February 11, 2019

To,

BSE Limited, Dept. of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 **Company Code: 505075**	**National Stock Exchange of India Ltd, Listing Department** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 **Scrip Symbol: SETCO**

Dear Sir,

Sub.: Outcome of Board Meeting in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 33 read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company in its meeting held today i.e. Monday, February 11, 2019 has, inter alia, approved the Standalone Unaudited Financial Results for the third quarter and nine months ended December 31, 2018 along with Limited Review Report.

In this Regard, please find enclosed:

1. Standalone Unaudited Financial Results for the third quarter and nine months ended December 31, 2018 along with Limited Review Report.
2. Investor Presentation

The Board meeting commenced at 12:30 p.m. and concluded at 3.15 p.m.

We request you to take note the above on your records and oblige.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,
For Setco Automotive Limited

SETCO AUTOMOTIVE LTD. * MUMBAI

Harish Sheth
Chairman & Managing Director
DIN: 01434459

Encl: As above

V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
37, HAMAM STREET, 2nd FLOOR, FORT, MUMBAI - 400 001. ✆ : 2265 02 64 ● 2265 35 55 ● 2266 62 19 FAX : 2265 43 70 E-Mail : mail@vparekh.com

LIMITED REVIEW REPORT

To,
The Board of Directors
SETCO AUTOMOTIVE LIMITED

1. We have reviewed the accompanying statement of Standalone unaudited financial results (the "statement") of **SETCO AUTOMOTIVE LIMITED** for the quarter and nine months ended on 31st December, 2018. This statement is the responsibility of the Company's management and/ has been approved by the Board of Directors. Our responsibility is to issue a report on this statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of standalone unaudited financial results prepared in accordance with Indian accounting standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant Rules and other recognized accounting practices and policies thereon, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For V. Parekh & Associates
Chartered Accountants
Firm Regd. No: 107488W

V. PAREKH & ASSOCIATES MUMBAI-1 Chartered Accountants

Rasesh V Parekh

Rasesh V. Parekh
Partner
Membership No. 038615

Place: Mumbai
Date: 11.02.2019

SETCO AUTOMOTIVE LTD

Corporate Indentity Number : L35999GJ1982PLC005203
Regd. Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat
Website: www.setcoauto.com, Email :- investor.relations@setcoauto.com

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2018

Rs. in Lakhs

Sr. No.	Particulars	Standalone					
		Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**						
a.	Revenue from Operations	16,042	16,850	14,565	46,625	35,346	52,926
b.	Other Income	229	432	291	1,104	1,318	1,969
	Total Income	**16,272**	**17,282**	**14,856**	**47,730**	**36,664**	**54,895**
2	**Expenses**						
a.	Cost of materials consumed	10,235	10,743	8,573	29,132	20,595	30,923
b.	Purchases of stock-in-trade	-	-	-	-	-	-
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(839)	(264)	(104)	(1,235)	(138)	(172)
d.	Excise Duty	-	-	-	-	450	450
e.	Employee benefits expense	1,543	1,231	1,347	3,955	3,570	4,837
f.	Finance costs	927	780	799	2,565	2,280	3,225
g.	Depreciation and amortisation expense	478	486	441	1,446	1,307	1,776
h.	Other expenses	2,776	2,763	2,572	8,002	7,155	10,263
	Total Expenses	**15,121**	**15,739**	**13,628**	**43,866**	**35,219**	**51,302**
3	**Profit / (Loss) before exceptional and tax (1-2)**	**1,151**	**1,543**	**1,228**	**3,864**	**1,445**	**3,593**
4	Exceptional Items	-	-	-	-	-	-
5	**Profit / (Loss) before tax (3+4)**	**1,151**	**1,543**	**1,228**	**3,864**	**1,445**	**3,593**
6	**Tax Expense**						
a.	Current Tax	362	661	247	1,410	252	720
b.	Deffered Tax	67	2	(146)	34	(121)	(8)
7	**Profit / (Loss) for the period (5-6)**	**722**	**880**	**1,127**	**2,420**	**1,314**	**2,881**
8	**Other Comrehensive Income (OCI)**						
a.	Items that will not be reclassified to Profit or Loss	-	-	-	-	-	-
b.	Income Tax Relating to items that will not be reclassified to Profit or	-	-	-	-	-	7
c	Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
d.	Income Tax Relating to items that will not be reclassified to Profit or	-	-	-	-	-	(2)
	Other Comrehensive Income (Net of Tax)	-	-	-	-	-	9
9	**Total Comprehensive Income for the period (7+8)**	**722**	**880**	**1,127**	**2,420**	**1,314**	**2,890**
10	Paid up Equity Share Capital (Face Value Rs. 2/- per share)	2,674	2,674	2,672	2,674	2,672	2,672
11	Other Equity						21,979
12	**Earnings per equity share (Face Value of Rs. 2/-) (not annualised) :**						
	(a) Basic - Rs.	0.54	0.66	0.84	1.81	0.98	2.16
	(b) Diluted - Rs.	0.54	0.66	0.84	1.81	0.98	2.15

