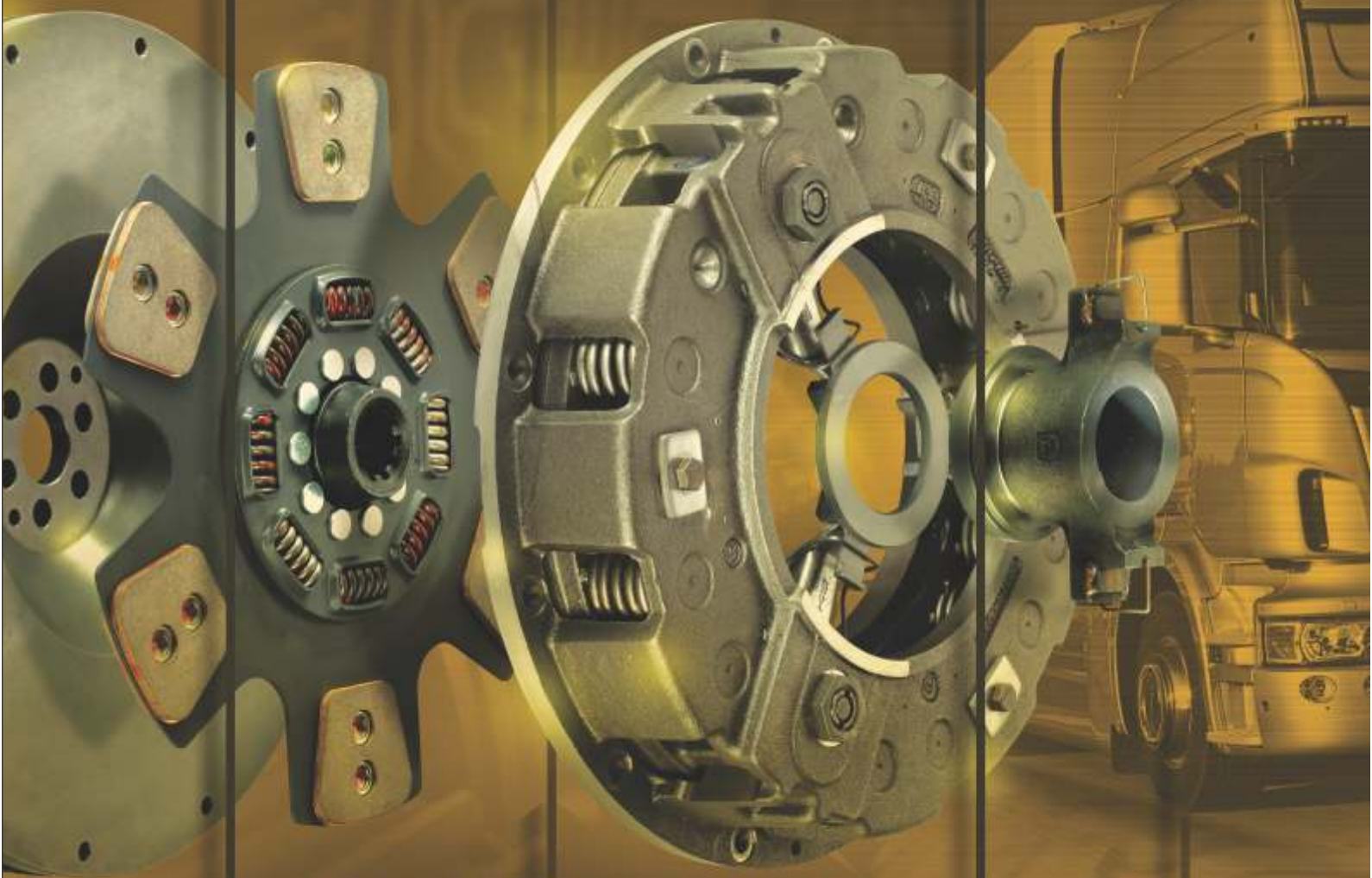




34TH ANNUAL REPORT 2016-17



# BREAKING BARRIERS



# CHANGING GEARS





34TH ANNUAL REPORT 2016-17

## BREAKING BARRIERS CHANGING GEARS

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 program 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.



