

To,

September 04, 2023

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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Sub: Notice of the 40th Annual General Meeting along with Annual Report of Setco Automotive Limited (“the Company”) for the Financial Year 2022-23.

Dear Sir,

This is to inform that the 40th Annual General Meeting (“AGM”) of the Company will be held on Wednesday, 27th September, 2023 at 2.00 P.M. IST at the Registered Office of the Company at Baroda-Godhra Highway, Kalol (Panchmahals), Pin Code - 389 330, Gujarat, India in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we are submitting herewith the Notice of the 40th Annual General Meeting along with the Annual Report for the financial year 2022-23 which is being sent through electronic mode to the Members.

The Annual Report containing the Notice is also uploaded on the Company’s website and can be accessed at www.setcoauto.com.

We would further like to inform that the Company has fixed Wednesday, 20th September, 2023 as the cut-off date for ascertaining the names of the members holding shares either in physical form or in dematerialised form, who will be entitled to cast their votes electronically in respect of the businesses to be transacted as per the Notice of the AGM.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,

For Setco Automotive Limited

HIRENKUMAR Digitally signed by
HIRENKUMAR
POPATBHAI VALA
Date: 2023.09.04
18:47:45 +05'30'

Hiren Vala

Company Secretary

40TH ANNUAL REPORT 2022-23



DRIVEN BY
INNOVATION • DESIGN • TECHNOLOGY

GLOBAL QUALITY CERTIFICATIONS - IATF 16949, ISO 14001 & OHSAS 18001

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.

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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 (Retired w.e.f. 31st Oct, 2022)	Chief Executive Officer
Mr. Shrinivasan Iyer (Appointed w.e.f. 14th Nov, 2022)	Chief Financial Officer
Mr. Hiren Vala	Company Secretary

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

SOLICITORS:

Wadia Ghandy & Co., Mumbai, Maharashtra, India.

STATUTORY AUDITORS:

Sharp & Tannan 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:

Setco Auto Systems Private Limited

- Vadodara - Godhra Highway, Kalol,
 Dist. Panchmahal - 389 330, Gujarat - India.
- 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 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

WEW Holding Limited

SANNE House, Bank Street, Twenty Eight
 Cybercity, Ebene 72201, Mauritius



OUR BRANDS:

Corporate Brand 

CSR Brand 

Product Brands 

MANUFACTURING UNITS

Kalol (Panchmahal), Gujarat, India
 Sitarganj, Uttarakhand, India
 Haslingden, Lancashire, UK
 Paris, Tennessee, USA

PRODUCTS:

Clutch Products & Systems
 Hydraulics (pressure converters)

OTHER INFORMATION:

- a. Corporate Identification Number (CIN):
L35999GJ1982PLC005203
- b. Listing Information:
Listed with: BSE Limited (BSE) &
National Stock Exchange of India Limited (NSE)
BSE Scrip Code: 505075
NSE Scrip Symbol: SETCO
- c. Website: www.setcoauto.com
- d. 40th Annual General Meeting information:
Date: September 27, 2023
Day: Wednesday
Time: 02.00 PM
Place: Vadodara - Godhra Highway, Kalol
Dist. Panchmahal - 389 330, Gujarat - India.
For details please refer to the Notice of this AGM.
- e. Investor Grievance:
email:- investor.relations@setcoauto.com



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

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

2021 - 2022

ACCOMPLISHMENT OF FUNDRAISING ACTIVITY

2019 - 2020

FORAY INTO FARM TRACTOR SEGMENT AND BS VI CLUTCHES

2018 - 2019

BS-VI APPROVALS FROM ALL OEM PARTNERS ON TARGET

2017 - 2018

LAUNCH OF CLUTCHES FOR FARM EQUIPMENT (TRACTOR) SEGMENT AND AMERICAN MARKET

1982

INCORPORATION

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

2016 - 2017

SUPPLY OF NEW CLUTCH COVER ASSEMBLY TO OEMS COMMENCEMENT OF COMMERCIAL OPERATIONS OF LAVA CAST

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

BOARD OF DIRECTORS



Harish Sheth
Chairman & Managing Director



Udit Sheth
Vice Chairman



Urja Shah
Executive Director



Arun Arora
Independent Director



Ashok Kumar Jha
Independent Director



Suhasini Sathe
Independent Director

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.

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.

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.

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.

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.

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.

NEW RANGE FOR NORTH AMERICA MARKET

ANGULAR SPRING DESIGN CLUTCHES



15.5"/395mm Angular Spring
Twin Clutch



Off - Highway, Construction
Hydraulics (Pressure Converters)



15"/380mm Single & Twin
Direct Pressure Coil Spring



170mm Single
Diaphragm Spring



12"/310mm Single
Diaphragm Spring



13"/330mm Single
Direct Pressure Coil Spring

LCV CLUTCH RANGE



330 Dia Single Coil Clutch



170mm Single
Diaphragm Spring





Message from Shri Harish Sheth
Chairman & Managing Director

“You can't cross the sea merely by standing and staring at the water”.

- Rabindranath Tagore

Dear Shareholders,

I'm delighted to share that Setco Auto is making a strong comeback with dynamic leadership, strong processes, and renewed vigor – People, Processes & Positivity as we turn 40 years young as your company.

The year past was a year to invigorate ourselves and shed the past weight that made our fantastic company go through some trying time. We started FY22-23 with correcting a number of matrices and restarted our journey with much positivity. Although mid-year went through a sluggish demand from all sectors on account various measures like Russia Ukraine war or slowdown in global markets, inflation and thereby resulting lower offtake in OEM and Aftermarket- during Q2 and Q3, although the demand started coming back during the festival seasons and continued to build back our confidence in Q4.

From a macro perspective Indian economy has registered a ~7% GDP growth in FY 2022-23 as compared to 8.70% previous year. Proactive policy interventions along with successful vaccination program and improved consumer confidence have propelled economic growth. The Commercial Vehicles segment has witnessed strong growth in sales of ~20% with MHCV growing at ~22%, as the construction and infrastructure sectors picked up the pace. MHCV demand will continue to grow and regain its pre-pandemic levels by H2 of FY24. The push for Indian MHCVs to be exported are also gaining traction.

We have devised a clear strategy to maintain the growth

momentum to sustain our market leadership where we are reviewing our product portfolios and quickly adding new ranges to ensure our customers are satisfied. We expect the work that we are doing will ensure Setco is on a strong footing for FY23-24. Our world-class foundry Lava Cast Pvt Ltd has its maintenance in place and will ensure optimum capacity utilisation which in-turn will help in improve profitability and drive better cost structures.

As per our medium-term strategy, we continue to focus on enhancing revenues and profits by increasing market share and presence with our prestigious OE customers, while driving efficiency in our manufacturing operations. We always prioritised exceeding customer expectations and creating high customer value by providing high-quality products with improved performance. Going forward, we will continue to focus on innovation for various commercial vehicles, including MHCV and the bus segment.

While we have started working on designing new clutches for the Farm Tractor Segment, we are confident that with new innovation we will add this to our portfolio soon. The testing and validation is going on. Also the company is committed to bring clutches for LCV segment and we are hoping to see some additions to our product portfolio in FY23-24.

Our international companies together have turned EBITDA positive with strong focus on building market presence in their respective geographies. We are confident with supply chain issues behind us, and an improved product mix, they will continue to build themselves stronger.

Your company is committed to drive higher revenues while leveraging our prestigious Brand 'Setco' and build a strong replacement market also. To propel this further we have invested in new tech platforms and digital instruments that will further drive our aspirations strongly and are expected to be released in FY23-24.

We thank our new partner investors IndiaRF, with whom we have been able to build a strong liquidity position of the company. Over and above, they bring immense knowledge of best practices across sectors, which we have been able to leverage to build a far better Setco.

Our team at Setco Foundation led by Ms Urja Shah has been driving better results in our communities of choice with strong programs and interventions. We congratulate the team for their immense hard work and focus on making a real change in the lives of our people through sport, nutrition, entrepreneurship and education.

I would like to take this opportunity to thank all our team-members for their immense contributions in these effervescent times. We take this opportunity to welcome our new team-members who have already started adding great value and positivity in our journey. I would also like to thank you, our dear shareholders for your continued trust and support.

To conclude, we as a team have put all levers in place to drive a strong future for Setco.

Thanking You,

Harish Sheth

NOTES



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**STATUTORY INFORMATION AND
ANNUAL REPORT 2022-23**

NOTICE OF 40TH ANNUAL GENERAL MEETING

Notice is hereby given that the **Fortieth Annual General Meeting (“AGM”)** of the members of **SETCO AUTOMOTIVE LIMITED** will be held on **Wednesday, September 27, 2023 at 2.00 p.m.** IST at the Registered Office of the Company at Baroda-Godhra Highway, Kalol (Panchmahals), Pin Code - 389 330, Gujarat, India to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt;
 - a. The audited standalone annual financial statements of the Company for the financial year ended March 31, 2023 together with the Reports of Board of Directors and Auditors thereon; and
 - b. The audited consolidated annual financial statements of the Company for the financial year ended March 31, 2023 and together with the Report of Auditors thereon.
2. To appoint a director in place of Mrs. Urja Harshal Shah (DIN:02675341), who retires by rotation and being eligible, offers herself for re-appointment:

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**:

“RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of members of the Company, be and is hereby accorded to reappoint Mrs. Urja Harshal Shah (DIN: 02675341), as a director, who is liable to retire by rotation.”

SPECIAL BUSINESS:

3. To consider and if thought fit, approve the re-Appointment of Mr. Harish Kiritbhai Sheth (DIN: 01434459) as Chairman and Managing Director of the Company to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force) as amended from time to time, and subject to the requisite approvals, if any required, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Harish Kiritbhai Sheth (DIN 01434459) as Chairman and Managing Director of the Company without any remuneration for a period of 3 (three) years with effect from January 1, 2024 to December 31, 2026, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, upon such terms and conditions set out in the foregoing resolution and the explanatory statement annexed hereto.”

“RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all such acts, deed, matters and things as deemed necessary, proper and desirable and to sign and execute all necessary documents, application and steps as may be necessary to give effect to this Resolution.”

4. To consider and if thought fit, re-appointment of Mr. Udit Harish Sheth (DIN: 00187221) as Vice Chairman & Executive Director of the Company to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force) as amended from time to time, and subject to the requisite approvals, if any required, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Udit Harish Sheth (DIN 00187221) as a Vice Chairman and Executive Director of the Company without any remuneration for a period of 3 (three) years with effect from May 1, 2023 to April 30, 2026, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, upon such terms and conditions set out in the foregoing resolution and the explanatory statement annexed hereto.”

“RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all such acts, deed, matters and things as deemed necessary, proper and desirable and to sign and

execute all necessary documents, application and steps as may be necessary to give effect to this Resolution.”

5. To consider and if thought fit, re-appointment of Mrs. Urja Harshal Shah (DIN: 02675341) as Executive Director of the Company to pass the following resolution as an **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force) as amended from time to time, and subject to the requisite approvals, if any required the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mrs. Urja Harshal Shah (DIN 02675341) as an Executive Director of the Company without any remuneration for a period of 3 (three) years with effect from November 11, 2023 to November 10, 2026, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, upon such terms and conditions set out in the foregoing resolution and the explanatory statement annexed hereto.”

“**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all such acts, deed, matters and things as deemed necessary, proper and desirable and to sign and execute all necessary documents, application and steps as may be necessary to give effect to this Resolution.”

**By Order of the Board of Directors
For Setco Automotive Limited**

**Hiren Vala
Company Secretary**

Place: Kalol

Date: August 14, 2023

Registered Office:

Baroda - Godhra Highway, Kalol,
District Panchmahals, Pin Code – 389 330,
Gujarat, India
CIN: L35999GJ1982PLC005203

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UP TO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING. IN THIS NOTICE, THE TERMS MEMBER(S) OR SHAREHOLDER(S) ARE USED INTERCHANGEABLY.
2. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“**the Act**”), in respect of business to be transacted at the 40th Annual General Meeting (“**AGM**”), as set out under Item Nos. 3, 4 & 5 above and the relevant details of the Directors as mentioned under Item Nos. 3, 4 & 5 above as required by Regulation 36(3) of the Securities and Exchange Board of India (“**SEBI**”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the Listing Regulations**”) and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto.
4. Authorised representatives of the corporate members intending to participate in the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/ Authority Letter, etc. authorising them to attend the AGM, by email to investor.relations@setcoauto.com.
5. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body resolution/authorization etc., authorizing their representative to attend the AGM on their behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through their registered email address to shahpradipcs@gmail.com with copies marked to the Company at investors.relation@Setcoauto.com and to Central Depository Services (India) Limited (CDSL) at www.evotingindia.com. Institutional shareholders (i.e. other than individuals, HUFs, NRIs, etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc. by clicking on “Upload Board Resolution/Authority Letter”, etc. displayed under “e-Voting” tab in their login.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 21, 2023 to Wednesday, September 27, 2023 (both days inclusive) for the purpose of the AGM of the Company.
7. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as agency to provide e-voting facility.
8. The Company has been maintaining, inter alia, the following statutory registers at its registered office of the Company, which are open for inspection by members in terms of the applicable provisions of the Act, from Monday to Saturday from 10.00 a.m. to 12.30 p.m., except Tuesday and holidays up to the date of AGM:
 - i. Register of Contracts or arrangements in which directors are interested under section 189 of the Act. The said Register shall also be produced at the commencement of the AGM of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
 - ii. Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act. The said Register shall be kept open for inspection at the AGM of the Company and shall be made accessible to any person attending the AGM.
9. Members/Proxies/Representatives should bring the duly filled attendance slip along with their copy of Annual Report at the AGM.
10. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
11. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the AGM.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices etc., from the Company electronically. Those Members, whose email address is not registered with the Company or with their respective Depository Participants,

and who wish to receive the Notice of the 40th AGM and the Annual Report for the financial year 2022-23 and all other communication sent by the Company, from time to time, can get their email address registered with the Company. The process of registration of email ids is given in the instruction for e-voting.

13. Members are requested to:
 - a. intimate to the Company's Registrar and Share Transfer Agent (RTA) - Link Intime India Private Limited ("Link Intime"), changes, if any, in their registered addresses, in case of shares held in physical form;
 - b. intimate to their Depository Participant with whom they are maintaining their demat accounts, changes, if any, in their registered addresses/email ID, in case of shares held in dematerialized form.
 - c. quote their Folio Numbers/Client ID/DP ID in all correspondence; and
 - d. Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
14. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at investors.relation@Setcoauto.com. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which a dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.
15. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, Link Intime India Private Limited, at C 101, 247 Park, L.B.S. Marg, Vikhroli - West, Mumbai - 400083. The forms for updating the same are available on the Company's website: <https://setcoauto.com/investor-services/>. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.
16. In terms of Listing Regulations, the securities of the listed companies can only be transferred in dematerialized form with effect from April 01, 2019. In view of the same, Members are advised to dematerialize shares held by them in physical form. In compliance with the Circulars, the Notice of the 40th AGM along with the Annual Report 2022-23 and the instructions for e-voting are being sent only through electronic mode to those Members whose email address is registered with the Company/ Depositories ("DPs"). In case any Member is desirous of obtaining physical copy of the Annual Report for the financial year 2022-23 and Notice of the 40th AGM of the Company, he/she may send a request to the Company by writing at investor.relations@setcoauto.com or Link Intime India Private Limited, Company's Registrar and Share Transfer Agent ("RTA") at rnt.helpdesk@linkintime.co.in mentioning their DP ID and Client ID/folio no. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.setcoauto.com, website of the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.
17. Members holding shares in single name and physical form are advised to make nomination in respect of shareholding in the Company. Members can avail of the Nomination facility by filing Form SH-13 with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in Demat form, the nomination has to be lodged with their Depository Participants.
18. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Link Intime in case the shares are held in physical form.
19. Members are hereby advised to contact Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company, at the following address for any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non-receipt of annual report, dividend payments and other query / grievance relating to the shares of the Company:

Address: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.
Tel.: Tel. No. +91 22 4918 6000

Fax: +91 22 4918 6060

Email ID: rnt.helpdesk@linkintime.co.in.

20. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote on resolutions at the AGM by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the AGM (“**remote e-voting**”).
21. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through ballot papers.
22. The Members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
23. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 20, 2023. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of remote e-voting and voting at AGM through ballot paper.
24. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
25. M/s. P.P. Shah & Co., Practicing Company Secretaries, has been appointed as Scrutinizer to scrutinize the voting through ballot paper and remote e-voting process in a fair and transparent manner.
26. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
27. The Scrutinizer shall, after the conclusion of voting at the AGM, count the valid e-votes cast at the AGM, thereafter count the valid votes cast through remote e-voting and make, not later than 48 hours of conclusion of the meeting, a Consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him. The results along with the Scrutinizer’s Report shall be placed on the Notice Board of the Company at Registered Office & Corporate Office and also on Company’s website www.setcoauto.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”), where the shares of the Company are listed.
28. Route Map showing directions to reach to the venue of the AGM, proxy form and attendance slip are attached to the Notice.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. The voting period begins on Sunday, September 24, 2023 at 9:00 am (IST) and ends on Tuesday, September 26, 2023 at 5:00 pm (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, September 20, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to

enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget

Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

v. Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant SETCO AUTOMOTIVE LIMITED on which you choose to vote.
- x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

xvii. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor.relations@setcoauto.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE LISTING REGULATIONS AND PROVISIONS OF THE ACT

Name of Director	Mr. Harish Kiritbhai Sheth	Mr. Udit Harish Sheth	Mrs. Urja Harshal Shah
Director Identification Number (DIN)	01434459	00187221	02675341
Age (Years)	76	44	48
Date of first appointment on the Board	May 5, 1982	June 30, 2008	September 28, 2015
Nationality	Indian	Indian	Indian
Expertise in Specific Functional area	Mr. Harish Kiritbhai 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. Udit Harish 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	Mrs. Urja Shah has been playing a very significant role in the Company's activities related to Corporate Social Responsibility
Qualification	Mr. Harish Kiritbhai Sheth is the founder of Setco Automotive Limited. A core visionary of the Company, Mr. Harish Kiritbhai 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 Kiritbhai 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.	Mr. Udit Harish 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 Harish 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.	Mrs. Urja Shah completed her Bachelor's in Environmental Science and Master's in Environmental Policy from Duke University, USA. She also a certificate in International Development Studies from Duke University. She has also pursued certificate courses in Financials Accounting and Marketing from Boston University, USA.
Terms and conditions of re-appointment	liable to retire by rotation	liable to retire by rotation	liable to retire by rotation
Details of remuneration last drawn (Rs.) (FY 2022-23)	NIL	NIL	NIL
Remuneration proposed to be paid	NIL	NIL	NIL
Number of meetings of the Board attended during the financial year 2022 – 23	4 of 4	4 of 4	3 of 4

Directorships of other Boards as on March 31, 2023	a. Setco Auto Systems Pvt. Ltd. b. Setco Engineering Pvt. Ltd. c. Setco Holdings Pvt. Ltd. d. Transstadia Technologies Pvt. Ltd. e. Transstadia Holdings Pvt. Ltd. f. Transstadia Enterprises Pvt. Ltd. g. SE Transstadia Pvt. Ltd. h. Transstadia Playsport Pvt. Ltd. i. Transstadia Boxing India Pvt. Ltd. j. Hrehan Venture Advisors Pvt. Ltd.	a. TransStadia Enterprises Pvt. Ltd. b. Setco Engineering Pvt. Ltd. c. SE TransStadia Pvt. Ltd. d. TransStadia Playsport Pvt. Ltd. e. Setco Auto Systems Pvt. Ltd. f. TransStadia Hospitality Pvt. Ltd. g. TransStadia Technologies Pvt. Ltd. h. TransStadia Boxing India Pvt. Ltd. i. TransStadia Holdings Pvt. Ltd. j. Setco Holdings Pvt. Ltd. k. Lava Cast Pvt. Ltd. l. Sportscom Industry Confederation m. Transstadia Education & Research Foundation n. Transstadia Institute & Research Council o. Transstadia Education Services Pvt. Ltd. p. SMERII Diving Foundation	a. Transstadia Enterprises Pvt. Ltd. b. Hrehan Venture Advisors Pvt. Ltd.
Board Membership of other Public Companies as on 31st March, 2023	Setco Auto Systems Pvt. Ltd.	Lava Cast Pvt. Ltd. Setco Auto Systems Pvt. Ltd.	NIL
Chairman / Member of the Committee of the Board of Directors of the Company as on 31st March, 2023	Stakeholders Relationship Committee – Member	Corporate Social Responsibility (CSR) Committee – Member	Stakeholders Relationship Committee – Member Corporate Social Responsibility (CSR) Committee - Chairperson
Chairman / Member of the Committee of Directors of the other companies in which she is a Director as on 31st March, 2023	Setco Auto Systems Pvt. Ltd. – Member of Audit Committee	NIL	NIL
Number of Shares held on 31st March, 2023	28,97,575	27,62,863	42,84,725
Relationships with other Director / Key Managerial Personnel	Mrs. Urja Shah is daughter of Mr. Harish Kiritbhai Sheth and Mr. Udit Harish Sheth is son of Mr. Harish Kiritbhai Sheth	Mr. Harish Kiritbhai Sheth is Father of Mr. Udit Harish Sheth and Mrs. Urja Shah is sister of Mr. Udit Harish Sheth	Mr. Harish Kiritbhai Sheth is Father of Mrs. Urja Shah and Mr. Udit Harish Sheth is brother of Mrs. Urja Shah.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Based on the recommendation of the Nomination and Remuneration Committee (“NRC”), the Board of Directors of the Company at their meeting held on 14th February 2023, approved the re-appointment of Mr. Harish Kiritbhai Sheth (DIN:

01434459) as an Chairman and Managing Director of the Company for a period of 3(three) years with effect from January 1, 2024 to December 31, 2026, liable to retire by rotation and recommends this Special Resolution as set out in Resolution No. 3 of this Notice for approval of the members of the Company.

Brief profile of Mr. Harish Kiritbhai Sheth is as follows:

Mr. Harish Kiritbhai Sheth is the founder of Setco Automotive Limited. A core visionary of the Company, Mr. Harish Kiritbhai 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 Kiritbhai 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.

The terms and conditions of his re-appointment are set out in the resolution proposed to be passed, including the following:

- a. The term of appointment shall be for a period of 3 (three) years w.e.f January 1, 2024 to December 31, 2026 and shall be liable to retire by rotation.
- b. The re-appointment shall be without any remuneration. Further, no sitting fee shall be payable to the Managing Director during his tenure for attending any Board or Committee meeting thereof.
- c. General:
 - i. The Chairman and Managing Director shall perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Chairman and Managing Director will be under the overall authority of the Board of Directors.
 - ii. The Chairman and Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
 - iii. The Chairman and Managing Director shall adhere to the Company's Code of Conduct.

Mr. Harish Kiritbhai Sheth satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his reappointment. Mr. Harish Kiritbhai Sheth is neither disqualified from being re-appointed as a Director in terms of Section 164(2) of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given all the necessary declarations and confirmation including his consent to be re-appointed on the Board of the Company.

Details of Mr. Harish Kiritbhai Sheth are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

In accordance with the provisions of Section 203 and Schedule V of the Act, (a) a person who has attained the age of 70 years can be appointed as managing director only by passing a special resolution, Since Mr. Harish Kiritbhai Sheth has attained the age of 70 years, a special resolution is included in the notice seeking approval of the shareholders.

None of the directors, or key managerial personnel or their relatives, except Mr. Udit Harish Sheth, Mrs. Urja Shah and Mr. Harish Kiritbhai Sheth himself, are concerned or interested financially or otherwise, except to the extent of his respective shareholding, if any, in the Company.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee ("**NRC**"), the Board of Directors of the Company at their meeting held on 14th February 2023, approved the re-appointment of Mr. Udit Harish Sheth (DIN: 00187221) as a Vice Chairman and Executive Director of the company for a period of 3 (Three) years with effect from May 1, 2023 to April 30, 2026, liable to retire by rotation and recommends this Special Resolution as set out in Resolution No. 4 of this Notice for approval of the members of the Company.

Brief profile of Mr. Udit Harish Sheth is as follows:

Mr. Udit Harish 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 Harish 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.

Members' approval is sought for the reappointment of Mr. Udit Harish Sheth as an Vice Chairman and Executive Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 (**"the Act"**).

The terms and conditions of his re-appointment are set out in the resolution proposed to be passed, including the following:

- a. The term of appointment shall be for a period of 3 (three) years w.e.f May 1, 2023 to April 30, 2026 and shall be liable to retire by rotation.
- b. The re-appointment shall be without any remuneration. Further, no sitting fee shall be payable to the Vice Chairman and Executive Director during his tenure for attending any Board or Committee meeting thereof.
- c. General:
 - i. The Vice Chairman and Executive Director shall perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board/Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board/Managing Director and the functions of the Vice Chairman and Executive Director will be under the overall authority of the Managing Director/Board of Directors.
 - ii. The Vice Chairman and Executive Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
 - iii. The Vice Chairman and Executive Director shall adhere to the Company's Code of Conduct.

Mr. Udit Harish Sheth satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his reappointment. Mr. Udit Harish Sheth is neither disqualified from being re-appointed as a Director in terms of Section 164(2) of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given all the necessary declarations and confirmation including his consent to be re-appointed on the Board of the Company.

Details of Mr. Udit Harish Sheth are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

None of the directors, or key managerial personnel or their relatives, except Mr. Harish Kiritbhai Sheth, Mrs. Urja Shah and Mr. Udit Harish Sheth himself, are concerned or interested financially or otherwise, except to the extent of his respective shareholding, if any, in the Company.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee (**"NRC"**), the Board of Directors of the Company at their meeting held on 14th February 2023, approved the re-appointment of Mrs. Urja Harshal Shah (DIN 02675341) as Executive Director of the company for a period of 3 (Three) years with effect from November 11, 2023 to November 10, 2026, liable to retire by rotation and recommends this Special Resolution as set out in Resolution No. 5 of this Notice for approval of the members of the Company.

Brief profile of Mrs. Urja Harshal Shah is as follows:

Mrs. Urja Harshal 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 Harshal Shah has been playing a very significant role in the Company's activities related to Corporate Social Responsibility.

Members' approval is sought for the re-appointment of Mrs. Urja Harshal Shah as an Executive Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("**the Act**").

The terms and conditions of his re-appointment are set out in the resolution proposed to be passed, including the following:

- a. The term of appointment shall be for a period of 3 (three) years w.e.f November 11, 2023 to November 10, 2026 and shall be liable to retire by rotation.
- b. The re-appointment shall be without any remuneration. Further, no sitting fee shall be payable to the Executive Director during his tenure for attending any Board or Committee meeting thereof.
- c. General:
 - i. The Executive Director shall perform her duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board/Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board/Managing Director and the functions of the Executive Director will be under the overall authority of the Managing Director/Board of Directors.
 - ii. The Executive Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
 - iii. The Executive Director shall adhere to the Company's Code of Conduct.

Mrs. Urja Harshal Shah satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for her re-appointment. Mrs. Urja Harshal Shah is neither disqualified from being re-appointed as a Director in terms of Section 164(2) of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given all the necessary declarations and confirmation including her consent to be re-appointed on the Board of the Company

Details of Mrs. Urja Harshal Shah are provided in the Annexure above to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

None of the directors, or key managerial personnel or their relatives, except Mr. Harish Kiritbhai Sheth and Mr. Udit Harish Sheth and Mrs. Urja Harshal Shah himself, are concerned or interested financially or otherwise, except to the extent of his respective shareholding, if any, in the Company.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

**By Order of the Board of Directors
For Setco Automotive Limited**

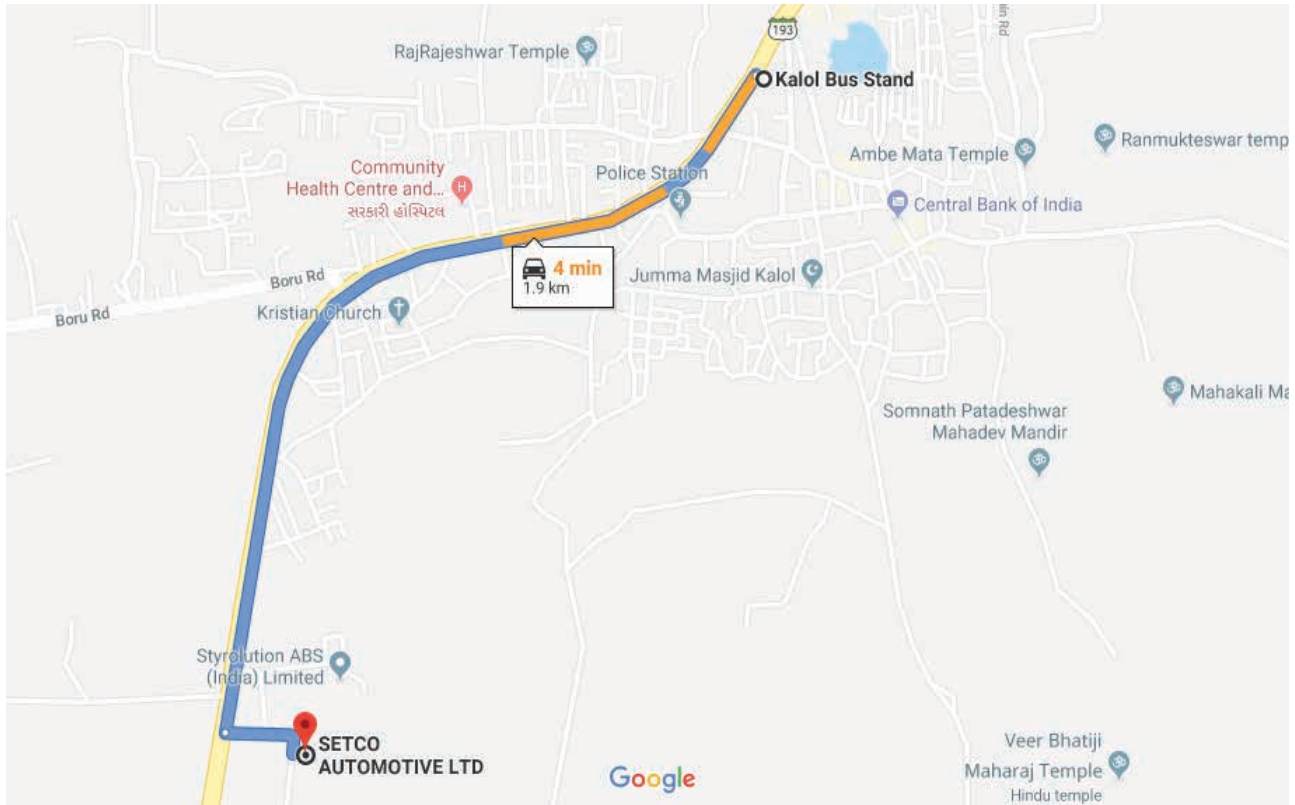
**Hiren Vala
Company Secretary**

**Place: Kalol
Date: August 14, 2023**

Registered Office:
Baroda - Godhra Highway, Kalol,
District Panchmahals, Pin Code – 389 330,
Gujarat, India
CIN: L35999GJ1982PLC005203

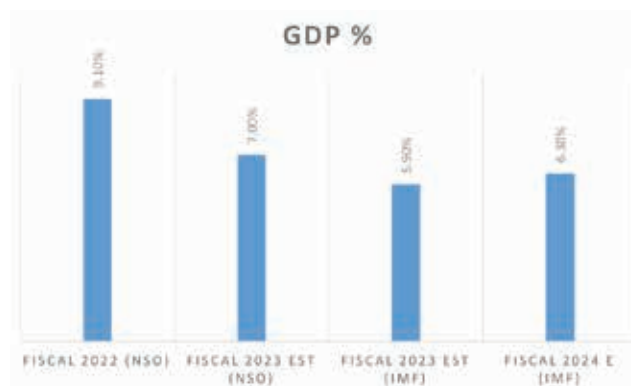
Route Map to the AGM Venue

Baroda-Godhra Highway, Kalol (Panchmahals), Gujarat - 389 330, India



MANAGEMENT DISCUSSION & ANALYSIS

Economic Overview:



GDP Growth: National Statistical Office (“NSO”):

The growth in the real GDP during FY 2022-23 is estimated at 7.0%, compared to 9.1% in FY 2021-22. This is driven by the accentuated headwinds from prolonged geopolitical tensions, tightening global financial conditions and slowing external demand.

