

July 6, 2022

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 Script Symbol: SETCO
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Dear Sir/Madam,

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. Wednesday, July 6, 2022 has, inter alia, approved the following:

1. Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended 31st March, 2022;
2. To take note of the resignation of Mr. Rovinder Kumar Singla as Chief Financial Officer of the Company

Accordingly, please find enclosed the following:

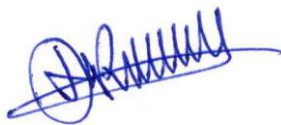
- a) Audited Standalone and Consolidated financial results of the Company for the quarter and financial year ended 31st March, 2022;
- b) Auditors Report in respect of the Audited Standalone and Consolidated financial results of the Company for the quarter and financial year ended 31st March, 2022;
- c) Declaration in respect of Unmodified Opinion on Audited Standalone and Consolidated Financial Statement for the Financial Year ended March 31, 2022

The Board meeting commenced at 4:00 p.m. and concluded at 6:05 p.m.

Thanking you,

Yours faithfully,

For Setco Automotive Limited



Hiren Vala
Company Secretary

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

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF STANDALONE FINANCIAL RESULTS

The Board of Directors,
SETCO AUTOMOTIVE LIMITED

Opinion

We have audited the accompanying Statement Standalone Financial Results of **SETCO AUTOMOTIVE LIMITED** ("the Company") for the quarter and year ended 31st March, 2022 being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- b) gives a true and fair view in conformity with Indian Accounting Standard prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net loss and total comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2022.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA's") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Ind AS financial statements:

- a) On 31st August 2021, the company has entered into Business Transfer Agreement (BTA) with Setco Auto Systems private limited (SASPL) (transferee company) (it was then wholly owned subsidiary company) to transfer its clutch manufacturing business on slump sale basis.

The clutch manufacturing business is transferred w.e.f 07th September 2021 with assets and liabilities as per the Balance Sheet drawn as on 07th September 2021 resulting in long term gain of Rs. 13224 lacs transferred to capital reserve in compliance with Ind AS 103. (Refer Note No. 2 of the Standalone Statement).

- b) The Company had impaired the Investment in Lava Cast Pvt. Ltd. (LCPL) by Rs. 8,290 Lakhs

SETCO AUTOMOTIVE LIMITED

benchmarking on the recent transaction by its Subsidiary SASPL, purchasing the Shares of Lava Cast at Rs. 2.93 per share from a third party. (Refer Note no. 5(a) of the Standalone Statement).

- c) The Company has made investment of Rs. 2336.50 Lakhs in 9% cumulative compulsorily redeemable preference shares of Setco Engineering Private Limited, a company in which directors have interest. As this investment is compulsorily redeemable on its maturity, the company has treated it as investment in debt instruments and valued at amortised basis. The company has provided 9% ECL for the loss of dividend in current year. The company is reasonably certain to recover principal amount and the accumulated unpaid dividend. (Refer Note No. 5(a) & 8 of Standalone Statement).
- d) The Company's wholly owned ultimate foreign subsidiary Setco Automotive UK Ltd. has eroded net worth due to losses. The Company has made profits for the year but has incurred operating loss during the year. The company has provided for ECL on long outstanding dues from the SAUL. (Refer Note No. 5 (b) of the Standalone Statement).
- e) Government of India has formulated the policy to scrap old Commercial vehicles older than 15 years in age.

In view of new emission norms and reluctance of transferee company SASPL to take over such old stocks, the existing stocks of Rs. 4206 lakhs (at book value) of items/components whose utility is impaired, has been written down in accounts net of Scrap amounting to Rs. 3703 Lakhs. (Refer Note No. 5 (d) of the Standalone Statement).

- f) There were long pending old debts, debit balance in vendor accounts and provision for bad debts, which were not to be taken over by the transferee company SASPL and hence, the company has written off net amount of Rs. 378 lakhs. (Refer Note No. 6 of the Standalone Statement).
- g) Pending compliance of bank condition, company could not remit amount towards share capital to Setco MEA DMCC, resulting to non-issuance of share certificate to the company. The company has recognized it as investment in the wholly owned foreign subsidiary based on 100% control. The Company has decided to close this subsidiary vide Board Resolution dated 09.02.2021. However, due to the pending compliance procedures of DMCC, the Subsidiary could not be wound up. The matter will be handled afresh as per new guidelines to be complied.

Further the Company had provided impairment loss against Trade receivable equal to the net assets deficit reported by the company till last year. During FY 2022-23, the company has received Rs. 272.13 lakhs from Setco MEA, DMCC. Based on the certainty of recoverability of dues, Company's ECL for the current year is not provided for. (Refer Note No. 10 & 5(c) of the Standalone Statement)

- h) The Company has sold 30,70,000 number of shares of SE Transstadia at a price of Rs. 5 per share during the year based on Valuation Report. Thus, the company has incurred a loss of Rs. 1,381.50 lakhs on this transaction. The company has booked loss of Rs. 153.50 lakhs under OCI, net of opening provisions of impairment of Rs. 1,228.00 lakhs. (Refer Note No. 7 of Standalone Statement)
- i) The company has not charged interest on unsecured loan to the subsidiaries. (Refer Note no. 13 of the Standalone Statement).

Our opinion is not modified in respect of these matters.

SETCO AUTOMOTIVE LIMITED

Management's Responsibilities for the Standalone Financial Results

This Statement, is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited standalone financial statements for the year ended March 31, 2022. The Company's Board of Directors are responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern.

SETCO AUTOMOTIVE LIMITED

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Statement includes the results for the Quarter ended 31st March, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review.