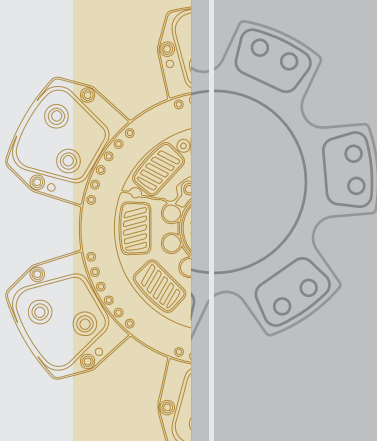
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## Vision

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 (resigned w.e.f. May 30, 2017)  
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

### Registered Office

Vadodara-Godhra Highway, Kalol, District: Panchmahal,  
Pin Code – 389 330 Gujarat, India  
Website: 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 Ltd

Alindra (Village) Vadodra-Godhra Highway, Kalol  
(PMS) - 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

#### Setco MEA DMCC

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

### Registrar & Share Transfer Agents

#### Link Intime India Pvt. Ltd.

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

### Investor Grievance

e-mail investor.relations@setcoauto.com

### 34th Annual General Meeting

**Date** : 27<sup>th</sup> September, 2017

**Day** : Wednesday

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

# 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

## 4 Manufacturing Units Across 3 Countries

Kalol (Panchmahal), Gujarat, India

Sitarganj, Uttarakhand, India

Haslingden, Lancashire, UK

Paris, Tennessee, USA

## Listing Information

Listed on National Stock Exchange of India Ltd.

Symbol : SETCO

Bombay Stock Exchange

Stock code: 505075

[www.setcoauto.com](http://www.setcoauto.com)

## Our Strength

Globally 1200 People

## Incorporated

In 1982. Corporate Office at Mumbai, Maharashtra, India

## Products

Clutch Products & Systems, Hydraulics (pressure converters)

## Our Brands

Corporate Brand



CSR Brand



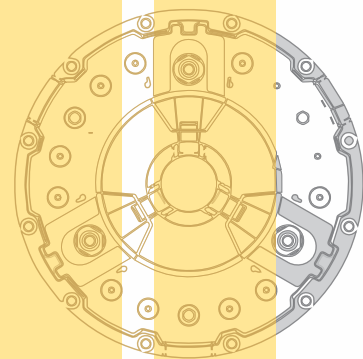
Product Brands



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

## Sales Offices:

Austria | Mexico | 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

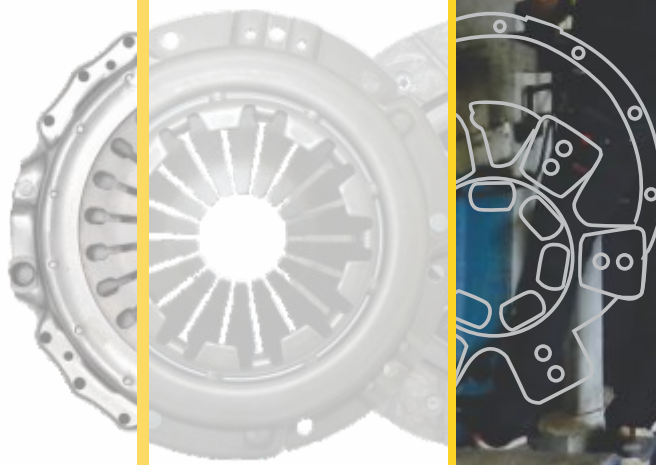
- Successfully commercially launched new Diaphragm Spring Manufacturing Facility
- Successfully set up foundry (Lava Cast Pvt. Ltd.) with world class machines.
- Successful completion of first full year of Independent Aftermarket.
- Started supplies to new OEMs like Man India and Mahindra Trucks & Buses

## 2015-16

- Crosses Rs.5 billion mark on a standalone basis
- Independent Aftermarket (IAM) Business crosses Rs. 100 Crore mark
- Commences trial runs at the state-of-the-art Lava Cast foundry and commenced successful trial runs

## 2016-17

- **Commenced supplies of new Clutch Cover Assembly & LCV clutches to OEM customers**
- **Clutches for Farm Equipment (Tractor) segment and American market ready for launch after field testing**
- **Company's subsidiary, Lava Cast commences commercial production**