V. PAREKH & ASSOCIATES * MUMBAI-1 * Chartered Accountants

SETCO AUTOMOTIVE LTD. * MUMBAI

Notes :-

1. The above statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

2. Revenue for the nine months ended on 31st December, 2017 was reported inclusive of Excise Duty (till 30th June, 2017). Excise duty, service tax and other indirect taxes were replaced by Goods & Services Tax (GST) w.e.f. 01st July, 2017. Accordingly, as per IND AS, Revenues for nine months period ended on 31st December, 2018 and 31st December, 2017 are not comparable.

3. Effective April 01, 2018, the Company has adopted Ind AS - 115 "Revenue from Contracts with Customers" using the modified retrospective approach and cumulative effect, resulting in reduction of Rs, 723 lakhs in the opening balance of retained earnings. Due to the adoption of Ind AS – 115, current nine months Revenue and Profit before tax is higher by Rs. 2693 lakhs and Rs. 723 lakhs respectively and hence the same are not comparable to the previous period disclosed.

4. The other income of Rs. 229 lakhs for the quarter ended December, 2018 (for September–18 Qtr Rs. 432 lakhs, for December–17 Qtr Rs. 291 lakhs) includes interest charged to subsidiaries of Rs. 236 lakhs for December-18 Qtr (for September–18 Qtr Rs. 163 lakhs, for December–17 Qtr Rs. 150 lakhs), foreign exchange fluctuation loss of Rs. 67 lakhs for December-18 Qtr (for September–18 Qtr gain of Rs. 216 lakhs, for December–17 Qtr loss Rs. 64 lakhs), interest on VAT refund received for December-18 Qtr Rs. Nil (for September–18 Qtr Rs. 46 lakhs, for December–17 Qtr Rs. Nil), finance income on Financial Guarantee of Rs. 51 lakhs for December-18 Qtr (for September–18 Qtr Rs. 10 lakhs, for December–17 Qtr Rs. 28 lakhs), finance income on Redemption of Investment for December-18 Qtr Rs. Nil (for September–18 Qtr Rs. Nil, for December–17 Qtr Rs. 160 lakhs) and other Misc. Income of Rs. 9 lakhs (for September–18 Qtr Rs. -3 lakhs, for December–17 Qtr Rs. 17 lakhs).

5. The company has only one operating segment viz. Auto Components and accordingly there are no separate reportable segments in the context of Ind-AS 108 "Operating Segment".

6. The above financial results were reviewed and recommended by the Audit Committee at its meeting held on 11th February, 2019 and subsequently approved by the Board of Directors at its meeting held on 11th February, 2019. The Statutory Auditors have carried out a limited review of the financial results for the quarter/nine month period ended 31st December, 2018.

7. Previous period figures have been regrouped/rearranged wherever considered necessary.

For and behalf of the Board

SETCO AUTOMOTIVE LTD. MUMBAI

Place : Mumbai
Date : 11th February, 2019

Harish Sheth
Chairman & Managing Director
DIN : 01434459

V. PAREKH & ASSOCIATES MUMBAI-1 Chartered Accountants

Press Release for Immediate Distribution

Setco Automotive 9M FY19 sales up 33.6% at INR 466 crore

- **EBITDA in 9M FY19 stood at 67.71cr, up by 82.3% despite the expiry of Uttarakhand benefits**
- **Profit After Tax in 9M FY19 stood at 24.20cr, up by 84.1% despite expiry of Uttarakhand Tax exemptions**
- **Sales in Q3 FY19 stood at 160.42cr, up by 10.1% YoY**
- **PAT of 7.21cr in Q3 FY19, down 35% YoY due to normal tax rate of 34% in FY19 vs ~8% in Q3FY18**

Mumbai, February 11, 2019: Setco Automotive Ltd. (NSE: SETCO | BSE: 505075), the largest manufacturer of clutches for Medium and Heavy Commercial Vehicles (M&HCV) in India, announced its financial result for the third quarter (Q3 FY19) ended December 31, 2018 and nine months (9M FY19) ended December 31, 2018.

Setco Automotive reported a strong sales of INR 466cr in 9M FY19, **up by 33.6%** YoY despite a slowdown in the M&HCV segment in Q3. On the back of robust growth and improved operating efficiencies, **EBITDA in 9MFY19 stood at INR 67.71cr, up by 82.3% YoY**. The company posted **Profit after Tax of INR 24.20cr in 9MFY19, up by 84.1% YoY**.

