items whose commercial production has commenced during the year in respect of Parent Company.

3. Non-current investment

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in other related entities (at fair value through other comprehensive income) :		
30,70,000 (30,70,000) equity share @ Rs. 50/- each fully paid up of SE Transstadia Private Limited *	1,535.00	1,535.00
Total (equity instruments)	**1,535.00**	**1,535.00**
Non trade investment (unquoted) (at deemed cost) :		
i) 10 (10) equity shares of Rs. 25/- each of Kalol Urban Co.op.Bank Limited (Rs.250/-)	-	-
Total (non-current investments)	**1,535.00**	**1,535.00**

Setco Engineering Private Ltd. Ceased to be holding company w.e.f. 19th March, 2018

* The parent company has in earlier years invested Rs.1,535.00 Lakhs in 30,70,000 equity shares of SE Transtadia Pvt Ltd ., a sports and entertainment Infrastructure company. The said company has completed the project and has commenced commercial operations in March 2017. The company has accumulated loss of Rs. 11,180.88 Lakhs (1,768.86 Lakhs) as per latest audited financial statements as at 31.03.2018. In the opinion of the management, this investment is strategic in nature which has long term perspective and has comparatively long gestation period. This situation being a temporary phase and considering future business plans, assets base and other developments, despite accumulated losses, the management firmly believes that there is no erosion in value of its investment in said related entity. The carrying value of investment in equity shares of said related entity is also supported by valuation report obtained from independent valuer.

4. Other financial assets

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Considered Good, Unsecured		
Fixed deposit account (on margin account) (at amortised cost)	18.78	20.87
Other deposits	207.82	178.96
Total	**226.60**	**199.83**
5. Deferred tax assets (net)		
Deferred tax liabilities:		
Timing differences related to fixed assets	(2,282.40)	(1,435.33)
Deferred tax assets :-		
Timing differences related to expenses	292.66	363.22
Timing differences related to unabsorbed depreciation	1,656.40	1,656.40
Timing differences related to unabsorbed business losses	1,202.27	1,202.27
MAT credit entitlement	2,380.24	2,148.74
Total	**3,249.17**	**3,935.30**
6. Other non-current assets Particulars		
Unsecured, considered good		
Capital advances	97.45	169.07
Total	**97.45**	**169.07**

7. Inventories

Rs. in Lakhs

Particulars		As at 31st March, 2019	As at 31st March, 2018
Raw materials (Including goods in transit Rs. 114.21 Lakhs (Rs. 76.14 Lakhs)		9,211.28	8,181.66
Work-in-progress		3,587.20	2,817.89
Finished goods (Including sales in transit Rs.664.93 Lakhs (Rs.121.98 Lakhs)		4,501.75	3,986.17
Stores and spares		1,272.90	1,279.92
Scrap		4.39	4.98
	Total	**18,577.53**	**16,270.62**
8. Trade receivables (Unsecured)			
Considered good		10,955.37	12,853.16
Less : Allowance for doubtful debts		(138.23)	(136.53)
		10,817.14	12,716.63
	Total	**10,817.14**	**12,716.63**
9. Cash and cash equivalents			
Cash balance		56.94	9.30
Bank balances		440.28	253.50
Fixed deposit account (lien-marked on margin account)		206.21	178.31
Cheques on hand		426.49	28.53
	Total	**1,129.92**	**469.64**
10. Bank balances other than cash and cash equivalents above			
Other bank balance			
Unclaimed dividends		106.03	92.38
		106.03	**92.38**
11. Other current assets			
Advances to related parties			
Unsecured, considered good			
Transstadia Technologies Private Limited		-	0.22
SE Transstadia Private Limited		-	307.25
Pre-payments			
Prepaid expenses		392.04	334.25
Advances to suppliers		648.17	736.31

Rs. in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Other Loans and Advances		
GST/VAT refund receivables	948.41	2,146.12
Other advances	565.67	16.03
Total	**2,554.29**	**3,540.18**

In FY 2017-18, the Parent Company had recognised Rs. 398 lakhs as income being refund of IGST/CGST share of State for the Uttarakhand unit pending notification of incentives by the State Government. The Parent Company believed, the issuance of notification for GST benefits by the State Government was certain based on the notification already issued by the Central Government. In absence of any notification in the said matter till date and based on legal opinion, the Parent Company has filed writ petition claiming refund of said amount & has continued to show this as asset recoverable in accounts.

12. Equity

Rs. in Lakhs

	Particulars	As at 31st March, 2019	As at 31st March, 2018
(i)	**Authorised capital**		
	25,00,00,000 (25,00,00,000) Equity Shares of Rs. 2/- each	5,000.00	5,000.00
		5,000.00	**5,000.00**
	Issued, subscribed and fully paid up share capital		
	13,36,77,275 (13,35,96,675) Equity Shares of Rs. 2 each	2,673.55	2,671.93
		2,673.55	**2,671.93**

a. Pursuant to the approval of members of the parent company in the Annual General Meeting held on 28th September, 2015 the equity shares of face value of Rs.10/- each have been subdivided into equity shares of face value of Rs. 2/- each with effect from 17th December, 2015. As a result, the number of equity shares has increased from 2,67,19,335 to 13,35,96,675 shares. Accordingly the number of shares has been adjusted for all the periods presented.

b. The Parent company has only one class of equity shares having a par value of Rs. 2 per share. Each shareholder of equity share is entitled to one vote per share.

c. The parent company declares and pays dividends in Indian rupees. The board of directors in their meeting held on 30 th May, 2019 have proposed dividend of Rs. 1 per share for financial year ended 31st March, 2019. The proposed dividend is subject to the approval of the share holders at the ensuing Annual General Meeting. The total dividend appropriation would amount to approximately Rs. 1572.67 Lakhs including corporate dividend tax of Rs. 274.78 Lakhs.

d. In the event of liquidation of the parent company, the holders of equity shares will be entitled to receive remaining assets of the parent company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconsiliation of number of share outstading at the begining and at the end of the reporting year.