Commodity prices which continued to rise since H2FY21 more or less stabilise during the H2FY23 although the future trajectories remain uncertain, given the lingering geopolitical and the likelihood of demand. The economic activity in India has witnessed a sharp recovery to pre-pandemic levels although the adverse weather shocks are becoming more frequent and there is heightened

uncertainty on the south -west monsoon.

The Automotive sector on the backdrop of BSVI phase II RDE norms from 1st April 2023 wherein the vehicles will have to comply with the latest emission standards gave a boost in demand during the later half of the year as the prices are likely to go up to maintain the stricter emission norms

External headwinds caused by geopolitical tensions between Russia-Ukraine led to supply-chain disruptions. This, in turn, fuel the inflation globally. Commodity prices have shot up globally owing to supply constraints caused by the war. In order to curb the ‘imported’ inflation, the RBI has been increasing the short-term lending rate by 225 bps during the year as compared to increase of 450bps by US Federal Reserve. Though the welcome softening of crude oil prices along with commodity from Nov onwards.

Commercial vehicle grew ~>20% during the year and with Scrappage Policy implementation in progress, growth envisage for coming years will be much higher and MHCV Industry may surpass the peak volumes of FY2019 in FY2025

Operations:

The Company’s performance was below par, though the growth in sales ~25% and almost 3.75x jump in EBITDA. Sales started with much delight and excitement however in Q2 and Q3 were subdued on account of low demand from OEM, aftermarket business and exports. The uncertainty from the Ukraine Crisis and also projections from customers didn’t pan out.

The management is very positive about the overall mid-term outlook of the Company and believes that there is a huge untapped potential in the business of the Company and its Brand recognition. The management also believes that the demand in the automotive sector has already picked considerably in the last few months and will further rebound in the coming months

Operations of the company is further divided into below categories;

Original Equipment Manufacturer (OEM)

During FY23, OEM Segment contributed ~34% of the total revenue and was almost flat ~growth of 2% mainly on account of reduce SOB from OEM’s which gradually has been increased. We have aggressively been working with our OEMs to increase nominations and market shares in their ranges of trucks.

The company is development new range of clutches for the Light Commercial Vehicle market as well.

Replacement Market

Customer connect, education, promotion and loyalty are our core tenets of increasing our business share and customer confidence.

The company's aftermarket business comprises two segments; sales of clutch assemblies and service kits through the service and spare sales network of Original Equipment Spares (OES) and sales to the Independent aftermarket (IAM) network of distributors/dealers and local garages under 'LIPE' brand.

The company has ensured enhancing the distributor network its connect with the market. New products and services are launched with better schemes and basket of products and clutch range extensions.

Aftermarket is a vital part of Company's plan. As a strategy, the aftermarket, being a more profitable segment, was carefully developed and nurtured over the years. In FY 23, the aftermarket segment constituted almost 63% of the revenue. The segment ensures not only sustainable growth but also decreases the vulnerable nature of the industry due to cyclical OEM demand. The already-peaked OEM cycle in the past is expected now to boost the aftermarket replacements, coming up from FY24 onwards.

Bigger dia sizes clutches post migration to BSVI since April 2020 are going to come for replacement and hence realization will be higher.

Farm Tractor Market: An Agriculture-driven Economy:

India is the biggest producer of tractors and are producing more tractors than commercial vehicles if you take only the medium and heavy vehicles into account. Interestingly, tractors that are being manufactured today have a powerful engine with high horsepower and accordingly, they need new types of clutches. Thus, there is a shift or even a vacuum in the market and we are entering that space and expect to reap a good growth, from both OE and aftermarkets.

At Setco, extension on this important agriculture segment which is the backbone to the Indian economy is part of the growth story at Setco. Continuous R&D efforts have resulted in the development of advanced farm tractor products within a short span of time with the focus on efficiency and productivity to drive business growth. We expect business to kick-in during FY24 onwards

International Business

The company has always laid special emphasis on its international markets through its overseas subsidiaries as it considers international business opportunities as an important growth driver for the company. The three strategically located overseas subsidiaries which cover the European, North American and Middle Eastern market are an integral part of Setco Group, and the Company believe that its presence will help to achieve its growth vision.

Despite the challenges and uncertainty in the current economic environment; the Company remain very optimistic about the growth and future.

Setco Automotive (UK) Ltd – SAUL

While SAUL has been an integral part of the Setco Group as a Research & Development hub for the company it has also served as a marketing face in the European Continent. SAUL has been promoting Company's LIPE brand of clutches across Europe. Sales grew by ~40% over last year. EBITDA was still negative, however, proactive steps to reduce costs and set up some new distributors to be able to capitalize on this in the coming years. Company's European presence remains one of the key growth drivers for Setco Group.

Setco Automotive (NA) Inc. – SANAI

The North American market is a lucrative growth driver and the Company has always had a dedicated focus on the North American operations. Launch of new range of ASD clutches towards the 4th quarter of the financial year has started the traction and will result in good demand going forward. Sales grew by ~18% over last year with EBITDA margins at 12.5%.

Our new range of clutches will be ready soon for this market, allowing us to augment existing business. Also a new range of products will be developed to augment the clutch business.

Lava Cast Private Limited

The management is confident of the business potential for Lavacast and we have started the turnaround process. As the maintenance activity is completed in the current year and with right resources in terms of people and reduction in the raw material costs and rejections (down from level of ~17-18% to single digit) and substantial improvements in yield. Since the cashflows are still very low on account of continuous losses due to lower capacity utilization we have approached bank for restructuring the account which is under positive discussion though the bank has filed an application in the IBC, which we are confident of getting withdrawn basis the restructuring implementation.

COMPANY'S OPERATING HIGHLIGHTS AND KEY FINANCIAL RATIOS FOR FY 2022-23:

Financial Analysis Particulars	Rs. In Crs		
	FY 2023	FY 2022*	YOY Change (in %)*
Operating revenue	1.14	156.74	
EBIDTA	0.09	-6.36	
EBIT (Operating) Margin	0.09	-31.52	
Profit/Loss Before Tax	1.46	-170.72	
Profit/Loss After Tax	-8.82	-174.82	

*Clutch Business was transferred through Business Transfer Agreement dated 31st August, 2021 w.e.f 7th September, 2021 to its subsidiary i.e. Setco Auto Systems Pvt. Ltd.

Key financial Ratios				
Particulars	FY 2023*	FY 2022	YOY Change* (in %)	Reasons for Change
EBIDTA Margin	-	-4.1%		*Clutch Business was transferred through Business Transfer Agreement dated 31 st August 2021 w.e.f 7 th September, 2021 to its subsidiary i.e. Setco Auto Systems Pvt. Ltd.
EBIT (operating) margin	-	-20.1%		
PBT Margin	-	-108.9%		
PAT Margin	-	-111.5%		
Debtors Turnover	-	0.02		
Inventory Turnover	-	0		
Interest coverage ratio	-	-		
Current Ratio	-	0.69		
Debt Equity Ratio	-	-		
Return on net worth	-	-		

SUBSIDIARIES OPERATIONAL HIGHLIGHTS

Setco Auto Systems Pvt Ltd

Particulars	Rs. In Crs	
	FY 2023	FY 2022*
Sales	474.80	261.97
EBIDTA	52.71	22.00
Profit/Loss After Tax	-210.38	-173.47

*Clutch Business was acquired through Business Transfer Agreement dated 31st August, 2021 w.e.f 7th September, 2021 from holding Company i.e. Setco Automotive Ltd.

Lava Cast Pvt Ltd

Particulars	Rs. In Crs	
	FY 2023	FY 2022
Sales	35.55	43.59
EBIDTA	-14.16	-17.59
Profit/Loss After Tax	-31.61	-36.73

SETCO AUTOMOTIVE (UK) LTD

Particulars	FY 2023	FY 2022	FY 2023	FY 2022
	In GBP mn	In GBP mn	In INR Crs	In INR Crs
Sales	3.12	2.81	30.36	28.54
EBIDTA	-0.36	-0.62	-3.53	-6.29
Profit/Loss After Tax	-0.38	2.71	-3.66	27.56

SETCO AUTOMOTIVE (NA) INC

Particulars	FY 2023	FY 2022	FY 2023	FY 2022
	In USD mn	In USD mn	In INR Crs	In INR Crs
Sales	7.13	6.98	57.42	51.95
EBIDTA	0.89	0.43	7.13	3.18
Profit/Loss After Tax	0.40	1.85	3.25	13.81

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present the 40th (Fortieth) Annual Report on the business operations together with the annual audited financial statements for the financial year (FY) ended March 31, 2023. This report states compliance as per the requirements of the Companies' Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company.

FINANCIAL PERFORMANCE

The Company's financial performance (standalone and consolidated) for the financial year ended March 31, 2023 is summarised below:

(Rs. in Lakhs Except for EPS)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operation & Other Income	288.48	16,194.11	55,006.01	44,489.97
Gross Profit before Finance Cost & Depreciation	150.92	(636.00)	4,476.70	(595.57)
Less: Finance Cost	5.26	2,516.03	15,473.75	10,832.24
Less: Depreciation	-	977.60	3,844.65	3,744.67
Profit/(Loss) before Tax	145.66	(4,130.00)	(16,114.51)	(25,412.10)
Less: Provisions for Tax Expenses	1027.41	(78.52)	3,111.14	335.95
Profit/ (Loss) from continuing operations	(881.75)	(8,949.06)	(19,225.65)	(25,748.05)
Other Comprehensive Income	-	(153.50)	188.14	(183.44)
Profit/(Loss) after Taxes including other Comprehensive Income	(881.75)	(17,481.53)	(19,037.51)	(25,931.49)
Less: Non-Controlling Interest	-	-	(4,005.82)	(3,323.57)
Profit/(Loss) for the Year attributable to Equity Holders of the parent	(881.75)	(17,481.53)	(15,031.69)	(22,607.92)
Earning Per Shares (Rs.)	(0.66)	(12.95)	(11.40)	(16.77)

BUSINESS OPERATIONS

During the year under review, your Company has recorded consolidated revenue from operations of Rs. 54,557 Lakhs as against revenue from operations of Rs. 43,500 Lakhs in the previous year. EBITDA of the Company is Rs. 4,028 Lakhs i.e. 7.4% as against EBITDA loss of Rs. (1,585) Lakhs, thereby improving EBITDA margins by 1100 bps, main reasons for improvement in EBITDA is on account of reduction in variable cost and tight control over fixed cost along with increased in sales of ~25%. Higher interest costs and depreciation led to net loss for the year.

A detailed discussion on the business performance and future outlook is included in Management Discussion & Analysis which forms part of the Directors' Report.

SHARE CAPITAL

There was no change in the Share Capital of the Company during the financial year. As on March 31, 2023, the issued and paid-up capital of the Company was Rs. 26,75,34,550/- divided into 13,37,67,275 equity shares of face value of Rs. 2/- each. Your Company has not issued shares with differential voting rights, nor granted employee stock options, sweat equity or bonus shares. The Company does not have any Preference Shares as on March 31, 2023.

The equity shares of the Company continue to be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The stipulated listing fees for FY2023-24 have been paid to both stock exchanges.

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company.

DIVIDEND

Since there were no profits during the year, the Board of Directors has not recommended any dividend, for the financial year ended on March 31, 2023.

TRANSFER TO RESERVES

The Board of Directors has decided not to transfer any amount to the reserve during FY 2022-2023 in view of loss during the financial year.

FIXED DEPOSITS

The Company has not accepted any Deposit covered under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS OR SECURITY

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Act read with the Companies (Meeting of Board and its Powers) Rules, 2014, are provided in the Notes to Financial Statements of the Company, forming part of this Annual Report. The Company has not provided any security in terms of Section 186 of the Act.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report. It provides details about the overall industry structure, global and domestic economic scenarios, developments in business operations / performance of the Company's, internal controls and their adequacy, risk management systems and other material developments during the financial year 2022-23.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company during FY 2022- 23.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

As on 31st March 2023, your Company has in total six subsidiaries across the globe which includes Setco Auto Systems Private Limited (CIN: U35100GJ2010PTC062770), Lava Cast Private Ltd. (LCPL) (CIN: U27205GJ2011PTC100777), Setco Automotive (UK) Ltd (SAUL), Setco Automotive (NA) Inc. (SANAI), Setco MEA DMCC, Dubai and WEW Holdings Ltd (Mauritius).

Performance of subsidiary Companies is elaborated in detail under 'Management Discussion & Analysis'.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link <https://setcoauto.com/policies-code-of-conduct/>.

BOARD OF DIRECTORS, COMMITTEES AND MANAGEMENT

COMPOSITION

The composition of the Board of Directors and its Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee, are constituted in accordance with Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Corporate Governance Report contains the composition of the Board of Directors of the Company and its Committees.

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Act and Regulation 25 and other applicable regulations of the Listing Regulations, as amended from time to time. Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have passed the proficiency test, if applicable to them. The Board of Directors at its first meeting of FY 2022-23 has taken on record the declarations and confirmations submitted by the Independent Directors. During the year, the Board had not appointed any person as an Alternate Director for an Independent Director on the Board. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

During the year under review there has been no change in the constitution of Board i.e. the structure of the Board remains the same.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance, people management, strategy, auditing, tax advisory services and they hold highest standards of integrity.

DIRECTOR RETIRING BY ROTATION

In accordance with the Articles of Association of the Company and Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mrs. Urja Harshal Shah, Executive Director (DIN: 02675341) is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

A brief profile of Mrs. Urja Harshal Shah is provided in the Notice of the ensuing Annual General Meeting of the Company.

KEY MANAGERIAL PERSONNEL

The following persons have been designated as the Key Managerial Personnel of the Company pursuant to Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

- Mr. Harish Sheth, Chairman & Managing Director
- Mr. Udit Sheth, Vice Chairman
- Mrs. Urja Shah, Executive Director
- Mr. Shrinivasan Sivasubrahmanyam Iyer, Chief Financial Officer (Appointed w.e.f. November 14, 2022)
- Mr. Hiren Vala, Company Secretary and Compliance officer.

During the year under review, Mr. Rovinder Singla resigned as Chief Financial Officer of the Company with effect from May 30, 2022 and Mr. Jatinder Bir Singh Gujral retired as Chief Executive Officer of the Company with effect from October 31, 2022. Since Chairman and Managing Director is also designated as Chief Executive Officer, it is not considered necessary to appoint a fresh Chief Executive Officer on resignation of Mr. Jatinder Bir Singh Gujral as Chief Executive Officer.

BOARD AND COMMITTEE MEETINGS

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in ad-

vance. During the year, four (4) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The time gap between the Board Meeting convened on 12th February, 2022 and 6th July, 2022 was 144 days which is more than the prescribed time limit of 120 days. Accordingly, the Company has not complied with Section 173 of the Companies Act, 2013, Para 2.1 on Secretarial Standards – 1 on Board Meetings and Regulation 17 (2) of SEBI (LODR) Regulations, 2015. However, the Company has convened 4 Board Meetings during the financial year ended 31st March, 2023. The details of Committee meetings are provided in the Corporate Governance report. For eligible matters, the Board / its Committees may also accord approvals through resolutions passed by circulation, between two meetings.

DECLARATION BY INDEPENDENT DIRECTORS

As stipulated under the provisions of Section 149(6) of Act and Regulation 25 of Listing Regulations, the requisite declarations have been received from the Independent Directors regarding meeting the criteria of Independence as laid down under those provisions. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

The Board took on record the declaration and confirmation submitted by the independent directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the Listing Regulations.

PERFORMANCE EVALUATION OF BOARD

In line with the statutory requirements enshrined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out a performance evaluation. A formal evaluation of performance of the Board, its Committees, the Chairman and that of the individual Directors was carried out for the financial year 2022-23.

The evaluation of Individual Directors was done taking into consideration the role played by each Director as a member at the respective meetings, in pursuit of the purpose and goals, participation at the meetings, independent views and judgement, initiative, ownership of value building.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, information shared and participation of members. In respect of evaluation for performance of the Board, the parameters inter alia comprised of key areas such as Board composition, competency of Directors, diversity, frequency of Board and Committee meetings, information sharing and disclosures made to the Board and its Committees. The responses received on evaluation of the Board and its Committees and that of the individual Directors were shared with the Chairman.

The overall performance evaluation process for functioning of Board and its Committees was based on discussions amongst the Board Members, Committee Members and responses shared by each Member. The Board found that there was considerable value and richness in the discussions and deliberations. Based on the outcome of the evaluation, the Board and Committees have agreed for possible continuous improvisation to ensure better effectiveness and functioning of the Board and Committees.

Similarly, the Board at its meeting assessed the performance of the Independent Directors. The Directors were quite satisfied with the results of the performance evaluation of the Board & its Committees, Chairman and individual directors.

FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

In compliance with the requirement of the Listing Regulations, the Company has put in place a familiarization program for the Independent Directors to familiarize them with their roles, rights, responsibilities as directors, nature of the industry in which the Company operates, business model of the Company and related matters. The details of familiarization program are explained in the Corporate Governance Report. The said details are also available on the website of the Company at the link <https://setcoauto.com/policies-code-of-conduct/>.

NOMINATION AND REMUNERATION POLICY

In terms of requirements prescribed under Section 178 of the Companies Act, 2013, the Company has framed a Nomination and Remuneration Policy for appointment and remuneration of the Directors, Key Managerial Personnel and

Senior Management (**the “Policy”**).

The purpose of this Policy is to establish and govern the procedure as applicable inter alia in respect to the following:

- a. To evaluate the performance of the members of the Board.
- b. To ensure remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- c. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Policy is available on the website of the Company - <https://setcoauto.com/policies-code-of-conduct/>

AUDIT AND ALLIED MATTERS

AUDIT COMMITTEE

The composition, terms of reference and meetings of the Audit Committee are disclosed in the Corporate Governance Report section of the Annual Report. The Audit Committee of the Board acts in accordance with the terms of reference, which is in compliance with the provisions of Section 177 of the Act and Regulation 18 of Listing Regulations and other applicable provisions of Listing Regulations, as amended from time to time.

STATUTORY AUDITOR

In accordance with the provisions of the Companies Act, 2013 and rules thereunder, M/s. Sharp & Tannan Associates, Chartered Accountants, were appointed Auditors of the Company for a period of 3 years to hold office from the conclusion of the 39th Annual General Meeting (AGM) held on September 19, 2022 until the conclusion of the AGM to be held in the year 2025. The statutory auditors have confirmed that they are not disqualified from continuing as auditors of the Company.

AUDITORS QUALIFICATION IN CONSOLIDATED AUDITORS REPORT

- a. Basis for Qualified Opinion' issued by Statutory Auditors on the subsidiary viz. Lava Cast Private Limited ('LCPL') vide their report on the standalone Ind AS financial statement of LCPL, to the extent the same are found significant as per the Guidance issued by the Institute of Chartered Accountants of India, from time to time and which also forms the basis for qualified opinion in their audit report on the accompanying consolidated Ind AS financial Statements of the Group:

“The Company has received a recall notice on 16 January 2023 from its lender i.e. Bank of Baroda for outstanding loan facilities of Rs. 145.85 Crores (Refer Note No. 14 and Note No 17 to the financial results). The Balance reflected as per Company's books of accounts is Rs. 112.53 Crores. As informed to us, the difference is subject to reconciliation and Company's management is in the process of discussing and resolving this matter with the lender. In light of the above, we are unable to quantify the consequential impact on Company's total borrowings, interests and other charges accrued on the results for the quarter and year ended on March 31, 2023”.

- b. 'Basis for Qualified Opinion' issued by independent auditor on the subsidiary viz. WEW Holding Limited ('WEWHL') vide their audit report on the standalone financial statement of WEWHL, to the extent the same are found significant as per the Guidance issued by the Institute of Chartered Accountants of India, from time to time and which also forms the basis for qualified opinion in our audit report on the accompanying consolidated Ind AS financial Statements of the Group:

“As state in note 6 to the financial statements, Secto Automotive (UK) Limited is a subsidiary of the Company. Consolidated financial statements have not been prepared as required by International Financial Reporting Standards (IFRS) 10, Consolidated Financial Statements. In our opinion, consolidated financial statements are necessary for a proper understanding of the Group's state of affairs”.

- c. Basis for Qualified Opinion' issued by independent auditor on the subsidiary viz. SETCO MEA DMCC, UAE, vide their audit report on the standalone financial statement, to the extent the same are found significant as per the Guidance issued by the Institute of Chartered Accountants of India, from time to time and which also forms the basis for qualified opinion in our audit report on the accompanying consolidated Ind AS financial Statements of the Group:

“As state in note 2(a) to the financial statements, there is deficiency of net assets of AED 1,944,407/- as accumulat-

ed losses up to 31 March 2023 of AED 2,078,821/- exceeds share capital of AED 100,000/-. The continuance of the business as going concern is dependent upon the Company's ability to carry on the business and to generate the profits and the continuous financial support from the shareholder".

DIRECTORS' COMMENTS ON AUDITORS QUALIFICATION IN CONSOLIDATED AUDITORS REPORT:

- a. The difference in figures of liabilities as per Company's records and the record of the bank is probably an account of penal interest recognized by the bank in past years when the account was treated as Non-Performing Asset (NPA). In view of the company's application to the bank for a restructuring of the liabilities, on reconciliation of the account the difference on either side will be recognized accordingly.
- b. The Subsidiaries accounts (WEW Holding Ltd. and Setco Automotive (UK) Ltd.) are not compiled in accordance with IFRS, Since there is no major business activities. Since these accounts are ultimately consolidated with that of the parent Company (Setco Automotive Ltd) which complies with applicable Accounting Standards (Ind – AS) and the purpose of disclosures and compliances of Accounting Standards are served.
- c. 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. In view of review of the revised plan based on potential of the business and the support of its parent Company, position to meet its liabilities in the near future, the going concern status of the subsidiary will improve.

COST AUDIT & MAINTENANCE OF COST RECORDS

The appointment of Cost Auditor is not applicable to the Company under Companies (Cost Records and Audit) Rules, 2014. Further, the maintenance of cost records as prescribed under provisions of Sec 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Your Company has undertaken Secretarial Audit for the financial year 2022-23 which, inter alia, includes audit of compliance with the Companies Act, 2013 and the Rules made under the Act, SEBI Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Secretarial Standards issued by the Institute of the Company Secretaries of India. Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. P. P. Shah & Co., Practicing Company Secretaries (Membership No. 1483, CP No. 436) to conduct the Secretarial Audit of the Company for financial year 2022-23.

The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith marked as **Annexure A** in Form MR-3 to this Report.

Pursuant to Regulation 24A of the Listing Regulations, the Company has obtained Annual Secretarial Compliance Report from M/s. P. P. Shah & Co. on compliance of all applicable SEBI Regulations and circulars / guidelines issued there under and the same were submitted with the Stock Exchanges.

The observations and comments given by the Secretarial Auditor in the Report are self - explanatory and hence do not call for any further comments under section 134 of the Act.

SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARY

Pursuant to provisions of Regulation 24A of SEBI Listing Regulations, Secretarial Audit was undertaken for our material unlisted subsidiary – Setco Auto Systems Private Limited and Lava Cast Private Limited. The Secretarial Audit Report for aforesaid material unlisted subsidiary company is available on Company's website, www.setcoauto.com.

SECRETARIAL STANDARDS

During the year under review, the company has complied with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

CREDIT RATINGS

The Company has not issued any securities and does not have any fixed deposit programme/borrowing or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March 2023, the Company was not required to obtain credit ratings in respect of the same.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2023 and of the profit and loss of the Company for the financial year ended 31st March, 2023;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual financial statements for the financial year ended March 31, 2023 on a 'going concern' basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Company undertakes various transactions with related parties in the ordinary course of its business. All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year, were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly and annual basis.

There were no materially significant transactions with the related parties during the financial year, which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS-18) has been made in the notes to the Financial Statements.

The Policy on materiality of related party transactions and dealing with related party transactions may be accessed on the Company's website at the link <https://setcoauto.com/policies-code-of-conduct/>.

The details of related party transactions as per Indian Accounting Standards (IND AS) – 24 are set out in Note 32 to the Standalone Financial Statements of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted the Corporate Social Responsibility (CSR) Committee in compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company.

The CSR policy may be accessed on the Company's website at the link <https://setcoauto.com/policies-code-of-conduct/>.

At present, the CSR Committee of the Board consists of namely Mrs. Urja Harshal Shah, as Chairperson, Mr. Udit Sheth, Dr. Arun Arora and Ms. Suhasini Sathe, Directors, as members.

The disclosure with respect to CSR activities forming part of this report is given as **Annexure - B**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

- A. Conservation of Energy: The operations of the Company are not energy – intensive. However, the Company takes necessary steps wherever applicable, to conserve energy. To this extent, employees and operators are regularly educated about saving energy.
- B. Technology Absorption: The Company's product i.e. clutches for commercial vehicles are manufactured under the proprietary technology and heritage 'Lipe' Brand. Most of the components for manufacturing clutches are procured indigenously except for certain critical components, for offering better quality at a competitive price to customers, being imported.
- C. Foreign Exchange Earnings and Outgo: Details of foreign exchange earnings and outgo during the financial year 2022-23, are provided in the Notes to Standalone and Consolidated Financial Statements of the Company, forming part of this Annual Report.

CORPORATE GOVERNANCE

We comply with the Securities and Exchange Board of India (SEBI)'s guidelines on Corporate Governance. A report on Corporate Governance alongwith a certificate from the Secretarial Auditors of the Company regarding the compliance with provisions of corporate governance as stipulated under Schedule V of the Listing Regulations forms a part of this Annual Report.

All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2022-23. A declaration to this effect signed by the Chairman & Managing Director of the company is contained in this Annual Report.

The Chief Executive Officer/Chief Financial Officer (CEO/CFO) certification as required under SEBI Listing Regulations and the said certificate is contained in this Annual Report.

RISK MANAGEMENT

The Company has a well-defined process in place to ensure appropriate identification and mitigation of risks. Risk identification exercise is inter-woven with the annual planning cycle which ensures both regularity and comprehensiveness. The identification and mitigation of strategic, business, operational and process risks are carried out for all functions. Your Company is committed to managing the risks in a proactive and efficient manner.

Your Company, through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3) (a) of the Act, the draft annual return as on 31st March, 2023 prepared in accordance with the provisions of Section 92(3) of the Act is made available on the website of your Company and can be assessed using the link <https://www.setcoauto.com/Investors>.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As per section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereto ("the Rules"), all shares in respect of which dividends have not been paid or claimed for seven consecutive years or more shall be transferred to Investor Education and Protection Fund (IEPF). In line with the aforesaid provisions, during the year, unclaimed interim dividend declared for the FY 2014-15 & unclaimed final dividend declared for the FY 2014-15 along with the underlying shares on which dividend has not been claimed for seven years have been transferred to IEPF. The List of shareholders whose dividends/ shares have been transferred to IEPF is available on the website of the company <https://setcoauto.com/investor-education-protection-fund/> and also the procedure for claiming such unclaimed dividends/ shares from IEPF has been made available on website of the company <https://setcoauto.com/investor-education-protection-fund/>

INTERNAL CONTROLS

The Company has in place a well-established and robust internal control systems which are commensurate with the nature of its business, size & scale and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of the Company's operations, safe keeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of the Company's operations. The Audit Committee also periodically reviews the adequacy and effectiveness of internal control systems and provides guidance for further strengthening them.

During the year under review, no material observation has been made by the Internal Auditor or Statutory Auditors of the Company in relation to the efficiency and effectiveness of such controls.

INTERNAL FINANCIAL CONTROLS

The Company has appropriate internal control system in place to ensure reliability of financial reporting, orderly and efficient conduct of business, compliance with policies, procedures, safeguarding of assets and economical and efficient use of resources. Appropriate review and control mechanisms are in place to ensure that such control systems are adequate and operate effectively.

Audit Committee and the Board review these internal control systems to ensure they remain effective and are achieving their intended purpose. The Company's internal audit team conducts periodic audits, checks and has laid down controls to prevent, detect and correct any irregularities in the operations of the Company.

INDIAN ACCOUNTING STANDARDS (IND AS) 2015

The annexed financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Act [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the financial year ended 31st March 2023 have been prepared in accordance with the provisions of the Companies Act, 2013, Listing Regulations and the Accounting Standards. The audited consolidated financial statements, together with the Auditors' Report, form a part of the Annual Report. However, a statement containing salient features of financial statements of subsidiaries as per 129 (3) of the Act, is included in this Annual Report in form AOC-1 as **Annexure - C** to the Directors' Report. Pursuant to the provisions of Section 136 of the Companies Act, 2013 the financial statements, the consolidated financial statements, along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company and can be assessed using the link <https://setcoauto.com/financial-statements-of-subsidiaries/>.

During the financial year under review, no Company has become or ceased to be your Company's subsidiary or associate. The Company does not have any Joint Venture.

HUMAN RESOURCES

Your Company takes great pride in its Human Capital and takes significant effort in hiring, advancing and retaining the talent. The Company's comprehensive Human resource strategy takes cognizance of the key aspects of people development such as employee engagement, talent management, performance management capability development and progressive industrial relations. Training and consequent learning, therefore, forms an important element of each employee's career growth. The endeavor is to build and strengthen organizational capabilities thereby enabling the Organization to sustain attractive growth in a dynamic business environment.

Setco ensure that there is full adherence to the code of ethics and fair business practices. It provides an equal opportunity, employees are evaluated solely on the basis of their qualifications and performance. The Human Resource function is a business partner that focusses on improving the way of life, work culture, employee engagement, productivity, effectiveness and efficiency. The Company believes in developing an efficient and committed employee base that is aware and empowered.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WORKMEN AT WORKPLACE

In accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has framed a Policy on Prevention of Sexual Harassment at Workplace and constituted an Internal Complaints Committee for Prohibition, Prevention and Redressal of Sexual Harassment and matters connected therewith or incidental thereto covering all the related aspects.

All employees (permanent, contract, temporary, trainees) are covered under the policy. During the year under review, there were no cases reported under the said scheme.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the Listing Regulations.

The Policy also provides protection to the employees and business associates who report unethical practices and irregularities.

Your Company has adopted a Vigil Mechanism / whistle blower Policy to enable employees to raise concerns about unacceptable, improper practices and/or any unethical practices being carried out in the organisation without the knowledge of management. This Whistle Blower Policy will also be applicable to the Directors of the Company.

The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Audit Committee. The Audit Committee reviews on a quarterly basis, reports made under this policy and implements corrective actions, wherever necessary. The policy has been appropriately communicated to all the employees and posted on the Company's website at the link <https://setcoauto.com/policies-code-of-conduct/>. No such fraud or wrongful conduct was reported during the year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

INDUSTRIAL RELATIONS

The relations with the employees have continued to remain cordial.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

All the employees of Setco Automotive Limited were transferred to Setco Auto Systems Private Limited w.e.f. 7th September, 2021 and therefore the provisions of section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the company.

PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016 ('IBC')

The Bank of Baroda has filed NCLT petition against the Company as a Corporate Guarantor and its Subsidiary Lava Cast Private Limited as a Corporate Debtor under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016. The same has not been admitted by NCLT till date.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. The Company does not Issue equity shares with differential rights as to dividend, voting or otherwise.
2. One time settlement of loan obtained from the Banks or Financial Institutions.