The company reported **sales of INR 160.42 crore in Q3 FY19, up by 10.1% YoY and EBITDA of INR 23.27 crore in the quarter, up by 6.9% YoY**. The company posted Profit after Tax of INR 7.21cr in Q3FY19, down by 35% YoY due to the normal tax rate of 34% applicable in FY19 as compared to ~21% in FY18 (actual rate was ~8% in Q3FY18).

Despite unanticipated liquidity crisis affecting MHCV industry sales and production, Setco's sales from Original Equipment Manufacturer (OEM) segment grew by 9.9% and sales from Aftermarkets segment grew by 32.2% in this quarter. LavaCast (a subsidiary of Setco) ramps-up its capacity utilization to ~70% utilization in Q3 FY19 vs ~60% in Q2 FY19 and is expected to move up to around 80% during Q4 FY19. Additionally, with the recent inroads into the farm-equipment segment and the introduction of new generation clutches (ASD clutch) in US Aftermarket, the company is poised to grow significantly going forward.

Harish Sheth, Chairman & Managing Director at Setco Automotive, said, "This quarter, the NBFC liquidity crisis has temporarily affected the growth rate of MHCV sector. This is more of a short term correction, however, the long term fundamentals remain robust. With the liquidity crisis abating and impending switchover to BS-VI norms, we expect the demand to pick up significantly from the first quarter of the new fiscal. The growth-friendly measures announced in the budget, coupled with the reduction in interest rates announced recently would give a further flip to the underlying growth drivers of infrastructure and GDP growth."

Standalone - Key Financials of Q3 FY19 and 9M FY19

(Figures in INR Crore)

Particulars	Quarter Ended			Nine Month Ended			Year Ended
	Q3 FY19	Q3 FY18	Growth	9M FY19	9M FY18	Growth	FY18
Sales	160.42	145.65	+10.1%	466.25	348.96	**+33.6%**	524.76
EBITDA	23.27	21.77	+6.9%	67.72	37.15	**+82.3%**	66.34
EBITDA %	14.51%	14.9%	(40bps)	14.5%	10.6%	**+390bps**	12.6%
Operating PBT	9.21	9.37	(1.7)%	27.60	1.28	**+2055.8%**	17.32
PAT	7.22	11.27	(35.9)%	24.20	13.14	**+84.1%**	28.81
EPS	0.54	0.84	-	1.81	0.98	**-**	2.15

Note - Expiry of Uttarakhand tax exemptions at the end of FY18. Normal tax rate of 34% is applicable in FY19 as compared to ~21% in FY18 (actual rate was ~8% in Q3FY18)

About Setco Automotive:

Setco is the largest manufacturer of Premium Quality "LIPE" brand clutches for commercial vehicles in India. Incorporated in May 1982, currently the company employs more than 2000 people globally. It is a Tier I supplier of clutches to all the prominent Indian commercial vehicle manufacturers such as Tata Motors, Bharat Benz, Ashok Leyland etc. Setco has all the required global quality certifications such as TS 16949, ISO 14001, OSHAS 18001 and VDA 6.3.

Setco has a strategic global footprint with 4 manufacturing facilities, 2 in India, and 1 each in the UK and USA, with R&D centres in India and UK. Setco Automotive is the flagship company of The Setco Group which also includes Lava Cast Pvt Ltd, and its CSR wing, the Setco Foundation. Visit us at www.setcoauto.com

Safe harbour:

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

For more information, contact:

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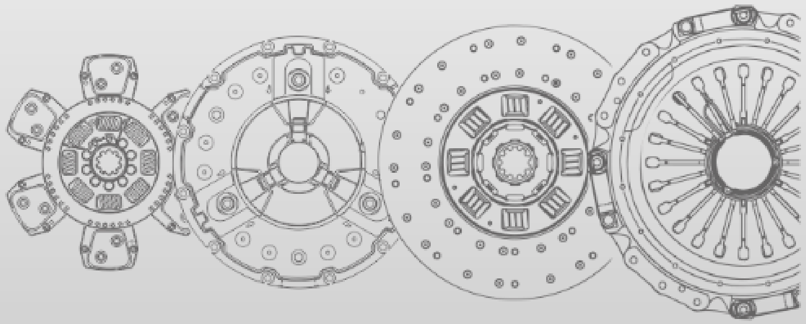
SETCO™
AUTOMOTIVE LTD
Efficient Engineering

Results Q3 FY19
Setco Automotive Limited

Conference Call - Mumbai

February 11, 2019 at 4:00PM

SETCO LIPE™ CLUTCH



...LIPE FOR LIFE™

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This presentation also contain certain tables and other statistical analyses. Numerous assumptions were used in preparing the statistical information, which may or may not be reflected herein. The Company has not verified such statistical information with independent sources. As such, no assurance can be given as to the statistical information's accuracy, appropriateness or completeness in any particular context nor as to whether the statistical information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The statistical information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice.