Particulars	As at 31-03-2019		As at 31-03-2018	
	Number	Rs. in Lakhs	Number	Rs. in Lakhs
Equity shares				
As at the beginning of the year	133,596,675	2,671.93	133,596,675	2,671.93
Add: Shares issued on exercise of employee stock options	80,600	1.61	-	-
	133,677,275	**2,673.55**	**133,596,675**	**2,671.93**
Less : Changes, if any during the year	-	-	-	-
outstanding at the end of the year	**133,677,275**	**2,673.55**	**133,596,675**	**2,671.93**

(iii) Details of shareholders holding more than 5% shares in the parent company

Name of shareholders	As at 31-03-2019		As at 31-03-2018	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Equity shares of Rs. 2/- each fully paid				
Setco Engineering Private Limited *	64,063,845	47.92	66,113,845	49.49
Harishbhai K. Sheth	N.A.	N.A.	8,761,575	6.56
Udit H. Sheth	N.A.	N.A.	7,267,000	5.44

* Setco Engineering Private Ltd. ceased to be holding company w.e.f. 19th March, 2018

(iv) Other Equity

Particulars		As at 31st March, 2019	As at 31st March, 2018
a) Capital Reserve (Opening & Closing Balance)			
a) On forfeiture of Shares		0.21	0.21
	Total	**0.21**	**0.21**
b) Securities Premium			
As per Last Balance Sheet		188.20	188.20
Add : Received during the year on exercise of employee stock options		24.14	-
	Total	**212.34**	**188.20**
c) Employee Stock Options outstanding			
As per Last Balance Sheet		53.17	35.42
Add : Amounts recorded on grants/modifications/ cancellations during the year		-10.31	17.75
	Total	**42.86**	**53.17**
d) General Reserve			
As per Last Balance Sheet		1,948.62	1,948.62
	Total	**1,948.62**	**1,948.62**

Particulars			As at 31st March, 2019	As at 31st March, 2018
	g)	**Retained Earnings**		
		As per Last Balance Sheet	13,234.53	13,900.59
		Less : Ind AS Adjustment	-717.82	
		Add : Profit for the year	288.13	379.10
		Less : Dividend	-1,069.42	-868.37
		Less : Dividend Distribution Tax	-219.82	-176.79
		Total	**11,515.61**	**13,234.53**
	h)	**Currency Translation reserve**		
		As per Last Balance Sheet	-172.83	149.56
		Add:Currency Translation Reserve for the year	335.23	-322.39
		Total	**162.40**	**-172.83**
	i)	**Non-Controlling Interest**	528.53	848.02
		Total	**528.53**	**848.02**
		Total (a to i)	**14,416.68**	**16,099.92**
13	**Borrowings (At amortized cost)**			
	Term loans			
	From banks			
		Secured	9,449.97	12,151.22
	From others			
		Unsecured	430.46	1,431.94
		Total (A)	**9,880.44**	**13,583.16**
	Other loans			
		Secured borrowings	9,449.97	12,151.22
		Unsecured borrowings	430.46	1,431.94

- Indian rupee term loan obtained by parent company from Bank of Baroda is repayable in 16 quarterly instalments each of Rs. 240 Lakhs to be repaid by August, 2019. The loan is secured by first pari passu charge on parent company's fixed assets (excluding cars / vehicles) and the second charge on pari passu basis on stocks and book debts as collateral security.

- Indian rupee corporate loan obtained by parent company from Bank of Baroda is repayable in 16 quarterly instalments each of Rs. 312.50 Lakhs to be repaid by August, 2019. The loan is secured by first pari passu charge on parent company's fixed assets (excluding cars/vehicles) and the second charge on pari passu basis on stocks and book debts as collateral security and personal guarantee of Chairman and Managing Director and Mr. Udit Sheth, Non Executive Vice Chairman of the parent company.

- Indian rupee term loan obtained by parent company from IDBI Bank is repayable in 16 quarterly instalments each of Rs. 62.50 Lakhs to be repaid by January, 2020. The loan is secured by first pari passu charge on parent company's fixed assets (excluding cars/vehicles) and the second charge on pari passu basis on stocks and book debts as collateral security and personal guarantee of Chairman and Managing Director and Mr. Udit Sheth, Non Executive Vice Chairman of the parent company.

- Indian rupee term loan obtained by parent company from BOB Bank is repayable in 16 quarterly instalments each of Rs. 141.00 Lakhs to be repaid by December, 2021. The loan is secured by first pari passu charge on parent company's fixed assets (excluding cars/vehicles) and the second charge on pari passu basis on stocks and book debts as collateral security and personal guarantee of chairman and managing director and Mr. Udit Sheth, Non Executive Vice Chairman of the parent company.