3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.
5. None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).
6. The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors.

ACKNOWLEDGEMENTS:

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support

For and on behalf of the Board

Harish Sheth
Chairman and Managing Director
DIN: 01434459

Date: August 14, 2023
Place: Kalol

ANNEXURE - A

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,
**The Members,
Setco Automotive Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Setco Automotive Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)** and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
6. There are no other laws specifically applicable to the industry to which the Company belongs as identified by the management.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India i.e. Secretarial Standards – 1 on Meetings of Board of Directors and Secretarial Standards – 2 on General Meetings.
2. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015];

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

A. Non convening of Board Meeting within the stipulated time frame:

As per Section 173 of the Companies Act, 2013, 'every company shall hold the first meeting of the Board of Directors within thirty days of the date of its incorporation and thereafter hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.'

As per para 2.1 of Secretarial Standards – 1 on Board Meetings, 'The company shall hold at least four Meetings of its Board in each Calendar Year with a maximum interval of one hundred and twenty days between any two consecutive Meetings.'

As per Regulation 17 (2) of SEBI (LODR) Regulations, 2015, 'the Board of Directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings'.

The time gap between the Board Meeting convened on 12th February, 2022 and 6th July, 2022 was 144 days which is more than the prescribed time limit of 120 days. Accordingly, the Company has not complied with Section 173 of the Companies Act, 2013, Para 2.1 on Secretarial Standards – 1 on Board Meetings and Regulation 17 (2) of SEBI (LODR) Regulations, 2015. However, the Company has convened 4 Board Meetings during the financial year ended 31st March, 2023.

B. Non Submission of audited annual financial results within 60 days of the end of the financial year:

As per Regulation 33 (3) (d) of SEBI (LODR) Regulations, 2015, the listed entity shall submit annual audited standalone financial results and annual consolidated financial results for the financial year within 60 days from the end of the financial year along with the audit report and statement on impact of audit qualifications (applicable only for audit report with modified opinion).

The listed entity had convened the Board Meeting for consideration of the audited annual financial results for the financial year ended 31st March, 2022 on 28th July, 2022 and had submitted the said results to NSE and BSE on 28th July, 2022 instead of 30th May, 2022 i.e. by a delay of 59 days. Accordingly, the Company has not complied with Regulation 33 (3) (d) of SEBI (LODR) Regulations, 2015. The Company has paid fine imposed by NSE and BSE.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

1. Public/Right/Preferential Issue of Shares / Debentures / Sweat Equity, etc.

2. Redemption / Buy-Back of Securities.
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
4. Merger / Amalgamation / Reconstruction, etc.
5. Foreign Technical Collaborations.

We have been informed by the Company that a petition has been filed against the Company as a Corporate Guarantor and its Subsidiary Lava Cast Private Limited as a Corporate Debtor under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016, by the Bank of Baroda ("BOB"), Financial Creditor of Lava Cast Private Limited, before the Hon'ble National Company Law Tribunal, Ahmedabad Bench for initiation of Corporate Insolvency Resolution Process against the Company as a Corporate Guarantor and its Subsidiary Lava Cast Private Limited as a Corporate Debtor, claiming a debt and default of Rs. 152,12,28,768/- (Rupees One Fifty-Two Crores Twelve Lakhs Twenty-Eight Thousand Seven Hundred and Sixty-Eight Only), towards credit facilities.

**For P. P. Shah & Co.,
Company Secretaries
Unique ICSI ID No.: P2009MH018300**

**Pradip Shah
Partner
FCS No: 1483, COP No: 436
UDIN: F001483E000815560
Peer Review: 666/2020**

**Date: 14th August, 2023
Place: Mumbai**

ANNEXURE TO SECRETARIAL AUDIT REPORT

**To,
The Members,
Setco Automotive Limited**

Sub: Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For P. P. Shah & Co.,
Company Secretaries
Unique ICSI ID No.: P2009MH018300**

**Pradip Shah
Partner
FCS No: 1483, COP No: 436
UDIN: F001483E000815560
Peer Review: 666/2020**

**Date: 14th August, 2023
Place: Mumbai**

ANNEXURE - B

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2022-23

1. Brief outline on CSR Policy of the Company.

Setco Automotive Limited strives to enable a community to ensure that every child and woman has full access to healthcare, nutrition, education and opportunity for growth. We strongly believe that, as a model corporate citizen, our Corporate Social Responsibility (CSR) activities should be Care, Support and Revive. It is our way of giving back to the community and environment which has helped us grow and thrive. The CSR activities of the company are aligned with the activities specified in schedule VII of the Companies Act, 2013. The Company has framed Corporate Social Responsibility Policy (“**CSR Policy**”) as per the requirements prescribed under the Companies Act, 2013 read with Rules framed thereunder.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Urja Shah	Chairperson (Executive Director)	Nil	Nil
2	Mr. Udit Sheth	Member (Vice Chairman)		
3	Mr. Arun Arora	Member (Independent Director)		
4	Ms. Suhasini Sathe	Member (Independent Director)		

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

Our CSR Policy is placed on the website of the Company at the link <https://setcoauto.com/policies-code-of-conduct/>.

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).
Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (In Rs)	Amount required to be set-off for the financial year, if any (In Rs)
Not Applicable			

6. Average net profit of the company as per section 135(5): Nil (Loss of Rs. 3,133 lakhs)

- 7. a Two percent of average net profit of the company as per section 135(5) : Not Applicable in the view of losses**
- b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable**
- c. Amount required to be set off for the financial year, if any : Not Applicable**
- d. Total CSR obligation for the financial year (7a+7b-7c) : Nil**

8. a CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer

b. Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

c. Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation non-Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name.	CSR Registration number
Not Applicable									

d. Amount spent in Administrative Overheads: Not Applicable

e. Amount spent on Impact Assessment, if applicable: Not Applicable

f. Total amount spent for the Financial Year (8b+8c+8d+8e) : Not Applicable

g. Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. a Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
Not Applicable							

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project-Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- Date of creation or acquisition of the capital asset(s): None
Amount of CSR spent for creation or acquisition of capital asset: Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

There are no average net profits for the Company during the previous three financial years, hence, no funds were set aside and spent by the Company towards CSR during the year under review.

On behalf of the CSR Committee

Harish Sheth
Chairman and Managing Director
DIN: 01434459

Urja Shah
Chairperson – CSR Committee
DIN: 02675341

Place: Kalol
Date: August 14, 2023

ANNEXURE - C
Form AOC-1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries*	PART "A": Subsidiaries							(Rs. In Lakhs)				
			Share Capital	Reserve and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation		Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
Lava Cast Private Limited	Same as Holding Company	INR	13056.00	(19887.42)	14646.39	21477.80	-	3554.51	(3161.18)	-	(3161.18)	-	-	100%
Setco Auto Systems Pvt. Ltd.	Same as Holding Company	INR	87.38	(46650.01)	40259.70	86822.33	1701.08	47480.37	(18961.76)	1968.45	(20930.21)	-	-	81.24%
WEW Holdings Limited	Same as Holding Company	1 GBP = Rs. 102.59	654.36	(4.90)	649.47	-	647.32	-	1.41	0.23	1.18	-	-	100%
Setco Automotive (UK) Ltd.	Same as Holding Company	1 GBP = Rs. 102.59	2805.09	(3064.82)	6520.24	6779.97	1688.59	3086.42	(366.43)	-	366.43	-	-	100%
Setco Automotive (NA) Inc	Same as Holding Company	1 USD = Rs. 82.69	2170.61	1082.18	6822.18	3569.39	-	5698.23	325.19	-	325.19	-	-	100%
SETCO MEA DMCC	Same as Holding Company	1 AED = Rs. 21.99	21.99	-476.30	528.27	982.58	-	232.95	(103.10)	-	(103.10)	-	-	100%

*Rates as on March 31, 2023

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report outlines the governance practice followed by Setco Automotive Limited (“**the Company**”) in compliance with the requirements prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI Listing Regulations**”).

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company's philosophy on corporate governance is to achieve business excellence and to create long term value for its stakeholders. Corporate Governance essentially involves balancing the interests of the stakeholders and maximize the value for stakeholders which predominantly includes its shareholders, management, customers, suppliers, Government and the community at large. The Company believes in adopting best practices to ensure fairness, transparency, accountability and integrity across all its operations and maintaining valuable relationship and trust with the stakeholders, thereby supporting stronger growth for the company to fulfill its goals and objectives.

Corporate Governance for the Company comprises of processes and principles conforming to the highest standards which are reviewed periodically by the Board of Directors of the Company (“**the Board**”) to facilitate effective entrepreneurial and prudent management that can deliver long-term success to the Company and continuing relevance, effectiveness and responsiveness for all stakeholders.

The Company has established a process of regular dissemination and presentation of information to the Board to ensure comprehensive oversight of the Company's business activities. The Board reviews corporate policies, procedures, overall performance, accounting, reporting and secretarial standards and other significant areas of management, corporate governance and regulatory compliance. The Company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all facets of its operations.

The Company's governance framework is continuously monitored to facilitate effective entrepreneurial and prudent management that can deliver long-term success to the Company.

Governance Structure

The Board of Directors of the Company includes individuals who are professionals in their respective areas of specialization and who have held eminent positions. The members of the Board are individuals with leadership qualities and strategic insights. The Company is currently headed by an Executive Chairman who is also the Managing Director. Directors including Non-Executive Directors are professionally competent. The company has an appropriate mix of Executive and Independent Directors to maintain independence of Board, and as at March 31, 2023, the Board consists of Six members, of which Three are Non-Executive Independent Directors. Thus, Company is having total Three Non-Executive Independent Director on the Board which is half of total strength. All Directors have informed the Company about the Board Membership and Board's Committee Membership they occupy in other companies including Chairmanship in Board / Committee of such companies. Directors notify the Company of any change that take place in these disclosures at the Board Meetings. The Board has unfettered and complete access to all information within the Company and to any of the employees.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as applicable with regard to Corporate Governance.

A. Board of Directors

The Board of Directors, along with its committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value.

An active, well-informed, and independent Board is necessary to ensure high level of corporate governance.

i. Composition of the Board

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board and at the same time separate Board's functions of governance from management. As at March 31, 2023 in compli-

ance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company's Board of Directors headed by its Chairman and Managing Director – Mr. Harish Sheth, comprises of Five Other Directors, out of which three Directors are Independent Non-Executive Directors.

The Board comprises of 6 (Six) Directors of which 3 (Three) Directors are Independent and 3 (Three) Directors are Executive.

The Composition of Board and category of Directors are as follows:

Category	Name of the Director
Executive Directors	
• Promoter Directors	Mr. Harish Sheth Mrs. Urja Shah Mr. Udit Sheth
Non-Executive Directors	
• Independent	Dr. Arun Arora Mr. Ashok Kumar Jha Mrs. Suhasini Sathe

Mr. Harish Sheth is the father of Mr. Udit Sheth and Mrs. Urja Shah. None of the other present directors are related to each other.

We hereby inform that none of the Directors on the Board is a Member of more than 10 Committees and/or Chairperson of more than 5 Committees (as required to be complied with under Regulation 26 of SEBI Listing Regulations), across all public companies in which he/she is a Director. The maximum tenure of Independent Directors is also in line with provisions of Section 149 (10) and (11) of the Act and related rules made thereunder.

ii. The dates of Board Meetings, record of attendance, directorships of public limited Companies & Membership / Chairmanship are as follows:

Board Meetings / Procedure

During the year, the Board met 4 (Four) times on July 6, 2022, August 10, 2022, November 14, 2022 and February 14, 2023. The Board meets to review the Company's operations and financial performance. The requisite quorum was present for all the meetings.

Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. In order to transact some urgent business, which may come up after circulation of agenda papers, the same is placed before the Board by way of Table Agenda or Chairman's Agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

The Board at its meetings reviews various management aspects such as performance of the Company, business plans, annual budgets, capex plans, appointment / remuneration of senior management, general economic conditions, functioning of foreign subsidiaries, foreign exchange exposures, details of investor grievances and major legal issues.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations.

In view of the massive outbreak caused due to COVID-19 pandemic and severe ongoing restrictions imposed to contain the spread, social distancing has to be a pre-requisite, and hence majority of the Committee and Board Meetings were held through Video Conferencing (VC) facility during the year under review. All Directors were provided VC facility to participate in the Meetings of the Committees and of the Board.

The following table provides the attendance record at the Board Meeting and Annual General Meeting of the Company during the financial year 2022-23 and directorships, memberships and chairmanships in other public limited companies at the end of the financial year 2022-23:

The Composition of Board and category of Directors are as follows:

Table 1: Composition of the Board and attendance record of directors for F.Y 2022-23

Name of the Director (Alphabetically arranged)	Category	Relationship with other Directors	No. of Board Meetings Attended	Whether attended last AGM
Mr. Harish Sheth	Chairman & Managing Director	Father of Mr. Udit Sheth & Mrs. Urja Shah	4/4	Yes
Mr. Udit Sheth	Executive Director	Son of Mr. Harish Sheth & Brother of Mrs. Urja Shah	4/4	No
Mrs. Urja Shah	Executive Director	Daughter of Mr. Harish Sheth & Sister of Mr. Udit Sheth	3/4	No
Dr. Arun Arora	Independent Director	N.A.	3/4	No
Mr. Ashok Kumar Jha	Independent Director	N.A.	4/4	Yes
Mrs. Suhasini Sathe	Independent Director	N.A.	3/4	No

Table 2: Number of directorships/committee positions of directors as on March 31, 2023

Name of the Director (Alphabetically arranged)	No. of Directorship of Public Limited Companies [@]	No. of Membership in Committees [#]	No. of Chairmanship in Committees [#]	No. of shares Held ^{\$}	Name of other listed entity and Category of Directorship
Mr. Harish Sheth	1	1	-	28,97,575	-
Mr. Udit Sheth	1	-	-	27,62,863	-
Mrs. Urja Shah	1	1	-	42,84,725	-
Dr. Arun Arora	2	4	2	3,11,415	1. Times Guaranty Limited (Non-Executive Independent Director)
Mr. Ashok Kumar Jha	3	3	1	40,000	1. Xpro India Limited (Non-Executive Independent Director) 2. Minda Corporation Limited (Non-Executive Independent Director)
Mrs. Suhasini Sathe	1	1	-	18,000	

[@] Including Directorship of Setco Automotive Limited.

[#] Committees considered are Audit Committee and Stakeholders Relationship Committee including that of Setco Automotive Limited.

^{\$} Face Value of Rs. 2/- each.

iii. Skills / expertise competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i. Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values), major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- ii. Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- iii. Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making.
- iv. Corporate Laws and governance - Ability to understand and interpret the corporate laws, rules and regulations by which businesses are regulated and controlled.
- v. Financial and Management skills.
- vi. Technical / Professional skills and specialized knowledge in relation to Company's business.
- vii. Stakeholders Relationship skills.

iv. Matrix setting out the Skills/ Expertise/ Competence of the Board of Directors

Directors	Mr. Harish Sheth	Mr. Udit Sheth	Mrs. Urja Shah	Dr. Arun Arora	Mr. Ashok Kumar Jha	Mrs. Suhasini Sathe
Knowledge on Company's businesses, policies and culture	√	√	√	√	√	√
Behavioural skills	√	√	√	√	√	√
Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making	√	√	√	√	√	√
Corporate Laws and governance	√	√	√	√	√	√
Financial and Management skills	√	√	√	√	√	√
Technical / Professional skills and specialized knowledge in relation to Company's business	√	√	√	√	√	√
Stakeholders Relationship Skills	√	√	√	√	√	√

Confirmation as regards skills / competence / expertise of the Board of Directors

The Board believes that the above-mentioned skills / competencies/expertise are required for the business of the Company and Directors of the Company possess these skills / competencies / expertise, which helps the Company to function effectively.

Non-Executive Directors with materially significant, pecuniary or business relationship with the Company

There have been no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the sitting fees and commission payable to them annually in accordance with the applicable laws and with the approval of the shareholders. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

Separate Meeting of Independent Director

Provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations has mandated that the Independent Directors of the Company shall hold at least one meeting during the financial year without the attendance of Non- Independent Directors.

The Separate Meeting of the Independent Directors was held on February 14, 2023 to discuss and review the performance of Non-Independent Directors and the Board as a whole, performance evaluation of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and the evaluation of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Declarations

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and are independent of the management of the Company. The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder. A sample letter of appointment/re-appointment containing the terms and conditions, issued to the Independent Directors, is posted on the Company's website at <https://setcoauto.com/statutory-policies/>

Familiarization Programme

At the time of appointment of a director, a formal letter of appointment is given explaining the role, duties and responsibilities expected of him as a director of the Company. He is also explained the Compliance required from him under the Companies Act, 2013, Listing Regulations and other various statues and an affirmation is obtained. The Company conducts Familiarization Programme for Independent Directors to enable them to understand their roles, rights and responsibilities. Presentations are also made at the Board meetings, which facilitates them to clearly understand the business of the Company and the environment in which the Company operates. They are also provided a platform to interact with multiple levels of management and are provided with all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole. Further, they are periodically updated on material changes in the regulatory framework and its impact on the Company.

The details of such familiarization programmes for Independent Director(s) are put up on the website of the Company i.e. <https://setcoauto.com/policies-code-of-conduct/>.

C. Committees of Board of Directors

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Board periodically reviews the composition and terms of reference of its committees in order to comply with any amendments/modifications to the provisions relating to composition of Committees under the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Company currently has 4 (Four) Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee. The composition of committees is in accordance with the Companies Act, 2013 and the Listing Regulations are as follows:

Audit Committee:

The Committee met four times during the financial year 2022-23 viz., July 6, 2022, August 10, 2022, November 14, 2022 and February 14, 2023. The detailed constitution and attendance at the Committee meetings which were held during the year are as follows:

Name of the Director	Category	Designations	No. of meetings	
			Held	Attended
Dr. Arun Arora	Non- Executive Independent Director	Chairman	4	3
Mr. Ashok Kumar Jha	Non- Executive Independent Director	Member	4	4
Mrs. Suhasini Sathe	Non- Executive Independent Director	Member	4	3

Mr. Ashok Kumar Jha, Member of Audit Committee attended the Annual General Meeting of the Company held during the year under review on behalf of Chairman of the Audit Committee.

The Statutory Auditors, Internal Auditors, Group Financial Advisor and Chief Financial Officer are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

The powers, role, and terms of reference of the Audit Committee cover the areas as contemplated under Listing Regulations as amended from time to time and Section 177 of the Companies Act, 2013. The brief terms of reference of Audit Committee are as under:

- a. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company;
- c. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- d. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- e. Review and monitor the auditor's independence and performance and effectiveness of audit process;
- f. To approve transactions and subsequent modification(s) to the transactions of the Company with related parties;
- g. To scrutinize inter-corporate loans and investments of the Company;
- h. Valuation of undertaking or assets of the Company, wherever it is necessary;
- i. Evaluation of internal financial controls and risk management systems;
- j. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the provisions of Companies Act, 2013 and Rules thereto and that of the Listing Regulations.

Nomination and Remuneration Committee

The Committee met two times during the financial year 2022-23 viz. November 14, 2022 and February 14, 2023. The detailed constitution and attendance at the Committee meetings which were held during the year are as follows:

Name of the Director	Category	Designations	No. of meetings	
			Held	Attended
Dr. Arun Arora	Non- Executive Independent Director	Chairman	2	2
Mr. Ashok Kumar Jha	Non- Executive Independent Director	Member	2	2
Mrs. Suhasini Sathe	Non- Executive Independent Director	Member	2	1

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

The Committee inter-alia reviews as well as recommends the appointment and remuneration package of executive directors & senior executives of the Company after considering the factors such as experience, expertise, position, responsibilities shouldered by the individual and leadership qualities, and the Committee also approves and oversees the operation of Employee Stock Option Plans.

The detailed Remuneration Policy is placed on the Company's website <https://setcoauto.com/policies-code-of-conduct/>. The non-executive Directors are paid sitting fees as per the provisions of the Companies Act, 2013, the rules made there under and Articles of Association of the Company for attending the Board / Committee meetings.

The detailed information for Directors' remuneration / commission for financial year 2022-23 are as follows:

Rs. in lakhs

Name of the Director	Category	Salary, allowances and perquisites	Contribution to Provident and Other Fund	Commission / Performance Incentive	Sitting Fees	Total
Mr. Harish Sheth	Chairman and Managing Director	-	-	-	-	-
Dr. Arun Arora	Independent Director	-	-	-	4.60	4.60
Mr. Ashok Kumar Jha	Independent Director	-	-	-	4.50	4.50
Mrs. Suhasini Sathe	Independent Director	-	-	-	3.20	3.20
Mr. Udit Sheth	Vice Chairman & ED	-	-	-	-	-
Mrs. Urja Shah	Executive Director	-	-	-	-	-

Details of Service Contracts:

Name	Designation	Tenure	From	To
Mr. Harish Sheth	Chairman & Managing Director	3 years	01.01.2021	31.12.2023
Mr. Udit Sheth	Vice Chairman & Executive Director	3 years	01.05.2020	30.04.2023
Mrs. Urja Shah	Executive Director	3 years	11.11.2020	10.11.2023

The Board of Directors of the Company at their Meeting held on 14th February, 2023, based on the recommendations of the Nomination and Remuneration Committee of the Board of Directors of the Company, approved the re-appointments and remuneration of Mr. Harish Sheth- Chairman and Managing Director, Mr. Udit Sheth – Vice Chairman and Mrs. Urja Shah - Executive Director of the Company for a period of three years effective from 1st January, 2024, 1st May 2023 and 11th November, 2023 respectively, subject to the approval of the shareholders at ensuing Annual General Meeting of the Company.

Performance Evaluation of Board

In compliance with the provisions of Companies Act, 2013 and Listing Regulations, the Company has undertaken the performance evaluation process for the Board of Directors, its committees and that of individual Directors. The performance evaluation was undertaken as per the Guidance Note on Board evaluation issued by Securities and Exchange Board of India, setting out parameters for conducting performance evaluation of the Board. The details of the performance evaluation undertaken are provided in the Directors' Report.

Stakeholders Relationship Committee

The Committee met three times during the financial year 2022-23 viz., July 6, 2022, August 10, 2022, November 14, 2022 and February 14, 2023. The detailed constitution and attendance at the Committee meetings which were held during the year are as follows:

Name of the Director	Category	Designations	No. of meetings Attended	
			Held	Attended
Dr. Arun Arora	Non- Executive Independent Director	Chairman	4	3
Mr. Harish Sheth	Chairman and Managing Director	Member	4	4
Mrs. Urja Shah	Executive Director	Member	4	4

The Stakeholders' Relationship Committee comprises of 3 Directors, of which one is independent director and two are executive directors. The Chairman of the committee is an Independent Director.

Mr. Hiren Vala Company Secretary is designated as the Compliance Officer of the Company.

The status of investor grievances received during the financial year 2022-23 is as follows:

No. of Complaints pending as on April 1, 2022	00
No. of Complaints / queries received during the year	02
No. of Complaints resolved during the year	02
No. of Complaints pending as on March 31, 2023	NIL

The name of the Shareholders' / Investors' Grievance Committee has been changed to Stakeholders Relationship Committee in line with the provisions of Companies Act, 2013. The Committee, inter-alia, oversees transfer of shares in physical form, transmission of shares, issue of duplicate share certificates, depository operations and compliances of regulatory provisions etc. and evaluates investor grievances redressal system.

Corporate Social Responsibility (CSR) Committee

In terms of Section 135 of the Act, the Company has a Corporate Social Responsibility (CSR) Committee. The composition and terms of reference of CSR Committee are in compliance with the applicable provisions of the Act. The Committee comprises of Mrs. Urja Shah, Chairperson, Dr. Arun Arora, Mrs. Suhasini Sathe and Mr. Udit Sheth as members.

The CSR Committee has formulated a CSR policy indicating the activities to be undertaken by the Company. The CSR policy is also monitored by the Committee from time to time.

The Corporate Social Responsibility Policy of the Company has been uploaded on the Company's website <https://setcoauto.com/policies-code-of-conduct/>.

No committee meeting was held during the period under review. The Company Secretary acts as the Secretary to the CSR Committee.

C. General Body Meetings

i. Details of last three Annual General Meetings of the Company:

Financial Year	Venue	Day, Date & Time	Special Resolutions passed
2019-20	Virtual Meeting through Video Conferencing / Other Audio Visual Means	Monday, December 28, 2020 at 3:00 pm (37 th AGM)	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Harish Sheth (DIN: 01434459) as Chairman and Managing Director of the Company. 2. Re-appointment of Mrs. Urja Shah (DIN: 02675341) as an Executive Director of the Company. 3. Appointment of Mr. Udit Sheth (DIN: 00187221) as an Executive Vice Chairman of the Company. 4. Approval for Related Party Transactions. 5. Increase of limit u/s 186(2) of Companies Act, 2013 for extending loans, providing guarantees or giving securities for loans taken by any person or body corporate. 6. Approval of Loan under section 185 of Companies Act, 2013. 7. Issue of Further Securities.
2020-21*	Virtual Meeting through Video Conferencing / Other Audio Visual Means	Wednesday, December 29, 2021 at 2:30 pm (38 th AGM)	<ol style="list-style-type: none"> 1. Ratification of the Equity Funding in Setco Auto Systems Private Limited. 2. To approve Related Party Transaction between Setco Auto Systems Private Limited and Lava Cast Private Limited 3. To approve Related Party Transaction between the Company and Setco Auto Systems Private Limited
2021-22	Registered Office at : Baroda – Godhra Highway, Kalol, 389330 District– Panchmahal, Gujarat.	Monday, September 19, 2022 at 3.00 p.m. (39 th AGM)	NIL

*The Company has taken AGM extension of one month till 30.12.2021 vide MCA Letter dated December 3, 2021.

ii. Details of the meeting convened in pursuance of the order passed by the National Company Law Tribunal (NCLT): Not Applicable

iii. No Special Resolution was passed through Postal Ballot during Financial Year 2022-23. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

D. Polices and Disclosures:

i. Means of Communication:

The Company publishes its quarterly, half-yearly and yearly financial results in leading English and Gujarati newspapers like The Financial Express, Economic Times, Business Standard, Jai Hind etc. The results are also posted on Company's website viz. www.setcoauto.com and website of the stock exchange. Information relating to shareholding pattern and compliance on corporate governance norms are also posted on Company's website.

All unpublished price sensitive information is immediately informed to the Stock Exchange before the same is communicated to general public through press releases, if any. Further, the Company disseminates to the Stock Exchange all presentations made to Institutional Investors/Analysts which is also available on the website of the Company www.setcoauto.com.

ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

During the financial year 2022-23, the BSE Ltd and National Stock Exchange of India Ltd. imposed (a) fine of Rs. 1,50,000 + 18% GST respectively, for non-submission of the financial results within the period prescribed under regulation 33 of the SEBI (LODR) Regulations, 2015 ("Listing Regulations") for the financial year ended 31st March 2022; (b) fine of Rs. 5,000 + 18% GST respectively, for delay in submitting disclosure of Related Party Transactions under regulation 23(9) of the Listing Regulations and; (c) fine of Rs. 10,000 + 18% GST respectively, for having Board meetings with a gap of more than 120 days between two meetings, as per regulation 17(2) of the Listing Regulations.

During the financial year 2021-22, the BSE Ltd and National Stock Exchange of India Ltd. imposed a fine of Rs. 5,30,000 + 18% GST for non-submission of the financial results within the period prescribed under regulation 33 of the SEBI (LODR) Regulations, 2015 ("Listing Regulations") for the Quarter ended 31st March, 2021 and for the Quarter ended 31st December, 2021 and the BSE Ltd and National Stock Exchange of India Ltd imposed a Fine of Rs. 20,000 + 18% GST for delay in furnishing prior intimation about the meeting of the board of directors under Regulation 29 of SEBI (LODR) Regulations, 2015.

During the financial year 2020-21, the BSE Ltd and National Stock Exchange of India Ltd. imposed a fine of Rs. 4,83,800/- for non-submission of the financial results within the period prescribed under regulation 33 of the SEBI (LODR) Regulations, 2015 ("Listing Regulations") for the Quarter ended 31st March, 2020, Rs. 23,600/- for Non-Compliance of Listing Regulation 29(2)/(3) and the BSE Ltd imposed a fine of Rs. 12,980/- for failure to ensure that adequate steps are taken for expeditious redressal of Investor complaints under Regulation 13(1) of Listing Regulations.

iii. Disclosure of materially significant Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. The Company did not enter into any materially significant transactions with Promoters, Directors or the Management, their subsidiaries or relatives etc., which were in conflict with the interest of the Company. Details of Related Party Transactions are provided in Note 32 of notes forming part of financial statements. Necessary approvals have been obtained wherever required.

The Policy for dealing with related party transactions is placed on the website of the Company i.e <https://setcoauto.com/policies-code-of-conduct/>. The policy was reviewed and adopted with effect from February 14, 2023.

iv. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Schedule V of Listing Regulations.

v. Risk Management:

The Company has laid down the procedures to inform the Board members about effective risk assessment and risk mitigation.

vi. Code of Conduct:

Pursuant to the Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has laid down a 'Code of Conduct' for all Board and Senior Management Members and they have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2022-23.

The declaration stating that all the Members of Board of Directors and Senior Management Personnel have affirmed their compliance with the said code of conduct for the year ended March 31, 2023 as per Para D of Schedule V of Listing Regulation is annexed to this Report.

The Code of conduct is also placed on the Company's website i.e. <https://setcoauto.com/policies-code-of-conduct/>

vii. Insider Trading:

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders. This Code of Conduct is intended to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by designated persons. The same has been placed on the Company's website i.e. <https://setcoauto.com/policies-code-of-conduct/>

In accordance with such Code of Conduct, the Company closes its trading window for Designated Persons from time to time. The trading window is also closed during and after occurrence of price sensitive events as per the said Code of Conduct.

viii. Subsidiary Companies:

Setco Auto Systems Private Limited and Lava Cast Private Limited both come under the purview of the Material Non-Listed Subsidiaries as per the criteria given in Regulation 16(1) (c) of the Listing Regulations.

Setco Auto Systems Private Limited was incorporated at Ahmedabad, Gujarat on October 30, 2010. M/s. Sharp & Tannan Associates were appointed as Statutory Auditor at the Annual General Meeting of Setco Auto Systems Private Limited held on September 29, 2021.

Lava Cast Private Limited was incorporated at Mumbai, Maharashtra on November 13, 2011. M/s. Sharp & Tannan Associates were appointed as Statutory Auditor at the Annual General Meeting of Lava Cast Private Limited held on November 30, 2021.

Mrs. Suhasini Sathe, Independent Director and Dr. Arun Arora, Independent Director of the Company, are the Directors on the Board of Lava Cast Private Limited and Setco Auto Systems Private Limited respectively. The Company is not required to nominate an Independent Director on the Board of any other subsidiary companies. The Audit Committee of the Company reviews the Financial Statements and Investments made by unlisted subsidiary companies and the minutes of the unlisted subsidiary companies are placed at the Board Meeting of the Company.

The Policy for determining material subsidiary is available on the website of the Company i.e. <https://setcoauto.com/policies-code-of-conduct/>

ix. Disclosure of Accounting Treatment in preparation of Financial Statements:

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.

x. Vigil Mechanism/Whistle Blower Policy:

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. In its endeavor to provide its employee(s), secure and fearless working environment, the Company has established the 'Vigil Mechanism Policy' for its Directors, employee(s) and other stakeholders ("Policy"). The purpose of the Policy is to provide a framework to promote responsible and secure whistle blowing and to provide a channel to the employee(s), Directors and other stakeholders to report to the management, concerns about unethical behavior,

actual or suspected fraud or violation of the code of conduct or policy/ies of the Company, as adopted / framed from time to time. The mechanism provides for adequate safeguards against victimization of employee(s), Directors and other stakeholders to avail of the mechanism and also provide for direct access to the CEO / Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Audit Committee under the Whistle Blower Policy.