**FOR V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. : 107488W**

**RASESH
VINAYKANT
PAREKH**

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**RASESH V. PAREKH - PARTNER
MEMBERSHIP NO. : 038615
UDIN : 22038615AMIUKA1570**

PLACE : MUMBAI

DATED : 06TH JULY 2022



Regd. Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat
Tel :- 02676 - 270600, Fax :- 02676 -235524

Website: www.setcoauto.com, Email :- investor.relations@setcoauto.com

Corporate Identity Number : L35999GJ1982PLC005203

Statement of Standalone Audited Financial Results for the Quarter & Year ended March 31, 2022

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31-Mar-22 Audited	31-Dec-21 Unaudited	31-Mar-21 Audited	31-Mar-22 Audited	31-Mar-21 Audited
1	Income					
a.	Revenue from Operations	1	1,061	10,032	15,674	31,406
b.	Other Income	32	65	(1,138)	520	522
	Total Income	34	1,125	8,894	16,194	31,928
2	Expenses					
a.	Cost of materials consumed	8	996	7,176	7,567	19,428
b.	Changes in inventories of finished goods and work-in-progress	-	-	481	4,553	1,110
c.	Employee benefits expense	-	-	1,318	2,087	4,429
d.	Finance costs	3	1	1,407	2,516	4,812
e.	Depreciation and amortisation expense	-	-	613	978	2,182
f.	Other expenses	(88)	29	1,924	2,622	5,544
	Total Expenses	(77)	1,027	12,919	20,324	37,505
3	Profit / (Loss) before exceptional and tax (1-2)	111	98	(4,025)	(4,130)	(5,577)
4	Exceptional Items	9,238	-	4,052	12,942	4,052
5	Profit / (Loss) before tax (3-4)	(9,128)	98	(8,077)	(17,072)	(9,629)
6	Tax Expense					
a.	Current Tax	(1,545)	-	51	643	51
b.	Deferred Tax	(298)	34	(142)	(721)	(274)
	Total Tax Expense	(1,843)	34	(91)	(79)	(223)
7	Profit/(loss) for the period/year from continuing operations (5-6-8)	(7,285)	64	(7,986)	(8,949)	(9,406)
8	Profit/(loss) before tax for the year from discontinued operations	-	-	-	(8,044)	-
9	Tax Expense of discontinued operations					
a.	Current Tax	-	-	-	3	-
b.	Deferred Tax	-	-	-	332	-
	Total Tax Expense	-	-	-	335	-
10	Profit/(loss) after tax for the year from discontinued operations (8-9)	-	-	-	(8,379)	-
11	Profit/(loss) for the period/year (7+10)	(7,285)	64	(7,986)	(17,328)	(9,406)
12	Other Comprehensive Income (OCI)					
a.	Items that will not be reclassified to Profit or Loss	(154)	-	(1,124)	(154)	(1,124)
b.	Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	16	-	16
c.	Items that will be reclassified to Profit or Loss	-	-	-	-	-
d.	Income Tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-
	Other Comprehensive Income (Net of Tax)	(154)	-	(1,109)	(154)	(1,109)
13	Total Comprehensive income for the period/year (11+12)	(7,439)	64	(9,095)	(17,482)	(10,515)
14	Paid up Equity Share Capital (Face Value Rs. 2/- per share)	2,675	2,675	2,675	2,675	2,675
15	Other Equity					9,938
16	Earnings/(loss) per equity share (EPS) (Face Value of Rs. 2/-) (not annualised) :					
a.	Earnings/(loss) per equity share from continuing operations (EPS):					
(a)	Basic - Rs.	(5.45)	0.05	(5.97)	(6.69)	(7.03)
(b)	Diluted - Rs.	(5.45)	0.05	(5.97)	(6.69)	(7.03)
b.	Earnings/(loss) per equity share from discontinued operations (EPS):					
(a)	Basic - Rs.	-	-	-	(6.26)	-
(b)	Diluted - Rs.	-	-	-	(6.26)	-
c.	Earnings/(loss) per equity share from continuing and discontinued operations (EPS):					
(a)	Basic - Rs.	(5.45)	0.05	(5.97)	(12.95)	(7.03)
(b)	Diluted - Rs.	(5.45)	0.05	(5.97)	(12.95)	(7.03)



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Corporate Identity Number : L35999GJ1982PLC005203

Part II: Statement of Standalone Assets & Liabilities

(Rs in lakhs)

Sr. No.	Particulars	As at	
		March 31, 2022	March 31, 2021
		Audited	Audited
A	ASSETS		
1	Non-Current Assets		
	a. Property, Plant and Equipment	-	9,918
	b. Capital Work-in-Progress	-	-
	c. Right of use of assets	-	1,348
	d. Intangible Assets	-	2,873
	e. Intangible Assets Under Development	-	594
	f. Financial Assets		
	(i) Investments	12,183	19,009
	(ii) Loans and Advances	3,636	8,129
	(iii) Other Financial Assets	0	209
	g. Deferred Tax Assets (Net)	1,546	1,795
	h. Other Non-Current Assets	-	75
	Sub-total - Non-Current Assets	17,365	43,950
2	Current Assets		
	a. Inventories	-	8,382
	b. Financial Assets		
	(i) Trade Receivables	359	6,083
	(ii) Cash and Cash Equivalents	27	178
	(iii) Bank Balances Other Than (ii) Above	72	106
	(iv) Loans and Advances	1,995	1,932
	c. Current tax assets (net)	175	175
	d. Other Current Assets	286	1,434
	Sub-total - Current Assets	2,916	18,290
	TOTAL ASSETS	20,280	62,240
B	EQUITY AND LIABILITIES		
	Equity		
	a. Equity Share Capital	2,675	2,675
	b. Other Equity	5,703	9,938
	Sub-total - Equity	8,379	12,614
	Liabilities		
1	Non-Current Liabilities		
	a. Financial Liabilities		
	(i) Borrowings	7,013	7,818
	(ii) Lease Liability	-	645
	(iii) Other Financial Liabilities	644	757
	b. Other non current liabilities	-	11
	c. Provisions	-	425
	Sub-total - Non-Current Liabilities	7,657	9,657
2	Current Liabilities		
	a. Financial Liabilities		
	(i) Borrowings	-	20,957
	(ii) Lease Liability	-	291
	(iii) Trade Payables		
	(a) Dues of micro, small and medium enterprises	-	1,003
	(b) Dues of creditors other than micro, small and medium enterprises	4,126	9,907
	(iv) Other Financial Liabilities	109	5,266
	b. Other Current Liabilities	6	1,770
	c. Provisions	-	447
	d. Current Tax Liabilities (Net)	4	328
	Sub-total - Current Liabilities	4,245	39,969
	TOTAL EQUITY AND LIABILITIES	20,280	62,240