- Indian rupee vehicle loan taken by parent company from Daimler Financials Services India Pvt. Ltd. is is repaid by February, 2019. The loan was secured by hypothecation of particular vehicle.

- Indian rupee vehicle loan taken by parent company from Axis Bank is repayable in 36 EMI each of Rs. 0.97 Lakhs to be repaid by July, 2019. The loan is secured by hypothecation of particular vehicle.

- Indian rupee vehicle loan taken by parent company from ICICI Bank is repayable in 60 EMI each of Rs. 1.01 Lakhs to be repaid by December, 2022. The loan is secured by hypothecation of particular vehicle.

- Indian rupee term loan taken by parent company from Yes Bank is against personal guarantee of Chairman and Managing Director and Mr. Udit Sheth, Non Executive Vise Chairman of the parent company. The loan is repayable in 4 EMI each of Rs. 500 Lakhs to be repaid by April, 2020.

- The amount appearing in the non current portion as on the respective reporting date are exclusive of loan classified under current maturities of long term borrowing disclosed under Note no. 19.

- US $ vehicle term loans obtained by wholly owned ultimate foreign subsidiary company, Setco Automotive (N.A.) INC. from Ford Motor Credit is repaid in March, 2019. The loan was secured by first pari passu charge on vehicles of the subsidiary company.

- US $ vehicle term loans obtained by wholly owned ultimate foreign subsidiary company, Setco Automotive (N.A.) INC. from Ford Motor Credit is repaid in March, 2019. The loan was secured by first pari passu charge on vehicles of the subsidiary company.

- US $ vehicle term loan obtained by wholly owned ultimate foreign subsidiary company, Setco Automotive (N.A.) INC. from Ally Financial is to be repaid in 60 EMI each of $ 482/- to be repaid by February, 2022. The loan is secured by first pari passu charge on vehicle of the subsidiary company.

- US $ vehicle term loan obtained by wholly owned ultimate foreign subsidiary company, Setco Automotive (N.A.) INC. from Ally Financial is to be repaid in 60 EMI each of $ 424/- to be repaid by February, 2024. The loan is secured by first pari passu charge on vehicle of the subsidiary company.

- US $ vehicle term loan obtained by wholly owned ultimate foreign subsidiary company, Setco Automotive (N.A.) INC. from Ally Financial is to be repaid in 60 EMI each of $ 436/- to be repaid by February, 2024. The loan is secured by first pari passu charge on vehicle of the subsidiary company.

- US $ Equipment term loan obtained by wholly owned ultimate foreign subsidiary company, Setco Automotive (N.A.) INC. from Leaf Financing is to be repaid in 60 EMI each of $861.08 to be repaid by October, 2023. The loan is secured by first pari passu charge on HVAC (Equipment) of the subsidiary company.

- US $ vehicle term loan obtained by wholly owned ultimate foreign subsidiary company, Setco Automotive (N.A.) INC. from BMW Finance is to be repaid in 72 EMI each of $489.65 to be repaid by March, 2025. The loan is secured by first pari passu charge on vehicle of the subsidiary company.

- Indian rupee term loan of Rs. 110.05 Crores is sanctioned by Bank of Baroda obtained by indian subsidiary company, Lava Cast Private Limited. The term loan is repayable in 24 quarterly instalments each of Rs. 459 Lakhs, to be repaid by July 2023. The loan is secured by first charge by way of equitable mortgage of factory land and building & hypothecation of plant & machinery & other movable fixed assets of the company & second charge on Company's entire current assets. Loan is further secured by corporate guarantee of parent company, Setco Automotive Limited.

SETCO AUTOMOTIVE LTD

- Indian rupee term loan of Rs. 19.21 Crores is sanctioned by Bank of Baroda obtained by indian subsidiary company, Lava Cast Private Limited. The term loan is repayable in 24 quarterly instalments each of Rs. 80 Lakhs, to be repaid by July, 2023. The loan is secured by first charge by way of equitable mortgage of factory land and building & hypothecation of plant & machinery & other movable fixed assets of the parent company & second charge on company's entire current assets. Loan is further secured by corporate guarantee of parent company, Setco Automotive Limited.

- Mr. Udit Sheth has been redesignated from joint managing director to non executive director w.e.f. 9th March, 2018. Furter Mr. Udit Sheth has been redesignated from Non Executive Director to Non Executive Vice Chairman w.e.f. 17th April, 2018.