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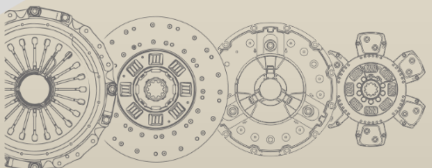
Agenda

1 Key Highlight - Q3 FY19 and 9M FY19

2 Financial Results

3 Business Overview

4 Outlook



Efficient Engineering

Key Highlights - Robust 9M results

SETCO AUTOMOTIVE LTD

Standalone In INR Cr	Q3 FY19	Q3 FY18	
Sales	160.42	145.65	+10.1%
EBITDA	23.27	21.77	+6.9%
EBITDA %	*14.5*	*14.9*	-40bps
PAT	7.22	11.27	-35.9%
PAT %	*4.5*	*7.7*	-320bps

Standalone In INR Cr	9M FY19	9M FY18	
Sales	466.25	348.96	+33.6%
EBITDA	67.71	37.15	+82.3%
EBITDA %	*14.5*	*10.6*	+390bps
PAT	24.20	13.14	+84.1%
PAT %	*5.2*	*3.8*	+140bps

Key Aspects

1. **Sales momentum remains positive** - Sales has increased by 33.6% in 9M FY19 vs 9M FY18
2. **9MFY19 EBITDA -** Increased by 82.3% YoY, despite expiry of Uttarakhand tax benefits.
3. **9MFY19 PAT –** Grown by 84.1% YoY. PAT margin of 5.2% this year vs 3.8% last year, despite the following:
   - Normal Income tax rate of 34% in FY19 vs as compared to lower tax rate applicable in FY18 due to Tax benefits.
4. Capacity expansion for 25% capacity growth to reach an annual turnover of over INR 1000 crs, with suitable long term financing. Expect investments from first half FY20

Key Figures Q3FY19 & 9MFY19 - Standalone

SETCO AUTOMOTIVE LTD

In INR crores	Q3FY19	Q3FY18	Q3FY19 vs. Q3FY18	9MFY19	9MFY18	9MFY19 vs. 9MFY18	FY18
Sales	160.42	145.65	10.1%	466.25	348.96	33.6%	524.76
EBITDA	23.27	21.77	6.9%	67.71	37.15	82.3%	66.34
EBITDA %	14.5%	14.9%	-40bps	14.5%	10.6%	+390bps	12.6%
Operating PBT	9.21	9.37	-1.7%	27.59	1.28	2055.8%	17.32
PBT	11.51	12.28	-6.3%	38.64	14.45	167.3%	36.02
PAT	7.22	11.27	-35.9%	24.20	13.14	84.1%	28.81
EPS	0.54	0.84	-	1.81	0.98	-	2.15

Key Aspects

1

Q3FY19 vs Q3FY18

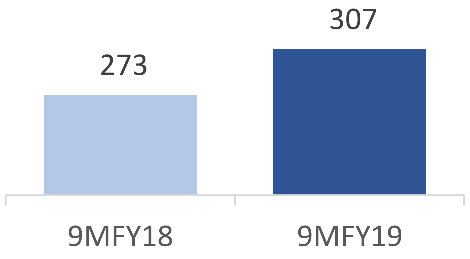
- EBITDA Margin at 14.5% marginally lower despite ~200bps impact of expiry of Uttarakhand Tax benefit
- PAT – Effective tax rate of 34% vs a much lower rate in FY18 due to Uttarakhand Tax benefit which has since expired. However for 9MFY19 PAT is 24.20 crs which is 84.1% higher over same period last year

2

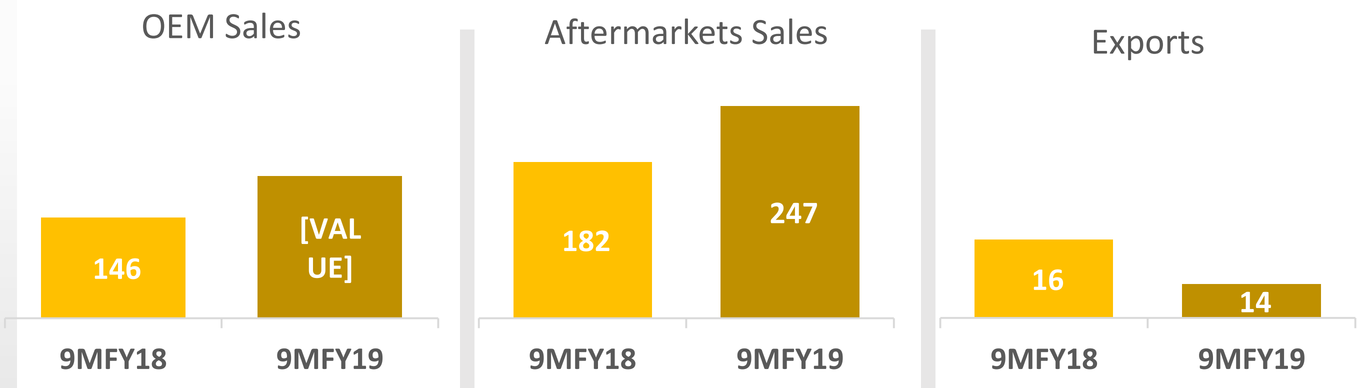
PAT & EBITDA margins are expected to be higher with full impact of price increase to compensate for higher raw material cost. This benefit will sustained going forward.