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Part III: Standalone Cash Flow Statement

(Rs. In lakhs)

Particulars	Year Ended	
	March 31, 2022	March 31, 2021
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(17,072)	(9,629)
Adjustment for :		
Depreciation and amortisation expense	978	2,182
(Profit)/loss on sale of property, plant and equipment	-	2
Unrealized exchange loss/(gain)	(89)	(123)
Unrealized margin on Stock	22	-
Impairment loss/(reversal) in the value of Investments	8,929	791
Impairment loss allowance on advances	310	1,515
Reversal of Impairment loss allowance on receivables	(127)	
Bad Debts	29	
Inventory Written off	3,703	1,746
Interest expense	2,361	4,472
Other Financial charges	155	341
Rent Income	(100)	(227)
Interest income	-	-
Finance Income Related to Financial Guarantee Measured at Fair Value	(50)	(77)
Corporate tax	(7)	-
MAT credit entitlement	(638)	(51)
Employee stock options cost	-	(25)
Employee Benefits Designated Through Other Comprehensive Income	-	(50)
Government Grants - Cash Subsidy amortization	(13)	(1)
Operating profit / (loss) before changes in working capital	(1,609)	865
Adjustments for changes in :		
Trade receivables	1,124	2,219
Inventories	(219)	1,603
Loans and other assets	932	1,323
Other non-current and current assets	(1,419)	(266)
Non-current and current financial assets	92	12
Trade payables	3,477	(3,172)
Other non-current and current provisions	(820)	(65)
Other non-current and current liabilities	(1,558)	126
Non-current and current financial liabilities	(107)	58
Change in current assets/liabilities	1,502	1,839
Cash generated from operations	(107)	2,704
Direct taxes (Tax deducted at source)	(82)	(102)
Net Cash flow from operating activities	(189)	2,602
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(90)	(425)
Proceeds on sale of Property, Plant and Equipment	-	2
Intangible asset	-	(21)
Interest income	(5,962)	-
Rent Income	100	227
Government Grants - Cash Subsidy amortization	13	1
Proceeds on Sale of Business	5	-
Sales of Investment in Equity Shares	154	-
Investment in Equity Shares	(70)	(2,001)
Investment in Preference Shares	(2,337)	(1,975)
Net Cash used in investing activities	(8,188)	(4,191)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Cash Credit	(16,469)	(638)
Proceeds from Short Term /Other Loans	-	4,879
Proceeds from Term/Other Loans	6,832	4,845
Proceeds from Lease	-	-
Proceeds from Non Convertible Debentures	35,000	-
Repayment of Short Term Loans	(1,755)	(42)
Repayment of Term Loans	(11,496)	(2,559)
Repayment of Lease	(936)	(218)
Interest expense	(2,361)	(4,472)
Other Financial charges	(155)	(341)
Proceeds from issue of Shares including Premium	-	-
Final dividend and dividend distribution tax	-	-
Net Cash used in financing activities	8,660	1,455
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	283	(135)
Opening Cash and Cash Equivalents	178	313
Less : Balance transferred on Slump Sale	(434)	-
Closing Cash and Cash Equivalents	27	178

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Notes (Standalone):-

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, as amended and other recognized accounting practices and policies to the extent applicable.
2. On 31st August 2021, the company has entered into Business Transfer Agreement (BTA) with Setco Auto Systems private limited (SASPL) (transferee company) (it was then wholly owned subsidiary company) to transfer its clutch manufacturing business on slump sale basis.

The clutch manufacturing business is transferred w.e.f 07th September, 2021 with assets and liabilities as per the Balance Sheet drawn as on 07th September 2021 resulting in long term gain of Rs. 13224 lacs transferred to capital reserve in compliance with Ind AS 103.

3. Post Slump Sale transaction in September 2021, goods were purchased from some old vendors by the company and sold to SASPL without mark up and the same is included under 'Revenue from Operations' and 'Cost of Materials Consumed'.
4. Other Income includes as under:

(Rs. in lakhs)

Particulars	Quarter Ended			Year Ended	
	March 31, 2022	Dec 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
Interest charged to subsidiaries	0	0	(1268)	0	0
Foreign Exchange Fluctuation gain	31	33	108	165	161
Lease Rent	0	0	62	100	227
Finance income on Financial Guarantee	1	27	(16)	50	77
Duty drawback	0	0	20	15	29
Gain on Lease cancellation	0	0	0	147	0
Other Misc. income	0	5	(44)	43	28
Total	32	65	(1138)	520	522

5. Exceptional Items for the year includes:

(Rs. in lakhs)

Particulars	Quarter Ended			Year Ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
a. Provision for diminution in Investment	8928	0	791	8929	791
b. Provision for ECL in Advances	310	0	1423	310	1423
c. Provision for ECL on Receivables	0	0	92	0	92
d. Inventory write down	0	0	1746	3703	1746
Total	9238	0	4052	12942	4052

- a. Company had impaired the Investment in Lava Cast Pvt. Ltd. (LCPL) by Rs. 8,290 Lakhs benchmarking on the recent transaction by its Subsidiary SASPL, purchasing the Shares of Lava Cast at Rs. 2.93 per share from a third party.