- The Indian Subsidiary company, Lava Cast Pvt. Ltd. has obtained Plant & Machinery of Rs. 13.46 crore under finance lease agreement with Tata Capital Financial Services Ltd. The Lease is secured by Plant & Machinery. The Lease is further Secured by Corporate Guarantee of Parent Company, M/s. Setco Automotive Limited. The company pays lease rental monthly for 5 years with residual acquisition value of 1% of lease value. The maturity profile of finance lease obligations is as follows:

Particulars	**31st March, 2019**		**31st March, 2018**	
	MLP	**PV of MLV**	**MLP**	**PV of MLV**
Payable within 1 years	303.01	287.70	-	-
Payable withing between 1 to 5 years	906.13	1,071.07	-	-
Total Minimum Lease payment	**1,209.14**	**1,358.77**	**-**	**-**

14. Other financial liabilities

Rs. in Lakhs

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Deposits	83.03	53.03
Finance lease obligation	3.22	3.90
Total	**86.25**	**56.93**

Particulars	**As at 31st March, 2019**		**As at 31st March, 2018**	
	MLP	**PV of MLV**	**MLP**	**PV of MLV**
Payable within 1 years	0.41	0.69	0.41	0.72
Payable within between 1 to 5 years	2.05	1.13	2.05	1.23
Payable after 5 years	30.09	2.09	30.50	2.28
Total Minimum Lease payment	**32.54**	**3.91**	**32.95**	**4.23**

15. Non current provisions

Rs. in Lakhs

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Provision for employee benefits		
Provision for gratuity	68.39	75.26
Provision for compensated absences	135.07	100.30
Total	**203.46**	**175.56**

16. Other non - current liabilities

Rs. in Lakhs

Particulars		As at 31st March 2019	As at 31st March 2018
Government Grants - Cash Subsidy		13.86	14.62
	Total	**13.86**	**14.62**

17. Borrowings (at amortized cost)

Particulars		As at 31st March 2019	As at 31st March 2018
Loans repayable on demand from banks			
Secured		21,427.66	18,012.90
Unsecured		0.04	0.01
	Total (A)	**21,427.70**	**18,012.91**
From other parties			
Unsecured		1,000.00	1,500.00
	Total (B)	**1,000.00**	**1,500.00**
	Total (A+B)	**22,427.70**	**19,512.91**

Indian rupee working capital loans obtained by parent company, Setco Automotive Limited are secured by first charge by way of hypothecation of current assets including stocks, book debts etc. and second charge on entire fixed assets of the parent company on pari passu basis.

US $ working capital loans obtained by wholly owned ultimate foreign subsidiary company, Setco Automotive (N.A.) INC. sanctioned by Bank of Baroda (USA) is secured by first charge by way of hypothecation of current assets including stocks, book debts etc. and second charge on entire fixed assets of the parent company on pari passu basis and corporate guarantee of Setco Automotive Limited, parent company.

Indian rupee working capital (cash credit) obtained by indian subsidiary company, Lava Cast Private Limited is sanctioned by Bank of Baroda is secured by first charge by way of hypothecation of current assets including stocks, book debts etc. and second charge on entire fixed assets of the Indian subsidiary company. Working capital loan is further secured by corporate guarantee of parent company, Setco Automotive Limited.

18. Trade payable

Rs. in Lakhs

Particulars		As at 31st March 2019	As at 31st March 2018
Dues of micro, small and medium enterprises (MSME)		871.33	764.00
Others		9,849.40	9,939.70
	Total	**10,720.73**	**10,703.70**

This information as required to be disclosed under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the parent Company and its indian subsidiary.

Rs. in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Information in terms of Section 22 of Micro, Small and Medium enterprises Development Act, 2006 are given below :		
Principal amount remaining unpaid to any supplier at the end of each accounting year.	871.33	764.00
Interest due thereon remaining unpaid to any supplier as at the end of theaccounting year	3.83	0.96
19. Other financial liabilities		
Current maturities of long term loans (Refer Note No.16)	5,336.90	5,433.93
Interest accrued and but not due on borrowings	54.68	61.57
Unpaid/unclaimed dividend	*106.03	92.38
Other Payable	1,478.67	980.77
Financial Guarantee Contracts - SAUL	0.36	0.78
Financial Guarantee Contracts - SANAI	20.06	19.53
Total	**6,996.71**	**6,588.96**

* There are no amounts due for payment to the investor education and protection fund u/s. 125 of Companies Act, 2013 at the year end.

Particulars	As at 31st March 2019	As at 31st March 2018
20. Other current liabilities		
Payable towards statutory liabilities	2,643.63	1,883.51
Government grants cash subsidy	1.26	1.42
Payable to employees	578.02	379.65
Total	**3,222.91**	**2,264.58**
21. Provisions		
Provision for gratuity	53.82	53.00
Provision for compensated absences	75.40	6.29
Provision For warranty*	247.49	188.93
Total	**376.71**	**248.22**

*Provision is made for estimated warranty claims as discounted amount in respect of products sold by parent company which are still under warranty at the end of the reporting period. These claims are expected to be settled as per warranty policy. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

22. Current tax liabilities (net)

Rs. in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for taxation (net of advance tax paid)	540.02	386.39
Total	**540.02**	**386.39**
23. Revenue from operations		
I) Sales of products	68,043.99	57,953.86
Total	**68,043.99**	**57,953.86**

24. Other income

Rs. in Lakhs

Particulars		As at 31st March, 2019	As at 31st March, 2018
Investment Income			
Interest Income		234.29	92.55
Others			
Profit on sale of property, plant and equipment (net)		7.98	1.74
Exchange gain (net)		178.50	395.39
Other non-operating income		88.32	59.44
Finance Income - Fair value gain on redemption of Investment in Preference Shares		-	723.20
Duty drawback		72.93	41.49
GST Subsidy Receivable (Refer Note No. 11)			947.52
	Total	**582.02**	**2,261.33**