The Policy is in line with the vision and objectives of the Company and should be read in conjunction with applicable regulations and existing policies and procedures of the Company.

xi. Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations:

The Company has not raised funds through preferential allotment or qualified institutional placement.

xii. Certificate from Practicing Company Secretary:

The Company has obtained a certificate from Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

xiii. Recommendations of Committees of the Board:

There were no instances during the financial year 2022-23, wherein the Board had not accepted recommendations made by any committee of the Board.

xiv. Total fees paid to Statutory Auditors of the Company:

Total fees of Rs. 97.19 Lakhs (Rupees Ninety-Seven Lakh Nineteen Thousand Only) for financial year 2022-23, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

xv. Credit Ratings and any revisions thereto for debt instruments or any fixed deposit program or any scheme or proposal involving mobilization of funds, whether in India or abroad:

The Company has not issued any debt instruments and does not have any fixed deposit programme/ borrowing or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March 2023. the Company was not required to obtain credit ratings in respect of the same.

xvi. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2022-23 are as under:

- a. Number of complaints filed during the financial year: NIL
- b. Number of complaints disposed of during the financial year: NIL
- c. Number of complaints pending as on end of the financial year: NIL

xvii. Directors and Officers Liability Insurance:

As per the provisions of the Act and in compliance with Regulation 25(10) of the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including IDs and Officers of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

xviii. NSE Electronic Application Processing System (NEAPS) and BSE Online Portal:

NSE has provided online platform NEAPS wherein the Company submits all the compliances/ disclosures to the Stock Exchanges in the SEBI prescribed format. Similar filings are made with BSE on their online Portal viz. BSE Corporate Compliance & Listing Centre.

E. General Shareholder Information:

(i)	40 th Annual General Meeting	
	Day & Date	Thursday, September 27, 2023 ,
	Time	2:00 P.M.
	Venue	Vadodara – Godhra Highway, Kalol, District Panchmahal, Pin Code – 389 330, Gujarat.
(ii)	Financial year	April 1 to March 31
	Tentative schedule for declaration of financial results during the financial year 2023-24	
	First Quarterly Results	On or before 1 st August, 2023
	Second Quarterly Results	On or before 14 th November, 2023
	Third Quarterly Results	On or before 14 th February, 2024
	Fourth Quarterly Results	On or before 30 th May, 2024
(iii)	Dates of Book Closure	Thursday, September 21, 2023 to Wednesday, September 27, 2023 (both days inclusive)
(iv)	Dividend Payment Date	During the year under review, the Board of Directors of the Company has not recommended any dividend for the year ended March 31, 2023.
(v)	Listing details	
	Name of Stock Exchanges & Stock Code(s)	Address
	BSE Ltd (Stock Code- 505075)	Dalal Street, Mumbai - 400 001
	National Stock Exchange of India Ltd. (Scrip Symbol: SETCO)	Exchange Plaza, C -1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051
	ISIN for Depositories	INE878E01021
	Listing Fees and Custodial Fees	The Company has paid the requisite Annual Listing and Custodial Fees to the Stock Exchanges and Depositories viz. CDSL and NSDL, respectively for the financial years 2022-23 and 2023-24.

vi. Market Price Data – the monthly high and low prices of the company’s shares at BSE and NSE for the financial year ended 31st March, 2023 are as follows:

Month(s)	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
FY2022-23				
April-22	19.20	13.92	19.25	13.80
May-22	16.70	13.45	16.75	13.45
June-22	14.75	12.35	15.50	12.45
July-22	13.55	10.55	13.60	10.70
August-22	13.69	10.92	13.90	10.65
September-22	13.59	11.25	13.55	11.40
October-22	12.35	9.75	12.20	9.65
November-22	13.00	9.81	12.95	9.90
December-22	14.03	10.60	14.50	10.55
January-23	11.92	10.05	11.95	10.05
February-23	10.98	8.10	11.20	8.10
March-23	8.80	4.72	8.85	4.70

Source: BSE and NSE website

viii. Registrar and Share Transfer Agents:

Share transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Transfer Agents, i.e. Link Intime India Private Limited having their office at:

Link Intime India Private Limited,

Unit: Setco Automotive Limited, C-101, 247 Park, LBS. Marg, Vikhroli (West), Mumbai – 400083, Tel No.: +91-022-4918 6000, Fax: +91 22 49186060, Website: www.linkintime.co.in.

ix. Share Transfer System:

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the web link at www.setcoauto.com and on the website of the Company's RTA at www.linkintime.co.in. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

x. Dematerialization of Shares and Liquidity:

The Equity Shares of the Company are tradable in compulsory dematerialized segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The demat security (ISIN) code for the Equity Share is INE878E01021.

As on March 31, 2023, 1,32,20,6430 equity shares (constituting 98.83%) were in dematerialized form.

The Company's Equity Shares are regularly traded on the BSE Limited and National Stock Exchange of India Limited.

xi. The Distribution of Shareholding and Category-wise Shareholding Pattern as on March 31, 2023 is as follows:

a. Distribution of Shareholding as on March 31, 2023:

Distribution of Shareholding						
No. of Shares			Shareholders		Shares Held	
			No.	%	Shares	%
1	-	500	20901	62.47	3872772	2.09
501	-	1000	5260	15.7207	4449212	3.33
1001	-	2000	3315	9.91	5033011	3.76
2001	-	3000	1255	3.75	3243617	2.42
3001	-	4000	560	1.67	2041894	1.53
4001	-	5000	570	1.70	2745095	2.05
5001	-	10000	839	2.51	6375790	4.77
10001	-	*****	759	2.27	106005884	79.25
			33804	100.00%	133767275	100.00%

b. Category-wise Shareholding Pattern as on March 31, 2023:

Category	No. of Shares held	% of Shares held
Promoters and Promoter Group	7,92,57,488	59.25
Mutual Fund	0	0.00
Foreign Portfolio Investor	0	0.11
Financial Institutions/ Banks	0	0.00
Individuals – Upto Rs. 2 Lakhs	4,10,23,484	28.97
Individuals – in excess of Rs. 2 Lakhs	49,46,898	4.18
HUF	25,82,002	1.74
Trusts	750	0.00
Bodies Corporate	22,47,025	2.79
Non-Resident Indian (NRI)	15,50,942	1.18
Clearing Members	1,14,153	0.31
Foreign Nationals	34,790	0.03
IEPF Authority	13,52,051	1.01
LLP	0	0.08
Director or Director's Relatives	4,58,167	0.35
Total	13,37,67,275	100.00

xii. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:

There were no outstanding GDRs / ADRs / Warrants or any convertible instruments as at March 31, 2023.

xiii. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to the Management Discussion and Analysis Report.

xiv. CFO & CEO Certification:

The CFO & CEO have issued a certificate pursuant to the provisions of SEBI Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

xv. Disclosure on resignation of Independent Directors:

None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

xvi. Details of loans and advances in the nature of loans given to firms / companies in which Directors are interested:

Rs. In Crores

Sr. No.	Particular	Investments	Loans given	Guarantees
A.	Aggregate amount granted / provided during the year:			
	- Subsidiaries	0.00	0.00	0.00
	- Related party	0.00	0.00	0.00
B	Balance outstanding as at balance sheet date in respect of above cases:			
	- Subsidiaries	139.97	64.89	731.96
	- Related party	81.97	0.00	0.00

The Company has not provided any advances in the nature of loans or security to any other entity during the year.

xvii. Plant locations of the Company and its Subsidiaries Companies:

Setco Auto Systems Private Limited:

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

Uttarakhand: Plot No. 196/A Phase 1, Eldeco Sidcul Industrial Park (E.S.I.P), Village Lalarpatti, P.O. Sia Camp, Udham Singh Nagar, Pin Code – 262 403, Uttarakhand.

Lava Cast Private Limited:

Alindra Village, Vadodara Godhra Highway, Kalol, Panchmahal, Gujarat – 389330

xviii. Address for correspondence:

The members are requested to write to the Registrar & Share Transfer Agents of the Company, Link Intime India Private Limited for any query related to share transfers, dematerialization, transmissions, change of address, non-receipt of dividend or any other related queries.

The address of Link Intime India Private Limited is as follows:

Unit: Setco Automotive Limited, C-101, 247 Park, LBS.Marg, Vikhroli (West), Mumbai - 400083, Tel No.:(022) 4918 6000

The members can also send their grievances, if any, to the Company Secretary at the Corporate Office of the Company at 54A, Tardeo, Near Film Centre Building, Tardeo Road, Mumbai – 400 034 or email at investor.relations@setcoauto.com.

F. Other Mandatory / Non-Mandatory Requirements:

A certificate from the Practicing Company Secretary Auditor of the Company certifying compliance of Corporate Governance is annexed herewith.

Discretionary Requirements as per Part E of Schedule II under SEBI (LODR), Regulations, 2015.

The Company complied with majority of such non mandatory requirements, details of which are as follows:

- a. The Board: The Board of the Company is chaired by Executive Chairman who maintains the Chairman's Office at the Company's expense.
- c. Shareholder Rights: The quarterly, half yearly and annual financial results are published in newspapers having wide circulation in English and Gujarati and are also available on Company's website. The Annual Report is sent to all shareholders of the Company.
- d. Reporting of internal auditor as per the requirements, the internal auditor may report directly to the Audit Committee. The same is reported by briefing the Audit Committee through discussion and presentation of the observations, review, comments and recommendations etc. in the Internal Audit presentation by the Internal Auditor of the Company.

The Company has made all disclosures regarding compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI Listing Regulations, in the section on corporate governance of the annual report.

Other Shareholder Information:

- Transfer of Shares to Investor Education and Protection Fund (IEPF)

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as 'IEPF Rules') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force),

the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund (IEPF) maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed in respect of dividends declared upto the financial year ended March 31, 2015 have been transferred to the IEPF. The details of the unclaimed dividends so transferred are available on the Company's website at www.setcoauto.com and on the website of MCA at <https://www.iepf.gov.in>. In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed for a period of seven consecutive years or more from the date of transfer to the unpaid dividend account are required to be transferred to the demat account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial year ended March 31, 2015 and remained unclaimed were due to be transferred to the IEPF. The Company has sent notices to all such Members in this regard and published a newspaper advertisement and, thereafter, transferred the shares to the IEPF. The details of such shares transferred have been uploaded on the Company's website at www.setcoauto.com.

The details of unclaimed dividends and shares transferred to IEPF during F.Y 2022-23 are as follows:

Financial Year	Amount of unclaimed dividend transferred (Rs. In Lakhs)	Number of shares transferred
Final Dividend 2014-15	7.60	-

It may be noted that any amount remaining unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred to the Investor Education & Protection Fund as required under Section 125 of the Companies Act, 2013. Due dates for Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF) are as under:

Financial Year	Date of declaration of Dividend	Due date to transfer to IEPF
Final Dividend 2015-16	29.09.2016	28.09.2023
Final Dividend 2016-17	27.09.2017	26.09.2024
Final Dividend 2017-18	28.09.2018	27.09.2025
Final Dividend 2018-19	27.09.2019	26.09.2026

It may be noted that the unclaimed dividend for FY16 declared on September 29, 2016, is due to be transferred to the IEPF. The same can, however, be claimed by the Members by September 28, 2023. Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2016 onwards may forward their claims to Link Intime India Pvt. Ltd before they are due to be transferred to the IEPF.

The Members whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in e-Form IEPF-5 available on www.iepf.gov.in. No claim shall lie against the Company in respect of the dividend/shares so transferred.

To claim above unpaid dividend or in case you need any information/clarification, please write to or contact our RTA M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, LBS. Marg, Vikhroli (West), Mumbai - 400083, Tel No.:(022) 49186270, e-mail: iepf.shares@linkintime.co.in.

➤ **DISCLOSURE IN RESPECT OF EQUITY SHARES TRANSFERRED TO UNCLAIMED SUSPENSE ACCOUNT AND SUSPENSE ESCROW DEMAT ACCOUNT**

Suspense Escrow Demat Account:

SEBI, vide its letter No. SEBI/HO/MIRSD/POD-1/OW/P/2022/ 64923 dated December 30, 2022, had issued Guidelines with respect to procedural aspects of 'Suspense Escrow Demat Account' to be opened by listed entities pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/6 dated January 25, 2022, latest by January 31, 2023.

The Company opened the 'The Setco Automotive Limited - Suspense Escrow Demat Account' within the stipulated timeline.

Unclaimed Suspense Account:

In accordance with the requirements of Regulations 34 and 39 read with Schedule V(F) of the Listing Regulations, NIL equity shares are lying in Setco Automotive Limited – Unclaimed Suspense Account as on 31st March, 2023.

➤ **Norms for furnishing of PAN, KYC, Bank details and Nomination.**

Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSDPoD- 1/P/CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/MIRSD/MIRSD RTAMB /P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD RTAMB/ P/CIR/2021/687 dated November 3, 2021 and December 14, 2021, respectively, SEBI has mandated all the listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities. **The folios wherein any one of the cited documents/details is not available on or after October 1, 2023, shall be frozen by the RTA.**

The securities in the frozen folios shall be eligible:

- To lodge any grievance or avail of any service, only after furnishing the complete documents / details as mentioned above;
- To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above stated requirements.

The forms for updation of PAN, KYC Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website www.setcoauto.com. In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest.

The Company is in the process of despatching a letter to the Members holding shares in physical form in relation to the above-referred SEBI Circular.

Members who hold shares in dematerialised form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs.

Certificate on Corporate Governance

The Certificate from the Practicing Company Secretaries regarding compliance of conditions of corporate governance is annexed and forms part of this Annual Report. In terms of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached and forms part of this Annual Report.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Setco Automotive Limited
54A, Near Film Centre Building,
Opp Raheja Tower, Tardeo Road, Tardeo
Mumbai – 400034, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Setco Automotive Limited having CIN: L35999GJ1982PLC005203 and having registered office at Baroda Godhra Highway, Kalol (Panchmahal), Gujarat – 389330 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Harish Kiritbhai Sheth	01434459	05/05/1982
2.	Udit Harish Sheth	00187221	30/06/2008
3.	Urja Harshal Shah	02675341	28/09/2015
4.	Ashok Kumar Jha	00170745	22/01/2010
5.	Arun Arora	00172044	28/03/2007
6.	Suhasini Somesh Sathe	00205174	12/02/2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. P. Shah & Co.,
Company Secretaries
Unique ICSI ID No.: P2009MH018300

Pradip Shah
Partner
FCS No: 1483, COP No: 436
UDIN: F001483E000258179
Peer Review: 666/2020

Date: 5th May 2023
Place: Mumbai

Certificate under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Setco Automotive Limited

We, Harish K. Sheth, Chairman and Managing Director and Udit Sheth, Vice Chairman of Setco Automotive Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2023.

Harish K. Sheth
Chairman & Managing Director
DIN: 01434459

Udit Sheth
Vice Chairman
DIN: 00187221

Place: Mumbai
Date: August 14, 2023

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Board of Directors
Setco Automotive Limited

We hereby certify that on the basis of review of the financial statements and the cash flow statement for the financial year ended 31st March, 2023 and to the best of our knowledge and belief that:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

We hereby certify that, to the best of our knowledge and belief, no transactions entered into during the financial year ended 31st March, 2023 are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee:

1. significant changes, if any, in internal controls over financial reporting during the financial year ended 31st March, 2023;
2. significant changes, if any, in accounting policies during the financial year ended 31st March, 2023 and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Harish Sheth
Chairman and Managing Director

Shrinivasan Sivasubrahmanyam Iyer
Chief Financial Officer

Place: Mumbai
Date: June 2, 2023

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members of Setco Automotive Limited

1. We have examined the compliance of conditions of Corporate Governance by Setco Automotive Limited ("the Company"), for the year ended on 31st March, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the secretarial and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and D of Schedule V of the Listing Regulations during the financial year ended 31st March, 2023 except the following:

A. Non convening of Board Meeting within the stipulated time frame:

As per Regulation 17 (2) of SEBI (LODR) Regulations, 2015, 'the Board of Directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings.'

The time gap between the Board Meeting convened on 12th February, 2022 and 6th July, 2022 was 144 days which is more than the prescribed time limit of 120 days. Accordingly, the Company has not complied with Regulation 17 (2) of SEBI (LODR) Regulations, 2015. However, the Company has convened 4 Board Meetings during the financial year ended 31st March, 2023.

6. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For P. P. Shah & Co.,
Company Secretaries
Unique ICSI ID No.: P2009MH018300

Pradip Shah
Partner
FCS No: 1483, COP No: 436
UDIN: F001483E000815637
Peer Review: 666/2020

Place: Mumbai
Date: August 14, 2023

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF SETCO AUTOMOTIVE LIMITED
Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Setco Automotive Limited** (hereinafter referred as "the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter collectively referred as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed Under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2023, its losses, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") 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 Statements 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 (hereinafter referred as "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules there under, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

- The company has not charged interest on unsecured loan to the subsidiaries. (Refer Note no. 4 and 10 of Standalone Ind AS Financial Statements).
- The Company has not provided Interest on the Unsecured Loan from Setco Auto Systems Private Limited ('SASPL'), a subsidiary Company, as the same is repayable as per mutually agreed terms / period and no interest is accordingly accrued on such liability. (Refer Note No. 14 of Standalone Ind AS Financial Statements).
- Company has total Non-Current Investment of Rs. 23,344.77 Lakhs as at the balance sheet date, out of the same company has provided for 'Impairment in Value of Investments' of Rs. 11,133.43 Lakhs in earlier years and stated at net value of Rs. 12,211.34 Lakhs, which is in the opinion of the management is fair value of the net investment.

Our opinion is not modified in respect of these matters

Information other than the Standalone Financial Statements and Auditor's Report thereon (hereinafter referred as "other information")

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the Standalone Financial Statements and our report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance and / or conclusions thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this

other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Company's Management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements 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 these Standalone Financial Statements.

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

- a. Identify and assess the risks of material misstatement of the Standalone Financial Statements, 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.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's 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 Company's ability 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 Standalone Financial Statements 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.
- e. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the

Standalone Financial Statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Financial Statement includes the figures for the year ended March 31, 2022 which have been audited by predecessor auditor, who had issued unmodified opinion on the same.

Our opinion is not modified in respect of this other matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act and based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g. With respect to the other matters to be included in the auditor's report in accordance with the requirements of Section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its Standalone Financial Statements - Refer note 38 to the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any

material foreseeable losses. .

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company as on 31st march 2023.
- iv. Reporting on rule 11(e):
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and
 - v. During the year Company as not declared / paid any dividend hence reporting under rule 11 f is not applicable to that extent.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Sharp & Tannan Associates
Chartered Accountants
Firm’s Registration No.: 109983W
by the hand of

CA Pramod Bhise
Partner
Membership No.: (F) 047751
UDIN: 23047751BGTHXS5792

Pune, June 2, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)

- i. The Company does not have any Property, Plant and Equipment (PPE). Hence Clause 3(i) is not applicable to the Company.
- ii. The Company does not have any inventory, hence reporting on paragraphs 3 (ii) of the Order is not applicable to the Company.
- iii. In our opinion and according to the information and explanations given to us; during the year the Company has not made investments in, provided loans or advances in the nature of loans, or stood guarantee, or security to the subsidiaries, joint ventures and associates and other than subsidiaries, joint ventures and associates. Hence reporting on paragraphs 3 (iii) of the Order is not applicable to the Company.
- iv. According to the information and explanations provided to us, in respect of loans, investments, guarantees and security, the company has complied with the provisions of section 185 and section 186 of the Act. Board of Directors have passed appropriate resolutions with respect to loans given without specifying repayment schedule. As informed to us, compliance with section 185 & 186 will be met considering transactions in its entirety.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the order is not applicable.
- vi. As per the information and explanations given to us in respect of the class of industry the company falls under, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act 2013.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, CESS and other material statutory dues applicable to it to the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they become payable, *except Provident Fund Dues amounting to Rs 27.55 Lakhs.*
 - c. There are no dues of Income tax, Sales-tax, Service tax, Goods and Service tax, Customs Duty and Cess which have not been deposited as on March 31, 2023 on account of disputes *except the following* :

Sr.	Name of the Statute	Nature of the dues	Amount	Related	Forum where	Remark,
			(Rs. In Lakhs)	F.Y. / A.Y.	dispute is pending	if any
1	Income Tax Act, 1961	Order u/s 147	0 **	A.Y. 16-17	CIT(A) – Vadodara	*
2	Income Tax Act, 1961	Demand notice u/s 92CA(1)	0 **	A.Y. 18-19	CIT(A) – Vadodara	*

* *Matter covered by ITAT Judgement in Company's own case for earlier years for allowing product development expenses as revenue expense.*

** *Amount are paid by the Company during the year.*

- viii. According to the information & explanations given to us and the records examined by us, there are no such transactions which are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), Accordingly, reporting on paragraphs 3 (viii) of the Order is not applicable to the Company.
- ix. According to the information and explanations given to us and the records examined by us:
 - a. the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - b. the company has not been declared wilful defaulter by banks or financial institutions or other lenders Accordingly, reporting on paragraphs 3 (ix) (b) of the Order is not applicable to the Company.
 - c. In our opinion and according to the information and explanations given to us, the company has not raised an ad-

- ditional term loan or disbursed the balance sanction. Accordingly, reporting on paragraphs 3 (ix) (c) of the Order is not applicable to the Company.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
 - e. According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - f. According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies,
- x. According to the information and explanations given to us and the records examined by us:
 - a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loan has been applied for the purposes for which they were raised. Accordingly, clause 3(x)(a) of the order is not applicable.
 - b. According to the information and explanation provided to us, during the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) as per the provision of the act and regulation made by the securities exchange board of India. Accordingly, clause 3(x)(b) of the order is not applicable.
 - xii. According to the information and explanations given to us and the records examined by us:
 - a. Based upon the audit procedures performed by us no material fraud by the Company or any material fraud on the Company has been noticed or reported during the year.
 - b. Based on the audit procedures performed by us there is no any report under sub-section (12) of section 143 of the companies act 2013 has been filed by the auditors in the form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c. As represented to us by the management, there are no whistle blower complaints received by the company during the year.
 - xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
 - xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.
 - xiv. According to the information and explanations given to us and the records examined by us
 - a. the company has an internal audit system commensurate with the size and nature of its business.
 - b. We have considered the internal audit reports of the company issued till date, for the period under audit.
 - xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
 - xvi. According to the information and explanations given to us and the records examined by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, Accordingly, reporting on Para 3(xvi) (a) (b) (c) and (d) is not applicable.
 - xvii. In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the current year but has incurred cash losses amounting to Rs 3152.40 lacs in the immediately preceding financial year.
 - xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns, if any, raised by the outgoing auditors.
 - xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the

evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- xx. According to the information and explanation given to us and on the basis of the accounts and record examined by us, CSR provisions as per the section 135 of the act are not applicable to the Company, accordingly para 3 clause (xx) of the order are not applicable.
- xxi. In our opinion and according to the information and explanations given to us, this report is on the standalone financials and accordingly para 3 clause (xxi) of the order is not applicable.

Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W
by the hand of

CA Pramod Bhise
Partner
Membership No.: (F) 047751
UDIN: 23047751BGTHXS5792

Pune, June 2, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) Section 143 (3) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **Setco Automotive Limited** (hereinafter referred as "the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed Under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W
by the hand of

CA Pramod Bhise
Partner
Membership No.: (F) 047751
UDIN: 23047751BGTHXS5792

Pune, June 2, 2023

Balance Sheet as at 31st March 2023

		(Rs. In Lakhs)	
Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS :			
1. Non-current assets			
a. Property, plant and equipment	2	-	-
b. Capital work-in-progress	2	-	-
c. Right of use of assets	2	-	-
d. Intangible assets	2	-	-
e. Intangible Assets Under Development		-	-
f. Financial assets			
(i) Investments	3	12,211.34	12,182.73
(ii) Loans Receivables	4	3,635.93	3,635.93
(iii) Other financial assets	5	0.25	0.25
g. Deferred tax assets (net)	6	518.45	1,545.86
h. Other non-current assets		-	-
Total non-current assets		16,365.97	17,364.77
2. Current assets			
a. Inventories		-	-
b. Financial assets			
(i) Trade receivables	7	80.08	359.33
(ii) Cash and cash equivalents	8	92.72	27.39
(iii) Bank Balances Other Than (ii) Above	9	64.78	72.38
(iv) Loans	10	1,962.73	1,995.24
c. Current tax assets (net)		-	-
d. Other current assets	11	479.25	461.25
Total current assets		2,679.56	2,915.59
Total assets		19,045.53	20,280.36
EQUITY AND LIABILITIES :			
EQUITY			
Equity share capital	12	2,675.35	2,675.35
Other equity	13	4,821.43	5,703.17
Total equity		7,496.78	8,378.52
LIABILITIES			
1. Non-current liabilities			
a. Financial liabilities			
(i) Borrowings	14	6,852.57	7,013.18
(ii) Lease liability		-	-
(iii) Other financial liabilities	15	670.34	643.68
b. Other non current liabilities		-	-
c. Provisions		-	-
Total non-current liabilities		7,522.91	7,656.86
2. Current Liabilities			
a. Financial liabilities			
(i) Borrowings		-	-
(ii) Lease liability		-	-
(iii) Trade payables		-	-
(a) Dues of micro, small and medium enterprises		-	-
(b) Dues of creditors other than micro, small and medium enterprises	16	3,893.53	4,126.35
(iv) Other financial liabilities	17	100.73	108.76
b. Other current liabilities	18	31.58	5.60
c. Provisions		-	-
d. Current tax liabilities (net)	19	-	4.27
Total current liabilities		4,025.84	4,244.98
Total liabilities		11,548.75	11,901.84
Total equity and liabilities		19,045.53	20,280.36

Notes including Significant Accounting Policies are an integral part of the Financial Statements : 1 To 47

As per our report of even date attached
 For Sharp & Tannan Associates
 Chartered accountants
 (ICAI Firm registration No. : 109983W)

(CA Pramod Bhise)
 Partner
 Membership No. : 047751

Place : Pune
 Date : June 2, 2023

For and on behalf of the Board

Harish Sheth Chairman & Managing Director	Udit Sheth Vice Chairman	Urja Shah Executive Director
Arun Arora Independent Director	Ashok Jha Independent Director	Suhasini Sathe Independent Director
Shrinivasan Iyer Chief Financial Officer	Hiren Vala Company Secretary	

Place : Mumbai
 Date : June 2, 2023

Statement of Profit and Loss for the period ended on 31st March 2023

(Rs. In Lakhs)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
INCOME :			
I. Revenue from operations	20	114.28	15,673.87
II. Other income	21	174.20	520.24
III. Total Income (I + II)		288.48	16,194.11
IV. EXPENSES :			
Cost of materials consumed	22	0.80	7,567.05
Changes in inventories of finished goods and work-in-progress	23	-	4,553.47
Employee benefit expenses	24	110.43	2,087.49
Finance costs	25	5.26	2,516.03
Depreciation and amortization expenses	2	-	977.60
Other expenses	26	26.33	2,622.47
Total expenses (IV)		142.82	20,324.11
V. Profit/(loss) before exceptional items and tax (III - IV)		145.66	-4,130.00
VI. Exceptional items	27	-	12,941.73
VII. Profit/(loss) before tax (V - VI)		145.66	-17,071.73
VIII. Tax expense/(credit)			
- Current tax		-	-
- Deferred tax		-	-721.14
MAT credit entitlement	28		
- Previous years		1,027.41	-
- Current year		-	638.34
Tax adjustment for earlier years		-	4.28
Total Tax expense		1,027.41	-78.52
IX. Profit/(loss) for the year from continuing operations (VII - VIII)		-881.75	-8,949.06
X. Profit/(loss) before tax for the year from discontinued operations	29	-	-8,044.15
Tax expense/(credit)			
- Current tax		-	3.05
- Deferred tax		-	331.77
Total Tax expense		-	334.82
XI. Profit/(loss) after tax for the year from discontinued operations (X-XI)		-	-8,378.97
XII. Profit/(loss) after tax for the year (IX+XI)		-881.75	-17,328.03
XIII. Other comprehensive income/(loss)			
A. (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of gain /(loss) on defined benefit plans		-	-
(b) Gain / (loss) on FVTOCI Equity securities	30	-	-153.50
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B. (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income (Net of Tax)		-	-153.50

XIV. Total comprehensive income for the year (XII + XIII)		-881.75	-17,481.53
XV. Earnings/(loss) per equity share (face value of Rs. 2/- Each)	31		
(a) Earnings/(loss) per equity share from continuing operations			
- Basic (In Rs. per share)		-0.66	-6.69
- Diluted (In Rs. Per share)		-0.66	-6.69
(a) Earnings/(loss) per equity share from discontinued operations			
- Basic (In Rs. per share)		-	-6.26
- Diluted (In Rs. Per share)		-	-6.26
(a) Earnings/(loss) per equity share from continuing and discontinued operations			
- Basic (In Rs. per share)		-0.66	-12.95
- Diluted (In Rs. Per share)		-0.66	-12.95

Notes including Significant Accounting Policies are an integral part of the Financial Statements : 1 To 47

As per our report of even date attached
For Sharp & Tannan Associates
Chartered accountants
(ICAI Firm registration No. : 109983W)

For and on behalf of the Board

Harish Sheth Chairman & Managing Director	Udit Sheth Vice Chairman	Urja Shah Executive Director
Arun Arora Independent Director	Ashok Jha Independent Director	Suhasini Sathe Independent Director
Shrinivasan Iyer Chief Financial Officer	Hiren Vala Company Secretary	

(CA Pramod Bhise)
Partner
Membership No. : 047751

Place : Pune
Date : June 2, 2023

Place : Mumbai
Date : June 2, 2023

Cash Flow Statement for the year ended on 31st March 2023

(Rs. In lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	145.67	-17,071.72
Adjustment for :		
Depreciation and amortisation expense	-	977.60
Unrealized exchange loss/(gain)	-76.66	-89.02
Unrealized margin on Stock	-	22.25
Impairment loss/(reversal) in the value of Investments	-	8,928.55
Impairment loss allowance on advances/receivables	-	309.72
Reversal of Impairment loss allowance on receivables	-124.94	-126.60
Bad Debts	-	28.62
Inventory Written off	-	3,703.46
Interest expense	4.57	2,361.00
Other Financial charges	0.69	155.03
Rent Income	-	-99.85
Finance Income Related to Financial Guarantee Measured at Fair Value	-2.38	-49.85
Corporate tax	-	-7.33
MAT credit entitlement	-1,027.41	-638.34
Government Grants - Cash Subsidy amortization	-	-12.60
Operating profit / (loss) before changes in working capital	-1,080.46	-1,609.08
Adjustments for changes in :		
Trade receivables	401.12	1,124.20
Inventories	-	-219.27
Loans and other assets	997.10	931.85
Other non-current and current assets	240.12	-1,244.00
Non-current and current financial assets	-	92.06
Trade payables	-90.26	3,477.14
Other non-current and current provisions	-4.27	-819.93
Other non-current and current liabilities	25.98	-1,558.47
Non-current and current financial liabilities	-	-106.60
Change in current assets/liabilities	1,569.78	1,676.98
Cash generated from operations	489.32	67.90
Direct taxes (Tax deducted at source)	-258.11	-257.40
Net Cash flow from Operating Activities	231.21	-189.50
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-	-90.19
Intangible asset	-	-5,961.87
Rent Income	-	99.85
Government Grants - Cash Subsidy amortization	-	12.60
Proceeds on Sale of Business	-	5.00
Sales of Investment in Equity Shares	-	153.50
Investment in Equity Shares	-	-70.00

Investment in Preference Shares	-	-2,336.50
Net Cash used in Investing Activities	-	-8,187.61
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Cash Credit	-	-16,468.78
Proceeds from Term/Other Loans	-	7,013.18
Proceeds from Non Convertible Debentures	-	35,000.00
Repayment of Short Term Loans	-	-1,755.43
Repayment of Term Loans	-160.61	-11,676.52
Repayment of Lease	-	-936.22
Interest expense	-4.57	-2,361.00
Other Financial charges	-0.69	-155.03
Net Cash used in Financing Activities	-165.88	8,660.20
Opening Cash and Cash Equivalents	27.39	178.38
Less : Balance transferred on Slump Sale	-	-434.07
	27.39	-255.69
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	65.33	283.08
Closing Cash and Cash Equivalents	92.72	27.39

Notes:-

- The above Cash Flow Statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows, as notified under section 133 of Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015.
- Previous year's figures have been regrouped / restated / reclassified whenever necessary.
- Purchase of Property, Plant & Equipment includes cost incurred on Capital Work-in-Progress.
- Cash and Cash Equivalents includes cash on hand, cheques on hand and readily convertible deposit accounts held with scheduled banks.