The company has further provided 9% ECL on Investment in SEPL for the loss of dividend in current year amounting to Rs. 639 Lakhs.

- b. ECL is provided on long term outstanding loans given to SAUL.
- c. The Company had provided impairment loss against Trade receivable equal to the net assets deficit reported by the company till last year. During FY 2022-23, the company has received Rs. 272.13 lakhs from Setco MEA, DMCC. Based on the certainty of recoverability of dues, Company's ECL for the current year is not provided for.
- d. Government of India has formulated the policy to scrap old Commercial vehicles older than 15 years in age.

In view of new emission norms and reluctance of transferee company SASPL to take over such old stocks, the existing stocks of Rs. 4206 lakhs (at book value) of items/components whose utility is impaired, has been written down in accounts net of Scrap amounting to Rs. 3703 Lakhs.

- 6. There were long pending old debts, debit balance in vendor accounts and provision for bad debts, which were not to be taken over by the transferee company SASPL and hence, the company has written off net amount of Rs. 378 lakhs.
- 7. The Company has sold 30,70,000 number of shares of SE Transstidia at a price of Rs. 5 per share during the year based on Valuation Report. Thus, the company has incurred a loss of Rs. 1,381.50 lakhs on this transaction. The company has booked loss of Rs. 153.50 lakhs under OCI, net of opening provisions of impairment of Rs. 1,228.00 lakhs.
- 8. During the year, the company has invested of Rs. 2,336.50 lakhs in 9% cumulative redeemable preference share of Setco Engineering Pvt. Ltd (SEPL), a Company in which directors have interest. As this investment is compulsorily redeemable on its maturity, the company has treated it as investment in debt instruments and valued at amortised basis.
- 9. During the year, the company has invested of Rs. 70 lakhs in equity shares of SASPL, subsidiary company.
- 10. Pending compliance of bank condition, company could not remit amount towards share capital to Setco MEA DMCC, resulting to non-issuance of share certificate to the company. The company has recognized it as investment in the wholly owned foreign subsidiary based on 100% control. The Company has decided to close this subsidiary vide Board Resolution dated 09.02.2021. However, due to the pending compliance procedures of DMCC, the Subsidiary could not be winded up. The matter will be handled afresh as per new guidelines to be complied.
- 11. The company had issued 3500 nos. of unlisted Non-Convertible Debentures of face value of Rs. 10 lakhs each to India Resurgence Fund. The said liability was then transferred to the transferee company SASPL under BTA.

12. The Company has not provided Interest on the Unsecured Loan from SASPL, (Subsidiary Company) as the same is repayable as per mutually agreed terms/period and no interest is accordingly accrued on such liability.
13. The company has not charged interest on unsecured loan to the subsidiaries
14. The company has purchased "LIPE" Brand from its subsidiaries Setco Automotive (UK) Ltd and Setco Automotive (N.A.) Inc. for Rs. 3494 lakhs & Rs. 2452 lakhs respectively during the year and such brand has been transferred to the transferee company in slump sale transaction.
15. The company has given guarantee for Rs. 56,500.00 lakhs and interest accrued thereon to Vistra ITCL (India) Limited, Mumbai, India (Debenture Trustee) for non-convertible debentures issued by the company and its subsidiary.
16. 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".
17. The impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes which will have consequential impact on business, if any.
18. Previous period figures have been regrouped / rearranged wherever considered necessary.
19. The above financial results were reviewed and recommended by the Audit Committee at its meeting held on July 06, 2022 and subsequently approved by the Board of Directors at its meeting held on July 06, 2022. The Statutory Auditors have audited the financials for the year ended March 31, 2022 and carried out a limited review of the financial results for the quarter ended March 31, 2022.

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**Place : Mumbai
Date : July 6, 2022**

For and behalf of the Board

**HARISHKUMAR
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**Harish Sheth
Chairman & Managing Director
DIN : 01434459**

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF CONSOLIDATED
FINANCIAL RESULTS**

The Board of Directors,
SETCO AUTOMOTIVE LIMITED

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **Setco Automotive Limited** ("the Parent") and its subsidiaries (the Parent, its subsidiaries and its associates and joint ventures together referred to as "the Group") for the quarter and year ended 31st March, 2022 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of subsidiaries given below, the Statement includes the results of the following subsidiaries:

Sr No	Name of the Entity
	Subsidiaries
1	WEW Holdings Limited, Mauritius
2	Setco Automotive (U.K.) Ltd., UK
3	Setco Automotive N.A. Inc., (USA)
4	Setco MEA DMCC, Dubai.
5	Lava Cast Private Ltd., India
6	Setco Auto Systems Private Limited, India

- a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- b. gives a true and fair view in conformity with Indian Accounting Standard prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net loss and total comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2022.

Basis for Qualified Opinion

- a) The Setco MEA, DMCC, foreign subsidiary has prepared its financial statement on a going concern basis. However, the foreign subsidiary has eroded its entire net-worth due to accumulated losses. The continuance of this foreign subsidiary business as a going concern is dependent upon the foreign subsidiary's ability to carry on business and generate the profit and the continuous support from the shareholders.

We conducted our audit of the Statement in accordance with the Standards on Auditing (“SA”s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Ind AS financial statements:

- b) On 31st August 2021, the parent company has entered into Business Transfer Agreement (BTA) with Setco Auto Systems private limited (SASPL) (transferee company) (it was then wholly owned subsidiary company) to transfer its clutch manufacturing business on slump sale basis.