25. Cost of material consumed

Opening stock		8,181.67	6,500.92
Add : Purchases (net)		36,474.28	31,225.73
Less : Closing Stock		9,211.28	8,181.66
Less : Sales of manufacturing scrap		798.99	606.36
Cost of material consumed	**Total**	**34,645.67**	**28,938.63**

26. Changes in inventories of finished goods and work in progress

(Increase) /decrease in inventories	-1745.65	-519.79
	(1,745.65)	(519.79)

27. Employee benefit expenses

Salaries, wages and bonus*		8,341.42	7,199.48
Contribution to employees welfare funds		483.65	477.84
Staff welfare expenses		258.29	256.16
	Total	**9,083.37**	**7,933.48**

*Including managerial remuneration of Rs. 615.00 Lakhs (previous year Rs.279.70 Lakhs) net of Rs.Nil (previous year Rs.96.00 Lakhs) charged to other related entity.

28. Finance cost

Interest expense		4,644.59	4,560.51
Other financial charges		614.30	480.54
	Total	**5,258.89**	**5,041.05**

29. Other expenses

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Consumption of stores and spare parts	2,151.97	1,846.59
Inward freight	1,060.75	949.36
Power and fuel	2,876.19	2,497.94
Conversion charges	1,685.0	1,192.52
Factory expenses	312.66	207.02
Repairs and maintenance to machineries	186.22	192.29
Repairs to building	88.69	57.78
Computer expenses	289.12	279.80
Printing and stationary	65.05	58.19
Rent, rates and taxes	169.13	194.48
Insurance	404.04	388.92
Travelling & conveyance expenses	652.34	672.70
Legal and professional charges	952.30	757.44
Communication expenses	72.48	76.49
General expenses	281.36	249.41
Marketing and sales promotion	604.43	879.78
Discount, commission and other expenses on sales	2,164.50	2,049.70
Packing and forwarding expenses	1,946.36	1,859.65
Advertisement expenses	8.24	5.24
Directors' sitting fees	33.15	32.30
Corporate social responsibility expenses	120.66	88.70
Donation	34.73	35.84
Commission to non executive directors	57.18	31.93
Motor car running expenses	26.89	29.22
Office expenses	40.76	45.85
Auditors remuneration	66.80	56.09
Excise duty on finished goods stock	-	-
Foreign exchange loss (net)	1.70	136.54
Loss on sale of property, plant & equipment (net)	-	2.45
Sundry balance written off	2.5	129.81
Total	**16,355.30**	**15,004.03**

30. MAT CREDIT

In view of substantial appellate relief granted to the Parent company in tax proceedings relating to earlier years which has resulted in credit of MAT of Rs. 752.76 lakhs. The relief granted has stabilised the treatment of certain development expense as revenue expenses in tax assessments, though the same were treated as Capital Expense in the books of account. In view of the above, the Parent company has recognised this MAT credit and its consequent impact on deferred tax asset/deferred tax liability, as applicable. During the year, the Parent company has adjusted/(recognised) MAT Credit of Rs. 544.28 lakhs for current financial year (Previous year Rs. 48.38 lakhs) and same is shown as adjustment from the current tax amount in the statement of profit and loss. The Parent company has also recognised/(reversed) Net MAT credit of Rs. 23.01 lakhs (Rs. 41.98 lakhs) in respect of previous periods.

31. Earning per share

	2018-2019	2017-2018
Profit available to equity shareholders after tax- Rs. in Lakhs	312.51	375.15
Weighted average number of equity shares of Rs. 10/- each		
Basic - no. of shares	133,677,275	133,596,675
Diluted -no. of shares	133,743,474	133,901,266
Earnings per share in Rs.		
Basic in Rs.	0.23	0.28
Diluted in Rs.	0.23	0.28

Pursuant to the approval of members of parent company in the Annual General Meeting held on 28th September, 2015, the equity shares of face value of Rs.10/- each have been subdivided into equity shares of face value of Rs. 2/- each with effect from 17th December, 2015. As a result, the number of equity shares has increased from 2,67,19,335 to 13,35,96,675 shares. The earning per share for all the periods presented has been restated accordingly in terms of Indian Accounting Standard - 33 "Earning Per Share" notified u/s 133 of the Companies Act, 2013 read with companies (Indian Accounting Standards) Rules, 2015. Earning per share is calculated after considering weighted average number of shares that would be issued on the conversion of dilutive potential equity shares.

32 SALES-IN-TRANSIT

i. Effective from 1st April, 2018, the Parent Company and Indian Subsidiary Lava Cast Pvt. Ltd. has adopted IND AS - 115 "Revenue from Contracts with Customers" using the modified retrospective approach and cumulative effect due to application of IND AS - 115 has been adjusted to the opening balance of retained earnings resulting in reduction of Rs. 723 lakhs. It has also resulted in the revenue and profit before tax for the current year being higher by Rs. 2693 lakhs and Rs. 723 lakhs respectively and hence the same are not comparable to the previous year. The Products dispatched from the factory, which remained in transit in respect of which the risk and reward have not been transferred till the date of approval of financial statements amounts to Rs. 752.33 Lakhs (Rs. 145.09 Lakhs). With a view to reflect true and correct position of revenue, the said amount is reduced from total sales of the year and the stock value there of Rs.644.93 Lakhs (Rs.121.98 Lakhs) is shown under the head "Finished Goods" in Note 7 under the head "Inventories".

ii. In the absence of information in accounts of wholly owned ultimate foreign subsidiaries about the stocks on hand out of intercompany transactions, the unrealized profit on such stocks, if any, is unascertained and not eliminated.