Notes including Significant Accounting Policies are an integral part of the financial statements: 1 to 54

As per our report of even date attached
 For Sharp & Tannan Associates
 Chartered accountants
 (ICAI Firm registration No. : 109983W)

(CA Pramod Bhise)
 Partner
 Membership No. : 047751

Place : Pune
 Date : June 2, 2023

For and on behalf of the Board

Harish Sheth Chairman & Managing Director	Udit Sheth Vice Chairman	Urja Shah Executive Director
Arun Arora Independent Director	Ashok Jha Independent Director	Suhasini Sathe Independent Director
Shrinivasan Iyer Chief Financial Officer	Hiren Vala Company Secretary	

Place : Mumbai
 Date : June 2, 2023

Statement of Changes in Equity for the year ended on 31st March 2023

A. Equity share capital

Particulars	Rs. In Lakhs
Balance as at April 1, 2021	2,675.35
Changes in Equity Share Capital due to prior period errors	-
Restated Balance as at April 1, 2021	2,675.35
Changes in Equity Share Capital during the year	-
Balance as at 31st March, 2022	2,675.35
Balance as at April 1, 2022	2,675.35
Changes in Equity Share Capital due to prior period errors	-
Restated Balance as at April 1, 2022	2,675.35
Changes in Equity Share Capital during the year	-
Balance as at 31st March, 2023	2,675.35

Particulars	Reserves and Surplus					Share option outstanding amount	Other Items of Other Comprehensive Income - Equity Instruments at FVOCI	Total
	Capital Reserve	General Reserve	Security Premium	Retained Earnings *	Other Comprehensive Income			
Balance as at 1st April, 2021	0.21	1,948.62	239.29	7,750.23	-	-	9,938.36	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	
Restated Balance as at 1st April, 2021	0.21	1,948.62	239.29	7,750.23	-	-	9,938.36	
Gain on Sale of Clutch Business	13,224.10	-	-	-	-	-	13,224.10	
Employee stock option cancelled during the year	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	
Reversal of Unrealized Profit on Stock	-	-	-	22.25	-	-	22.25	
Profit for the year	-	-	-	-17,328.02	-	-	-17,328.02	
Other Comprehensive Income (net of tax)	-	-	-	-153.50	-	-	-153.50	
Total comprehensive income for the year ended 31st March, 2022	-	-	-	-17,481.52	-	-	-17,481.52	
Balance as at 31st March, 2022	13,224.31	1,948.62	239.29	-9,709.04	-	-	5,703.19	
Balance as at 1st April, 2022	13,224.31	1,948.62	239.29	-9,709.04	-	-	5,703.19	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	
Restated Balance as at 1st April, 2022	13,224.31	1,948.62	239.29	-9,709.04	-	-	5,703.19	
Employee stock option granted during the year	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	
Profit / (Loss) for the year	-	-	-	-881.74	-	-	-881.74	
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	
Total comprehensive income for the year ended 31st March, 2023	-	-	-	-881.74	-	-	-881.74	
Balance as at 31st March, 2023	13,224.31	1,948.62	239.29	-10,590.78	-	-	4,821.45	

Notes including Significant Accounting Policies are an integral part of the financial statements: 1 to 54

As per our report of even date attached
For Sharp & Tannan Associates
Chartered accountants
(ICAI Firm registration No. : 109983W)

(CA Pramod Bhise)
Partner
Membership No. : 047751

Place : Pune
Date : June 2, 2023

For and on behalf of the Board
Harish Sheth
Chairman & Managing Director
Urja Shah
Executive Director
Arun Arora
Independent Director
Shrinivasan Iyer
Chief Financial Officer
Udit Sheth
Vice Chairman
Ashok Jha
Independent Director
Suhasini Sathe
Independent Director
Hiren Yala
Company Secretary

Place : Mumbai
Date : June 2, 2023

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

General Information

Setco Automotive Limited (The "Company") is a public limited Company incorporated in India with its registered office at Kalol, India. The Company is listed on Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

In previous year, the company is engaged in manufacturing of Clutch products and systems and Hydraulics (Pressure Converters). The company is having five manufacturing units across three countries, i.e India, United Kingdom and United States of America.

1. Significant Accounting Policies

1.1 Basis of Preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.

The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- defined benefit plans where plan assets are measured at fair value; and

Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. The critical estimates and judgments are presented in detail in Significant Accounting Policy no. 1.24.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As set out in the Schedule III to the Companies Act, 2013, since normal operating cycle cannot be identified for the Company and hence it is assumed to have duration of twelve months.

Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs with two decimals.

1.2 Business Combination:

In accordance with IND AS 103, Business combinations involving entities or business under common control shall be accounted for using the pooling of interest method whereby the assets and liabilities of the transferred entity is accounted at their carrying amounts in the transferee books.

The difference if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves. Transaction cost are expensed as incurred.

1.3 Property, Plant and Equipment (PPE):

- i. The company has initially recognised property, plant & Equipment at Cost. The cost of Property, Plant & Equipment includes directly attributable expenses incurred for the purpose of acquiring / constructing these assets, net of GST credit if any, on qualifying assets. The Company has chosen Cost Model for Property, Plant & Equipment accounting. Press Tools and such type of machinery items developed in house are capitalised at direct cost plus directly attributable overheads. Capital Work in progress comprises of the cost of Property, Plant & Equipment that are not ready for their intended use at the reporting date.
- ii. The ministry of corporate affairs has made the component accounting approach for fixed assets mandatory from 1st April, 2015 vide notification dated 29th August, 2014. As per the external technical expert's opinion, the company's fixed assets are of such nature that separate components are not distinctly identifiable having different useful life and therefore, component level accounting and reporting is not practically feasible for the company.

- iii. **Depreciation:** Depreciation is provided on straight line method (SLM) and is based on useful lives of the assets as determined by external technical experts in accordance with requirement of Schedule II to the Companies Act, 2013. Depreciation on additions made during the year to Property, Plant & Equipment is charged on pro-rata basis. Freehold land is not depreciated. The carrying value of long term leasehold land is amortized over a period of lease
- iv. The company estimates the useful lives of Property, Plant & Equipment are as follows:

Asset Classification	Useful Life
Buildings	3-30 Years
Plant & Machinery	1-15 Years
Furniture & Fixtures	1-10 Years
Equipments	2-5 Years
Electric Fittings	10 Years
Vehicle	4-8 Years
Pollution Equipments	2-8 Years
Computers	1-3 Years

The company believes that useful lives as given above best represent the useful lives of these assets based on technical advice and are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The useful lives of these assets are periodically reviewed.

- v. **De-recognition:** An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

1.4 Intangible Assets

- i. Intangible Assets are stated at their cost of acquisition, net of GST credit if any, less accumulated amortization and impairment loss, if any. Expenditure, identifiable and reliably measurable, incurred on product development yielding future economic benefits is capitalized as Intangible Asset as per Ind AS-38 "Intangible Assets". The expenses incurred on product till such time its production commences are shown under the head "Assets Under Development" in the Property Plant and Equipment.
- ii. **Amortization**
 Intangible Assets are amortized as follows:
- a. Product development: Product Development expenses incurred on the new product developed and whose commercial production started during the year are treated as Intangible Assets & are amortised over a period of ten years after commencement of commercial production of relevant product.
- b. Computer Software (including License Fees) is amortized over a period of 3 years.

1.5 Impairment of Assets

At the end of each reporting period, the Company determines whether there is any indication that its assets have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.6 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the lease terms indicate transfer of ownership of the underlying asset to the lessee at the end of the lease term or the exercise price of purchase option reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

In addition, the right-of-use asset is reduced by impairment losses, if any. The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

On Derecognition of the finance lease agreement, the difference between the carrying amount of the financial liability and the carrying amount of ROU is recognised in profit or loss account.

1.7 Revenue Recognition

1. **Sale of Goods:** Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, and it is adjusted for volume discounts, cash discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, based on which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for. Contract costs are expensed of as and when incurred.

Use of significant judgments and estimates in revenue recognition

- Contracts with customers could include promise to transfer multiple products and services to a customer. The company assesses a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- The company needs to decide transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, cash discounts, price concessions and incentives. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The company exercises judgment in determining whether the performance obligation is satisfied. The Company considers indicators such as how the customers consume the benefit or who controls the asset, transfer of significant risk and rewards to the customers, acceptance of delivery by the customer, specific bill and hold instructions from customers, etc.

2. Other Operating Revenue: Other operating revenue comprises of income from activities incidental to the operations of the company and is recognised when the right to receive the income is established and there exists no uncertainty of its ultimate realization or collection.

Rendering of Services : Revenue from job work services is recognized when the services are performed as per the contract and when there is no uncertainty of its realization or collection.

3. Insurance claims are accounted as and when admitted.
4. Other Income is accounted on accrual basis except when the realization of such income is uncertain. Interest income on financial asset is recognized using the effective interest rate method. Dividend income is accounted when right to receive the same is established.

1.8 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification of Financial Assets

The financial assets are initially measured at fair value along with transaction cost.

After initial recognition

- i. Financial assets (other than Investments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Interest Income and Impairment loss on such debt instruments is recognised in statement of profit or loss.

The Company has not designated any debt instruments as fair value through other comprehensive income.

- i. Investments in equity instruments of subsidiaries: The Company measures its investments in equity instruments of subsidiaries at cost in accordance with Ind AS 27.
- ii. Investment in Equity instruments of Related Entity: The company has designated its investments in Equity Shares of one of its related entity at fair value through OCI. Such financial assets are measured at fair value at the end of each reporting period, with gains or losses arising on re-measurement recognised in OCI which are not subsequently reclassified to P & L and are reported in Other Equity.
- iii. Investment in Preferential instruments of Related Entity: At initial recognition, the company measures its investments in preference shares at fair value and on re-measurement it is carried out at amortised cost. Gains or losses arising on re-measurement are recognized in P & L.
- iv. Other Financial assets which are not carried at amortised cost or FVTOCI are measured at fair value through P & L. Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss.

Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Losses (ECLs) at each reporting date, right from its initial recognition.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Expected Credit Losses / impairment loss allowance (or reversal) recognized during the period is recognized as expense / income in the statement of profit and loss.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Financial liabilities and equity instruments

Classification as debt or equity

Equity instruments issued by the Company is classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs".

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured (if not designated as at Fair value through profit or loss) at the higher of:

- the amount of impairment loss allowance determined in accordance with requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of

the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

1.9 Foreign Currency Transactions

Transactions in foreign currency in respect of exports are recorded at exchange rates as notified by the concerned authorities at regular intervals. Transactions in foreign currency in respect of other items are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are restated at year end exchange rates. Non-monetary items (Investments) denominated in foreign currency are stated using the exchange rate on the date of transaction. Exchange differences arising on settlement of transactions and on restatement of monetary items are recognized as income or expense in the year in which they arise, except in respect of the foreign borrowing liabilities, if any for acquisition of fixed assets, where such exchange difference is adjusted in the carrying cost of fixed assets.

1.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expense in profit or loss in the period in which they are incurred.

1.11 Inventories

Inventories are valued at lower of weighted average Cost (exclusive of Taxes & GST credits availed on inputs) and Net Realizable Value. Raw Material and Consumables are valued at weighted average Cost basis. Finished Goods and Work-in-Progress are valued at aggregate cost determined comprising Material Cost and Manufacturing Overheads. Scrap is valued at Net Realizable Value.

1.12 Taxes on Income

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

- a. **Current Tax** : Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.
- b. **Deferred Tax** : Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will

pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

1.13 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The company is operating only in one segment viz. Auto Components.

1.14 Research and development

- a. Revenue expenses pertaining to research activities are charged to statement of profit and loss under the respective heads of expenses.
- b. Expenditure incurred on fixed assets used for R & D is capitalized under the respective heads of PPE and Intangible Assets.
- c. Expenditure incurred on development activities which do not qualify as Intangible Asset is charged to the statement of Profit and Loss in other cases it is capitalised.

1.15 Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.16 Provisions, Contingent Liabilities and Contingent Assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets".

- a. **Provisions** : Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.
- b. **Contingent Liabilities** : The Contingent Liabilities are disclosed by way of a note to the Financial Statements, after careful evaluation by the management of the facts and legal aspects of the matter involved.

Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

- c. **Contingent Assets** : A Contingent Asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset, if any is not recognised but disclosed where an inflow of economic benefit is probable.

1.17 Selling/Marketing Expenses

- a. Warranty is extended when the products are sold. Provisions for expected cost of warranty obligations from sale of products are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.
- b. Commission, Discount and other expenses payable on sales are recognized on determination of amount payable in accordance with arrangement/contracts with the parties.

1.18 Employee Benefits

- a. **Short Term Employee Benefits** : Short Term Employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit & Loss of year in which the related services are rendered.
- b. **Defined Contribution Plans** : Provident Fund & ESIC are defined contribution schemes established under a State Plan. The contributions to the schemes are charged to the Statement of Profit & Loss in the year of incurrence.
- c. **Defined Benefits Plans** : The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days' salary (last drawn salary) for each completed year of services as per the rules of the company. The aforesaid liability is provided for on the basis of an actuarial valuation made using Projected Unit Credit Method at the end of financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy. Remeasurement gains/losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income. These gains/ losses which are recognised in Other Comprehensive Income are reflected in retained earnings and are not reclassified to profit or loss.
- d. **Compensated Absences** : Employees are entitled to accumulate leave subject to certain limits for future encashment. The liability in respect of compensated absences is provided for on the basis of actuarial valuation made at the end of the financial year using Projected Unit Credit Method. The said liability is not funded.

1.19 Dividends

Provision is made for the amount of any final dividend declared in the accounts on the date of its approval by the shareholders and no longer at the discretion of the board. Interim dividends, if any are recorded as a liability on the date of declaration by the company's board of directors.

1.20 Earnings Per Share

The Earnings considered for ascertaining the Company's Earnings Per Share (EPS) comprises the Net Profit / Loss after Tax. The Number of Shares used in computing Basic EPS is the Weighted Average Number of Shares outstanding during the year. The number of shares used in computing diluted EPS comprises weighted average number of shares considered for deriving basis EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares. In case of dilutive potential equity shares, the difference between the number of shares issuable and number of shares that would have been issued at fair value are treated as diluted potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.21 Share-based payment arrangements

Equity-settled share-based payments to employees (employee stock option plan) are measured by reference to the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity at the end of the year. At the end of each year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account.

1.22 Government Grants

Government grants (including export incentives) are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

1.23 Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that its disclosure is relevant to explain more meaningfully the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

1.24 Summary Critical Estimates & Judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included below.

- a. **Deferred taxes** : The company recognises that net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income, which may have a scope of causing a material adjustment to the carrying amounts of assets and liabilities.
- b. **Inventories** : The impairment of inventories is done on the basis of its aging, discontinuance of products/model, damage conditions of goods, obsolete, expected salability. The value is written down at its estimated realisable value less cost to sell.
- c. **Contingent liabilities** : In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, the Company treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome, the Company does not expect them to have a materially adverse impact on our financial position or profitability.
- d. **Provision for product Warranty** : The Company's product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.
- e. **Fair Value Measurements and Valuation Processes** : Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Company used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements. Fair Value of Financial Guarantees extended by the Company to secure credit facilities availed by the Company's subsidiaries from bank, has been determined based on estimated amount that would be payable to a third party for assuming the obligations.

Notes Forming Part of The Financial Statements for the year ended on 31st March 2023

Note - 2

Property, Plant and Equipment

(Rs. In lakhs)

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost as on 01.04.2022	Additions for the year	Adjustment for the year	Cost as on 31.03.2023	Up to 01.04.2022	Additions for the year	Adjustment for the year	Up to 31.03.2023	As on 31.03.2022	As on 31.03.2023
A	Property, Plant & Equipment										
01	Free Hold Land	-	-	-	-	-	-	-	-	-	-
	Previous year	2,068.40	-	-2,068.40	-	-	-	-	-	-	-
03	Buildings	-	-	-	-	-	-	-	-	-	-
	Previous year	3,988.36	-	-3,988.36	-	781.30	69.94	-851.24	-	-	-
04	Plant & Machinery	-	-	-	-	-	-	-	-	-	-
	Previous year	9,754.02	-	-9,754.02	-	5,700.45	477.35	-6,177.80	-	-	-
05	Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-
	Previous year	276.81	-	-276.81	-	127.69	12.81	-140.50	-	-	-
06	Office Equipments	-	-	-	-	-	-	-	-	-	-
	Previous year	115.48	-	-115.48	-	101.70	3.15	-104.84	-	-	-
07	Pollution Equipments	-	-	-	-	-	-	-	-	-	-
	Previous year	1.25	-	-1.25	-	1.25	-	-1.25	-	-	-
08	Computers	-	-	-	-	-	-	-	-	-	-
	Previous year	256.25	-	-256.25	-	223.83	11.61	-235.44	-	-	-
09	Electric Fittings	-	-	-	-	-	-	-	-	-	-
	Previous year	475.97	-	-475.97	-	275.24	24.71	-299.95	-	-	-
10	Vehicles	-	-	-	-	-	-	-	-	-	-
	Previous year	409.19	-	-409.19	-	215.80	25.59	-241.39	-	-	-
	Sub Total (Property, Plant & Equipment)	17,345.72	-	-17,345.72	-	7,427.26	625.16	-8,052.41	-	-	-
	Previous year										
B	Right of use of Assets										
01	Land	-	-	-	-	-	-	-	-	-	-
	Previous year	360.89	-	-360.89	-	19.50	2.66	-22.16	-	-	-
02	Plant & Machinery	-	-	-	-	-	-	-	-	-	-
	Previous year	1,152.21	-	-1,152.21	-	147.09	60.38	-207.47	-	-	-
03	Office Equipments	-	-	-	-	-	-	-	-	-	-
	Previous year	1.58	-	-1.58	-	0.32	0.14	-0.46	-	-	-

Sub Total (Right of use of Assets)		-	-	-	-	-	-	-	-	-	-	-	-
Previous year		1,514.68	-	-1,514.68	-	166.91	63.17	-230.09	-	-	-	-	-
C	Intangible Assets												
01	Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	-	283.00	-283.00	-	-	2.09	-2.09	-	-	-	-	-
02	Product Development	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	4,654.34	593.97	-5,248.32	-	1,788.50	240.87	-2,029.37	-	-	-	-	-
03	Technical Know how	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	-	5,663.37	-5,663.37	-	-	41.89	-41.89	-	-	-	-	-
04	Computer Software	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	202.93	-	-202.93	-	196.14	4.43	-200.57	-	-	-	-	-
05	Web Site Development	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (Intangible Assets)	-	-	-	-	-	-	-	-	-	-	-	-
D	Intangible Asset Under Development (Product Development)												
	Previous year	4,857.27	6,540.34	-11,397.62	-	1,984.64	289.27	-2,273.92	-	-	-	-	-
	Previous year	593.97	-	-593.97	-	-	-	-	-	-	-	-	-
E	Capital Work in Progress :												
01	Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C + D + E)		-	-	-	-	-	-	-	-	-	-	-	-
Previous Year :		24,311.65	6,540.34	-30,852.00	-	9,578.81	977.60	-10,556.42	-	-	-	-	-

Note :

- (I) The estimated lives of Property, Plant & Equipments adopted are different from those prescribed under Schedule II of the act and have been determined based on certificate obtained from technical experts.
- (II) Expenditure, identifiable and reliably measurable, incurred on Product Development yielding future economic benefits is capitalized as internally generated intangible asset and it is kept under asset under development (Product Development) till the start of Commercial Production of respective products. The carrying value is supported by valuation report of independent valuer.
- (III) Adjustment in "Intangible Asset Under Development" represents transfer to "Product Development" under the head Intangible Assets, of those items whose commercial production has commenced during the previous year.

Notes forming part of the Financial Statements for the year ended 31st March 2023

3 Non-current investment

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
i) Investment in Subsidiary Companies (At Deemed Cost) :			
20,94,269 (20,94,269) Equity Shares of £ 1 each fully paid up of wholly owned ultimate foreign subsidiary - Setco Automotive UK Limited (UK)		1,691.84	1,691.84
Less : Impairment in Value of Investments	27(b)	1,269.06	1,269.06
		422.78	422.78
1,28,778 (1,28,778) Equity shares of MUR 100 each fully paid up of wholly owned foreign subsidiary - WEW Holdings Limited (Mauritius)		190.81	190.81
Less : Impairment in Value of Investments	3(b)	143.10	143.10
		47.71	47.71
2,15,014 (2,15,014) 0% redeemable preference shares of MUR 100 each fully paid up of wholly owned foreign subsidiary - WEW Holdings Limited (Mauritius)		316.79	316.79
Less : Impairment in Value of Investments	3(b)	237.59	237.59
		79.20	79.20
11,70,90,000 (11,70,90,000) Equity share of Rs. 10/- each fully paid up of subsidiary - Lava Cast Private Limited	27(d)	11,709.00	11,709.00
Less : Impairment in Value of Investments		8,289.97	8,289.97
		3,419.03	3,419.03
Deemed Investment in Equity - Fair Value of Financial Guarantees extended to Lava Cast Private Limited		1,151.08	1,122.47
100 (100) Equity shares of AED 1000 each fully paid up of wholly owned foreign subsidiary - Setco MEA DMCC (Dubai)	3(c)	17.75	17.75
7,10,000 (7,10,000) equity share of Rs. 10/- each fully paid up of subsidiary - Setco Auto Systems Private Limited (SASPL)	3(d)	71.00	71.00
Sub total (i)		5,208.55	5,179.94
ii) Investment in other related entities (At Amortised Cost) :			
8,19,65,000 (8,19,65,000) 9% Non Convertible Cumulative Compulsorily Redeemable Preference Share of Rs. 10/- each fully paid of Setco Engineering Private Limited		8,196.50	8,196.50
Less : Impairment in Value of Investments	27(c)	1,193.71	1,193.71
Sub total (ii)		7,002.79	7,002.79
iii) Non trade investment (unquoted) (at Deemed cost) :			
10 (10) Equity shares of Rs. 25/- each of Kalol Urban Co.op.Bank Limited Rs. 250/- (Rs. 250/-)		-	-
Sub total (iii)		-	-
Total (non-current investments)		12,211.34	12,182.73

a) Investments in other related entities, Subsidiaries/Joint Venture have been made in terms of investment limits approved by Board of Directors of the company from time to time.

b) This investment in 0% Redeemable Preference Shares is, in substance investment in Equity instruments based on terms of the said instruments and hence treated accordingly at Deemed Cost.

During the previous year, the company has provided impairment on investments in Equity and preference shares in WEW Holdings Limited (Mauritius) in respect of its holding in Setco Automotive (UK) Ltd.

- c) 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.
- d) Nominee shareholders are Harish Sheth & Sneha Sheth - 70 Shares, Udit Sheth - 10 Shares, Sneha Sheth - 10 Shares and Neethu Sheth - 10 Shares.

4 Loans Receivables (Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Considered good, Unsecured			
Loans to subsidiary companies			
i) Setco Automotive (NA) Inc.		397.20	397.20
ii) Setco Automotive (UK) Ltd.		4,129.54	4,129.54
Less : Impairment Loss Allowance	27(b)	890.81	890.81
		<u>3,238.73</u>	<u>3,238.73</u>
	Total (i) + (ii)	3,635.93	3,635.93

- a) Company has not charged interest to its Subsidiaries.

5 Others Financial Assets (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Considered good, Unsecured		
Other deposits	0.25	0.25
Total	0.25	0.25

6 Deferred Tax Assets (Net) (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities:		
Timing Differences related to Property, Plant & Equipment and Intangible Assets	-	-
Deferred Tax Assets:		
Timing differences related to Expenses	-	-
MAT credit entitlement	518.45	1,545.86
Deferred Tax Assets (Liability)	-	-
MAT Credit utilization	-	-
Net Deferred Tax Assets	518.45	1,545.86
Total provision made in Statement of Profit and Loss	-	-721.14
- Refer Note no. 41 for detailed Deferred Tax Assets (Liabilities)		

7 Trade Receivables (Unsecured) (Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Undisputed, Considered good, Secured			
Related parties		80.08	223.21
Others		-	136.12

			80.08	359.33
Undisputed, Considered doubtful, Secured				
Related parties	7(ii)	-	-	124.94
Others		-	-	-
		-	-	124.94
Less : Allowance for Credit Loss		-	-	124.94
		-	-	-
Total			80.08	359.33

Movement in Allowance for Credit Loss is as follows :

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening	124.94	417.48
Add : Additions	-	-
Less: Utilisations / Reversals	124.94	292.54
Closing	-	124.94

Trade Receivables ageing as at 31st March, 2023 :

(Rs. In Lakhs)

Particulars	Not Due	Outstanding from due date of payment					Total
		Upto 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	-	-	-	-	-	80.08	80.08
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	-	80.08	80.08
Less : Allowance for credit impaired balances	-	-	-	-	-	-	-
Total							80.08

Trade Receivables ageing as at 31st March, 2022 :

(Rs. In Lakhs)

Particulars	Not Due	Outstanding from due date of payment					Total
		Upto 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	99.60	34.98	115.94	108.81	-	-	359.33
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	124.94	-	124.94
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-

Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	99.60	34.98	115.94	108.81	124.94	-	484.27
Less : Allowance for credit impaired balances							-124.94
Total							359.33

- (i) An amount of Rs. 80.08 lakhs (Rs. 348.15 lakhs) against export receivables as on 31st March 2023, beyond the timelines stipulated under the Foreign Exchange Management Act, 1999. The management of the Company has submitted necessary applications with the appropriate authority for condonation of delays to regularize the default. Impact thereof if any, will be considered when such application is disposed off.
- (ii) The company has formed a 100% subsidiary in UAE in the name of Setco MEA DMCC. The Company's wholly owned foreign subsidiary Setco MEA, DMCC has eroded net worth due to loss. 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 our dues, we have not provided ECL for the previous year.

8 Cash and Cash Equivalents (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash balance	-	-
Bank balances	73.83	9.37
Fixed Deposit Account (Lien-marked on Margin Account)	18.89	18.02
Total	92.72	27.39

9 Bank Balances Other than Cash and Cash Equivalents Above (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other bank balance		
Unclaimed dividends	64.78	72.38
Total	64.78	72.38

10 Loans Receivables (Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Considered good, Unsecured			
Loans to subsidiary companies			
Setco Automotive (UK) Ltd.	27(b)	1,901.48	1,934.59
Setco MEA Limited, UAE	10(a)	61.25	60.65
Total		1,962.73	1,995.24

- a) Company has not charged interest from its Subsidiaries.

11 Other Current Assets (Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Balance with Statutory / Government Authorities			
Balance with Income Tax	38(B)	143.03	143.03
Statutory dues receivable - Income Tax		258.11	257.40

GST/VAT refund receivables		456.59	439.30
Less : Impairment Loss Allowance	11(a)	407.76	407.76
Sub total		449.97	431.97
Other Loans And Advances			
Employees advances		29.28	29.28
Total		479.25	461.25

- a) Recognition of income of refund of IGST/CGST, share of state for uttrakhand pending notification by state government. In the absence of any notification on the matter, the company had provided impairment of 100% of amount receivable.

12 Equity (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Authorised capital		
25,00,00,000 (25,00,00,000) Equity Shares of Rs. 2/- each	5,000.00	5,000.00
Total	5,000.00	5,000.00
Issued, subscribed and fully paid up share capital		
13,37,67,275 (13,37,67,275) Equity Shares of Rs. 2 each	2,675.35	2,675.35
Total	2,675.35	2,675.35

- a) Pursuant to the approval of members in the Annual General Meeting held on 28th September, 2015 the equity shares of face value of Rs. 10/- each have been subdivided into equity shares of face value of Rs. 2/- each with effect from 17th December, 2015. As a result, the number of equity shares has increased from 2,67,19,335 to 13,35,96,675 shares.
- b) The company has only one class of equity shares having a par value of Rs. 2 per share. Each shareholder of equity share is entitled to one vote per share.
- c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Movement of number of shares and share capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	(Rs. In Lakhs)	Number	(Rs. In Lakhs)
Equity shares				
As at the beginning of the year	133,767,275	2,675.35	133,767,275	2,675.35
Add : Shares issued on exercise of employee stock options	-	-	-	-
	133,767,275	2,675.35	133,767,275	2,675.35
Less : Changes, if any during the year	-	-	-	-
Outstanding at the end of the year	133,767,275	2,675.35	133,767,275	2,675.35

(iii) Details of shareholders holding more than 5% shares in the company

Name of Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	Number	% Holding	Number	% Holding
Equity shares of Rs. 2/- each fully paid				
Setco Engineering Private Limited	64,063,845	47.89	64,063,845	47.89

(iv) Disclosure of Shareholding of Promoters

Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% change during the year
	Number	% Holding	Number	% Holding	
Equity shares of Rs. 2/- each fully paid					
Setco Engineering Private Limited	64,063,845	47.89	64,063,845	47.89	-
Transstadia Enterprises Private Limited (formerly known as Transstadia Capital Private Limited)	1,650,000	1.23	1,650,000	1.23	-
Urja Harshal Shah	4,284,725	3.20	4,284,725	3.20	-
Sneha Harish Sheth	3,537,400	2.64	3,537,400	2.64	-
Harish Kiritbhai Sheth	2,897,575	2.17	2,897,575	2.17	-
Udit Harish Sheth	2,762,863	2.07	2,762,863	2.07	-
Harish Kiritbhai Sheth - HUF	61,080	0.05	61,080	0.05	-
Total	79,257,488	59.25	79,257,488	59.25	-

Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% change during the year
	Number	% Holding	Number	% Holding	
Equity shares of Rs. 2/- each fully paid					
Setco Engineering Private Limited	64,063,845	47.89	64,063,845	47.89	-
Transstadia Capital Private Limited	1,650,000	1.23	1,650,000	1.23	-
Urja Harshal Shah	4,284,725	3.20	4,284,725	3.20	-
Sneha Harish Sheth	3,537,400	2.64	3,537,400	2.64	-
Harish Kiritbhai Sheth	2,897,575	2.17	2,897,575	2.17	-
Udit Harish Sheth	2,762,863	2.07	2,762,863	2.07	-
Harish Kiritbhai Sheth - HUF	61,080	0.05	61,080	0.05	-
Total	79,257,488	59.25	79,257,488	59.25	-

13 Other Equity

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
(i) Capital Reserve (Opening & Closing Balance)			
a) On forfeiture of Shares		0.21	0.21
b) Gain on Sale of Clutch Business	29	13,224.10	13,224.10
Total		13,224.31	13,224.31
(ii) Securities Premium			
As per Last Balance Sheet		239.29	239.29
Add : Received during the year on exercise of employee stock options		-	-
Total		239.29	239.29
(iii) General Reserve			
As per Last Balance Sheet		1,948.62	1,948.62
Total		1,948.62	1,948.62
(iv) Retained Earnings			
As per Last Balance Sheet		-9,709.04	7,750.23
Less : Reversal of Unrealized Profit		-	22.25
Add : Profit for the year		-881.75	-17,481.53
Total		-10,590.79	-9,709.05

Total (i to iv)

4,821.43

5,703.17

14 Borrowings

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Other loans			
From Related Party			
Unsecured	14(a)	6,852.57	7,013.18
Total		6,852.57	7,013.18
The above amount includes			
Secured borrowings		-	-
Unsecured borrowings		6,852.57	7,013.18

(a) The Company has not provided Interest on the Unsecured Loan from Setco Auto Systems Pvt. Ltd. (SASPL), (Subsidiary Company) as the same is repayable as per mutually agreed terms/period and no interest is accordingly accrued on such liability.