Growth momentum continues

MHCV Industry Production
In ‘000



Setco Sales
In INR Crs



% of Total Sales

	OEM Sales		Aftermarkets Sales		Exports	
	9MFY18	9MFY19	9MFY18	9MFY19	9MFY18	9MFY19
% of Total Sales	42%	44%	52%	53%	5%	3%

	Q3FY19 vs Q3FY18 Growth	9MFY19 vs 9MFY18 Growth
MHCV Industry Production	12.3%	42.9%
Setco OEM Sales	9.9%	41.1%
Setco Aftermarkets Sales	32.2%	64.7%

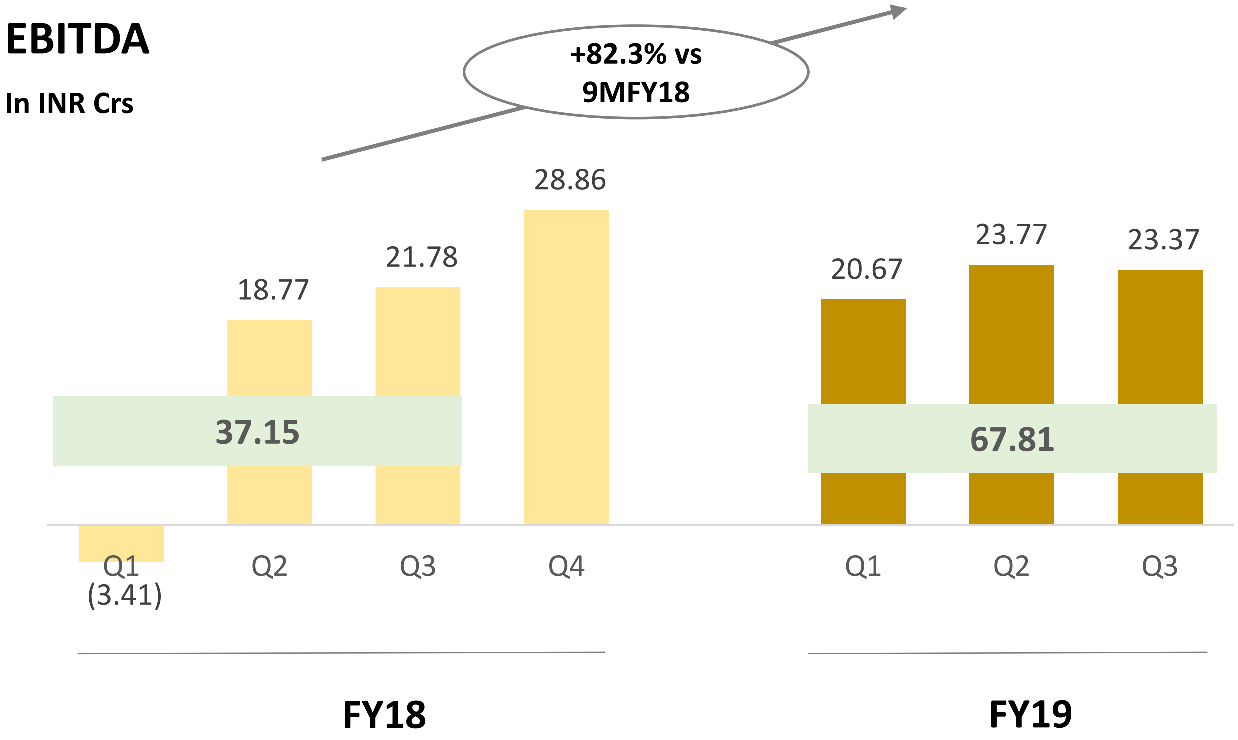
Key Aspects

1. As a strategy, Aftermarket has been developed over the years and today it constitutes ~60% of our revenue.
2. Apart from being more profitable, Aftermarket ensures sustainable growth and company is less vulnerable to cyclical OEM demand.
3. With the recent introduction of new generation clutches (ASD clutch) in US Aftermarket, we anticipate robust performance going forward