33 Enterprises consolidated as subsidiary in accordance with IND-AS-110 "Consolidated Financial Statements"

Sr. No.	Names of Subsidiaries with country of incorporation	Percentage of Voting Power	Financial Year
i	Setco Automotive (UK) Limited – UK (SAUL)	32.19% by Setco Automotive Ltd. 67.81% by WEW Holding Ltd.	April to March
ii	Setco Automotive (N.A.) Inc. – U.S.A. (SANAI) (Wholly owned Subsidiary of Setco Automotive (UK) Ltd.)	100%	April to March
iii	WEW Holding Limited Mauritius - (WEW) (Wholly owned subsidiary of Setco Automotive Ltd. India)	100%	April to March
iv	Setco MEA DMCC (Wholly owned subsidiary of Setco Automotive Ltd. India)	100%	April to March
v	Lava Cast Private Limited - (India) * (Partly owned subsidiary of Setco Automotive Ltd. India)	87.24%	April to March

* The company has further subscribed equity share capital during the year of Rs.850 Lakhs during the current financial year in view of this investment parent company's holding in Lava Cast Private limited has been increased from 86.12%. to 87.24 %

34 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries.

Sr. No.	Name of Enterprise	Net assets i.e. total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Rs. in Lakhs	As % of consolidated net assets	Rs. in Lakhs
I. Parent					
	Setco Automotive Limited	100.86%	17,237.46	-5782%	3,150.83
II. Subsidiaries					
a. Indian					
	Lava Cast Private Limited	24.24%	4,141.89	5182%	(2,823.59)
	Less : Non-controlling interest	-3.54%	605.81	-865%	(471.50)
		20.69%	3,536.08	43.17	(2,352.09)
b. Foreign					
1.	Setco Automotive (UK) Limited	-19.78%	-3,380.60	1986%	(1,082.03)
2.	Setco Automotive (NA) Inc.	-1.54%	-263.17	-391%	212.96
3.	WEW Holdings Limited	-0.14%	-23.75	23%	(12.58)
4.	SETCO MEA DMCC	-0.09%	-15.80	-52%	28.42
Total		**100.00%**	**17,090.23**	**100%**	**(54.49)**

Sr. No.	Name of Enterprise	Share in other comprehensive Income		Share in Total comprehensive Income	
		As % of consolidated profit or loss	Rs. in Lakhs	As % of consolidated profit or loss	Rs. in Lakhs
I. Parent					
	Setco Automotive Limited	90%	-41.51	-3937%	3,130.18
II. Subsidiaries					
a. Indian					
	Lava Cast Private Limited	11%	(5.01)	3558%	(2,828.60)
	Less : Non-controlling interest	-1%	(0.64)	-594%	(472.14)
		10%	(4.37)	2964%	(2,356.46)
b. Foreign					
	1. Setco Automotive (UK) Limited	-	-	1361%	(1,082.03)
	2. Setco Automotive (NA) Inc.	-	-	-268%	212.96
	3. WEW Holdings Limited	-	-	16%	(12.58)
	4. SETCO MEA DMCC	-	-	-36%	28.42
Total		**100%**	**(45.88)**	**100%**	**(79.51)**

35 CONTINGENT LIABILITIES & COMMITMENTS

A. Contingent liabilities :

i) Guarantees given by the bank on behalf of Parent Company, Setco Automotive Limited Rs.50.39 Lakhs (Rs. 51.69 Lakhs).

ii) Guarantee given for £ 0.80 million to Bibby Financial Services, U.K. (£ 0.80 million to ICICI Bank Limited, U.K.) for Wholly Owned Ultimate Foreign Subsidiary, Setco Automotive (UK) Limited's credit facilities Rs. 723.44 Lakhs (Rs. 742.00 Lakhs). The carrying amounts of related financial guarantee contracts recognised in books of account are Rs. 0.36 lakhs as at 31.03.2019 (Rs. 0.78 lakhs).

iii) Guarantee given for $ 3.20 million ($3.20 million) to Bank of Baroda, New York, USA for Wholly Owned Ultimate Foreign Subsidiary, Setco Automotive (N.A.) INC.'s credit facilities Rs. 2,220.48 Lakhs (Rs.2,089.60 Lakhs). The carrying amounts of related financial guarantee contracts recognised in books of account are Rs. 20.06 lakhs as at 31.03.2019 (Rs. 19.53 lakhs).

iv) Guarantee given for Rs. 18,326.00 Lakhs (Rs.18,326.00 Lakhs) to Bank of Baroda, Mumbai, India, for Indian subsidiary, Lava Cast Private Limited's credit facilities. The carrying amounts of related financial guarantee contracts are recognised in books of account are Rs. 820.22 lakhs as at 31.03.2019 (Rs. 968.86 lakhs).

v) Guarantee given by bank on behalf of Lava Cast Pvt Ltd Rs. 7.18 Lakh (Previous Year Rs. 7.38 Lakh).