15 Other financial liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial Guarantee Contracts - LCPL	670.34	643.68
Total	670.34	643.68

16 Trade payables

(Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed		
Dues of Micro, small and medium enterprises	-	-
Dues other than of Micro, small and medium enterprises	3,893.53	4,126.35
Total	3,893.53	4,126.35

This information as required to be disclosed under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company .

Information in terms of Section 22 of Micro, Small and Medium enterprises Development Act, 2006 are given below :

(Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Principal amount remaining unpaid to any supplier at the end of each accounting year	-	-
Interest accrued & remaining unpaid	-	-

Trade Payables ageing as at 31st March, 2023 :
(Rs. In Lakhs)

Particulars	Not Due	Outstanding from the due date of payment				Total
		Upto 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of Micro, small and medium enterprises						
Disputed dues	-	-	-	-	-	-
Undisputed dues	-	-	-	-	-	-
Total	-	-	-	-	-	-
Outstanding dues other than of Micro, small and medium enterprises						
Disputed dues	-	-	-	-	-	-
Undisputed dues	2.15	3,891.38				3,893.53
Total	2.15	3,891.38	-	-	-	3,893.53
Balance as at 31st March, 2023	2.15	3,891.38	-	-	-	3,893.53

Trade Payables ageing as at 31st March, 2022 :
(Rs. In Lakhs)

Particulars	Not Due	Outstanding from the due date of payment				Total
		Upto 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of Micro, small and medium enterprises						
Disputed dues	-	-	-	-	-	-
Undisputed dues	-	-	-	-	-	-
Total	-	-	-	-	-	-
Outstanding dues other than of Micro, small and medium enterprises						
Disputed dues	-	-	-	-	-	-
Undisputed dues	84.80	3,787.95	184.76	-	68.83	4,126.34
Total	84.80	3,787.95	184.76	-	68.83	4,126.34
Balance as at 31st March, 2022	84.80	3,787.95	184.76	-	68.83	4,126.34

17 Other financial liabilities
(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Unpaid/unclaimed dividend	17(a)	64.78	72.38
Other Payable		17.76	17.76
Financial Guarantee Contracts - SANAI		18.19	18.62
Total		100.73	108.76

- a) There are no amounts due for payment to the Investor Education and Protection Fund u/s. 125 of Companies Act, 2013 at the year end.

18 Other current liabilities
(Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Payable towards statutory liabilities	31.58	5.60
Total	31.58	5.60

19 Current Tax Liabilities (net)		(Rs. In Lakhs)	
Particulars		As at 31st March, 2023	As at 31st March, 2022
Provision for taxation (Earlier periods)		-	4.27
Total		-	4.27

20 Revenue from operations		(Rs. In Lakhs)	
Particulars	Refer Note No.	Year ended 31st March 2023	Year ended 31st March 2022
i) Sales of products	20(a)	-0.72	20,186.42
Less : Goods and Service Tax		-	4,512.55
Total (i)		-0.72	15,673.87
ii) Other Operating Revenue			
Management Service Fees		115.00	-
Total (ii)		115.00	-
Total (i) + (ii)		114.28	15,673.87

a) During the year, reversal of Supplementary Invoice of Rs. 1.52 Lakhs.

21 Other Income		(Rs. In Lakhs)	
Particulars		Year ended 31st March 2023	Year ended 31st March 2022
Interest Income from			
Others		4.89	17.19
Other non-operating income			
Lease Rent		-	99.85
Finance Income - Financial Guarantee		2.38	49.85
Finance Income - Deposits		-	9.27
Foreign Exchange Fluctuation Gain (Net)		-	165.48
Interest		73.80	-
Sundry balances written back		92.35	-
Government Grants - Cash Subsidy amortization		-	12.60
Gain on Lease cancellation		-	146.94
Duty drawback		-	14.76
Others		0.78	4.30
Total		174.20	520.24

22 Cost of Material Consumed		(Rs. In Lakhs)	
Particulars	Refer Note No.	Year ended 31st March 2023	Year ended 31st March 2022
Opening stock		-	3,626.99
Add : Purchases (net)		0.80	4,047.73
Less : Closing Stock		-	-
Less : Sales of manufacturing scrap		-	107.67
Total	22(a)	0.80	7,567.05

- a) 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'.

23 Changes in Inventories of Finished Goods and Work in Progress		(Rs. In Lakhs)	
Particulars		Year ended 31st March 2023	Year ended 31st March 2022
Opening inventories :			
Work-in-progress		-	3,191.55
Finished goods		-	1,104.38
Goods-in-transit		-	255.14
Scrap		-	2.40
			4,553.47
Closing inventories :			
Work-in-progress		-	-
Finished goods		-	-
Goods-in-transit		-	-
Scrap		-	-
			4,553.47
	(Increase) /decrease in inventories	-	4,553.47

24 Employee Benefit Expenses		(Rs. In Lakhs)	
Particulars	Refer Note No.	Year ended 31st March 2023	Year ended 31st March 2022
Salaries, wages and bonus	24(a)	40.00	1,894.51
Contribution to employees welfare funds	24(b)	70.43	118.49
Staff welfare expenses		-	74.49
Total		110.43	2,087.49

- (a) During the year, Ex-gratia payment to Chairman
(b) During the year, provision made for PF Arrears dues.

25 Finance Cost		(Rs. In Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022	
Interest expense	4.57	2,361.00	
Other financial charges	0.69	155.87	
Finance expenses	-	-0.84	
Total	5.26	2,516.03	

26 Other Expenses		(Rs. In Lakhs)	
Particulars	Refer Note No.	Year ended 31st March 2023	Year ended 31st March 2022
Stores and Tools Consumed		-	209.91
Carriage Inward		-	107.16
Power and fuel		-	252.05
Job work charge		-	118.12
Repairs and maintenance to machineries		-	36.71
Repairs to building		-	0.43
Other repairs		-	8.97
Computer expenses		-	140.97
Factory expenses		0.05	11.64
Rent		-	61.58
Insurance		-	48.89
Conveyance		-	83.75
Travelling expenses		7.77	41.95
Legal and professional charges		54.65	560.33
Statutory auditors' remuneration		10.00	36.38
Printing and stationary		0.16	5.28
Communication expenses		0.04	20.74
Books, subscription and membership		-	16.10
Directors' sitting fees		12.30	25.05
Office expenses		-	6.86
Corporate social responsibility expenses		-	15.00
Donation		-	-
General expenses	26 (a)	32.28	165.74
Foreign Exchange Fluctuation Loss (Net)		32.73	-
Marketing and sales promotion		1.29	114.76
Advertisement expenses		-	1.13
Discount, commission and other expenses on sales		-	226.16
Bad Debts written off (net of Warranty provision)	26 (a)	-	194.55
Allowance for Doubtful Debts		-124.94	-292.53
Packing and forwarding expenses		-	404.79
Total		26.33	2,622.47

- a) 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 in previous year.

27 Exceptional Items

(Rs. In Lakhs)

Particulars	Refer Note No.	Year ended 31st March 2023	Year ended 31st March 2022
Provision for diminution in investment	3(b),27(c),(d)	-	8,928.55
Provision for advance	27 (b)	-	309.72
Inventory write down	27 (e)	-	3,703.46
Total			12,941.73

- a) In compliance with IND As provisions, the company has made in previous year appropriate provisions for impairment/expected credit losses (ECL) in respect of its investments, loans, receivables etc from its subsidiaries and associate concerns , based on review of the respective balance sheets and valuation reports obtained from approved valuers.
- b) Rs. 1,691.84 lakhs (Rs.1,691.84 lakhs) invested in 20,94,269 (20,94,269) Equity shares of Setco Automotive (UK) Limited, (SAUL), a Wholly Owned Ultimate Foreign Subsidiary, a Technical know how and development hub of the group is for domestic and international markets. SAUL has substantial accumulated losses in the year ended 31st March, 2023 amounting to Rs. 2,420.14 lakhs (Rs. 2,053.71 lakhs). The Company has made loss for the year but has incurred operating loss during the year. The company has provided for ECL on long outstanding dues from the SAUL.
- c) During the previous 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. The company has provided 9% ECL for the loss of dividend in previous year. The company is reasonably certain to recover principal amount and the accumulated unpaid dividend.
- d) In previous year, the Company has impaired the Investment in Lava Cast Pvt. Ltd. (LCPL) by Rs. 8,289.97 lakhs benchmarking on the recent transaction by its Subsidiary SASPL, purchasing the Shares of Lava Cast Pvt. Ltd. at Rs. 2.93 per share from a third party.
- e) In previous year, Government of India has formulated the policy to scrap old Commercial vehicles greater than 15 years. 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. 4,205.84 lakhs (at book value) of items/components whose utility is impaired, has been written down in accounts. The net loss of Rs. 3,703.46 lakhs (net of scrap sale value) is written down as expense.

28 MAT CREDIT

During the year, company has adjusted/(recognised) MAT Credit of Rs. 1027.41 lakhs for previous financial year tax liability (Previous year Rs. 638.34 lakhs) and same is shown as adjustment from the current tax amount in the statement of profit and loss.

29 Discontinued Business

In previous financial year 2021-22, on 31st August 2021, the company has entered into Business Transfer Agreement (BTA) with Setco Auto Systems Pvt. Ltd. (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. 13,224 lakhs transferred to capital reserve in compliance with Ind AS 103.

Statement of calculation of Net Assts of Clutch Business are as follows :

Particulars	Rs. In lakhs
Non Current Assets	24,050.33
Current Assets	12,454.22
Total Assets (A)	36,504.55
Non Current Liabilities	7.03

Current liabilities	49,716.62
Total Liabilities (B)	49,723.65
Net Assets (A-B)	-13,219.10

Statement of Profit and Loss of Clutch Business is as follows : **Rs. In lakhs**

Particulars	Year ended 31st March 2022
i. Revenue from operations	10,857.71
ii. Other Income	401.35
iii. Total Income (I+II)	11,259.06
iv. Expenses	16,395.08
v. Profit/(loss) before exceptional items and tax (III-IV)	-5,136.02
vi Exceptional items	2,908.13
vii. Profit/(loss) before tax from discontinued operations (V-VI)	-8,044.15
viii. Tax expense/(credit) (net) from discontinued operations	334.82
ix. Profit/(loss) for the year from discontinued operations (VII-VIII)	-8,378.97

30 30,70,000 number of shares of SE Transstadia Pvt. Ltd. were sold at a price of Rs. 5 per share during the previous year. Thus, the company has incurred a loss of Rs. 1,381.50 lakhs on this transaction in the previous year. The company has booked loss of Rs. 153.50 lakhs under OCI during the previous year, net of opening provisions of Rs. 1,228.00 lakhs.

31 EARNINGS/(LOSS) PER SHARE (EPS)

(a) EPS - Continuing operations :

Particulars	2022-2023	2021-2022
Profit available to Equity Shareholders after tax (Rs. In Lakhs)	-881.75	-8,949.06
Weighted average number of equity shares of Rs. 2/- each		
Basic - No. of Shares	133,767,275	133,767,275
Diluted - No. of Shares	133,767,275	133,767,275
Earnings per share in Rs. :		
Basic in Rs.	-0.66	-6.69
Diluted in Rs.	-0.66	-6.69

(b) EPS - Discontinued operations :

Particulars	2022-2023	2021-2022
Profit available to Equity Shareholders after tax (Rs. In Lakhs)	-	-8,378.97
Weighted average number of equity shares of Rs. 2/- each		
Basic - No. of Shares	-	133,767,275
Diluted - No. of Shares	-	133,767,275
Earnings per share in Rs. :		
Basic in Rs.	-	-6.26
Diluted in Rs.	-	-6.26

(c) **EPS - Continuing and Discontinued operations :**

Particulars	2022-2023	2021-2022
Profit available to Equity Shareholders after tax (Rs. In Lakhs)	-881.75	-17,328.03
Weighted average number of equity shares of Rs. 2/- each		
Basic - No. of Shares	133,767,275	133,767,275
Diluted - No. of Shares	133,767,275	133,767,275
Earnings per share in Rs. :		
Basic in Rs.	-0.66	-12.95
Diluted in Rs.	-0.66	-12.95

32. Related Party Disclosures as per Indian Accounting Standard - 24 "RELATED PARTY DISCLOSURES"

A. Names of Related Parties and Nature of Relationship :

Sr. No.	Name of the Related Party	Relationship
1	Setco Automotive (UK) Limited UK	Wholly Owned Ultimate Foreign Subsidiary Companies
2	Setco Automotive N.A. Inc. (USA)	
3	WEW Holdings Limited, Mauritius	Wholly Owned Foreign Subsidiary Companies
4	Setco MEA DMCC, UAE	
5	Setco Auto Systems Private Limited	
6	Lava Cast Private Limited	
7	Key Managerial Personnel *	
	Shri Harish Sheth	Chairman and Managing Director
	Shri Udit Sheth	Whole time Director
	Smt. Urja Shah	Executive Director
	Shri Arun Arora	Independent Director
	Shri Ashok Jha	Independent Director
	Smt. Suhasini Sathe	Independent Director
	Shri Jitender Gujaral	Chief Executive Officer (Upto 31.10.2022)
	Shri Rovinder Kumar	Chief Financial Officer (upto 30.05.2022)
	Shri Shrinivasan Sivasubrahmanyam	Chief Financial Officer (w.e.f. 14.11.2022)
	Shri Hiren Vala	Company Secretary
8	Setco Engineering Private Limited	Enterprises over which key managerial personnel are able to exercise significant influence
9	Western Engineering Works (Partnership)	
10	SE Transstadia Private Limited	
11	White River Entertainment Pvt. Ltd.	
12	Transstadia Technologies Private Limited	
13	Transstadia Play Sport Private Limited	
14	Transstadia Enterprises Private Limited (formerly known as Transstadia Capital Private Limited)	
15	Transstadia Boxing India Private Limited	
16	Transstadia Holdings Private Limited	
17	Setco Holdings Private Limited	
18	Transstadia Hospitality Private Limited (Strike off on 9th Jan 2023)	
19	Urdit Exports (Proprietary concern)	
20	Transstadia Education and Research Foundation	
21	Hrehan Venture Advisors Pvt. Ltd.	
22	Wingspun Funds Advisors LLP	
23	Transstadia Institute & Research Council	
24	Transstadia Education Services Pvt Ltd. (Strike off on 5th Dec 2022)	

- 25 Sportscom Industry Confederation
26 Harish K. Sheth (HUF)
27 Setco Foundation (Trust)
28 Smt. Sneha Sheth
29 Shri Harshal Shah

Relatives of Key Managerial Personnel

* The Company has designated Managing Director, Chief Financial Officer, Company Secretary and Chief Executive Officer as key managerial personnel for the purposes of Section 203 of Companies Act, 2013.

B. Transactions with Related Parties :

(Rs. In Lakhs)

Sr. No.	Nature of transaction	2022-2023	2021-2022
A)	Transactions with wholly owned ultimate foreign subsidiaries :		
	Export		
	- Setco Automotive (UK) Limited	-	38.35
	- Setco Automotive (NA), Inc.	-	-
	- Setco MEA DMCC	-	62.36
	Import		
	- Setco Automotive (NA), Inc.	-	-
	Purchase of Trademark & Goodwill		
	- Setco Automotive (UK) Limited	-	3,494.24
	- Setco Automotive (NA), Inc.	-	2,452.13
	Expenditure (Net)		
	- Setco Automotive (UK) Limited	-	(9.35)
	- Setco Automotive (NA), Inc.	-	(7.28)
	Finance Income		
	- Setco Automotive (NA), Inc.	0.44	1.94
	Outstanding at year end :		
	Investment		
	- Setco Automotive (UK) Limited	1,691.84	1,691.84
	- WEW Holding Limited	507.60	507.60
	- Setco MEA DMCC	17.75	17.75
	Financial Guarantees Liabilities		
	- Setco Automotive (UK) Limited	-	-
	- Setco Automotive (NA), INC.	18.19	18.62
	Loans and advances		
	- Setco Automotive (UK) Limited	6,031.02	6,064.13
	- Setco Automotive (NA), INC.	397.20	397.20
	- Setco MEA DMCC	61.25	60.65
	Amount receivable		
	- Setco Automotive (UK) Limited	-	-
	- Setco Automotive (NA), INC.	-	-
	- Setco MEA DMCC	80.08	348.15
	Amount Payable		
	- Setco Automotive (UK) Limited	3,005.20	3,064.58
	- Setco Automotive (NA), INC.	904.07	875.97

- Setco MEA DMCC	17.75	28.05
B) Transactions with Indian subsidiary :		
Investment		
- Setco Auto Systems Private Limited	-	70.00
- Lava Cast Private Limited	-	-
Sale proceed from Slump Sale		
- Setco Auto Systems Private Limited	-	5.00
Sale (Gross)		
- Setco Auto Systems Private Limited	0.94	3,348.56
- Lava Cast Private Limited	-	434.93
Purchase (Gross)		
- Setco Auto Systems Private Limited	-	2,911.57
- Lava Cast Private Limited	-	2,341.74
Job work charges		
- Lava Cast Private Limited	-	6.71
Lease Rent		
- Lava Cast Private Limited	-	99.85
Loans given		
- Lava Cast Private Limited	-	150.10
Loans given		
- Setco Auto Systems Private Limited	-	7,013.18
Expenditure recovered		
- Setco Auto Systems Private Limited	351.72	603.65
Finance Income		
- Lava Cast Private Limited	1.95	47.91
Transfer to Setco Auto System Pvt. Ltd.		
Lava Cast Private Limited		
- Loans and advances	-	4,126.43
- Amount receivable	-	1,726.61
- Amount payable	-	2,104.19
Outstanding at year end :		
Investment		
- Setco Auto Systems Private Limited	71.00	71.00
- Lava Cast Private Limited	11,709.00	11,709.00
Loans and advances		
- Setco Auto Systems Private Limited	6,851.69	7,013.18
- Lava Cast Private Limited	-	-
Financial Guarantees Liabilities		
- Lava Cast Private Limited	670.34	643.68
Deemed Equity Investment		
- Lava Cast Private Limited	1,151.08	1,122.47
C) Transactions with enterprises over which key managerial personnel are able to exercise significant influence :		
Investment made		

- Setco Engineering Private Limited	-	2,336.50
Sales of Investment		
- SE Transstadia Private Limited	-	1,535.00
Office Rent		
- Western Engineering Works	-	26.00
Marketing commission paid		
- Setco Engineering Private Limited	-	215.56
Purchase (gross)		
- Pahadi Goodness Pvt. Ltd.	-	0.16
CSR Activity		
- Setco Foundation	-	15.00
Outstanding at year end :		
Investment		
- Setco Engineering Private Limited	8,196.50	8,196.50

D) Transactions with key managerial personnel and their relatives :

Managerial remuneration (directors)

(Including provident fund and excluding commission to non-executive directors)

- Shri Harish Sheth [(Refer Note No. 32(1))]	40.00	168.00
- Shri Udit Sheth	-	56.00
- Smt. Urja Shah	-	27.70
-Shir Shveta Vakil (upto 31 Mar 2020) [Refer Note No.32(2)]	40.00	-

Remuneration of other Key Managerial Personnel - **60.32**

Outstanding at year end :

Amount receivable

- Shri Harish Sheth	29.28	29.28
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- 1) In pursuance of special resolutions passed by the members and in view of inadequacy of profits, the Chairman & Managing Director has been paid remuneration of Rs. 40.00 lakhs as Ex-gratia (Rs. 168.00 lakhs) per annum, within the limits laid down under Part-II of Schedule V of the Companies Act, 2013.
- 2) During the year, Ex-gratia arrears paid to Shri Shveta Vakil amounting of Rs. 40.00 lakhs on behalf of Setco Auto Systems Private Limited against the liability transferred to the said company pursuant to the Business Transfer Agreement executed in previous year.

33. Loans and advances in the nature of loans given to subsidiaries in terms of schedule V of SEBI (LODR) Regulations 2015 (Rs. In Lakhs)

Sr. No.	Name of the company	As at 31.03.2023	As at 31.03.2022	Maximum Balance during 2022-2023	Maximum Balance during 2021-2022
1	Setco Automotive (UK) Limited, UK	6,031.02	6,064.13	6,126.36	6,103.54
2	Setco Automotive (NA) Inc., USA	397.20	397.20	397.20	547.72
3	Setco MEA DMCC	61.25	60.65	61.25	60.65
4	Lava Cast Private Limited	-	-	-	4,126.43

34 Disclosures for loans or advances in the nature of loans are granted to promoters, directors, key managerial personnel (KMPs) and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person are as under :

- a) Repayable on demand : Nil
- b) Without specifying any terms or period of repayment :

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	0.00%
Directors	-	0.00%
KMPs	-	0.00%
Related parties	6489.47	100.00%

35 Disclosure under section 186 (4) of the Companies Act , 2013

Details of Investments made, loans and corporate guarantee given in respect of subsidiaries are presented at Note no. 3, 4, 10, 15, 17, 32 and 33. Loans and corporate guarantees given are for business purpose of subsidiaries.

36 Segment information

In previous year, the company has sold its auto component business under Business Transfer Agreement to it's subsidiary Setco Auto Systems Private Limited and there are no operation during the year, hence there is no reportable segment during the year.

37 Payment to Auditors

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
As Auditors		
Statutory Audit Fees	10.00	36.38
Others	4.93	9.38
Total	14.93	45.76

38 Contingent Liabilities and Commitments

A. Contingent Liabilities :

- Guarantees given by the bank on behalf of the Company Rs. 12.55 lakhs (Rs. 14.53 lakhs).
- Guarantee given for maximum \$ 3.00 million (\$ 3.00 million) to Bank of Baroda, New York, USA for wholly owned ultimate foreign subsidiary's credit facilities Rs. 2,480.70 lakhs (Rs. 2,288.10 lakhs). The carrying amounts of related financial guarantee contracts recognised in books of account are Rs. 18.19 lakhs as at 31.03.2023 (Rs. 18.62 lakhs). The said facilities of Bank of Baroda, New York USA stand released on 27th April, 2023 vide letter reference number BOBNY/ADV/2023/SETCO.
- Guarantee given for maximum Rs. 16,678.00 lakhs (Rs. 18,326.00 lakhs) to Bank of Baroda, Mumbai, India, for subsidiary's credit facilities. The carrying amounts of related financial guarantee contracts are recognised in books of account are Rs. 670.34 lakhs as at 31.03.2023 (Rs. 643.68 lakhs).
- Guarantee given for maximum Rs. 56,500.00 lakhs to Vistra ITCL (India) Limited, Mumbai, India (Debenture Trustee) for non convertible debentures issued by the company in previous year and its subsidiary Setco Auto Systems Private Limited

B. Note on Pending Litigation :

- The Company had filed a case against a competitor for cancellation of registration of design granted by Controller of Patents and Designs in Kolkata High Court. In view of the settlement of differences under a consent terms, the said case became infructuous and the process of withdrawal of the case is under process.
- The Company has received Assessment Orders under section 143(3) read with section 144C (3) for A.Y.2016-17, A.Y. 2017-18 & A.Y.2018-19 in which certain additions are made resulting in demand of Rs. 0.73 lacs, Rs.0.35 lacs and Rs Nil amount respectively. The matters on which additions are made in respect of product development expenses, are adjudicated in favour of the Company by the Income tax Appellate Tribunal. These adjudicated matters are not contested further by the Income tax Department.

The company's appeals in which additions are made are contested before the Commissioner of Income tax (Appeals) which are pending for disposal. Based on adjudication by the Income tax appellate tribunal, the appeal before the CIT Appeals are expected to decide in favour of the company. Therefore, the demand arising on account of such additions are expected to be deleted and hence not provided for.

The penalty proceedings initiated by the Department under section 271(1)(c) of the Income tax Act, 1961 based on additions made in the assessments referred to above are requested to be kept in abeyance till the disposal of appeal. Based on adjudication of the matters decided in favour of the company it is expected that such proceedings will be dropped.

- iii) The company has received notices U/s. 276B/276BB of Income tax Act, 1961 for delay in payment of amount of TDS to the credit of Central Government for the F.Y.2019-20 & F.Y.2020-21. The company has represented and laid facts and the compelling circumstances under which the delay in payment accrued. However, as on date, entire due amount with applicable interest has been paid. Compliances and proceedings of the same are ongoing and no order is received till date.

The company's management reasonably expects that these cases when ultimately concluded/adjudicated will not have any material or adverse effect on the company's results or the operations or financial condition.

C. Commitments :

39 Trade payable and receivables

Trade payables' balances for which balance confirmations have been received, have been reconciled and necessary adjustments, if any, has been accounted. In respect of trade receivables and other debit/credit balances, for which balance confirmations have been received, have been reconciled and necessary adjustments, if any, has been accounted.

Since in the slump sale transaction in previous year, whole of the Indian business was transferred to its subsidiary company, Setco Auto Systems Pvt. Ltd. as per the BTA agreement, trade payables represent amount payable for imports, trade receivables for exports made to various subsidiaries and supplementary invoices raised by the company after slump sale.

40 Employee Benefits

Disclosure pursuant to Ind AS – 19 "Employee Benefits"

i) Defined Contribution Plans

An amount of Rs 70 lakhs (Rs. 118.49 lakhs) (Provident Fund & ESIC) is recognized as an expense and included in Note 24 under the head "Employee Benefits".

ii) Gratuity - Long Term Defined Benefit Plan

In accordance with the Payment of Gratuity Act of 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company.

a) Funded status of the Plan

(Rs. In Lakhs)

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	-	-

b) Profit and loss account for the year

(Rs. In Lakhs)

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Service Cost :-	-	-
Current service cost	-	117.22
Past service cost and loss/(gain) on curtailment and settlement	-	-
Net interest cost	-	-
Total included in 'Employee Benefit Expense'	-	117.22
Expenses deducted from the fund	-	-
Total charged to profit and loss account	-	117.22

(c) **Other comprehensive income for the year** (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Components of actuarial gain/losses on obligations:	-	-
Due to Change in financial assumptions	-	-
Due to change in demographic assumption	-	-
Due to experience adjustments	-	-
Return on plan assets excluding amounts included in interest income	-	-
Amounts recognised in other comprehensive income	-	-

(d) **Reconciliation of net defined benefit obligation** (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Net opening provision in books of accounts	-	803.19
Current service cost	-	117.22
Interest Cost	-	-
Actuarial(Gain)/Loss on obligation	-	-
Past service cost	-	-
Benefits paid	-	(45.08)
Transferred to SASPL under Slump Sale	-	(875.33)
Closing provision in books of accounts	-	(0.00)

(e) **Reconciliation of planned assets** (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening value of plan assets	-	445.32
Expenses deducted from the fund	-	-
Interest Income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Contributions by employer	-	475.09
Benefits paid	-	(45.08)
Transferred to SASPL under Slump Sale	-	(875.33)
Closing value of plan assets	-	(0.00)

(f) **Principle actuarial assumptions** (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount Rate	0.00%	0.00%
Salary Growth Rate	0.00%	0.00%
Withdrawal Rates	-	-

(g) **Sensitivity to key assumptions** (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount rate Sensitivity		

Increase by 0.5%	-	-
(% change)	0.00%	0.00%
Decrease by 0.5%	-	-
(% change)	0.00%	0.00%

Salary growth rate Sensitivity

Increase by 0.5%	-	-
(% change)	0.00%	0.00%
Decrease by 0.5%	-	-
(% change)	0.00%	0.00%

Withdrawal rate (W.R.) Sensitivity

W.R. x 110%	-	-
(% change)	0.00%	0.00%
W.R. x 90%	-	-
(% change)	0.00%	0.00%

Description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate any thing about the likelihood of change in any parameter and the extent of the change if any.

(h) **Bifurcation of liability as per Schedule III** (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Liability*	-	-
Non-Current Liability	-	-
Net Liability	-	-

* The current liability is calculated as expected reduction in contributions for the next 12 months.

(i) **Risk Analysis**

Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons :

Adverse Salary Growth Experience : Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates : If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates : If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company, there can be strain on the cash flows.

Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(iii) **Compensated Absences**

The charge for the current year on Statement of Profit & Loss on account of compensated absences is Rs. Nil (Rs. 21.77 lakhs). The said liability is provided based on actuarial valuation. The said liability is not funded.

41 (i) Tax Expenses :

	(Rs. In Lakhs)	
Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(a) Tax expense :		
Current tax		
Current tax on profits for the year - Utilization of MAT	1,027.41	638.34
Adjustments for current tax of prior periods	-	4.28
Total current tax expense	1,027.41	642.62
Deferred tax		
Decrease/(increase) in deferred tax assets	1,083.96	1,083.96
(Decrease)/increase in deferred tax liabilities	(1,083.96)	(1,805.10)
Total deferred tax expense/(benefit)	-	-721.14
Tax Expenses	1,027.41	-78.52
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :		
(Loss)/Profit before tax	145.66	-17,071.73
Tax at the Indian tax rate of 15.60% (Previous year 17.472%)		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
– Disallowance of expenditure	-124.94	8,160.51
– Others IND-AS adjustment on Profit	-	(391.06)
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income :		
Revised Accounting (Loss)/Profit	20.72	-9,302.28
Tax Expenses on 15.60%	3.23	-1,451.16
Current Tax as per Profit & Loss Account	-	-

(ii) Movement in Deferred Tax :

(Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities :		
Timing Differences related to Property, Plant & Equipment and Intangible Assets	-	-
Investment measured at Fair Value	-	-
Other Expenses	-	-
Actuarial Gain / Loss - (Gratuity / Leave Benefits)	-	-
Borrowings at Amortised Cost	-	-
Remeasurement of stock options at fair value	-	-
Timing Differences	-	-
Rate of Tax	-	-
Deferred Tax Liabilities	-	-
Deferred Tax Assets :		
Timing Differences related to Expenses	-	-
Investment measured at Fair Value	-	-
Other Expenses	-	-
Other Deposit - at FVTPL (Finance Expense)	-	-
Actuarial Gain / Loss - (Gratuity / Leave Benefits)	-	-
Advances at Amortised Cost	-	-
MGVCL Deposit - at Amortised Cost	-	-
Timing Differences	-	-
Rate of Tax	-	-
Deferred Tax Assets	-	-
DTA / (DTL)	-	-
MAT Credit Entitlement	518.45	1,545.86
Net Deferred Tax Assets	518.45	1,545.86

42 Fair Value Measurements :

(i) Financial instruments by category :

The carrying amounts of financial instruments by class are as follows :

(Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
A. Financial assets		
I. Measured at amortised cost		
Loans	5,598.66	5,631.17
Trade Receivables	80.08	359.33
Cash and Cash Equivalents	18.89	18.02
Other Financial Assets	-	-
Investment in Equity Instruments of Related Entity	7,002.79	7,002.79

II. Measured at fair value through profit and loss (FVTPL)		
Financial Guarantees-Deemed Investment	1,151.08	1,122.47
Other Financial Assets	0.25	0.25
III. Measured at fair value through other comprehensive income (FVOCI)		
Investment in Equity Instruments of Related Entity	-	-
	13,851.75	14,134.03
B. Financial liabilities		
I. Measured at amortised cost		
Borrowings	6,852.57	7,013.18
Lease Liability	-	-
Unclaimed Dividend	64.78	72.38
Trade Payables	3,893.53	4,126.35
II. Measured at fair value through profit and loss (FVTPL)		
Financial Guarantees	688.53	662.30
Finance lease obligation	-	-
	11,499.41	11,874.21

(ii) **Fair value hierarchy :**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the entity has classified its financial instruments into 3 levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measure quoted prices.

