

ANNUAL
REPORT

26

2008-2009

environment
friendly

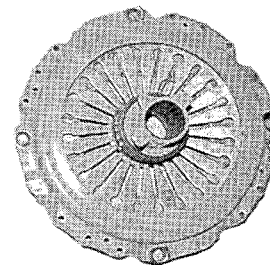
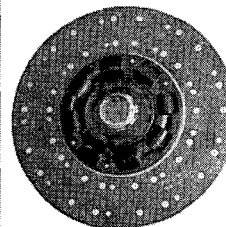
social
responsibility



2008-09

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Company Information

Registered Office	Vadodara- Godhra Highway Kalol – 389 330 District Panchmahals, Gujarat, India
Corporate Office	2/A, Ground Floor, Film Center, 68 Tardeo Road Mumbai – 400 034, Maharashtra, India
Factories	Kalol, Panchmahals, Gujarat, India Sitarganj, Udhamasinghnagar, Uttarakhand, India
Subsidiaries	Paris, Tennessee, USA (SANAI) Rossendale, Lancashire, UK (SAUL)
Auditors	Manesh Mehta & Associates Chartered Accountants Vadodara, Gujarat, India
Bankers	Bank of Baroda HDFC Bank Ltd
Solicitors & Notaries	Wadia Ghandy & Co Mumbai, India



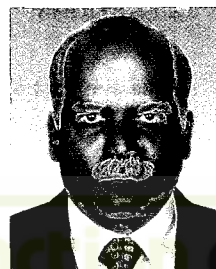
Board of Directors



Harish K Sheth
Chairman & Managing Director



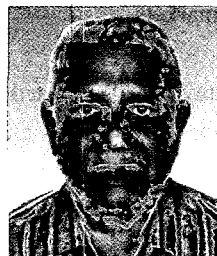
Arun Arora
Director



Satish Deshpande
Director



Pratap Merchant
Director



B L Naik
Director



Harshal J Shah
Director



Udit H Sheth
Executive Director



Shvetal Vakil
Executive Director



Chairman's Statement

Dear Shareholder,

The economic downturn has in no small measure been reflected in the automotive industry. The past year under review has been a roller coaster ride for the auto components sector. But looking ahead, the prospects seem bright especially with the combination of an expanding domestic market and favourable government policies. India as a manufacturing hub is proving to be a major attraction for various international auto companies. An abundance of talent and resources has made India the preferred destination for sourcing components by most of the leading automobile conglomerates. Overall, there is a lot to look forward to in the coming months.

At the core of SETCO are its people. As we continue to expand our horizons and venture into new territories, these are the minds, the hands and the hearts behind each success.