EBITDA% sustained despite higher RM cost

EBITDA

In INR Crs



EBITDA Margin

FY18 Q1	FY18 Q2	FY18 Q3	FY18 Q4	FY19 Q1	FY19 Q2	FY19 Q3
-5%	13.9%	14.9%	16.4%	15.1%	14.1%	14.5%

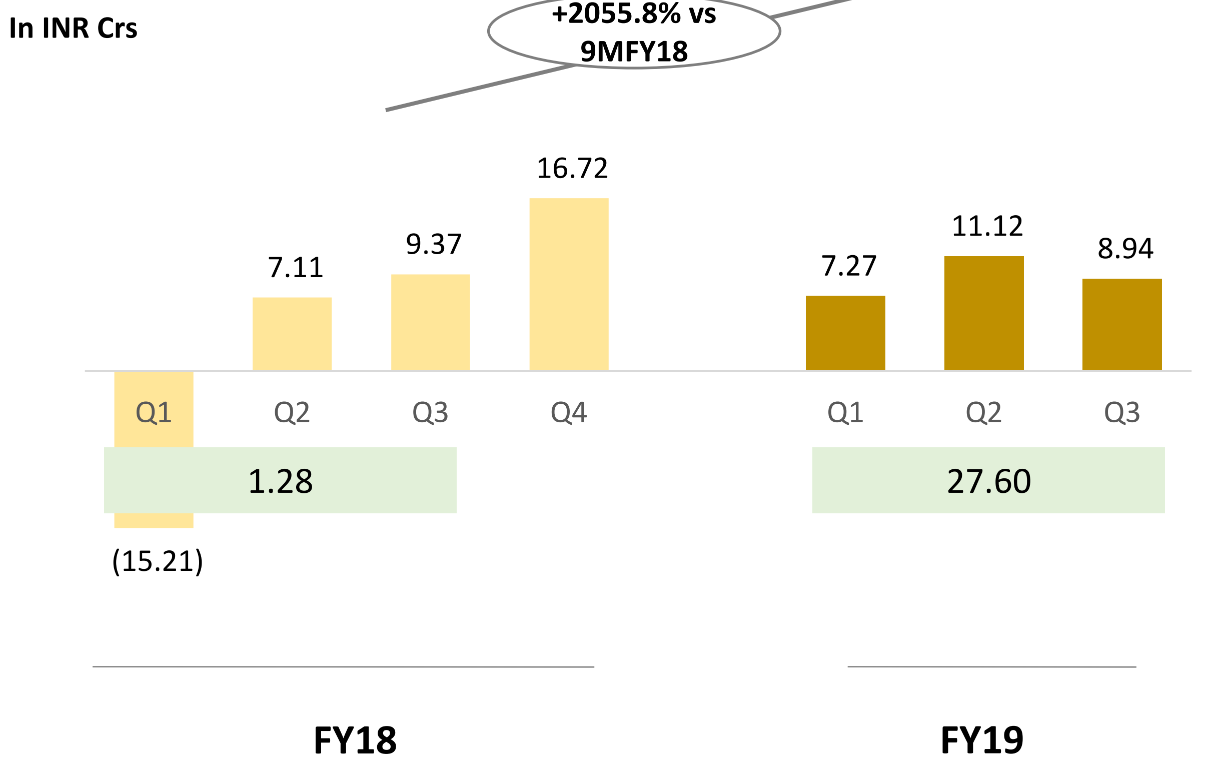
Key aspects

- EBITDA Margin at 14.5% marginally lower despite ~200bps impact of expiry of Uttarakhand Tax benefit

1. Sustained EBITDA margin mainly due to -
   - Impact of price revision implemented in Q3FY19 to compensate for RM cost increase
   - Tight control on manufacturing and selling over heads
2. Company expects to increase EBITDA margin in line with the guidance

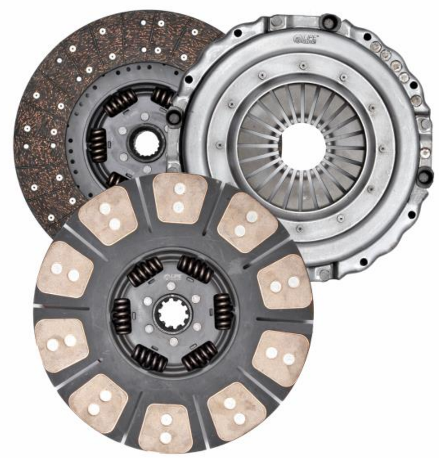
Operating PBT – more than 20 times in 9M FY19

Operating PBT



Key aspects

- Operating PBT in 9MFY19 at 27.60cr compared to 1.28cr in 9MFY18, an increase in more than 20 times

