HI-TORQUE LP HEAVY DUTY

SETCO™
AUTOMOTIVE LTD



CLUTCH YOU BUY
CLUTCH WE RACE

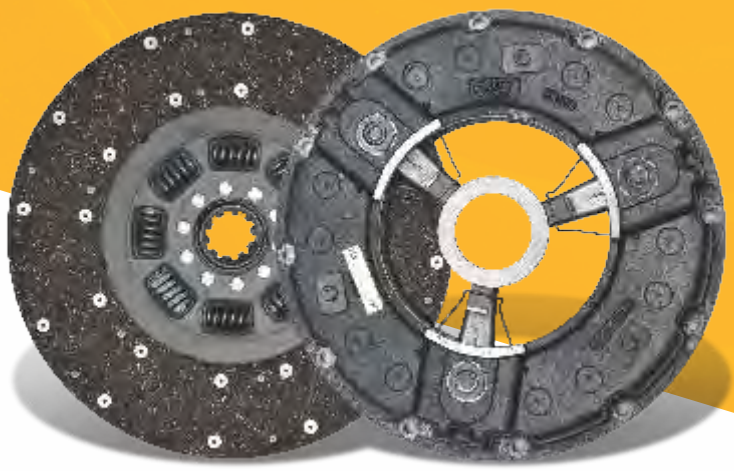


SETCO LIPE™ CLUTCH

32nd ANNUAL REPORT 2014-15

32nd ANNUAL REPORT 2014-15







Forward-looking Statements

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.

CORPORATE

Introduction	02
Corporate Information	03
Factsheet	04
Key Milestones	06
Products at a Glance	08
5-Year Financial Snapshots	10
Total Quality Management	12
Customers	13
Chairman & Managing Director's Message	14
Customer Services	18
Human Resources	19
Manufacturing and R&D	20
Domestic Market	22
Global Market	24
Corporate Social Responsibility	26

STATUTORY

Board of Directors	30
Management Discussion & Analysis	32
Directors' Report	37
Corporate Governance Report	59
Independent Auditors' Report	74
Balance Sheet	78
Profit & Loss Account	79
Cash Flow Statement	80
Standalone Accounts	82
Consolidated Accounts	109

Clutch You Buy
Clutch We Race

"A river cuts through rock, not because of its power, but because of its perseverance."



The world of Setco is not merely a manufacturing house of clutches – it is a powerhouse of mechanics, where the best of engineering acumen works in unison and in synergy to usher in an era of manufacturing innovations. The Setco story is one of perseverance and quick evolution.

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**
- **Integrity**
- **Team Spirit**
- **Customer Focus**
- **Environmental Consciousness**

Corporate Information



Board of Directors

Harish Sheth,
Chairman & Managing Director
Udit Sheth, Joint Managing Director
Shvetal Vakil - Executive Director
Urja Shah - Additional Director
Arun Arora
Ashok Jha
Bhalchandra Naik
Pratap Merchant
Suhasini Sathe - Independent Director

Auditors

Manesh Mehta & Associates
Chartered Accountants
Vadodara, Gujarat, India

Bankers

Bank of Baroda
ICICI Bank
HDFC Bank

Solicitors

Wadia Ghandy & Co.
Mumbai, Maharashtra, India

32nd Annual General Meeting
Date : 28th September, 2015
Day : Monday
Place : Vadodara-Godhra Highway,
Kalol, District: Panchmahal,
Pin Code - 389 330
Gujarat, India

Registered Office

Vadodara-Godhra Highway
Kalol, District: Panchmahal
Pin Code – 389 330
Gujarat, India
Website: www.setcoauto.com
CIN: L35999GJ1982PLC005203

Corporate Office

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

Subsidiaries & Manufacturing Units

Setco India
(1) Vadodara Godhra Highway, Kalol,
Dist. Panchmahal, Pin Code 389 330, Gujarat

(2) Sitarganj, District Udham Singh Nagar,
Pin Code 262 405, Uttarakhand

Lava Cast Private Limited
Alindra (Village) Vadodra-Godhra Highway,
Kalol (PMS) – 389330, Gujarat, India

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

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

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mill Compound
L.B.S. Marg, Bhandup (West)
Mumbai – 400 078, Maharashtra, India

Investor Grievance

e-mail id: investor.relations@setcoauto.com





SETCO Factsheet

- Largest producer of Medium & Heavy Commercial Vehicle (MHCV) Clutches in India
- Among the top 3 manufacturers in the world (by volume)
- Meeting approximately 85% of MHCV OEM Clutch demand in India
- A critical supplier/partner to India's leading commercial vehicle manufacturers such as Ashok Leyland, AMW, Daimler India Commercial Vehicles, Man India, Tata Motors, and Volvo-Eicher Commercial Vehicles