The clutch manufacturing business is transferred w.e.f 07th September 2021 with assets and liabilities as per the Balance Sheet drawn as on 07th September 2021. (Refer Note No. 2 of the Consolidated Statement)

- c) During the year, the holding company has invested of Rs. 2,336.50 lakhs in 9% cumulative redeemable preference share of Setco Engineering Private Limited (SEPL), a Company in which directors have interest. As this investment is compulsorily redeemable on its maturity, the holding company has treated it as investment in debt instruments and valued at amortised basis. The holding company has provided 9% ECL for the loss of dividend in current year. The holding company is reasonably certain to recover principal amount and the accumulated unpaid dividend. (Refer Note No. 3(a) & 10 of the Consolidated Statement).
- d) The Indian subsidiary, SASPL has provided ECL of 10% on amount receivable towards sharing of expenses from SE Transstadia Private Limited, a company in which directors have interest. (Refer Note No. 3 (b) of the Consolidated Statement).
- e) One-time lump sum commission paid of Rs. 10,776 Lakhs pursuant to the marketing arrangements entered in to by Indian subsidiary, SASPL with SEPL. (Refer Note No. 3 (c) of the Consolidated Statement).
- f) Government of India has formulated the policy to scrap old Commercial vehicles older than 15 years in age.
In view of new emission norms and reluctance of transferee company (i.e SASPL) to take over such old stocks, the existing stocks of Rs. 4206 lakhs (at book value) of items/components whose utility is impaired, has been written down in accounts net of Scrap amounting to Rs. 3703 Lakhs. (Refer Note No. 3 (d) of the Consolidated Statement).
- g) The parent company had purchased “LIPE” Brand from its subsidiaries SAUL and SANAI for Rs. 3,494.24 lakhs & Rs. 2,452.13 lakhs respectively during the year and such brand has been transferred to the transferee company SASPL in slump sale transaction. Income on such sale is recognised as revenue by the subsidiaries which is reflected under the head of "Exceptional Items". (Refer Note No. 3(e) of the Consolidated Statement)

- h) There were long pending old debts, debit balances in vendor accounts and provision for bad debts, which were not to be taken over by the transferee company, Setco Auto Systems Private Limited. (SASPL) and hence, the holding company has written off net amount of Rs. 378 lakhs. (Refer Note No. 7 of the Consolidated Statements)
- i) 30,70,000 number of shares of SE Transstadia Private Limited were sold at a price of Rs. 5 per share during the year. The holding company has incurred a loss of Rs. 1,381.50 lakhs on this transaction. The holding company has booked loss of Rs. 153.50 lakhs under OCI, net of opening provisions of Rs. 1,228.00 lakhs. (Refer Note No. 8 of the Consolidated Statement)
- j) The Indian subsidiary company, Lava Cast Private Limited (LCPL) has not paid Principal Rs. 806.51 lakhs (of term loan) & Interest of Rs. 86.86 lakhs (on term loan & cash credit facility) that are due and remains unpaid as on 31st March 2022. (Refer Note No. 9 of the Consolidated Statement)
- k) In forming our opinion on the consolidated Ind AS financial statements, we have relied upon management's presentation & classification of amounts as per requirements of Schedule III of the Act in respect of wholly owned ultimate foreign subsidiaries.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Consolidated Financial Results

This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related Consolidated Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India.

The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

1. Attention is also invited to Note No. 15 of the Consolidated Statement, which refers to the fact that the audited financial statements of the wholly owned ultimate foreign subsidiaries have been prepared in accordance with local laws of the countries in which they operate. The said audited financial statements have been restated/recompiled by the management to meet the requirements of Indian Accounting Standards after exercising necessary due

diligence to ensure true & fair view of said subsidiaries' affairs. We have also relied upon the Holding company management's above assertion on restatement/recompilation of audited figures of wholly owned ultimate foreign subsidiaries to meet Ind AS requirements.

2. We did not audit the financial statements of wholly owned ultimate foreign subsidiaries prepared in accordance with local laws of countries in which they operate and which have been restated/recompiled by the Holding company's management to meet Ind As requirements as well as of Indian subsidiaries, whose Ind AS financial statements reflect total assets of Rs. 80,335.59 lakhs as at 31st March, 2022, total revenues of Rs. 39,004.86 lakhs and net cash inflows amounting to Rs. 384.98 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements of wholly owned ultimate foreign subsidiaries & Ind AS financial statements of Indian subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these wholly owned ultimate foreign subsidiaries & Indian subsidiaries, is based solely on the reports of the other auditors and Holding company's restatement/re-compilation of audited figures of wholly owned foreign subsidiaries to meet Ind AS requirements.
3. Auditor of Setco Automotive (UK) Limited, Foreign Subsidiary, has reported that the company has incurred operating losses before exceptional gain on sale of intangible assets to parent company during the year. Current year trading continues to be challenged by the impact of Covid-19 and the company is dependent on on-going working capital support from the parent company to be able to meet its obligations as they fall due. The financial statements have been prepared on a going concern basis due to the company having secured on-going parent company funding sufficient to enable the company to trade for the foreseeable future.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the results for the Quarter ended 31st March, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review.