Level 2: The fair values of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all the significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3
Measured at fair value through profit and loss (FVTPL)			
As at 31st March 2023			
Financial Guarantees-Deemed Investment	-	-	1,151.08
Other Financial Assets	-	-	0.25
Financial Guarantees	-	-	688.53
Finance lease obligation	-	-	-
	-	-	1,839.86
As at 31st March 2022			
Financial Guarantees-Deemed Investment	-	-	1,122.47
Other Financial Assets	-	-	0.25
Financial Guarantees	-	-	662.30
Finance lease obligation	-	-	-
	-	-	1,785.02

Particulars	Level 1	Level 2	Level 3
Measured at fair value through other comprehensive income (FVOCI)			
As at 31st March 2023			
Investment in Equity Instruments of Related Entity	-	-	-
	-	-	-
As at 31st March 2022			
Investment in Equity Instruments of Related Entity	-	-	-
	-	-	-

(iii) **Valuation techniques used to determine the fair value- Level 3 :**

Valuation is based on Income approach, wherein discounted cash flow method is used to capture present value of the expected future economic benefits to be derived from the ownership of particular financial instrument.

43 Financial Risk Management :

The company's activities expose it to credit risk, liquidity risk, market risk, price risk & operational risk. In order to minimise any adverse effects on the financial performance, the company takes various mitigation initiatives and measures. This note explains the source of risks which the entity is exposed to and how the entity manages the risks to minimise their impact on financial statements.

Risk			
Credit Risk	Cash and Cash equivalents, Trade Receivables, Financial assets measured at amortised cost	Review of fixed Deposits and bank balances, Review of Ageing analysis & financial assets on quarterly basis	Fixed Deposits are kept with large nationalised bank. Ensuring strict credit control through standard operating procedures. Review of financial assets on regular basis
Liquidity Risk	Borrowings, Trade Payables and Other financial liabilities	Cash flow projections are made based on business projections	Availability of undrawn credit lines and borrowing facilities are analysed & monitored.
Market Risk-Interest Rate	Term Loans & Working Capital facilities availed at floating interest rates	Review of interest rates at regular intervals	The company through review of the interest rates at regular intervals makes sensitivity analysis and take appropriate measures to mitigate adverse impact, if any on the financial performance
Price Risk	Price variation in raw materials & consumables	Review of prices on on-going basis	The price risk is assessed to be low as the company is able to pass the price risk to the customer.
Operational Risk	Capacity Utilization and Process Improvement	Review on daily basis	The company is persistently making efforts to achieve optimum capacity utilization and improve the operational processes to obtain better product yield and reduce rejection ratio to acceptable level.

44 Capital Management :

Risk Management

The Company manages its capital to ensure that it will be able to continue as going concern and to maximise shareholders value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity.

For the purposes of Capital Management, the Company considers following components of its Balance sheet to manage Capital:

Total equity includes Share Capital and Other Equity (Free Reserves). Total Debt includes current debt plus non-current debt.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Debt (Rs. In Lakhs)	6,852.57	7,013.18
Total Equity (Rs. in Lakhs)	4,788.06	5,669.80
Debt-Equity Ratio	1.43	1.24

45 Disclosure of ratios :

	Ratios	As at 31st March, 2023	As at 31st March, 2022	Change	Reason for Change
a)	Current ratio [Current Assets / (Current Liabilities - Current Maturities of Long Term Borrowings - Interest Accrued)]	0.67	0.69	-3%	
b)	Debt-Equity ratio [(Long Term Borrowings + Short Term Borrowings + Interest Accrued) / Equity]	0.91	0.84	9%	
c)	Debt service coverage ratio [Profit/(loss) before exceptional items and tax + Finance Costs / (Finance Costs + Principal payment of borrowings)]	0.91	-0.10	-1052%	
d)	Return on equity ratio [Net Profit/(loss) after tax / Average Shareholder's equity]	-0.11	-1.62	-93%	Due to reduction of loss during the year
e)	Inventory turnover ratio [Cost of Materials consumed + Changes in inventories of finished goods and work-in-progress / Average Inventory]	-	2.89		
f)	Trade receivables turnover ratio [Revenue from operations / Average Trade Receivables]	0.52	4.87	-89%	
g)	Trade payables turnover ratio [Net Purchase / Average Trade Payables]	0.00	0.54	-100%	Due to transfer of inventory under Slump sale in previous year
h)	Net capital turnover ratio [Revenue from operations / Average Working Capital]	-0.09	-1.72	-95%	Due to repayment of Borrowings
i)	Net profit ratio [Net Profit(Loss) after Tax / Revenue from operations]	-772%	-112%	592%	Due to reduction of loss during the year
j)	Return on capital employed [Profit before interest and taxes / Capital Employed]	0.13	-0.74	-118%	Due to repayment of Borrowings
k)	Return on investment [Net Income / Cost of Investment]	0%	0%	0%	

46 Figures in brackets represent previous year's figures.

47 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached
For Sharp & Tannan Associates
Chartered accountants
(ICAI Firm registration No. : 109983W)

(CA Pramod Bhise)
Partner
Membership No. : 047751

Place : Pune
Date : June 2, 2023

For and on behalf of the Board

Harish Sheth Chairman & Managing Director	Udit Sheth Vice Chairman	Urja Shah Executive Director
Arun Arora Independent Director	Ashok Jha Independent Director	Suhasini Sathe Independent Director
Shrinivasan Iyer Chief Financial Officer	Hiren Vala Company Secretary	

Place : Mumbai
Date : June 2, 2023

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF SETCO AUTOMOTIVE LIMITED

Report on the audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **Setco Automotive Limited** (hereinafter referred as "the Holding Company"), and its subsidiaries (Holding company and its subsidiaries together referred as "the Group") which comprise the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and Notes to the consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter collectively referred as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except 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 auditors on the financial statement of the subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed Under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2023, its Consolidated losses, its Consolidated other comprehensive income, its Consolidated cash flows and the Consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

- a. We reproduce hereunder the 'Basis for Qualified Opinion' issued by us on the subsidiary viz. Lava Cast Private Limited ('LCPL') vide our report on the standalone IndAS financial statement of LCPL, to the extent the same are found significant as per the Guidance issued by the Institute of Chartered Accountants of India, from time to time and which also forms the basis for qualified opinion in our audit report on the accompanying consolidated IndAS financial Statements of the Group:

"The Company has received a recall notice on 16 January 2023 from its lender i.e. Bank of Baroda for outstanding loan facilities of Rs. 145.85 Crores (Refer Note No. 14 and Note No 17 to the financial results). The Balance reflected as per Company's books of accounts is Rs. 112.53 Crores. As informed to us, the difference is subject to reconciliation and Company's management is in the process of discussing and resolving this matter with the lender. In light of the above, we are unable to quantify the consequential impact on Company's total borrowings, interests and other charges accrued on the results for the quarter and year ended on March 31, 2023".

- b. We reproduce hereunder the 'Basis for Qualified Opinion' issued by independent auditor on the subsidiary viz. WEW Holding Limited ('WEWHL') vide their audit report on the standalone financial statement of WEWHL, to the extent the same are found significant as per the Guidance issued by the Institute of Chartered Accountants of India, from time to time and which also forms the basis for qualified opinion in our audit report on the accompanying consolidated Ind AS financial Statements of the Group:

"As state in note 6 to the financial statements, Secto Automotive (UK) Limited is a subsidiary of the Company. Consolidated financial statements have not been prepared as required by International Financial Reporting Standards (IFRS) 10, Consolidated Financial Statements. In our opinion, consolidated financial statements are necessary for a proper understanding of the Group's state of affairs".

- c. We reproduce hereunder the 'Basis for Qualified Opinion' issued by independent auditor on the subsidiary viz. SETCO MEADMCC, UAE, vide their audit report on the standalone financial statement, to the extent the same are found significant as per the Guidance issued by the Institute of Chartered Accountants of India, from time to time and which also forms the basis for qualified opinion in our audit report on the accompanying consolidated IndAS financial Statements of the Group:

"As state in note 2(a) to the financial statements, there is deficiency of net assets of AED 1,944,407/- as accumulated

losses up to 31 March 2023 of AED 2,078,821/- exceeds share capital of AED 100,000/-. The continuance of the business as going concern is dependent upon the Company's ability to carry on the business and to generate the profits and the continuous financial support from the shareholder".

Emphasis of Matter

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

- a. 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.

- b. We reproduce hereunder the 'Material uncertainty related to Going Concern' paragraphs forming part of audit reports issued by us for a subsidiary viz. SETCO Auto Systems Private Limited (SASPL), which is reproduced below:

"Without qualifying our opinion, we draw attention to Statement of Standalone Audited Financial Results which indicates that the Company incurred a net loss (i.e. total comprehensive income) for the year of Rs. 21,038 Lakhs for the year ended on March 31, 2023 and reports a negative net worth of Rs. 46,563 Lakhs as on date. The amount of accumulated losses and negative Net Worth of the Company, indicates the material uncertainty which is a matter of concern and needs to be addressed by the Management.

- c. We reproduce hereunder the 'Emphasis of Matter' paragraphs forming part of audit reports issued by us for a subsidiary viz. Lava Cast Private Limited (LCPL), which are reproduced below:

"Without qualifying our opinion, we draw attention to Statement of Standalone Profit and Loss for the year ended on March 31, 2023, which indicates that the Company incurred a net loss of Rs. 2,579 Lakhs during the year and has negative net worth of Rs. 6,214 Lakhs as of that date. These conditions, along with other matters as set forth indicate the existence of uncertainty which may cast significant challenges on the company's ongoing operations. In this regard, management has represented to us that it is confident to address these issues in timely manner including settlement of the lender's claim and company's going forward business improvements, leading to addressing the issues, if any, of going concern".

- d. We reproduce hereunder the 'Emphasis of Matter – Going concern' issued by independent auditor of one of the step down subsidiary viz. SETCO Automotive (UK) Limited vide their audit report, which is reproduced as below:

"In forming our opinion, we have considered the adequacy of the disclosure made in the note 3 of the financial statements regarding the going concern status of the Company. The Company incurred an operating loss of £ 300,231 in the year. Current year trading is slowly returning to pre-covid levels but several factors outside the control of the Company are having an impact on the cost of goods coming into the Company, so the Company is dependent on on-going working capital support from the parent Company to be able to meet its obligation as they fall due. The financial statements have been prepared on 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. In view of the significance of this matter, we consider that it should be drawn to your attention but our opinion is not qualified in this respect".

- e. The company has made investment of Rs 2336.50 lakhs in 9% Cumulative Compulsory redeemable preference shares of Setco engineering private limited (SESPL) in previous year, a company in which directors have interest. As this investment is compulsory redeemable on its maturity, the company has treated it as investment in debt instruments and valued at amortised basis. The company is reasonably certain to recover principal amount and the accumulated unpaid dividend.

Our conclusion is not modified in respect of these matters of emphasis.

Information other than the Consolidated Financial Statements and Auditor's Report thereon (hereinafter referred as "other information")

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the Consolidated Financial Statements and our report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance and / or conclusions thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, Company's Management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Holding Company's Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements 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 these Consolidated Financial Statements.

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

- a. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, 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.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's 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 Company's ability 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 Statements 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.

- e. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- a. Attention is also invited to note 45 of Consolidated Ind AS financial statements, 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.
- b. 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, whose Ind AS financial statements reflect total assets of Rs. 69,426.24 lakhs as at 31st March, 2023, total revenues of Rs. 60,498.40 lakhs and net cash outflows amounting to Rs. 492.92 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 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, 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.
- c. The Financial Statement includes the figures for the year ended March 31, 2022 which have been audited by predecessor auditor, who had issued qualified opinion on the same. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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 and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020

(the “Order”/“CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the holding company and its subsidiaries included in the consolidated financial statements of the holding company, to which reporting under CARO is applicable, in our opinion, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor’s Report) Order, 2020 (CARO):

S. No.	Name of the Entity	CIN	Holding Company / Subsidiary / Associate / Joint Venture	Clause number of the CARO report
1	Setco Automotive Limited	L35999GJ1982PLC005203	Holding Company	Clause (vii)(b)
				Clause (vii)(c)
2	Setco Auto Systems Private Limited	U35100GJ2010PTC062770	Subsidiary Company	Clause (ii)(a)
				Clause (iii)
				Clause (iv)
				Clause (vii)(a) & (b)
				Clause (vii)(c)
3	Lava Cast Private Limited	U27205GJ2011PTC100777	Subsidiary Company	Clause (ix)(e)
				Clause (ii)(a)
				Clause (vii)(a)
				Clause (ix)(a)
				Clause (xiv)

2. As required by Section 143 (3) of the Act and based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - e. On the basis of the written representations received from the directors of the group companies incorporated in the India as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the group companies incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
 - g. With respect to the other matters to be included in the auditor’s report in accordance with the requirements of Section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
 - h. With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements discloses the impact of pending litigations as at March 31, 2023 on its financial position in its Consolidated Financial Statements - Refer Note 40 to the Consolidated Financial Statements.
 - ii. The Group has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if

- any, on long term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company as on 31st march 2023.
 - iv. Reporting on rule 11(e):
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and
 - v. During the year Company as not declared / paid any dividend hence reporting under rule 11(f) is not applicable to that extent.
3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the holding company and by the auditors of its subsidiaries included in the consolidated financial statements of the holding company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
 4. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W
by the hand of

CA Pramod Bhise
Partner
Membership No.: (F) 047751
UDIN: 23047751BGTHXT2770

Pune, June 2, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) Section 143 (3) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **Setco Automotive Limited** (hereinafter referred as "the holding Company") and its subsidiary companies which is incorporated in India, as of that date (collectively referred as "Companies") as of March 31, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed Under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W
by the hand of

CA Pramod Bhise
Partner
Membership No.: (F) 047751
UDIN: 23047751BGTHXT2770

Pune, June 2, 2023

Consolidated Balance Sheet as at 31st March 2023

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS :			
1. Non-current assets			
a. Property, plant and equipment	2	20,784.25	21,720.36
b. Capital work-in-progress	2	-	237.90
c. Right of use of assets	2	353.91	358.28
d. Intangible assets	2	7,315.20	8,739.86
e. Intangible Assets Under Development	2	-	-
e. Financial assets			
(i) Investments	3	8,310.55	8,310.55
(ii) Loans Receivables		-	-
(iii) Other financial assets	4	110.44	110.53
f. Deferred tax assets (net)	5	828.42	3,855.14
g. Other non-current assets	6	179.86	200.44
Total non-current assets		37,882.63	43,533.06
2. Current assets			
a. Inventories	7	12,431.63	11,030.72
b. Financial assets			
(i) Trade Receivables	8	3,825.73	4,281.83
(ii) Cash and cash equivalents	9	1,655.37	2,082.96
(iii) Bank balances other than (ii) above	10	64.78	72.38
(iv) Loans Receivables		-	-
(v) Other financial assets		-	-
c. Current tax assets (net)		-	-
d. Other current assets	11	1,583.52	2,907.81
Total current assets		19,561.04	20,375.70
Total assets		57,443.67	63,908.75
EQUITY AND LIABILITIES :			
EQUITY			
Equity share capital	12	2,675.35	2,675.35
Other equity	13	(45,746.80)	(26,716.20)
Total Equity		(43,071.46)	(24,040.85)
LIABILITIES			
1. Non-current liabilities			
a. Financial liabilities			
(i) Borrowings	14	78,289.60	68,395.69
(ii) Lease liability		-	-
(iii) Other financial liabilities	15	1.90	7.05
b. Provisions	16	281.96	234.85
c. Deferred tax liabilities (net)		-	-
d. Other non-current liabilities	17	1,370.52	1,522.00
Total non-current liabilities		79,943.99	70,159.59
2. Current liabilities			
a. Financial liabilities			
(i) Borrowings	18	8,981.17	7,591.76
(ii) Lease liability		-	-
(iii) Trade payables			
(a) Dues of micro, small and medium enterprises	19	1,605.35	1,223.24
(b) Dues of creditors other than micro, small and medium enterprises	20	7,770.21	7,272.93
(iv) Other financial liabilities	20	114.96	150.44
b. Other current liabilities	21	1,840.41	1,238.95
c. Provisions	22	259.04	308.43
d. Current tax liabilities (net)	23	-	4.27
Total current liabilities		20,571.14	17,790.01
Total liabilities		1,00,515.13	87,949.60
Total equity and liabilities		57,443.67	63,908.75

Notes including Significant Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 49

As per our report of even date attached
For Sharp & Tannan Associates
Chartered accountants
(ICAI Firm registration No. : 109983W)

For and on behalf of the Board

(CA Pramod Bhise)
Partner
Membership No. : 047751

Harish Sheth Chairman & Managing Director	Udit Sheth Vice Chairman	Urja Shah Executive Director
Arun Arora Independent Director	Ashok Jha Independent Director	Suhasini Sathe Independent Director
Shrinivasan Iyer Chief Financial Officer	Hiren Vala Company Secretary	

Place : Pune
Date : June 2, 2023

Place : Mumbai
Date : June 2, 2023

Consolidated Statement of Profit and Loss for the period ended on 31st March 2023

(Rs. In Lakhs)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
INCOME :			
I. Revenue from operations	24	54,557.17	43,500.20
II. Other income	25	448.85	989.78
III. Total Income (I + II)		55,006.01	44,489.97
IV. EXPENSES :			
Cost of materials consumed	26	30,234.76	22,695.11
Changes in inventories of finished goods and work-in-progress	27	(539.80)	2,476.84
Employee benefit expenses	28	8,767.56	8,138.84
Finance costs	29	15,473.75	10,832.24
Depreciation and amortization expenses	2	3,844.65	3,744.67
Other expenses	30	12,066.80	11,774.75
Total expenses (IV)		69,847.72	59,662.45
V. Profit/(loss) before exceptional items and tax (III - IV)		(14,841.70)	(15,172.47)
VI. Exceptional items	31	1,272.81	10,239.63
VII. Profit/(loss) before tax (V - VI)		(16,114.51)	(25,412.10)
VIII. Tax expense/(credit)			
- Current tax		0.23	-
- Deferred tax		2,083.51	(309.72)
MAT credit entitlement	32		
- Previous years		1,027.41	-
- Current year		-	638.34
Tax adjustment for earlier years		-	7.33
		3,111.14	335.95
IX. Profit/(loss) for the year from continuing operations (VII - VIII)		(19,225.65)	(25,748.05)
X. Other comprehensive income/(loss)			
A. (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of gain /(loss) on defined benefit plans		(146.01)	(62.62)
(b) Gain / (loss) on FVTOCI Equity securities	34	-	(153.50)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		37.96	16.28
B. (i) Items that will be reclassified to profit or loss		-	-
(a) Exchange differences in translating the financial statements of foreign operations		296.19	16.40
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		188.14	(183.44)
XI. Total comprehensive income for the year (IX + X)		(19,037.51)	(25,931.49)
Profit for the year attributable to			
Owners of the company		(15,247.20)	(22,436.22)
Non-controlling Interest		(3,978.45)	(3,311.83)
Other Comprehensive Income for the year attributable to			
Owners of the company		215.52	(171.70)

Consolidated Cash Flow Statement for the year ended on 31st March 2023

Particulars	Rs in lakhs	
	Year Ended March 31, 2023 Audited	Year Ended March 31, 2022 Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(16,114.51)	(25,412.10)
Adjustment for :		
Depreciation and amortisation expense	3,844.65	3,744.67
(Profit)/loss on sale of property, plant and equipment	(8.59)	1.85
Unrealized exchange loss/(gain)	303.09	53.83
Impairment loss/(reversal) in the value of Investments	-	638.58
Impairment loss allowance on advances/receivables	1,272.81	42.65
Impairment loss allowance on Debtors	-	332.64
Bad Debts	-	28.62
Inventory Write down	-	3,703.46
Interest expense	15,122.85	10,413.20
Other Financial charges	350.90	419.04
Interest income	(82.00)	(26.59)
Reversal of deferred gain on financial liability	(151.47)	(138.99)
Corporate tax / Deferred Tax	(2,045.78)	318.67
MAT credit entitlement	(1,027.41)	(638.34)
Employee Benefits Designated Through Other Comprehensive Income	(146.01)	(62.62)
Government Grants - Cash Subsidy amortization	-	(12.60)
Operating profit / (loss) before changes in working capital	1,318.53	(6,594.03)
Trade receivables	456.10	(152.31)
Inventories	(1,400.92)	(1,284.53)
Other Financial Assets	0.09	98.38
Other Current / Non-Current Assets	3,416.32	(831.91)
Trade payables	879.37	(1,509.89)
Provisions	(6.54)	(711.57)
Other Current / Non-Current Liabilities	449.98	(1,251.21)
Other Financial Liabilities	(40.63)	(315.31)
Change in current assets/liabilities	3,753.79	(5,958.34)
Net cash flow generated from operating activities before tax	5,072.32	(12,552.37)
Direct taxes (tax deducted at source)	(317.54)	(126.26)
Net cash flow from operating activities	4,754.78	(12,678.63)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,186.70)	(5,798.26)
Proceeds on Sale of property, plant and equipment	9.38	14.31
Sale of Intangible asset	-	5,808.95
Purchase of Intangible asset	-	(5,977.64)
Interest income	82.00	26.59
Government Grants - Cash Subsidy amortization	-	12.60
Sales of Investment in Equity Shares	-	153.50
Purchase of Equity Shares of LCPL	-	(393.32)

Consolidated Statement of Changes in Equity for the year ended on 31st March, 2023

Particulars	Rs. In Lakhs	Capital Reserve	Reserves and Surplus	Retained Earnings	Share option outstanding	Currency Translation reserve	Total	Non-Controlling Interest	Owners' Equity
A. Equity share capital									
Balance as at April 1, 2021	2,675.35								
Changes in Equity Share Capital due to prior period errors	-								
Restated Balance as at April 1, 2021	2,675.35								
Changes in Equity Share Capital during the year	-								
Balance as at 31st March, 2022	2,675.35								
Balance as at April 1, 2022	2,675.35								
Changes in Equity Share Capital due to prior period errors	-								
Restated Balance as at April 1, 2022	2,675.35								
Changes in Equity Share Capital during the year	-								
Balance as at 31st March, 2023	2,675.35								
B. Other Equity									
Balance as at 1st April, 2021	0.21	1,954.73	239.29	(7,532.77)	-	241.47	(5,097.08)	(293.53)	(5,390.60)
Changes in accounting policy or prior period errors									
Restated Balance as at 1st April, 2021	0.21	1,954.73	239.29	(7,532.77)	-	241.47	(5,097.08)	(293.53)	(5,390.60)
Employee stock option cancelled during the year									
Unrealised Profit Margin on Stock				37.43			37.43		37.43
Currency Translation Reserve for the year						16.40	16.40		16.40
Difference on purchase of Shares at discounted rate		953.68					953.68		953.68
Share Premium on Shares & Debentures issued			4,961.77				4,961.77		4,961.77
Minority Interest Adjustment				(1,640.53)			(1,640.53)	293.53	(1,347.00)
Dividends									
Profit for the year				(22,436.22)			(22,436.22)	(3,311.83)	(25,748.05)
Other Comprehensive Income (net of tax)				(188.10)			(188.10)		(199.84)
Total comprehensive income for the year ended 31st March, 2022				(22,624.32)			(22,624.32)	(3,323.57)	(25,947.89)
Balance as at 31st March, 2022	953.89	1,954.73	5,201.06	(31,760.19)	-	257.87	(23,392.64)	(3,323.56)	(26,716.20)
Balance as at 1st April, 2022	953.89	1,954.73	5,201.06	(31,760.19)	-	257.87	(23,392.64)	(3,323.56)	(26,716.20)
Changes in accounting policy or prior period errors									
Restated Balance as at 1st April, 2022	953.89	1,954.73	5,201.06	(31,760.19)	-	257.87	(23,392.64)	(3,323.56)	(26,716.20)
Employee stock option cancelled during the year									
Unrealised Profit Margin on Stock				6.90			6.90		6.90
Currency Translation Reserve for the year						296.19	296.19		296.19
Difference on purchase of Shares at discounted rate									
Share Premium on Shares & Debentures issued									
Minority Interest Adjustment									
Dividends									
Profit for the year				(15,247.20)			(15,247.20)	(3,978.45)	(19,225.65)
Other Comprehensive Income (net of tax)				(80.67)			(80.67)		(108.05)
Total comprehensive income for the year ended 31st March, 2023				(15,327.88)			(15,327.88)	(4,005.82)	(19,333.70)
Balance as at 31st March, 2023	953.89	1,954.73	5,201.06	(47,081.17)	-	554.06	(38,417.43)	(7,329.39)	(45,746.81)

Notes including Significant Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 49

For and on behalf of the Board

For Sharp & Tannan Associates Chartered accountants (ICAI Firm registration No. : 109983W)	Harish Sheth Chairman & Managing Director	Udit Sheth Vice Chairman
(CA Pramod Bhise) Partner Membership No. : 047751	Arun Arora Independent Director	Ashok Jha Independent Director
Place : Pune Date : June 2, 2023	Shrinivasan Iyer Chief Financial Officer Place : Mumbai	Suhasini Sathe Independent Director Hiren Vala Company Secretary Date : June 2, 2023

Notes Forming Part of the Consolidated Financial Statements for the year ended on 31st March, 2023

1 SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The consolidated financial statements relate to Setco Automotive Limited (“the Company” / “Parent Company” / “Holding Company”) and its subsidiary companies (referred to as “Group”). The group engaged in manufacturing and trading of clutches and other automotive component. The consolidated financial statements have been prepared on following basis :
- 1.2 These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended and other relevant provisions of the Act. The consolidated Financial Statement has been approved by the board of directors in their meeting held on June 2, 2023.

The group follows the mercantile system of accounting and recognises income and expenditure on an accrual basis. The financial statements are prepared under historical cost convention, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- defined benefit plans where plan assets are measured at fair value; and
- share-based payments at fair value as on the grant date of options given to employees.

Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon group management’s evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. The critical estimates and judgments are presented in detail in Significant Accounting Policy no. 1.26

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Parent Company’s functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs with two decimals.

1.3 Principles of Consolidation

- a. The consolidated financial statements are based on the audited accounts of the company and the audited accounts of the subsidiaries of the same reporting date.
- b. The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating significant intra group balances and intra group transactions in accordance with Indian Accounting Standard (Ind AS) 110 – “Consolidated Financial Statements”. Intergroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.
- c. In case of foreign subsidiaries, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in other comprehensive income and accumulated under “Foreign Currency Translation Reserve.”
- d. The consolidated financial statements have been prepared, as far as possible, using uniform accounting policies for all material like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the parent company’s financial statements.
- e. Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- f. Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

1.4 Property, Plant and Equipment (PPE):

- i. The Group has initially recognised property, plant & Equipment at Cost. The cost of Property, Plant & Equipment includes directly attributable expenses incurred for the purpose of acquiring / constructing these assets, net of GST credit if any, on qualifying assets. The Group has chosen Cost Model for Property, Plant & Equipment accounting. Press Tools and such type of machinery items developed in house are capitalised at direct cost plus directly attributable overheads. Capital Work in progress comprises of the cost of Property, Plant & Equipment that are not ready for their intended use at the reporting date.

- ii. The ministry of corporate affairs has made the component accounting approach for fixed assets mandatory from 1st April, 2015 vide notification dated 29th August, 2014. As per the external technical expert's opinion, the Group's fixed assets are of such nature that separate components are not distinctly identifiable having different useful life and therefore, component level accounting and reporting is not practically feasible for the Group.

iii. Depreciation

Depreciation is provided on straight line method (SLM) and is based on useful lives of the assets as determined by external technical experts in accordance with requirement of Schedule II to the Companies Act, 2013. Depreciation on additions made during the year to Property, Plant & Equipment is charged on pro-rata basis.

Freehold land is not depreciated. The carrying value of long term leasehold land is amortized over a period of lease.

iv. The Group estimates the useful lives of Property, Plant & Equipment as follows:

Asset Classification	Useful Life
Buildings	3-40 Years
Plant & Machinery	1-15 Years
Furniture & Fixtures	1-10 Years
Equipment's	2-5 Years
Electric Fittings	10 Years
Vehicle	4-8 Years
Pollution Equipment's	2-8 Years
Computers	1-3 Years

The useful lives of these assets are periodically reviewed.

v. De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

1.5 Intangible Assets

- i. Intangible Assets are stated at their cost of acquisition, net of GST credit if any, less accumulated amortization and impairment loss, if any. Expenditure, identifiable and reliably measurable, incurred on product development yielding future economic benefits is capitalized as Intangible Asset as per Ind AS-38 "Intangible Assets". The expenses incurred on product till such time its production commences are shown under the head "Assets Under Development" in the Property Plant and Equipment.

ii. Amortization

Intangible Assets are amortized as follows:

- a. Product development: Product Development expenses incurred on the new product developed and whose commercial production started during the year are treated as Intangible Assets & are amortised over a period of **Five to ten years** after commencement of commercial production of relevant product.
- b. Computer Software (including License Fees) is amortized over a period of 3 years.

1.6 Research and development

- a. Revenue expenses pertaining to research activities are charged to statement of profit and loss under the respective heads of expenses.
- b. Expenditure incurred on fixed assets used for R & D is capitalized under the respective heads of PPE and Intangible Asset.
- c. Expenditure incurred on development activities which do not qualify as Intangible Asset is charged to the statement of Profit and Loss in other cases it is capitalized

1.7 Goodwill

Goodwill appearing in one of the wholly owned ultimate foreign subsidiary's books is tested annually for impairment, if any event occurs or circumstances change that more likely than not would indicate the carrying amount may be impaired. As of 31st March, 2021, goodwill is not considered to be impaired.

1.8 Impairment of Assets

At the end of each reporting period, the Group determines whether there is any indication that its assets have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expense in profit or loss in the period in which they are incurred.

1.10 Inventories

Inventories are valued at lower of weighted average Cost (exclusive of Taxes & GST credits availed on inputs) and Net Realizable Value. Raw Material and Consumables are valued at weighted average Cost basis. Finished Goods and Work-in-Progress are valued at aggregate cost determined comprising Material Cost and Manufacturing Overheads. Scrap is valued at Net Realizable Value.

1.11 Revenue Recognition

1 Sale of Goods

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, and it is adjusted for volume discounts, cash discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, on the basis of which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for. Contract costs are expensed of as and when incurred. For each contract with customer, the group applies the below five steps process before revenue can be recognised:

- Identify contracts with the customers
- Identify separate performance obligatio
- Determine the transaction price of the contrac
- Allocate the transaction price to each of the separate performance obligations, an
- Recognise the revenue as each performance obligation is satisfie

2 Other Operating Revenue:

Other operating revenue comprises of income from activities incidental to the operations of the Group and is recognised when the right to receive the income is established and there exists no uncertainty of its ultimate realization or collection.

3 Rendering of Services :

Revenue from job work services is recognized when the services are performed as per the contract and when there is no uncertainty of its realization or collection.

1.12 Leases

The Group has accounted Lease transactions on the same lines of that of the Parent Company in compliance with Ind As 116.