B. NOTE ON PENDING LITIGATION :- (In respect of parent company, Setco Automotive Limited)

i) The Pollution control department had filed a civil /criminal case against the company and all the directors in 1993. The civil matter was disposed in favour of the company.

In criminal matter against the company and the directors, Hon. High Court had quashed the case against all the nominee directors. The case will now proceed against the company and the managing director in local court.

ii) The company had filed a case against a competitor for cancellation of registration of design granted by Controller of Patents and Designs in Kolkata High Court. In view of the settlement of differences under a consent terms, the said case became infractuous, and the process of withdrawal of the case is under process.

iii) The Company has preferred an appeal against an order issued by CIT (A)-4 Vadodara confirming penalty of Rs. 12.01 lakhs for A.Y. 2004-05 with ITAT (Tribunal). The company is confident of receiving adjudication in its favour.

iv) The company has received order from A.O. Panchmahals, Godhra range for demand of Rs. 590.13 lakhs by way of adjustment of addition in book profit for calculation of tax under MAT which resulted into the above demand for Assessment Year 2011-2012. The company has preferred an appeal with CIT(A) - 4 Vadodara against such order. The company is confident of receiving adjudication in its favour.

v) The company has received intimation u/s 143(1) of Income Tax Act,1961 from CPC, Bengluru for A.Y. 2015-16 & 2016-17 wherein demand of Rs. 394.48 & Rs. 486.02 lakhs repectively have been raised mainly on account of non allowance of deduction u/s 80-IC. The company believes this is a mistake apparent from records and has filed rectification petition u/s 154 of Income Tax Act, 1961. The company is confident that the demand would be dropped in due course of time.

vi) The company has received intimation u/s 143(1) of Income Tax Act,1961 from CPC, Bengluru for A.Y. 2017-18 wherein demand of Rs. 6.07 lakhs has been raised on account of disallowance of Emplyee Benfit expenses u/s 36 & 43B. The company believes this is a mistake apparent from records and has filed rectification petition u/s 154 of Income Tax Act, 1961. The company is confident that the demand would be dropped in due course of time.

The parent company's management reasonably expects that these cases when ultimately concluded/adjudicated will not have any material or adverse effect on the company's results or the operations or financial condition.

C. Commitments : (For parent company and indian subsidiary company)

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 911.28 Lakhs (Rs. 278.20 Lakhs).

36. TRADE PAYABLES & RECEIVABLES

i) In Respect of parent company, trade payables' balances are under reconciliation process. Necessary adjustments, if any, will be accounted when the same is reconciled. In respect of trade receivables and other debit/credit balances, for which balance confirmations have been received, are under reconciliation process and necessary adjustments, if any, will be accounted when the same is reconciled. While others are subject to reconciliation and adjustment if any. Trade Payables, Creditors for Capital Expenditure and Capital Advances in respect of Indian Subsidiary Company Lava Cast Pvt. Ltd. are subject to reconciliation and / or confirmation.

ii) In the opinion of the management, current and non-current assets are recoverable in the normal course of business.

37. EMPLOYEE STOCK OPTION PLAN (ESOP) 2015- Share based payment. (In relation to parent company)

a. Pursuant to approval of shareholders at their meeting held on May 30, 2016, the parent company has established an 'Employee Stock Option Scheme 2015' ('ESOP 2015' or 'the Scheme') to be administered by the Nomination & Remuneration Committee of the Board of Directors.

b. Under the Scheme, options not exceeding 610,000 have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted under the Scheme would vest not less than one year before and not more than four years after the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of one year from the date of vesting.

c. The exercise price of the option is Rs. 16/- per option which is at discount of Rs. 15.95 from the closing market price of the shares on the stock exchange as on the date prior to the date of the Nomination & Remuneration Committee resolution approving the grant.

d. Pursuant to the above mentioned scheme, the parent Company has, during the year, granted 2,84,800 (Previous year 4,35,000) options vesting over a period of three years commencing from the date of grant.

e. The following are the number of options outstanding during the year:

(Rs. in Lakhs)

Stock options	As at 31st March, 2019	As at 31st March, 2018
At the beginning of the year	4,35,000	5,38,000
Exercised	80,600	-
Cancelled	69,600	1,03,000
At the end of the year	2,84,800	4,35,000

f. The above outstanding options comprise of only one class granted to eligible employees in category of senior.

g. The parent company follows the fair value method of accounting for the options.

(Rs. in Lakhs)

Balance sheet presentation	As at 31st March, 2019	As at 31st March, 2018
Total stock options cost	44.44	69.38
Less: Deferred employee compensation	1.57	16.21
Stock options outstanding	42.86	53.17

38. Research & Development

The Parent Company, Setco Automotive Limited has a set up of recognized research & development centre (R & D Centre) at its Kalol plant. During the current financial year, the R & D Centre has conducted activities mainly related to the product development, particularly development of new products for domestic & international markets. Till previous financial year, such expenses were capitalized as Intangible Asset and was included under the head "Intangible Asser under Development in Note no.2 - "Property, Plant & Equipment" and the same shall be amortised as per amortization policy consistently followed by the company. From current financial year, the company has treated R & D expenditure as Revenue expenditure.