**FOR V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. : 107488W**

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**RASESH V. PAREKH - PARTNER
MEMBERSHIP NO. : 038615
UDIN : 22038615AMIVEN3396**

**PLACE : MUMBAI
DATED : 06TH JULY 2022**



Regd. Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat

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Website: www.setcoauto.com, Email :- investor.relations@setcoauto.com

Corporate Identity Number : L35999GJ1982PLC005203

Statement of Consolidated Audited Financial Results for the Quarter and Year ended March 31, 2022

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
a.	Revenue from Operations	15,618	11,955	11,429	43,500	35,926
b.	Other Income	(4,816)	113	488	990	866
	Total Income	10,802	12,068	11,917	44,490	36,791
2	Expenses					
a.	Cost of materials consumed	9,249	6,933	7,591	22,695	19,342
b.	Changes in inventories of finished goods and work-in-progress	19	(118)	487	2,477	1,019
c.	Employee benefits expense	2,293	1,972	2,148	8,139	7,369
d.	Finance costs	3,481	3,404	1,687	10,832	5,908
e.	Depreciation and amortisation expense	1,009	986	908	3,745	3,371
f.	Other expenses	3,077	2,823	2,942	11,775	9,202
	Total Expenses	19,128	15,999	15,763	59,662	46,211
3	Profit / (Loss) before exceptional and tax (1-2)	(8,326)	(3,932)	(3,846)	(15,172)	(9,420)
4	Exceptional Items	(4,239)	-	3,289	10,240	3,289
5	Profit / (Loss) before tax (3-4)	(4,087)	(3,932)	(7,135)	(25,412)	(12,708)
6	Tax Expense					
a.	Current Tax	(1,542)	-	51	646	51
b.	Deferred Tax	122	25	(290)	(310)	(430)
7	Profit/(loss) for the period/year(5-6)	(2,667)	(3,957)	(6,896)	(25,748)	(12,330)
8	Other Comprehensive Income (OCI)					
a.	Items that will not be reclassified to Profit or Loss	(216)	-	(1,125)	(216)	(1,125)
b.	Income Tax relating to items that will not be reclassified to Profit or Loss	16	-	16	16	16
c.	Items that will be reclassified to Profit or Loss	18	47	3	16	229
d.	Income Tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-
	Other Comprehensive Income (Net of Tax)	(182)	47	(1,107)	(183)	(881)
10	Total Comprehensive income for the period/year (7+8)	(2,849)	(3,910)	(8,003)	(25,931)	(13,211)
11	Profit for the period attributable to					
	Owners of the company	(2,344)	(3,513)	(6,894)	(22,436)	(12,008)
	Non-controlling Interest	(323)	(444)	(2)	(3,312)	(322)
12	Other Comprehensive Income attributable to					
	Owners of the company	(170)	47	(1,107)	(172)	(881)
	Non-controlling Interest	(12)	-	(0)	(12)	(0)
13	Total Comprehensive Income for the period attributable to					
	Owners of the company	(2,514)	(3,466)	(8,001)	(22,608)	(12,889)
	Non-controlling Interest	(335)	(444)	(2)	(3,324)	(322)
14	Paid up Equity Share Capital (Face Value Rs. 2/- per share)	2,675	2,675	2,675	2,675	2,675
15	Other Equity					(5,391)
16	Earnings per equity share (Face Value of Rs. 2/-) (not annualised) :					
	(a) Basic - Rs.	(1.75)	(2.63)	(5.15)	(16.77)	(8.98)
	(b) Diluted - Rs.	(1.75)	(2.63)	(5.15)	(16.77)	(8.98)

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Corporate Identity Number : L35999GJ1982PLC005203

Part V: Statement of Consolidated Assets & Liabilities

(Rs. in Lakhs)

Sr. No.	Particulars	As at	
		March 31, 2022	March 31, 2021
		Audited	Audited
A	ASSETS		
1	Non-Current Assets		
	a. Property, Plant and Equipment	21,720	22,760
	b. Capital Work-in-Progress	238	15
	c. Right of use of assets	358	1,348
	d. Intangible Assets	8,740	4,112
	e. Intangible Assets Under Development	-	594
	f. Financial Assets		
	(i) Investments	8,311	5,612
	(ii) Other Financial Assets	111	209
	g. Deferred Tax Assets (Net)	3,855	4,139
	h. Other Non-Current Assets	200	91
	Sub-total - Non-Current Assets	43,533	38,880
2	Current Assets		
	a. Inventories	11,031	13,450
	b. Financial Assets		
	(i) Trade Receivables	4,282	4,491
	(ii) Cash and Cash Equivalents	2,083	1,415
	(iii) Bank Balances Other Than (ii) Above	72	106
	c. Current tax assets (net)	175	175
	d. Other Current Assets	2,733	1,643
	Sub-total - Current Assets	20,376	21,279
	TOTAL ASSETS	63,909	60,159
B	EQUITY AND LIABILITIES		
	Equity		
	a. Equity Share Capital	2,675	2,675
	b. Other Equity	(26,716)	(5,391)
	Sub-total - Equity	(24,041)	(2,715)
	Liabilities		
1	Non-Current Liabilities		
	a. Financial Liabilities		
	(i) Borrowings	68,396	17,231
	(ii) Lease Liability	-	645
	(iii) Other Financial Liabilities	7	68
	b. Other non current liabilities	1,522	1,672
	c. Provisions	235	451
	Sub-total - Non-Current Liabilities	70,160	20,068
2	Current Liabilities		
	a. Financial Liabilities		
	(i) Borrowings	7,592	28,869
	(ii) Lease Liability	-	291
	(iii) Trade Payables		
	(a) Dues of micro, small and medium enterprises	1,223	1,067
	(b) Dues of creditors other than micro, small and medium enterprises	7,273	8,939
	(iv) Other Financial Liabilities	150	493
	b. Other Current Liabilities	1,239	2,340
	c. Provisions	308	480
	d. Current Tax Liabilities (Net)	4	328
	Sub-total - Current Liabilities	17,790	42,807
	TOTAL EQUITY AND LIABILITIES	63,909	60,159

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Registered Office : Baroda - Godhra Highway, Kalol, District Panchmahal, Pin Code - 389 330, Gujarat, India
 Tel :- 02676 - 270600, Fax :- 02676 -235524
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 Corporate Identity Number : L35999GJ1982PLC005203

