



33rd Annual Report
2015-16



BREAKING BARRIERS
EMPOWERING COMMUNITIES





BREAKING BARRIERS

EMPOWERING COMMUNITIES

At SETCO, 'BREAKING BARRIERS' is a guiding philosophy. It is the foundation of our culture and core values. It inspires and motivates us. To break free of all the restraining limitations to reach our full potential across all business functions in order to maximise value for the shareholders; because SETCO strongly believes that it does not operate in a vacuum. After all, sustainable value growth directly reflects our own development as an organisation.

We are an integral part of the society; hence, our Corporate Social Responsibility isn't an after-thought too. SETCO aims to make a meaningful difference to the society by being the change

agent; going beyond supporting good causes, and exert a positive influence. While most CSR programs still struggle to break the mould of 'charity'; our programme gets the employees excited to break barriers and participate in empowering communities.

With this annual report we aim to bring focus on this issue; to sensitise readers as well as re-dedicate ourselves to the cause.





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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"Breaking Barriers to us means seamless communication, excellent teamwork, strong integrity and total accountability –

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 success story over the last decade reflects our willingness to adapt and evolve.

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 - Executive Director

Arun Arora - Independent Director

Ashok Jha - Independent Director

Bhalchandra Naik - Independent Director

Pratap Merchant - Independent Director

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

33rd Annual General Meeting

Date : 29th September, 2016

Day : Thursday

Place : Vadodara-Godhra Highway, Kalol,
District: Panchmahal, Pin Code - 389 330
Gujarat, India



Manufacturing Units

Setco India

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

(2) Sitarganj, Dist.: Udham Singh Nagar,
Pin Code 262 405, Uttarakhand

Subsidiaries

Lava Cast Private Ltd

Alindra (Village) Vadodra-Godhra Highway, Kalol
Dist.: Panchmahal, Pin Code – 389 330, Gujarat, India

Setco Automotive (UK) Ltd

York Avenue, Haslingden, Lancashire, United Kingdom
BB4 4HU

Setco Automotive (NA) Inc

565 Hwy. 77, Paris, Tennessee 38242

Registered Office

Vadodara-Godhra Highway, Kalol, Dist.: 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

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: investor.relations@setcoauto.com



100 Most Influential Global HR Professionals



50 Most Influential HR Tech Leaders

Harish Sheth CMD - Setco Automotive Limited
The Machinist Super Entrepreneur for 2016



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 90% of MHCV 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. Corporate office at Mumbai, Maharashtra, India

Products

Clutch Products & Systems, Hydraulics (pressure converters)



Listing Information

Listed on:

1) National Stock Exchange of India Ltd.
Symbol : SETCO

2) Bombay Stock Exchange
Stock code: 505075

www.setcoauto.com

Our Strength

Globally 1200 People

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

Sales Offices : Austria | Mexico | Serbia

Our Brands

Corporate Brand



CSR Brand



Product Brands



LIPE Euro
Star Series

LIPE Torque
Star Series

LIPE Eagle
Star Series

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

- Group 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

- Successfully commercially launched new Diaphragm Spring Manufacturing Facility
- Successful completion of first full year of Independent Aftermarket.
- Started supplies to new OEMs like Man India and Mahindra Trucks & Buses

2015-16

- Crosses Rs. 5 billion mark on a standalone basis
- Independent After-Market (IAM) Business crosses Rs. 1 billion mark
- Setup of State-of-the-art Lava Cast foundry and commenced successful trial runs



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



Hydraulics Pressure Converter