Based on the Accounting Expert's opinion obtained by the company in preceding previous year, the accounting treatment referred to above is within the purview of Indian Accounting Standard - 38 "Intangible Assets".

The details of expenditure incurred during financial year 2018-2019 are as under : Rs. in Lakhs

Particulars	Approved (DSIR) R&D expenditure	Other R & D expenditure	Total
Capital expenditure	6.23	-	6.23
Intangible assets under development Including depreciation of Rs. Nil (Rs. 89.83 Lakhs)	-	-	-
Revenue expenditure - research expenses	151.64	89.24	240.88
Total R&D expenditure incurred in 2018-2019	**57.87**	**89.24**	**247.11**
Total R&D expenditure incurred in 2017-2018	**47.23**	**290.70**	**337.93**

39. Disclosure in respect of materials & component consumption, inventories, deferred tax assets, deferred tax liabilities, trade receivables and change in Inventories of finished goods and work in progress are reflected, each at aggregate amounts only on the basis of information available from wholly owned ultimate foreign subsidiaries.

40. During the year, the company has made contribution of Rs. Nil lakhs (Rs. 10.00 lakhs) to Political party - Bhartiya Janta Party.

41. Figures in brackets represent previous year's figures.

42. The audited financial statements of the wholly owned ultimate foreign subsidiaries have been prepared in accordance with local laws of the country in which these subsidiaries operate. The said audited financial statements have been restated/ recompiled by the management to meet the requirements of Indian Accounting Standards after exercising necessary due diligence to ensure true & fair view of said subsidiaries' affairs.

43. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

44. In Financial Year 2017-18 Setco Automotive UK Ltd had revalued its investment in Seto Automotive (NA) Inc from Rs.1483,11 Lakhs to Rs.2,665.50 Lakhs and in Financial Year 2018-19 it has revalued Land and Building from Rs.813.35 Lakhs to Rs.1,078.63 Lakhs. Upon consolidation these inter company balances have been eliminated and consequent effect on statement of profit and loss or Retained Earinings have been derecognised.

As per our report of even date attached
Chartered accountants
(Firm registration No. : 107488W)

(Rasesh V. Parekh)
Partner
Membership No. 038615

Place: Mumbai
Date : 30th May 2019

For and on behalf of the Board

Harish Sheth
Chairman & Managing Director

Udit Sheth
Vice Chairman

Shvetal Vakil
Executive Director

Urja Shah
Executive Director

Arun Arora
Independent Director

Ashok Jha
Independent Director

Suhasini Sathe
Independent Director

Arun Tiwari
Independent Director

Vinay Shahane
Vice President – Finance

Chandra Kant Sharma
Company Secretary

Place: Mumbai
Date : 30th May 2019

NOTES

NOTES

To,
The Company Secretary
Setco Automotive Limited
Corporate Office: 2/A, Ground Floor,
Film Centre Building, 68, Tardeo Road,
Mumbai – 400 034, India.

NATIONAL ELECTRONIC CLEARING SERVICE (NECS)
MANDATE FORM

1.	Shareholder's Name	:	
2.	Folio No.	:	
3.	No. of Shares	:	
4.	Bank Name	:	
5.	Branch Name	:	
	Address		
	Telephone No.	:	
6.	Bank Account Number	:	(10-Digit or more number only)
7.	Ledger Folio No. of the Account (if appearing on Cheque Book)	:	
8.	Account type [Please tick ✓]	:	
9.	9-Digit Code Number of the Bank & Branch appearing on the MICR Cheque issued by the Bank	:	
10.	11-Digit IFSC Code (Optional)	:	

Savings	Current	Cash Credit

I agree to avail the NECS introduced by RBI with respect to payment of dividend to me.

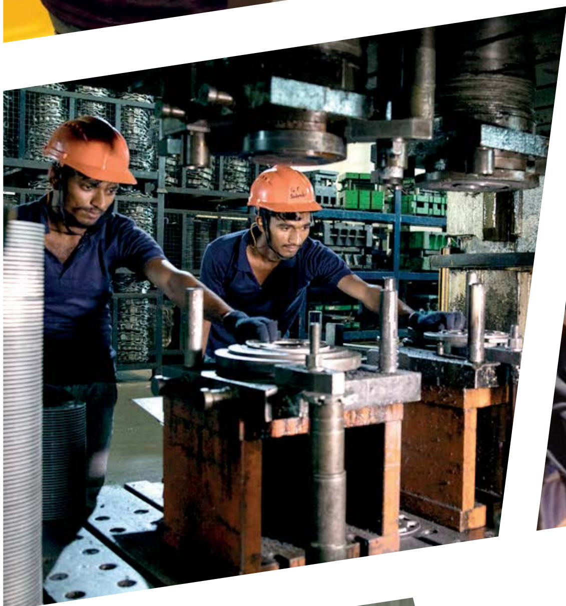
I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons beyond the control of the Company, I would not hold Setco Automotive Limited responsible.

Date

____
Signature of the Sole/First Shareholder

(Please attach (i) self-attested photocopies of any two of your Passport / PAN Card / Driving License / Voters Identity Card towards proof of identification & (ii) a blank cancelled cheque or photocopy of a cheque issued by your Bank for verification of the 9-digit code Number provided above).



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