INCORPORATED

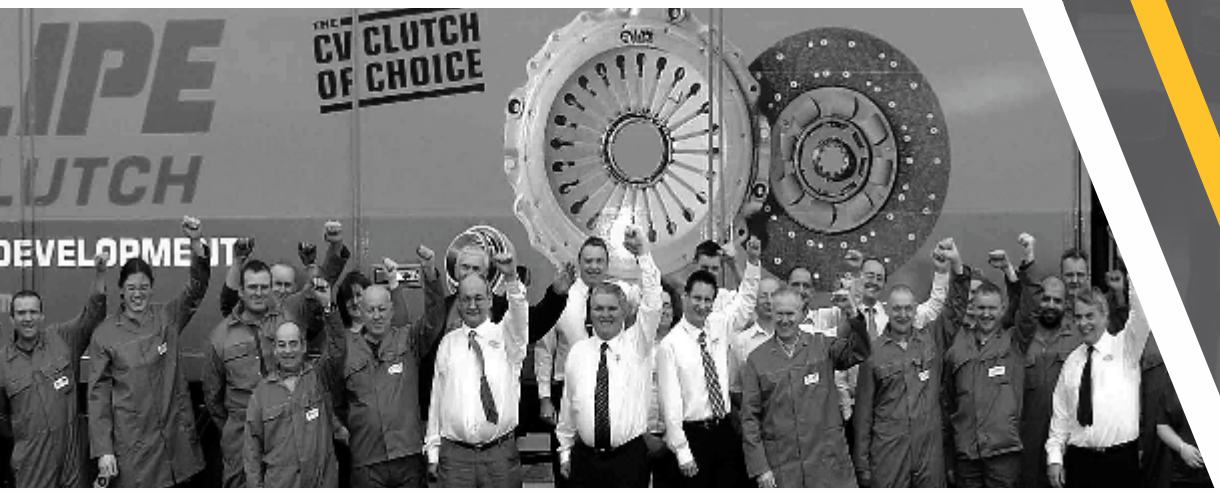
In 1982. BSE Listed,
Corporate office at Mumbai, Maharashtra, India

PRODUCTS

Clutch Products & Systems, Hydraulics (pressure converters)
Fully Machined Ferrous Castings











OUR BRANDS

Corporate Brand

SETCO™ AUTOMOTIVE LTD

CSR Brand

SETCO™ FOUNDATION

Product Brands

SETCO LIPE™ CLUTCH

lava cast

ISO/TS 16949 | ISO 14001
OHSAS 18001 | VDA - 6.3

5 MANUFACTURING UNITS ACROSS 3 COUNTRIES

Kalol (Panchmahal), Gujarat, India

Alindra (Panchmahal), Gujarat, India

Sitarganj, Uttarakhand, India

Haslingden, Lancashire, UK

Paris, Tennessee, USA



LISTING INFORMATION

Listed on Bombay Stock Exchange
Stock code: 505075
www.setcoauto.com

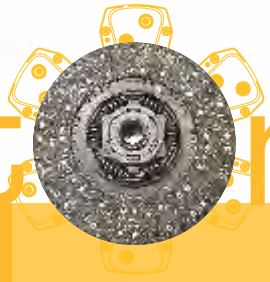
OUR STRENGTH

Globally 1600 People

SALES OFFICES

Austria | Mexico | UAE | Serbia

Key Milestones



1982
- Year of incorporation

1984
- Commercial production

1995-96
- Commenced exports

1999-2000
- Crossed Rs. 100 million turnover mark

2000-01
- Signed a technical collaboration with LIPE UK, a division of Dana Corporation, USA
- Pioneered ceramic metallic clutch technology and offered to Tata Motors as an import substitute