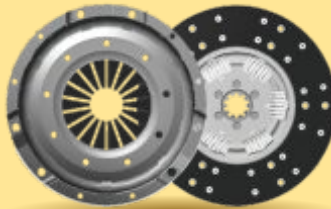
# PRODUCTS AT A GLANCE



15.5 Inch  
Angular Spring Twin Clutch



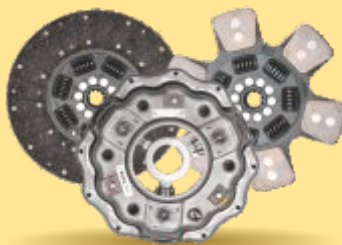
170mm  
Single Diaphragm Spring



280mm  
Single Diaphragm Spring



310mm  
Single Diaphragm Spring



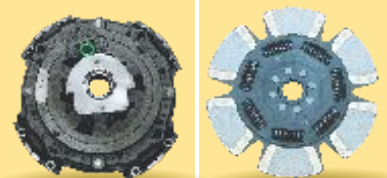
330mm  
Single Direct Pressure  
Coil Spring



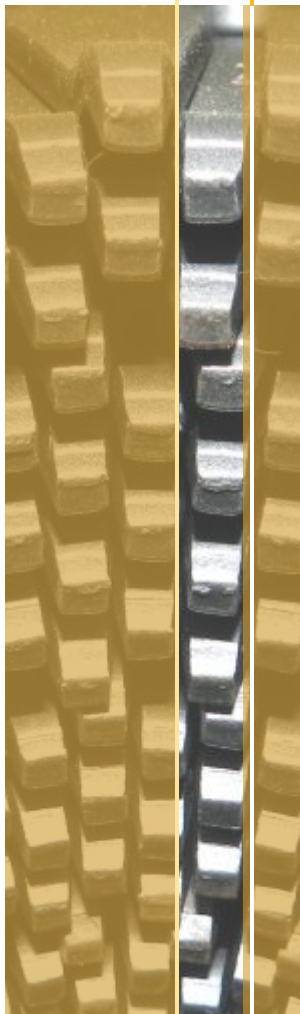
352mm  
Single & Twin Direct  
Pressure Coil Spring