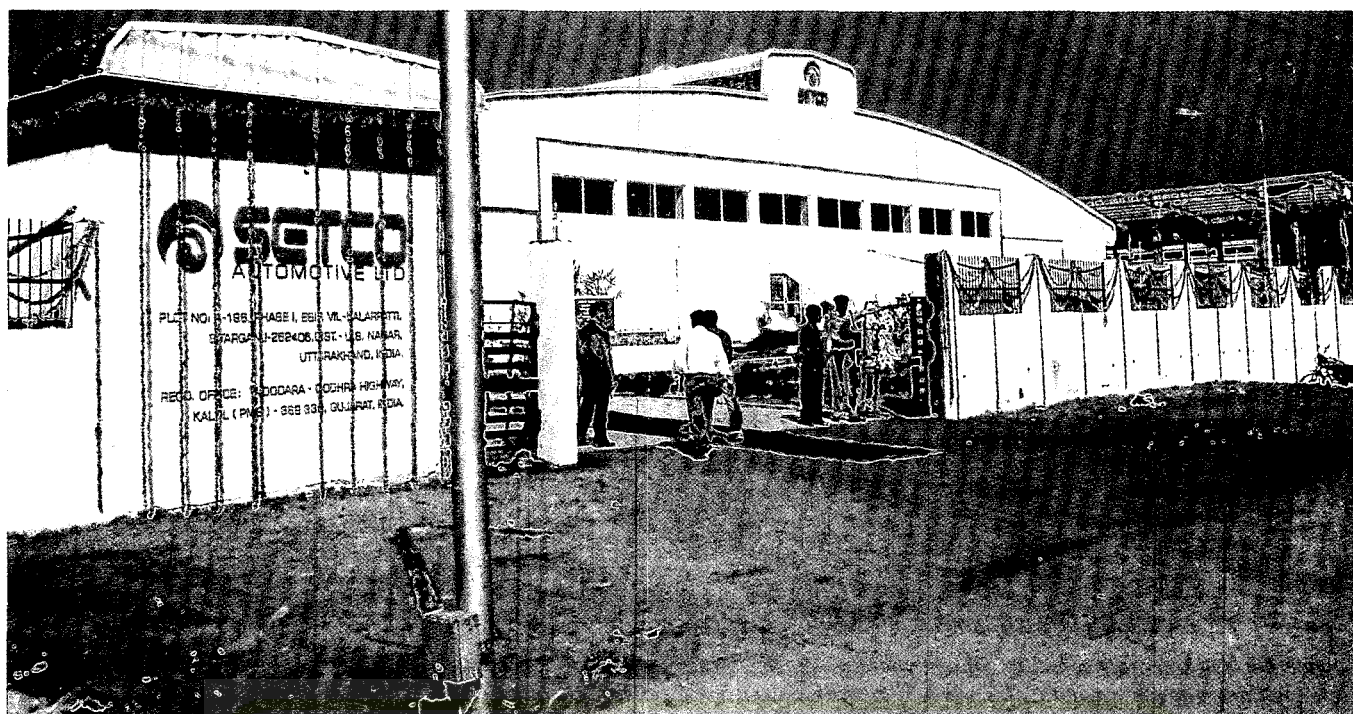
OPERATIONS

While the first six months of the financial year started off well, the second half has especially been reflective of a punctured industry although there are signs that the wheel will once again start to turn in the coming months. Setco has managed to post relatively strong figures inspite of the downturn in the Indian and global economy. Your company's focus on diversification, strategic sales and cost cutting measures have all helped to sooth the ripples of the fall in global and domestic markets.

The proposed investment in the sector has undeniably been impacted, but the prospects are not as dull as one may assume. The demand for commercial vehicles has shown some growth albeit a slight sluggishness. We have belief that the aftermarket will drive strong growth. Furthermore, our right costs and quality coupled with more structured NPD (New Product Development) and GPD (Gross Product Development) cycles will also drive strong international business growth in different regions. Our subsidiaries are poised to cater to these regions.

In a time when tales of mass retrenchment have become commonplace, Setco is very pleased to have had absolutely no layoffs in the year. Like other companies, ours too has taken its share of beating but not at the cost of the people that have helped the company to progress thus far and even make it stronger despite being faced by a weakening economy. In fact, we are further augmenting our team.

We have brought on board global quality management best practices to deal with our human resources. During this period, we have chosen to build the talent we already have through cross pollination and multi-skill development training. In this manner, we have strengthened our pool of resources instead of opting to reduce it.



Our foreign subsidiaries have managed to buck the trend and put up a good performance over the past year despite the global environment playing spoilsport. Meanwhile, the new year has come with new resolutions and new strategies for growth and development and we are looking forward to a major revival in our growth charts.

This year, we are focusing our energies on costs, HR and better quality. With better 'speed to market' strategies and a joint effort between our marketing and R&D teams we hope to ride the economic slowdown with confidence.



Setco decided to create a facility which would be the size of three Anganwadis brought together in one location. This would ensure the organisation and scales whereby all the children irrespective of their background will eat, learn and play together.



Setco is pulling out all stops to making sure that its work premises are green and nature friendly. As a part of these efforts, tree planting sessions have been scheduled with the employees.



CORPORATE SOCIAL RESPONSIBILITY

We have always tried to maintain a balance between our commercial aspirations and our social motives. This year we funded the development of a Nandghar (Anganwadis) for small under privileged children and pregnant women in Kalol (Gujarat), the focus of which is to ensure basic education & health for this vulnerable section of the society. Taking cognizance of the prevailing environment in this town, the concept behind this was the creation of a facility which is equivalent to three Anganwadis but brought together in one location to ensure that all the children irrespective of their religious or economic background will eat, learn, and play together. This has been done to help to build not only healthy and educated citizens of our country, but also a spirit of secularism.