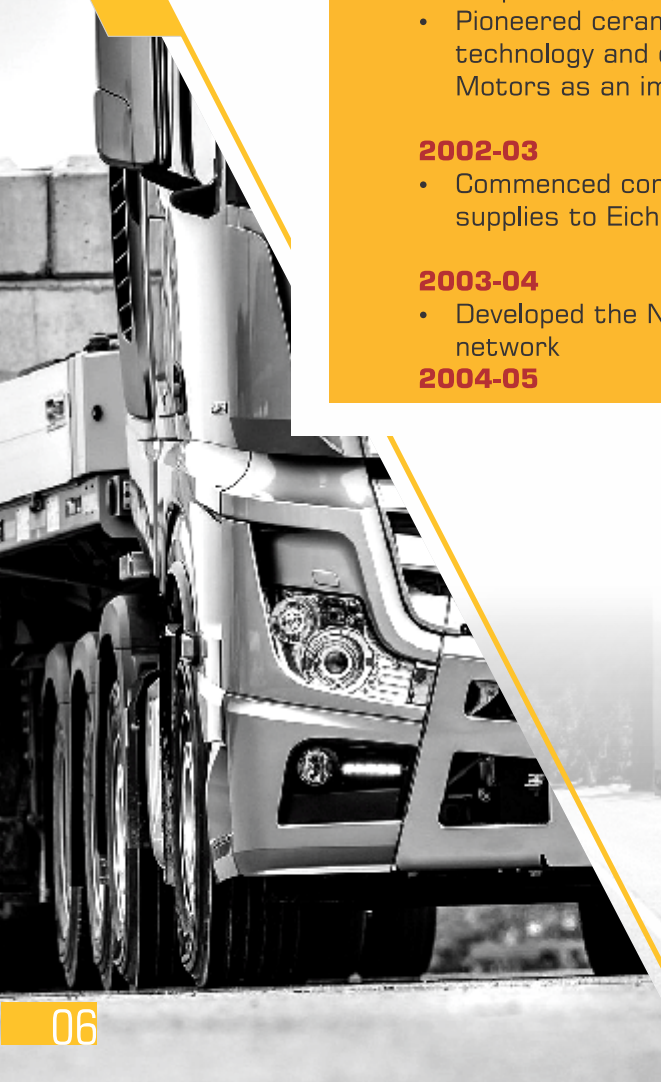
2002-03
- Commenced commercial supplies to Eicher Motors

2003-04
- Developed the National field service network

2004-05
- Crossed Rs. 500 million turnover mark
- Started commercial supply of new age clutches to Ashok Leyland

2005-06
- American FII PE - New Vernon Private Equity Limited invests in Setco Automotive
- Acquires LIPE Clutch Division (UK) from Dana Corporation (USA) and establishes Setco Automotive (UK) Ltd.
- Name changes to Setco Automotive Ltd. from Gujarat Setco Clutch Limited
- Crossed Rs. 1 billion turnover mark
- Establishes a wholly owned subsidiary Setco Automotive NA Inc. (SANAI) in Paris, Tennessee for distribution
- Acquires US facility from Haldex AB Sweden for $4.9 million through SANAI
- Establishment of SETCO Foundation

2007-08





- Setting up of Assembly operations in Uttarakhand (India)

2009-10
- Crossed Rs. 2 billion turnover mark
- Commenced state-of-the-art Press Shop in Kalol, Gujarat for developing clutches suitable to international vehicle manufacturers such as Volvo and Mercedes
- Invested in robust MIS "SAP"

2010-11
- Crossed Rs. 3 billion turnover mark
- Forayed into newer markets in Central Asia, MENA Region, Africa, Latin America and South Asia
- Extended SAP to global subsidiaries

2011-12
- Crossed Rs. 4 billion turnover mark
- Invested heavily in upgrading R&D capabilities

2012-13
- Inauguration of state-of-the-art R&D centre
- Department of Scientific and Industrial Research (DSIR) in India recognized R&D centre

2013-14
- Launched Independent Aftermarket in India
- Launched LCV clutches
- Started doubling capacities in Uttarakhand
- Invested in backward integration

2014-15
- Crossed Rs. 5 billion turnover
- Successfully commercially launched new Diaphragm Spring Manufacturing Facility
- Successfully set up foundry (Lava Cast Pvt. Ltd.) with world class machines. Successful completion of first full year of Independent Aftermarket. Started supplies to new OEMs like Man India and Mahindra Trucks & Buses





Products At a Glance



15.5 Inch Angular Spring Twin Clutch



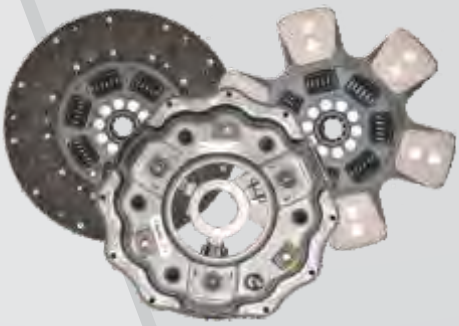
170mm Single Diaphragm Spring



280mm Single Diaphragm Spring



310mm Single Diaphragm Spring



330mm
Single Direct
Pressure Coil Spring



352mm
Single & Twin Direct
Pressure Coil Spring

LIPE Euro Star Series | LIPE Torque Star Series | LIPE Eagle Star Series