



*Efficient Engineering*

**SINCE 1982**



**38<sup>th</sup> ANNUAL REPORT | 2020-21**



# **EFFICIENT ENGINEERING**

**DRIVEN BY  
INNOVATION DESIGN TECHNOLOGY**

## **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.



## **CORPORATE**

Corporate Information	02
Customers	04
Key Milestones	05
Board of Directors	06
Products at a Glance	08
Chairman's Message	10
5-Year Financial Snapshot	12
Corporate Social Responsibility	14

## **STATUTORY**

Management Discussion & Analysis	20
Directors' Report	25
Corporate Governance Report	42
Standalone Financial Statements	61
Consolidated Financial Statements	113



## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

Mr. Harish Sheth	Chairman & Managing Director
Mr. Udit Sheth	Vice Chairman
Mrs. Urja Shah	Executive Director
Dr. Arun Arora	Independent Director
Mr. Ashok Jha	Independent Director
Ms. Suhasini Sathe	Independent Director

### KEY MANAGERIAL PERSONNEL:

Mr. Jatinder Bir Singh Gujral	Chief Executive Officer
Mr. Vinay Shahane	Vice President - Finance & CFO
(Ceased w.e.f. 23rd November, 2020)	
Mr. Rovinder Kumar Singla	Chief Financial Officer
(Appointed w.e.f. 2nd August, 2021)	
Mr. Chandra Kant Sharma	Company Secretary
(Resigned w.e.f. 29th December, 2020)	
Mr. Hiren Vala	Company Secretary
(Appointed w.e.f. 1st January, 2021)	

### AUDIT COMMITTEE:

Dr. Arun Arora	Chairman
Mr. Ashok Jha	Member
Ms. Suhasini Sathe	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 / FINANCIAL INSTITUTIONS:

Bank of Baroda  
HDFC Bank Limited  
Yes Bank  
IDBI Bank Limited  
Tata Motors Finance Solutions 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:

54A, Tardeo Road,  
Near Film Center Building,  
Mumbai - 400034,  
Maharashtra - India.

### SUBSIDIARIES & MANUFACTURING INFORMATION:

Setco Automotive Limited

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 Auto Systems Private Limited

Vadodara - Godhra Highway, Kalol,  
Dist. Panchmahal - 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:

- Corporate Identification Number (CIN):  
L35999GJ1982PLC005203
- Listing Information:  
Listed with: BSE Limited (BSE) &  
National Stock Exchange of India Limited (NSE)  
BSE Scrip Code: 505075  
NSE Scrip Symbol: SETCO
- Website: [www.setcoauto.com](http://www.setcoauto.com)
- 38<sup>th</sup> Annual General Meeting information:  
Date: December 29, 2021  
Day: Wednesday  
Time: 02.30 PM  
Place: The Company is conducting meeting  
through VC / OAVM pursuant to the MCA Circular  
dated January 13, 2021 and as such there is no  
requirement to have a venue for the AGM.  
For details please refer to the Notice of this AGM.
- Investor Grievance:  
email:- [investor.relations@setcoauto.com](mailto:investor.relations@setcoauto.com)

## CUSTOMERS



VE COMMERCIAL VEHICLES



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

### 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 | Safety & Hygiene



**We were one of the first in MHCV space to receive BS VI approval and started supplies last year and successfully developed a full range of next-gen clutches for farm equipment tractors.**



# 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 -  
ACQUIRED 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

**2019 - 2020**

FORAY INTO  
FARM TRACTOR SEGMENT  
AND BS VI CLUTCHES

## 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.



**Udit Sheth**  
Vice Chairman

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.



**Urja Shah**  
Executive Director

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.





**Arun Arora**  
Independent Director

Dr. Arun Arora is the Executive Chairman and Co-Founder of Edvance Pre-schools, an organization engaged in international quality early childhood learning and childcare.

Arun was President and Executive Director of Times of India Group, CEO of The Times of India and The Economic Times, Founder CEO of Sony Entertainment Television and Times Music, Founder Vice-Chairman of Radio Mirchi, Founder Director of TGBCL (Times Now, ET Now, Zoom), and WWM Ltd (Femina, Filmfare and other magazines) and Chairman of United News of India.

Arun is a Chemical Engineer from DCET, Chandigarh, Hon. Fellow of Indian Institute of Chemical Engineers, and a Harvard alumnus. He was born on August 8, 1945, retired from Bennett Coleman after over 30 years of service and is currently on the Board of two of their companies namely World Wide Media Pvt. Ltd. and Times Guarantee Ltd.



**Ashok Kumar Jha**  
Independent Director

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.



**Suhasini Sathe**  
Independent Director

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.

## LARGEST BS VI MHCV CLUTCH RANGE

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



362mm Single  
Diaphragm Spring



15"/380mm Single Push  
Coil Spring



395mm Single Push  
Diaphragm Spring



400mm Twin  
Diaphragm Spring

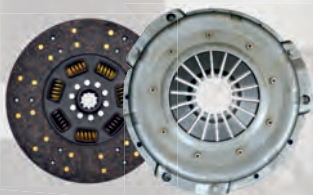


430mm Single  
Diaphragm Spring



## WIDE RANGE OF FARM TRACTOR CLUTCHES

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