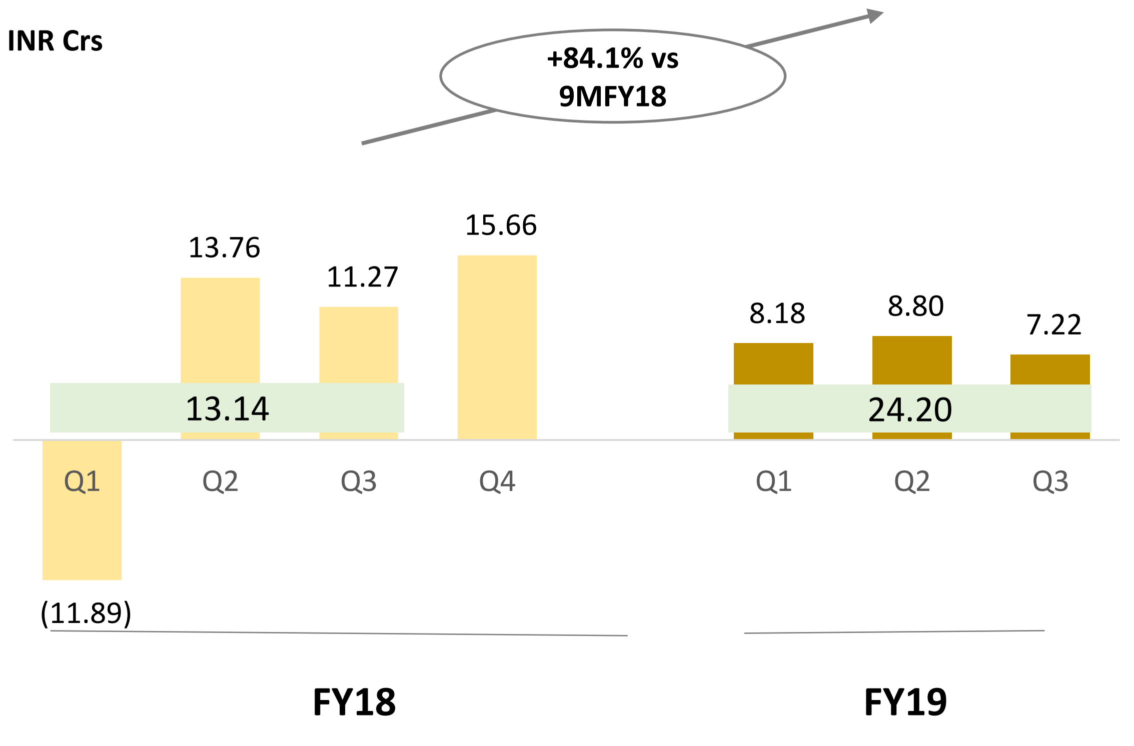


Profit After Tax : 9MFY19 is 84.1% above prior year

SETCO AUTOMOTIVE LTD

PAT

In INR Crs



EPS	-0.89	1.03	0.84	1.17	0.61	0.66	0.54

Key aspects

- 9MFY19 PAT at INR 24.20 crs against INR 13.14 crs in 9M FY18, despite providing for normal income tax rate @34% this year compared to lower tax rate in FY18 due to Tax benefits.
- Q3FY19 PAT of INR 7.22 crs against INR 11.27 crs of Q3FY18
  - PAT FY18 includes other income INR 4.13 cr (Uttarakhand benefit) which has since expired

Management Message

Harish Sheth, Chairman & MD

After 5 quarters of continuous growth, the M&HCV segment has shown a reversal of trend in Oct-Dec 2018. This temporarily blip is more of a short term correction & the long term fundamentals remain robust. With the impending switchover to BS-VI norms , we expect the demand to pick up significantly in the next year. The growth friendly measures announced in the budget, coupled with the easing of liquidity and reduction in interest rates announced recently will give a further fillip to growth.

Despite a slowdown in the M&HCV segment in Q3, Setco has delivered another quarter of YoY growth. Our planned initiatives on cost management, new products and gearing up for BS-VI introduction are proceeding as per the plan and early results are visible. We are confident to deliver superior top-line and bottom-line performance over the next few years. Commodity and FX headwinds have now stabilized and the company has implemented measures to address them through Pricing and Segment Mix.

Udit Sheth, Vice-Chairman

The Setco Advantage

SETCO™ AUTOMOTIVE LTD

Market Advantage

- Strong relations built over last 15 years with various OEM players.
- More than 85% of market share in MHCV clutch space

Manufacturing Advantage

- Two Modern manufacturing facilities in India backed by support manufacturing facilities abroad
- High tonnage press shop
- Diaphragm spring production – Import Substitution
- In-house machining and critical heat treatment facilities
- Supplier base

Technology Advantage

- R&D centre at India supported by efforts in UK are poised to play a key role in national and global plans.
- In last 3 years, developed over 50 variants of clutches for farm equipment and commercial vehicles
- Engineered customized solutions to suit different power trains of OEM's for meeting BSIV/BSVI/EUROVI norms.