Our purpose does not end with the laying of the last brick, but it continues through the sponsorship of the running of the NANDGHAR. A healthy child will have a healthy future and health thinking.

Similarly, Corporate Social Responsibility for us has not ended with the recession, but has taken on a new lease of life, as we attempt to bring out the best not just within our company but outside it.

ENVIRONMENT

We all can do our bit to preserve the environment. Setco is pulling out all stops to making sure that its work premises are green and nature friendly. As a part of these efforts, tree planting sessions have been scheduled with the employees. This activity has been initiated with an objective of creating awareness about the importance of nature and a pollution free environment amongst the employees and the society at large.

PEOPLE

At the core of Setco are its people. As we continue to expand our horizons and venture into new territories, these are the minds, the hands and the hearts behind each success. Here at Setco, there is no role too small. Everybody makes a big difference.

Place : Mumbai
Date : 03.08.2009

Harish Sheth
Chairman & Managing Director

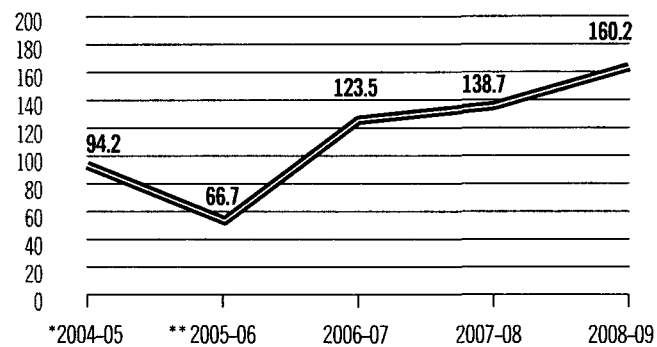


Performance at a Glance

Standalone Figures

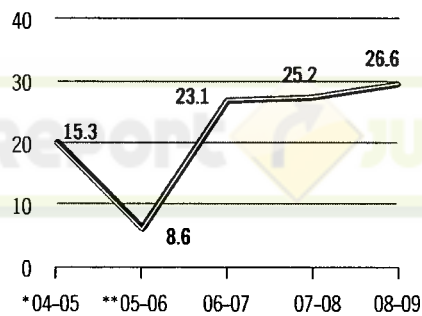
Net Sales

Figures in Rs. Crore



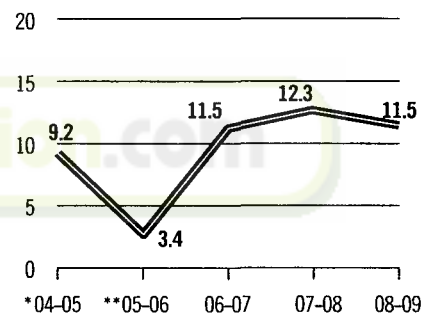
PBDIT

Figures in Rs. Crore



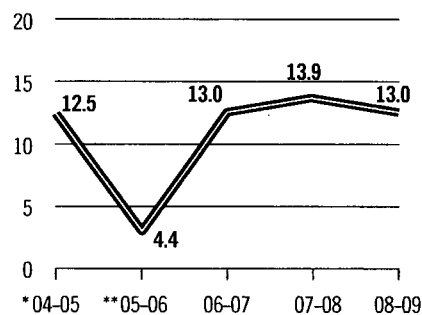
Profit after Tax

Figures in Rs. Crore



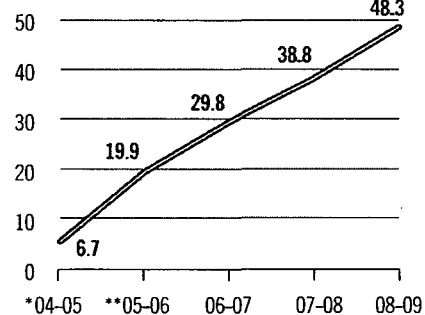
Earning per Share

Rupee per share



Net Worth

Figures in Rs. Crore



* 04-05 = 15 Months ** 05-06 = 9 Months