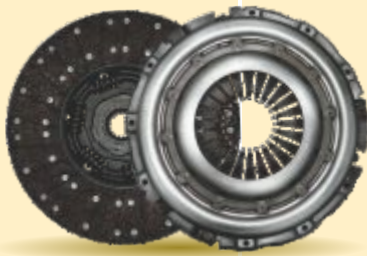
Hydraulics Pressure Converter



Angular Spring Design Clutches







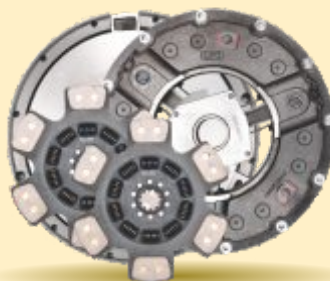
362mm  
Single Diaphragm Spring



380mm  
Single Push Coil Spring



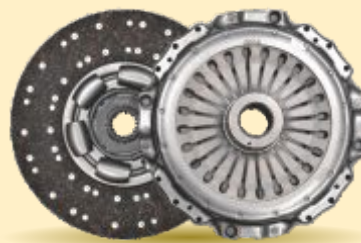
400mm  
Twin Diaphragm Spring



380 mm  
Single & Twin Direct  
Pressure Coil Spring



395mm  
Single Push Diaphragm Spring



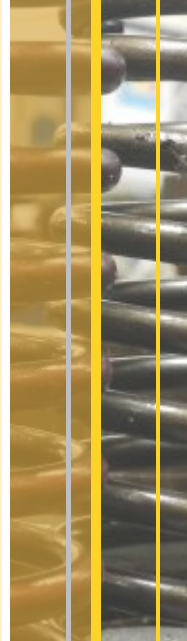
430mm  
Single Diaphragm Spring



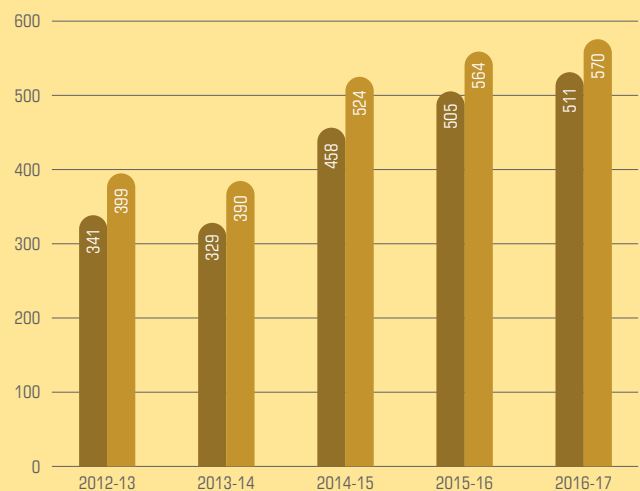
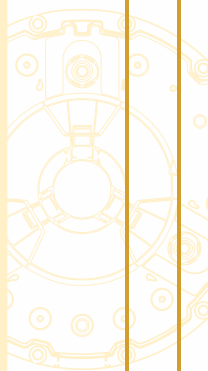
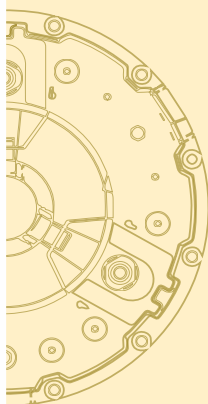
Tractor Clutches  
Dual Clutch - 280 Dia - 7P



Tractor Clutches  
Dual Clutch - 280 Dia - 4P

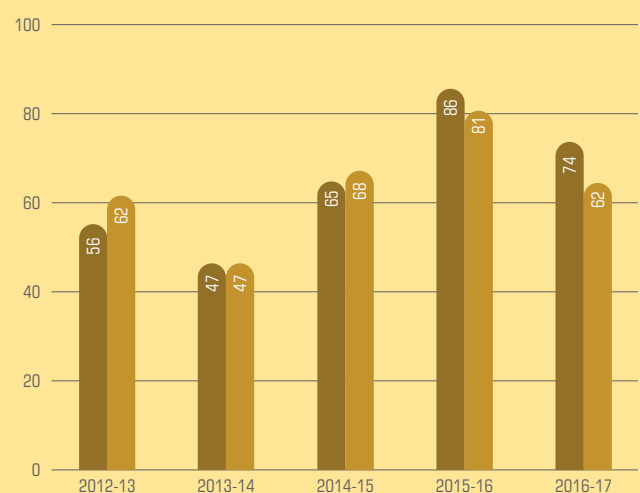


# 5 YEARS FINANCIAL SNAPSHOT



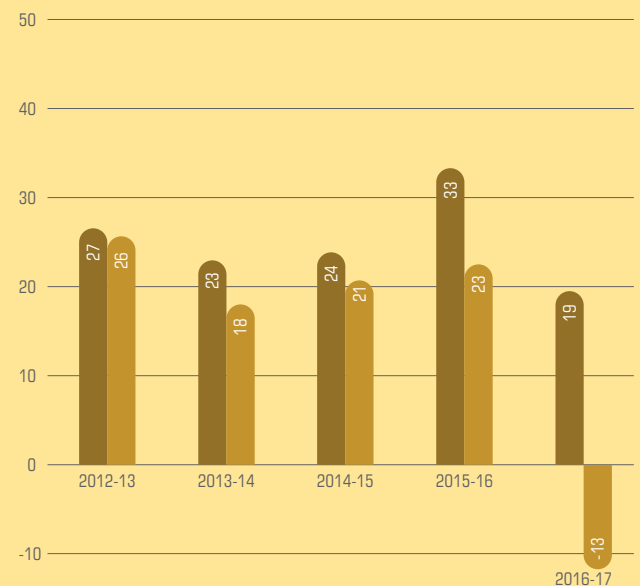
**NET SALES** (Rs. Crore)

■ Standalone ■ Consolidated



**EBITDA** (Rs. Crore)

■ Standalone ■ Consolidated



**PAT** (Rs. Crore)

■ Standalone ■ Consolidated