Lava Cast - Integrated Play Advantage

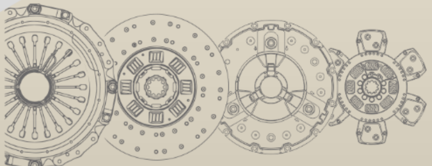
- State-of-the-art foundry with machine shop
- Addresses supply chain constraints, assures supply of good quality castings and inherent cost advantages
- Strengthen relations with OEM by supply of casting / components to them like Fly wheel, Clutch housing, Brake drum etc in addition to clutches

Service Advantage

- Nation-wide distribution reach - 42 touchpoints & 23 distributors
- Training programs and field visits on servicing, troubleshooting & maintenance
- The clutch is the fuse of the drive train which is designed to fail optimally saving the engine and the gear-box and requires a strong service network to ensure that the vehicle performance is most efficient

People Advantage

- The most valuable part of our company is the people – the human capital – and any plans to move our business forward starts here.



Customer focus and growth

SETCO AUTOMOTIVE LTD

Growth Strategy

1 OEM Business

2 Aftermarket – Dominant segment ensuring stability and growth

3 International Business Turnaround

4 Lava Cast

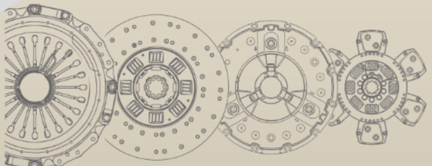
Cost Optimization

5 Enhance productivity and asset utilization

6 Build culture of innovation & performance

7 Continuous improvement in Working Capital and Debt Management

8 Win together with all our stakeholders



Fortifying OEM Business

SETCO™ AUTOMOTIVE LTD

Key Aspects OEM

1	Development on BSVI migration from April 2020 on track and in line with different customers. Expect low double digit price hike.
2	Heavy investment in rural sector and infrastructure, resulting in increased fleet utilization and higher demand
3	All key drivers to deliver targeted growth are on track and expected to exceed the initial target.
4	Recent inroads to farm equipment segment would further diversify the OEM base

Foray into new OEM business – Farm Equipment

1	India is largest manufacturers of Tractor. Increase level of Mechanization will further drive the industry
2	Due to low volume play, no separate assembly line is required
3	Industry is moving towards higher horse power tractors leading to growth in dual clutch technology , which currently has only one supplier in the market. There is a demand for second supplier

Key developments

Approvals from major OEMs are in progress and expected shortly, and full benefits of it will be available in FY 20

Subsidiary performance & outlook – Lava Cast

SETCO AUTOMOTIVE LTD

Key Aspects

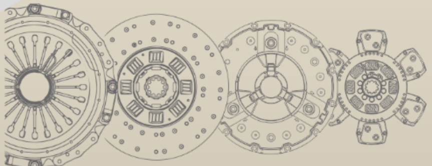
1	Continuous ramp-up in capacity utilization with ~70% utilization in Q3FY19 vs ~60% utilization in Q2FY19
2	Supply to external customers such as TATA Motors, Ashok Leyland and others has commenced. Also received approval from Daimler for supply of castings.
3	Expected to hit increase capacity utilization of around 80% during Q4FY19 and optimum utilization in FY20

Guidance – On track to achieve FY20 targets

Key Aspects	FY19 Guidance	FY20 Guidance
Sales Growth	~30% over FY18	Around 30% over FY19
EBIDTA Margin	Mid teens	16-18%

FY20 outlook promising due to following reasons

1	OEM - We anticipate robust OEM growth momentum given strong pre-buying of BS-IV MHCV is expected before BS-VI migration from April 2020
2	Aftermarkets –Peaked OEM cycle in the past is expected to boost the first/second aftermarket replacements in FY20. First/second time replacement assumed for 1-6 years old trucks
3	Farm Equipment – Approvals from major OEMs are in progress and expected shortly, and full benefits of it will be available in FY 20
4	International Subsidiary - introduction of new generation clutches (ASD clutch) in US Aftermarket
5	Benefit of pricing adjustments to compensate for Increase RM cost will be available for the balance of this year and full year FY20. Expects stable headwinds in the coming year.
6	Capacity expansion for 25% capacity growth to reach an annual turnover of over INR 1000 crs, with suitable long term financing. Expect investments from first half FY20
7	Optimum capacity utilization in Lava Cast in FY20 and sales to major external customers, including exports, would lead to positive bottom line



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