Part VI: Consolidated Cash Flow Statement

(Rs in lakhs)

Particulars	Year Ended	
	March 31, 2022	March 31, 2021
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(25,412)	(12,708)
Adjustment for :		
Depreciation and amortisation expense	3,745	3,371
(Profit)/loss on sale of property, plant and equipment	2	(237)
Unrealized exchange loss/(gain)	54	227
Impairment loss/(reversal) in the value of Investments	639	410
Reversal of Impairment loss allowance on advances/receivables	43	1,132
Impairment loss allowance on Debtors	333	-
Inventory Written off	3,703	1,751
Bad Debts	29	-
Interest expense	10,413	5,387
Other Financial charges	419	521
Interest income	(27)	(19)
Corporate tax / Deferred Tax	319	445
MAT credit entitlement	(638)	(51)
Employee stock options cost	-	(25)
Employee Benefits Designated Through Other Comprehensive Income	(63)	(51)
Government Grants - Cash Subsidy amortization	(13)	(1)
Operating profit / (loss) before changes in working capital	(6,455)	153
Trade receivables	(152)	258
Inventories	(1,285)	2,842
Other Financial Assets	98	34
Other Current / Non-Current Assets	(832)	(250)
Trade payables	(1,510)	(2,132)
Provisions	(712)	(40)
Other Current / Non-Current Liabilities	(1,251)	1,751
Other Financial Liabilities	(315)	64
Change in current assets/liabilities	(5,958)	2,527
Net cash flow generated from operating activities before tax	(12,413)	2,680
Direct taxes (tax deducted at source)	(126)	(102)
Net cash flow from operating activities	(12,540)	2,578
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,798)	(547)
Sale of property, plant and equipment	14	853
Sale of Intangible asset	5,809	-
Purchase of Intangible asset	(5,978)	(21)
Interest income	27	19
Government Grants - Cash Subsidy amortization	13	1
Sales of Investment in Equity Shares	154	-
Purchase of Equity Shares of LCPL	(393)	-
Investment in Preference Shares	(3,644)	(1,975)
Net cash used in investing activities	(9,798)	(1,670)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from cash credit	-	(768)
Proceeds from short term loans	2,499	4,879
Proceeds from term loans	-	4,845
Proceeds from Non Convertible Debentures	56,500	-
Proceeds from Compulsorily Convertible Debentures including Premium	2,857	-
Repayment of short term loans	(20,919)	(43)
Repayment of term loans	(13,601)	(3,391)
Repayment of lease	(936)	(218)
Unclaimed Dividend	33	(6)
Proceeds from shares issued including premium	2,126	-
Interest expense	(5,114)	(5,387)
Other Financial charges	(419)	(521)
Net cash used in financing activities	23,026	(611)
D. Net effect of exchange gain/(loss) on cash and cash equivalents	(21)	11
Net Increase in Cash and Cash Equivalents (A + B + C + D)	668	308
Opening Cash and Cash Equivalents	1,415	1,107
Closing Cash and Cash Equivalents	2,083	1,415

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Notes (Consolidated):-

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, as amended and other recognized accounting practices and policies to the extent applicable.
2. On 31st August 2021, the parent company has entered into Business Transfer Agreement (BTA) with Setco Auto Systems private limited (SASPL) (transferee company) (it was then wholly owned subsidiary company) to transfer its clutch manufacturing business on slump sale basis.

The clutch manufacturing business is transferred w.e.f 07th September, 2021 with assets and liabilities as per the Balance Sheet drawn as on 07th September 2021.

3. Exceptional Items:

(Rs. in lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
a.	Provision for diminution in Investment	639	0	410	639	791
b.	Provision for ECL in Advances	43	0	1132	43	1423
c.	Onetime Commission	0	0	0	10776	0
d.	Inventory write down	0	0	1746	3703	1746
e.	Profit on sale of goodwill & trademark	0	0	0	(4921)	0
	Total	681	0	3289	10240	3289

- a. The company has provided 9% ECL on Investment in SEPL for the loss of dividend in current year amounting to Rs. 639 Lakhs.
- b. ECL is provided by SASPL on the amount recoverable from SE Transstadia Private Limited.
- c. Onetime payment by SASPL of Rs. 10,776 lakhs being compensation for forgoing potential future commission revenue in excess of Rs. 800 lakhs per annum to Setco Engineering Private Limited
- d. Government of India has formulated the policy to scrap old Commercial vehicles older than 15 years in age.

In view of new emission norms and reluctance of transferee company (i.e SASPL) to take over such old stocks, the existing stocks of Rs. 4206 lakhs (at book value) of items/components whose utility is impaired, has been written down in accounts net of Scrap amounting to Rs. 3703 Lakhs.

- e. The parent company had purchased "LIPE" Brand from its subsidiaries SAUL and SANAI for Rs. 3,494.24 lakhs & Rs. 2,452.13 lakhs respectively during the year and such brand has been transferred to the transferee company SASPL in slump sale transaction. Income on such sale is recognised as revenue by the subsidiaries which is reflected under the head of "Exceptional Items".
4. During the year as part of the financial structuring of SASPL, the India Resurgence fund (IRF) had Invested:
 - a. In Equity share capital of Rs. 16.38 lakhs divided in to 163,846 equity shares of face value of Rs.10 each issued at a premium of Rs. 2126.47 lakhs
 - b. In Compulsory convertible debentures (CCD) Rs.21.85 lakhs comprising 218462 CCD of face value of Rs.10 each issued at a premium of Rs. 2835.30 lakhs.
 - c. In 2150 listed Non-Convertible debentures of the face value of Rs.10 lakhs each, aggregating to Rs. 21500 lakhs on a private placement basis.
5. The company had issued 3500 nos. of unlisted Non-Convertible Debentures of face value of Rs. 10 lakhs each to India Resurgence Fund. The said liability was then transferred to the transferee company (i.e SASPL) under BTA.
6. SASPL has mortgaged all assets in favor of Vistra ITCL (India) Limited, for securing Non-convertible debentures subscribed by India Resurgence Fund.
7. In the books of Parent company, there were long pending old debts, debit balance in vendor accounts and provision for bad debts, which were not to be taken over by the transferee company (i.e SASPL) and hence, the company has written off net amount of Rs. 378 lakhs grouped under 'Other Expenses'.
8. The Parent Company has sold 30,70,000 number of shares of SETS at a price of Rs. 5 per share during the year based on Valuation Report. Thus, the company has incurred a loss of Rs. 1,381.50 lakhs on this transaction. The company has booked loss of Rs. 153.50 lakhs under OCI, net of opening provisions of impairment of Rs. 1,228.00 lakhs.
9. The Indian subsidiary company, Lava Cast Private Limited (LCPL) has not paid Principal Rs. 806.51 lakhs (of term loan) & Interest of Rs. 86.86 lakhs (on term loan & cash credit facility) that are due and remains unpaid as on 31st March 2022.
10. During the year the Parent company has invested of Rs. 2,336.50 lakhs in 9% cumulative redeemable preference share of Setco Engineering Pvt. Ltd (SEPL), a Company in which directors have interest. As this investment is compulsorily redeemable on its maturity, the company has treated it as investment in debt instruments and valued at amortised basis.
11. During the year the SASPL has invested Rs. 1307.76 lakhs in 0.01% Non-convertible cumulative redeemable preference share of Setco Engineering Pvt. Ltd (SEPL), a Company in which directors have interest.

12. During the year the SASPL has invested Rs. 393.32 lakhs in Lava Cast P Ltd, by purchasing the shares held by minority partner M/s. Lingotes Especiales at Rs. 2.93 per share (face value of Rs.10 per share) resulting in Capital reserve of Rs.953.68 Lakhs.
13. The group has its operating segment viz. Auto Components and accordingly there are no separate reportable segments in the context of Ind-AS 108 "Operating Segment".
14. The impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes which will have consequential impact on business, if any.
15. The audited financial statements of the wholly owned ultimate foreign subsidiaries have been prepared in accordance with local laws of the countries in which they operate. The said audited financial statements have been restated/recompiled by the management to meet the requirements of Indian Accounting Standards after exercising necessary due diligence to ensure true & fair view of said subsidiaries' affairs.
16. Previous period figures have been regrouped / rearranged wherever considered necessary.
17. The above financial results were reviewed and recommended by the Audit Committee at its meeting held on July 06, 2022 and subsequently approved by the Board of Directors at its meeting held on July 06, 2022. The Statutory Auditors have audited the financials for the year ended March 31, 2022 and carried out a limited review of the financial results for the quarter ended March 31, 2022.

**RASESH
VINAYKANT
PAREKH**

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**Place : Mumbai
Date : July 6, 2022**

For and behalf of the Board

HARISHKUMAR
KIRITKANT
SHETH
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**Harish Sheth
Chairman & Managing Director
DIN : 01434459**

July 6, 2022

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
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Dear Sir/Madam,

Sub. : Declaration in respect of Unmodified Opinion on Standalone Audited Financial Statement for the Financial Year ended March 31, 2022

Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Pursuant to SEBI Circular CIR/CFD/CMD/56/ 2016 dated May 26, 2016, we hereby declare and confirm that the Statutory Auditors of the Company, M/s. V. Parekh & Associates, Chartered Accountants, have issued an Audit Report with unmodified opinion on Standalone Annual Audited Financial Statements of the Company for the year ended March 31, 2022.

Kindly take the same on your records.

Thanking You,

For Setco Automotive Limited



Hiren Vala
Company Secretary

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022. [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Audited Figures (as reported after adjusting for qualifications) (Rs. In Lakhs)
	1	Turnover/Total Income	44,490	44,490
	2	Total Expenditure	59,662	59,662
	3	Net Profit/ (Loss)	(25,748)	(25,748)
	4	Earning Per Share	(16.77)	(16.77)
	5	Total Assets	63,909	63,909
	6	Total Liabilities	87,949	87,949
	7	Net Worth	(24,041)	(24,041)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	The Setco MEA, DMCC, foreign subsidiary has prepared its financial statement on a going concern basis. However, the foreign subsidiary has eroded its entire net-worth due to accumulated losses. The continuance of this foreign subsidiary business as a going concern is dependent upon the foreign subsidiary's ability to carry on business and generate the profit and the continuous support from the shareholders.			
	b. Type of Audit Qualification:	i) Qualified Opinion /Disclaimer of Opinion/ Adverse Opinion		
	c. Frequency of qualification:	i) Appeared first time /repetitive /since how long continuing		
	d. For Audit Qualification(s) where the impact is quantified by the auditor,	N.A		

	Management's Views:	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification: No Impact	
	(ii) If management is unable to estimate the impact, reasons for the same: N.A.	
	(iii) Auditors' Comments on (i) or (ii) above: N.A.	

III Signatories:

HARISHKUMAR
R KIRITKANT
SHETH

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HARISHKUMAR
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Harish Sheth
Chairman and Managing Director
DIN: 01434459

Sd/-

Arun Arora
Audit Committee Chairman

Sd/-

Jatinder Gujral
Chief Executive Officer

For V. Parekh & Associates
Chartered Accountants
(Firm Registration No. 107488W)

RASESH
VINAYKANT
PAREKH

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(Rasesh V. Parekh)

Partner

Membership No. 038615

Place: Mumbai

Date: July 6, 2022