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Group also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the lease terms indicates transfer of ownership of the underlying asset to the lessee at the end of the lease term or the exercise price of purchase option reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

In addition, the right-of-use asset is reduced by impairment losses, if any. The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

On Derecognition of the finance lease agreement, the difference between the carrying amount of the financial liability derecognised and the carrying amount of ROU is recognised in profit or loss account

1.13 Taxes on Income

A. Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

B. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

1.14 Goodwill

Goodwill appearing in one of the wholly owned ultimate foreign subsidiary's books is tested annually for impairment, if any event occurs or circumstances change that more likely than not would indicate the carrying amount may be impaired. As of 31st March, 2021, goodwill is not considered to be impaired.

1.15 Impairment of Assets

At the end of each reporting period, the Group determines whether there is any indication that its assets have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.16 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification of Financial Assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

After initial recognition

i. Financial assets (other than Investments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.
- Income on such debt instruments is recognised in profit or loss and is included in the "Other Income". The Group has not designated any debt instruments as fair value through other comprehensive income.

I. Investment in Equity instruments of Related Entity:

The parent company has designated its investments in Equity Shares of one of its related entity at fair value through OCI. Such financial assets are measured at fair value at the end of each reporting period, with gains or losses arising on re-measurement recognised in OCI which are not subsequently reclassified to P & L and are reported in Other Equity.

II. Investment in Preferential instruments of Related Entity:

At initial recognition, the group measures its investments in preference shares at fair value and on re-measurement it is carried out at amortised cost. Gains or losses arising on re-measurement are recognized in P & L.

III. Other Financial assets which are not carried at amortised cost or FVTOCI are measured at fair value through P & L.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss.

Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Group applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Group expects to receive).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Losses (ECLs) at each reporting date, right from its initial recognition.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Expected Credit Losses/ impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected/reported under the head 'other expenses' in the statement of profit and loss. Expected Credit Losses/ impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Financial liabilities and equity instruments

Classification as debt or equity

Equity instruments issued by the Group are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs".

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured (if not designated as at Fair value through profit or loss) at the higher of:

- the amount of impairment loss allowance determined in accordance with requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

The Intra group financial guarantees are eliminated in consolidation.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.17 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The group is operating only in one segment viz. Auto Components.

1.18 Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.19 Dividends

Provision is made for the amount of any final dividend declared in the accounts on the date of its approval by the shareholders. Interim dividends, if any are recorded as a liability on the date of declaration by the board of directors.

1.20 Earnings per Share

The earnings considered for ascertaining the Group’s Earnings Per Share (EPS) comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted EPS comprises the weighted average number of shares considered for deriving basic EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares. In case of dilutive potential equity shares, the difference between the number of shares issuable and the number of shares that would have been issued at fair value are treated as diluted potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.21 Employee Benefits

A. Short Term Employee Benefits

Short Term Employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit & Loss of year in which the related services are rendered.

B. Defined Contribution Plan

Provident Fund & ESIC, Pension Scheme Fund (UK) are defined contribution schemes established under a State Plan. The contributions to the schemes are charged to the Statement of Profit & Loss in the year of incurrence.

C. Defined Benefits Plan

The Parent Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days’ salary (last drawn salary) for each completed year of services as per the rules of the Parent Company. The aforesaid liability is provided for on the basis of an actuarial valuation made using Projected Unit Credit Method at the end of financial year. The scheme is funded with an insurance Group in the form of a qualifying insurance policy. Remeasurement gains/losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income. These gains/ losses which are recognised in Other Comprehensive Income are reflected in retained earnings and are not reclassified to profit or loss.

D. Compensated Absences

Employees are entitled to accumulate leave subject to certain limits for future encashment. The liability in respect of compensated absences is provided for on the basis of actuarial valuation made at the end of the financial year using Projected Unit Credit Method. The said liability is not funded.

Retirement Plans adopted by Setco Automotive (NA),Inc (Subsidiary)

On January 1, 2007 the Group’s foreign subsidiary adopted identical safe-harbor 401K plans for union and non-union employees. All employees employed on January 1, 2007 are immediately eligible to participate. Employees hired after that date will be eligible the first day of the month following one year of employment if they worked at least 1,000 hours during that year. Employees are 100% vested in all accounts. Deferrals are permitted up to the maximum amount allowed by the Internal Revenue Code and Roth deferrals are also permitted. The plans permit hardship distributions under certain circumstances and in-service distributions are permitted from fully vested accounts once the participant reaches age 59 and half. The plans allow for a discretionary employer match contribution. There were no employer match contributions made to the plans for the years ended March 31, 2023 and 2022.

1.22 Share-based Payments:

Employee Stock Option Scheme

Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Indian Accounting Standard (Ind AS)- 102 “Share-based Payments”. The Parent Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognized as deferred employee compensation and is charged to the statement of profit and loss on graded vesting basis over the vesting period of the options. The unamortized portion of the deferred employee compensation is netted out against “Stock options Outstanding”.

1.23 Government Grants

Government grants (including export incentives) are recognised only when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

1.24 Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that its disclosure is relevant to explain more meaningfully the performance of the Group for the year, the nature and amount of such items is disclosed as exceptional items.

1.25 Provisions, Contingent Liabilities and Contingent Assets

A. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

B. Contingent Liabilities

The Contingent Liabilities are disclosed by way of a note to the Financial Statements, after careful evaluation by the management of the facts and legal aspects of the matter involved.

Group has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

C. Contingent Assets

A Contingent Asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset, if any is not recognised but disclosed where an inflow of economic benefit is probable.

1.26 Summary Critical Estimates & Judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included below.

A. Deferred taxes

The Group recognises that net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income, which may have a scope of causing a material adjustment to the carrying amounts of assets and liabilities.

B. Inventories

The impairment of inventories is done on the basis of its ageing, discontinuance of products/model, damage conditions of goods, obsolesce, expected saleability. The value is written down at its estimated realisable value less cost to sell.

C. Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, the Group treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome, the Group does not expect them to have a materially adverse impact on its financial position or profitability.

Provision for product Warranty

The Group's product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

Fair Value Measurements and Valuation Processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Group used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements.

Notes Forming Part of the Consolidated Financial Statements for the period ended on 31st March 2023

Note - 2

Property, Plant and Equipment

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost as on 01.04.2022	Additions for the year	Adjustment for the year	Cost as on 31.03.2023	Up to 01.04.2022	Additions for the year	Adjustment for the year	Up to 31.03.2023	As on 31.03.2022	As on 31.03.2023
A Property, Plant & Equipment											
01	Free Hold Land	4,197.67	7.63	12.66	4,217.97	-	-	-	-	4,217.97	4,197.67
	Previous year	4,043.13	2,218.30	(2,063.76)	4,197.67	-	-	-	-	4,197.67	4,043.13
02	Buildings	6,559.79	30.40	63.90	6,654.09	801.73	303.94	30.99	1,136.66	5,517.44	5,758.06
	Previous year	7,406.83	3,137.11	(3,984.15)	6,559.79	1,360.16	301.07	(859.50)	801.73	5,758.06	6,046.67
03	Plant & Machinery	15,457.85	1,263.99	8.44	16,730.28	5,058.09	1,744.26	0.27	6,802.63	9,927.65	10,399.76
	Previous year	20,166.73	5,021.58	(9,730.46)	15,457.85	9,236.00	1,977.02	(6,154.92)	5,058.09	10,399.76	10,930.73
04	Furniture & Fixtures	177.41	-	0.47	177.88	42.46	34.51	0.49	77.46	100.42	134.95
	Previous year	317.70	136.81	(277.10)	177.41	148.81	34.42	(140.77)	42.46	134.95	168.89
05	Office Equipments	43.49	3.34	4.21	51.03	31.21	6.69	4.18	42.07	8.96	12.28
	Previous year	142.82	14.50	(113.83)	43.49	124.09	10.32	(103.20)	31.21	12.28	18.73
06	Pollution Equipments	253.73	1.70	-	255.43	94.16	17.15	-	111.31	144.12	159.57
	Previous year	242.71	12.27	(1.25)	253.73	78.47	16.94	(1.25)	94.16	159.57	164.24
07	Computers	369.02	12.24	19.19	400.46	328.36	18.19	18.89	365.43	35.02	40.67
	Previous year	592.88	31.25	(255.11)	369.02	534.91	27.53	(234.08)	328.36	40.67	57.97
08	Electric Fittings	1,953.11	6.18	-	1,959.29	1,084.99	237.53	-	1,322.53	636.75	868.12
	Previous year	2,248.71	180.36	(475.97)	1,953.11	1,150.69	234.25	(299.95)	1,084.99	868.12	1,098.02
09	Vehicles	195.37	99.14	(9.29)	285.21	46.08	53.37	(10.15)	89.30	195.91	149.29
	Previous year	459.75	168.10	(432.49)	195.37	227.73	67.90	(249.55)	46.08	149.29	232.02
	Sub Total (Property, Plant & Equipment)	29,207.43	1,424.62	99.58	30,731.63	7,487.07	2,415.63	44.67	9,947.38	20,784.25	21,720.36
	Previous year	35,621.26	10,920.29	(17,334.12)	29,207.43	12,860.86	2,669.44	(8,043.23)	7,487.07	21,720.36	22,760.40
B Right of Use of Assets											
01	Land	360.96	-	-	360.96	2.68	4.37	-	7.05	353.91	358.28
	Previous year	360.89	360.96	(360.89)	360.96	19.50	5.34	(22.16)	2.68	358.28	341.39
02	Plant & Machinery	-	-	-	-	-	-	-	-	-	-
	Previous year	1,152.21	-	(1,152.21)	-	147.10	60.37	(207.47)	-	-	1,005.11
03	Office Equipments	-	-	-	-	-	-	-	-	-	-
	Previous year	1.58	-	(1.58)	-	0.33	0.13	(0.46)	-	-	1.25

Notes Forming Part of the Consolidated Financial Statements for the period ended on 31st March, 2023

3 Non-current investment		(Rs. In Lakhs)	
Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
i) Investment in other related entities (At Amortised Cost) :			
a) 8,19,65,000 (8,19,65,000) 9% Non Convertible Cumulative Compulsorily Redeemable Preference Share of Rs. 10/- each fully paid of Setco Engineering Private Limited		8,196.50	8,196.50
Less : Impairment in Value of Investments	31(b)	(1,193.71)	(1,193.71)
Sub total (a)		7,002.79	7,002.79
b) 1,30,77,550 (1,30,77,550) - 0.01% Non Convertible Redeemable Cumulative Preference Share of Rs. 10/- each fully paid of Setco Engineering Private Limited		1,307.76	1,307.76
Sub total (i)		8,310.55	8,310.55
Total (non-current investments)		8,310.55	8,310.55

4 Other financial assets		(Rs. In Lakhs)	
Particulars		As at 31st March, 2023	As at 31st March, 2022
Considered Good, Unsecured			
Other deposits (at amortised cost)		110.44	110.53
Total		110.44	110.53

5 Deferred tax assets (net)		(Rs. In Lakhs)	
Particulars		As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities:			
Timing Differences related to Property, Plant & Equipment and Intangible Assets		6,612.21	(656.44)
Deferred tax assets :			
Timing differences related to Expenses		1,284.51	1,440.82
Timing differences related to unabsorbed depreciation		2,541.48	2,541.48
Timing differences related to unabsorbed business losses		2,467.15	2,467.15
Deferred Tax Asset (Liability)		309.96	2,309.28
MAT credit entitlement		518.45	1,545.86
Net Deferred Tax Assets		828.42	3,855.14
Total provision made in Statement of Profit and Loss		2,083.51	(309.72)

6 Other non-current assets		(Rs. In Lakhs)	
Particulars		As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good			
Other deposits		176.64	4.91
Capital advances		3.22	195.53
Total		179.86	200.44

Trade Receivables ageing as at 31st March, 2022 :
(Rs. In Lakhs)

Particulars	Not Due	Outstanding from due date of payment					Total
		Upto 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	3,566.51	541.12	121.04	52.82	-	-	4,281.49
Which have significant increase in credit risk	-	-	-	-	-	0.35	0.35
Credit impaired	-	-	-	-	-	339.88	339.88
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	3,566.51	541.12	121.04	52.82	-	340.23	4,621.71
Less : Allowance for credit loss							-339.88
Total							4,281.83

9 Cash and Cash Equivalents
(Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash balance	2.71	2.11
Bank balances	1,618.90	1,801.08
Fixed deposit account (lien-marked on margin account)	33.76	32.23
Fund in Transit	-	247.54
Total	1,655.37	2,082.96

10 Bank Balances Other Than Cash and Cash Equivalents Above
(Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other bank balance		
Unclaimed dividends	64.78	72.38
Total	64.78	72.38

11. Other current assets
(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Advances to related parties			
Unsecured, Considered doubtful			
i) Transstadia Technology Private Limited		598.73	598.73
Less : Impairment Loss Allowance	31(f)	299.37	-
Sub total		299.37	598.73
ii) SE Transstadia Private Limited		426.49	426.49
Less : Impairment Loss Allowance	31(c)	213.24	127.95
Sub total		213.24	298.54
Pre-payments			

Prepaid expenses		192.88	204.18
Capital advances		129.74	181.46
Advances to suppliers		1,088.09	1,023.30
Less : Impairment Loss Allowance	31(g)	888.15	-
Sub total		522.56	1,408.94
Balance with Statutory / Government Authorities			
Balance with Income Tax	40(B)	143.03	143.03
Statutory dues receivable - Income Tax		317.54	301.26
GST/VAT refund receivables		464.94	522.05
Less : Impairment Loss Allowance	11(a)	407.76	407.76
Sub total		517.75	558.58
Other Loans And Advances			
Other advances		30.60	43.02
Total		1,583.52	2,907.81

(a) Recognition of income of refund of IGST/CGST, share of state for uttrakhand pending notification by state government.

12 Equity

(Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Authorised capital		
25,00,00,000 (25,00,00,000) Equity Shares of Rs. 2/- each	5,000.00	5,000.00
Total	5,000.00	5,000.00
Issued, subscribed and fully paid up share capital		
13,37,67,275 (13,37,67,275) Equity Shares of Rs. 2 each	2,675.35	2,675.35
Total	2,675.35	2,675.35

- a) Pursuant to the approval of members in the Annual General Meeting held on 28th September, 2015 the equity shares of face value of Rs. 10/- each have been subdivided into equity shares of face value of Rs. 2/- each with effect from 17th December, 2015. As a result, the number of equity shares has increased from 2,67,19,335 to 13,35,96,675 shares.
- b) The company has only one class of equity shares having a par value of Rs. 2 per share. Each shareholder of equity share is entitled to one vote per share.
- c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Movement of number of shares and share capital

Particulars	As on 31-03-2023		As on 31-03-2022	
	Number	(Rs. In Lakhs)	Number	(Rs. In Lakhs)
Equity shares				
As at the beginning of the year	133,767,275	2,675.35	133,767,275	2,675.35
Add : Shares issued on exercise of employee stock options	-	-	-	-
	133,767,275	2,675.35	133,767,275	2,675.35
Less : Changes, if any during the year	-	-	-	-
Outstanding at the end of the year	133,767,275	2,675.35	133,767,275	2,675.35

(iii) Details of shareholders holding more than 5% shares in the company

Name of Shareholders	As on 31-03-2023		As on 31-03-2022	
	Number	% Holding	Number	% Holding
Equity shares of Rs. 2/- each fully paid				
Setco Engineering Private Limited	6,40,63,845	47.89	6,40,63,845	47.89

(iv) Disclosure of Shareholding of Promoters

Promoter Name	As on 31-03-2023		As on 31-03-2022		%Change During the Year
	Number	% Holding	Number	% Holding	
Equity shares of Rs. 2/- each fully paid					
Setco Engineering Private Limited	64,063,845	47.89	64,063,845	47.89	-
Transstadia Enterprises Private Limited (formerly known as Transstadia Capital Private Limited)	1,65,00,00	1.23	1,65,00,00	1.23	-
Urja Harshal Shah	42,84,725	3.20	42,84,725	3.20	-
Sneha Harish Sheth	35,37,400	2.64	35,37,400	2.64	--
Harish Kiritbhai Sheth	28,97,575	2.17	28,97,575	2.17	-
Udit Harish Sheth	27,62,863	2.07	27,62,863	2.07	-
Harish Kiritbhai Sheth - HUF	61,080	0.05	61,080	0.05	-
Total	7,92,57,488	59.25	7,92,57,488	59.25	-

Promoter Name	As on 31-03-2022		As on 31-03-2021		%Change During the Year
	Number	% Holding	Number	% Holding	
Equity shares of Rs. 2/- each fully paid					
Setco Engineering Private Limited	64,063,845	47.89	64,063,845	47.89	-
Transstadia Capital Private Limited	1,65,00,00	1.23	1,65,00,00	1.23	-
Urja Harshal Shah	42,84,725	3.20	42,84,725	3.20	-
Sneha Harish Sheth	35,37,400	2.64	35,37,400	2.64	-
Harish Kiritbhai Sheth	28,97,575	2.17	28,97,575	2.17	-
Udit Harish Sheth	27,62,863	2.07	27,62,863	2.07	-
Harish Kiritbhai Sheth - HUF	61,080	0.05	61,080	0.05	-
Total	7,92,57,488	59.25	7,92,57,488	59.25	-

13 Other Equity

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
(i) Capital Reserve			
As per Last Balance Sheet		953.89	0.21
Difference on purchase of Shares at discounted rate	13 (b)	-	953.68
Total		953.89	953.89
(ii) Securities Premium			
As per Last Balance Sheet		5,201.06	239.29
Add : Received during the year on issue of Debentures		-	2,835.30
Add : Received during the year on issue of Shares		-	2,126.47

	Total	5,201.06	5,201.06
(iii) General Reserve			
As per Last Balance Sheet		1,954.73	1,954.73
	Total	1,954.73	1,954.73
(iv) Retained Earnings			
As per Last Balance Sheet		-31,760.17	-7,532.77
Less : Ind AS Adjustment		-	-
Less : Unrealised Profit Margin on Stock		6.90	37.43
Add : Profit for the year *	13 (a)	-15,327.88	-22,624.31
Add : Minority Interest Adjustment		-	-1,640.53
Less : Dividend		-	-
Less : Dividend Distribution Tax		-	-
	Total	-47,081.15	-31,760.18
(v) Currency Translation reserve			
As per Last Balance Sheet		257.87	241.47
Add : Currency Translation Reserve for the year		296.19	16.40
	Total	554.06	257.87
(vi) Non-Controlling Interest		(7,329.39)	(3,323.57)
	Total	(7,329.39)	(3,323.57)
	Total (i to vi)	(45,746.80)	(26,716.20)

- a) During the previous year, retained earnings balance is after considering post acquisition loss of Rs. 2.54 lakhs of the Indian subsidiary Setco Auto Systems Pvt Ltd. (formerly known as Trasstadia Sport Sciences Pvt Ltd).(SASPL).
- b) During the previous 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.

14 Borrowings (At amortized cost)

(Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Term loans		
From banks		
Secured	4,000.79	4,857.75
Unsecured	-	-
From others		
Secured	47.03	-
Unsecured	-	-
	Total (A)	4,047.82
Other loans		
From banks		
Secured	15.89	19.08
From others		
Secured	5.81	11.73
Unsecured	-	-

	Total (B)	21.70	30.81
Debentures			
From banks			
0.01% Secured Optionally Convertible Debentures (SOCD) (3,20,800 Debenture issued at face value of Rs. 1000/- each)		3,208.00	3,208.00
Less: Deferred Gain		1,369.95	1,521.69
	Total (C)	1,838.05	1,686.31
Non Convertible Debentures			
From others			
Secured			
Listed - 2150 Nos. of Rs. 10,00,000 each		21,500.00	21,500.00
Unlisted - 3500 Nos. of Rs. 10,00,000 each		35,000.00	35,000.00
		56,500.00	56,500.00
Interest accrued on NCD		15,860.18	5,298.97
	Total (D)	72,360.18	61,798.97
Compulsorily Convertible Debentures			
From others			
Unsecured			
0.0001% Compulsorily Convertible Debentures - 2,18,462 Nos. of Rs. 10 each		21.85	21.85
	Total (E)	21.85	21.85
	Total (A+B+C+D+E)	78,289.60	68,395.69
The above amount includes			
Secured borrowings		78,267.76	68,373.84
Unsecured borrowings		21.85	21.85

- Refer Note no. 18 for Current maturities of long term borrowing.
- During the previous year, the parent 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.
- **Security Structure for Non Convertible Debentures issued by Indian Subsidiary is as under :**
 - First and exclusive mortgage charge on all fixed assets of the company
 - First and exclusive hypothecation on all the movable assets of the company (other than cars which have been secured for certain car loans) including current assets and bank/escrow accounts
 - Pledge of 100% shares of the company held by holding company
 - Personal Guarantee of the Promoters
 - Corporate Guarantee of Setco Automotive Ltd. & Setco Engineering Pvt. Ltd.
 - Pledge of Promoters holding of Setco Automotive Ltd. Shares and Setco Engineering Pvt. Ltd. Shares (including all preference shares and convertible securities) and
 - Demand Promissory Notes and letter of continuity thereto.
 - Undated Cheques from the Setco Automotive Ltd.
- Indian rupee vehicle loan from HDFC Bank is repayable in 84 EMI each of Rs. 0.38 lakhs to be repaid by March, 2028. The loan is secured by hypothecation of particular vehicle.
- Indian rupee vehicle loan from Toyota Financials Services India Pvt. Ltd. is repayable in 40 EMI each of Rs. 0.57 lakhs to be repaid by February, 2025. The loan is secured by hypothecation of particular vehicle.

16 Provisions (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for gratuity	58.96	48.33
Provision for compensated absences	223.00	186.52
Total	281.96	234.85

17 Other non - current liabilities (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Gain on Financial Liability (OCDs)	1,370.52	1,522.00
Total	1,370.52	1,522.00

18 Borrowings (At amortized cost) (Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Loans repayable on demand from banks			
Secured	14	3,723.13	4,111.94
Unsecured		-	-
Total (A)		3,723.13	4,111.94
From other parties			
Unsecured	14	2,996.58	2,499.04
Total (B)		2,996.58	2,499.04
Current maturities of long term loans	14	2,261.46	980.78
Total (E)		2,261.46	980.78
Total (A+B+C+D+E)		8,981.17	7,591.76

- Indian rupee Unsecured loan is from Tata Motors Finance Solutions Limited taken by Indian subsidiary company, Setco Auto Systems Pvt. Ltd.
- US \$ working capital loans obtained by wholly owned ultimate foreign subsidiary company, Setco Automotive (N.A.) INC. sanctioned by Bank of Baroda (USA) is secured by first charge by way of hypothecation of current assets including stocks, book debts etc. and second charge on entire fixed assets of the parent company on pari passu basis and corporate guarantee of Setco Automotive Limited, parent company.
- Indian rupee working capital (cash credit) obtained by Indian subsidiary company, Lava Cast Private Limited is sanctioned by Bank of Baroda is secured by first charge by way of hypothecation of current assets including stocks, book debts etc. and second charge on entire fixed assets of the Indian subsidiary company. Working capital loan is further secured by corporate guarantee of parent company, Setco Automotive Limited.
- The Indian subsidiary company, Lava Cast Private Limited has not paid the Interest Rs. 613.93 Lakhs (previous year of Rs. 43.60 lakhs) that are due and remain unpaid as on 31st March 2023.

19 Trade payable (Rs. In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Undisputed		
Dues of Micro, small and medium enterprises	1,605.35	1,223.24
Dues other than of Micro, small and medium enterprises	7,770.21	7,272.93

Total **9,375.56** **8,496.17**

This information as required to be disclosed under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the parent Company and its Indian subsidiary .

Information in terms of Section 22 of Micro, Small and Medium enterprises Development Act, 2006 are given below :

Particulars	As at 31st March, 2023	As at 31st March, 2022
Principal amount remaining unpaid to any supplier at the end of each accounting year	1,605.35	1,223.24
Interest accrued & remaining unpaid	7.33	7.33

Trade payables ageing as at 31st March, 2023							(Rs. In Lakhs)
Particulars	Not Due	Outstanding from the due date of payment				Total	
		Upto 1 year	1-2 years	2-3 years	More than 3 years		
Outstanding dues of Micro, small and medium enterprises							
Disputed dues	-	-	-	-	-	-	
Undisputed dues	1,126.04	432.62	-	-	46.69	1,605.35	
Total	1,126.04	432.62	-	-	46.69	1,605.35	
Outstanding dues other than of Micro, small and medium enterprises							
Disputed dues	-	-	-	-	-	-	
Undisputed dues	6,047.62	1,307.25	113.95	55.50	245.89	7,770.21	
Total	6,047.62	1,307.25	113.95	55.50	245.89	7,770.21	
Balance as at 31st March, 2023	7,173.65	1,739.87	113.95	55.50	292.58	9,375.56	
Trade Payables ageing as at 31st March, 2022 :							
Trade Payables ageing as at 31st March, 2022 :							(Rs. In Lakhs)
Particulars	Not Due	Outstanding from the due date of payment				Total	
		Upto 1 year	1-2 years	2-3 years	More than 3 years		
Outstanding dues of Micro, small and medium enterprises							
Disputed dues	-	-	-	-	-	-	
Undisputed dues	943.48	229.55	7.61	20.40	22.20	1,223.24	
Total	943.48	229.55	7.61	20.40	22.20	1,223.24	
Outstanding dues other than of Micro, small and medium enterprises							
Disputed dues	-	-	-	-	-	-	
Undisputed dues	4,901.92	1,911.32	79.19	116.53	263.96	7,272.92	
Total	4,901.92	1,911.32	79.19	116.53	263.96	7,272.92	
Balance as at 31st March, 2022	5,845.40	2,140.87	86.80	136.93	286.16	8,496.16	

20 Other financial liabilities

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
Unpaid/unclaimed dividend	20(a)	64.78	72.38
Creditors for Capital Expenditure		50.17	78.05
Other Payable		0.01	0.01

Total **114.96** **150.44**

- a) There are no amounts due for payment to the investor education and protection fund u/s. 125 of Companies Act, 2013 at the year end.

21 Other current liabilities **(Rs. In Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Payable towards statutory liabilities	716.20	147.01
Payable to employees	625.84	575.04
Other Payables	498.37	516.90
Total	1,840.41	1,238.95

22 Provisions **(Rs. In Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for gratuity	90.92	93.08
Provision for compensated absences	117.39	108.97
Provision For warranty	42.11	103.84
Other Provision	8.62	2.54
Total	259.04	308.43

23 Current tax liabilities (net) **(Rs. In Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for taxation (Earlier periods)	-	4.27
Total	-	4.27

24 Revenue from operations **(Rs. In Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Sales of products	54,557.17	43,500.20
Total	54,557.17	43,500.20

25 Other income **(Rs. In Lakhs)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Investment Income		
Interest Income	82.00	26.59
Other non-operating income		
Profit on sale of property, plant and equipment (net)	8.59	-
Miscellaneous Income	38.45	-
Sundry balances written back	92.35	-
Reversal of deferred gain on financial liability	151.47	138.99
PPP Loan Forgiveness	-	340.47
Gain on Lease cancellation	-	146.94
Exchange gain (net)	11.24	280.65
Government Grants - Duty drawback	-	14.76

Others		64.75	41.37
Total		448.85	989.78

26 Cost of material consumed (Rs. In Lakhs)

Particulars	Refer Note No.	Year ended 31st March 2023	Year ended 31st March 2022
Opening stock		5,947.29	6,521.68
Add : Purchases (net)		31,182.78	22,791.48
Less : Closing Stock		6,224.55	5,947.29
Less : Sales of manufacturing scrap		670.76	670.76
Total	30 (a)	30,234.76	22,695.11

27 Changes in inventories of finished goods and work in progress (Rs. In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(Increase) /decrease in inventories	(539.80)	2,476.84
Total	(539.80)	2,476.84

28 Employee benefit expenses (Rs. In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries, wages and bonus	8,006.15	7,472.94
Contribution to employees welfare funds	633.11	493.80
Staff welfare expenses	128.30	172.10
Total	8,767.56	8,138.84

(a) During the year, Parent Company has paid Ex-gratia payment to Chairman

(b) During the year, Parent Company has made provision for PF Arrears dues.

29 Finance cost (Rs. In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest expense	15,122.85	10,413.20
Other financial charges	199.16	280.65
Finance expenses	151.74	138.40
Total	15,473.75	10,832.24

30 Other expenses (Rs. In Lakhs)

Particulars	Refer Note No.	Year ended 31st March 2023	Year ended 31st March 2022
Stores and Tools Consumed		1,303.40	1,227.42
Carriage Inward		897.58	682.49
Power and fuel		1,978.08	1,983.75
Job work charge		752.78	618.78
Factory expenses		235.18	200.79
Repairs and maintenance to machineries		155.92	145.57
Repairs to building		84.72	55.90

Computer expenses		325.30	347.75
Printing and stationary		61.78	44.18
Rent, rates and taxes		341.11	313.56
Insurance		472.93	421.16
Travelling & conveyance expenses		464.35	351.69
Legal and professional charges		610.30	1,726.45
Communication expenses		74.41	69.84
Books, subscription and membership		6.71	17.18
General expenses	30 (a)	326.21	352.20
Marketing and sales promotion		279.89	152.74
Discount, commission and other expenses on sales		1,818.44	1,169.14
Bad Debts written off	30 (a)	-	198.88
Allowance for Doubtful Debts		-	166.47
Packing and forwarding expenses		1,610.63	1,243.42
Advertisement expenses		10.09	3.70
Directors' sitting fees		25.60	34.80
Corporate social responsibility expenses		121.00	90.00
Donation		0.24	0.10
Motor car running expenses		14.31	15.24
Office expenses		14.44	23.35
Auditors remuneration		81.39	116.35
Loss on sale of property ,plant & equipment (net)		-	1.85
Total		12,066.80	11,774.75

- a) 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 parent company has written off net amount of Rs. 378 lakhs in previous year.

31 Exceptional Items

(Rs. In Lakhs)

Particulars	Refer Note No.	Year ended 31st March 2023	Year ended 31st March 2022
Provision for diminution in investment	31 (b)	-	638.58
Provision for advance	31 (c),(f),(g)	1,272.81	42.65
One time Commission	31 (d)	-	10,775.50
Profit on Sale of Goodwill & Trademark	2(iv)	-	(4,920.56)
Inventory write down	31 (e)	-	3,703.46
Total		1,272.81	10,239.63

- a) In compliance with IND As provisions, the parent company has made appropriate provisions for impairment/expected credit losses in respect of its investments , loans, receivables etc from its subsidiaries and associate concerns , based on review of the respective balance sheets and valuation reports obtained from approved valuers.
- b) During the previous 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 parent company has treated it as investment in debt instruments and valued at amortised basis. The parent company has provided 9% ECL for the loss of dividend in current year. The parent company is reasonably certain to recover principal amount and the accumulated unpaid dividend.
- c) This represents amount receivable towards sharing of common expenses from SE Transstidia Pvt. Ltd., (SETPL) a company in which directors have interest. Considering current financial position of SETPL, additional ECL provision of Rs. 85.29 Lakhs at 20% is made on this amount.

- d) During the previous year, 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.
- e) During the previous year, Government of India has formulated the policy to scrap old Commercial vehicles greater than 15 years. In view of new emission norms and reluctance of transferee company SASPL to take over such old stocks, the existing stocks of Rs. 4,205.84 lakhs (at book value) of items/components whose utility is impaired, has been written down in accounts of the parent company. The net loss of Rs. 3,703.46 lakhs (net of scrap sale value) is written down as expense.
- f) The Indian Subsidiary, SASPL has provided ECL Provision of Rs. 299.37 Lakhs on Advance given to Transstada Technology Pvt. Ltd.
- g) The Indian Subsidiary, SASPL has provided ECL Provision of Rs. 888.15 Lakhs on Advance given to supplier.

32 MAT CREDIT

During the year, the parent company has adjusted/(recognised) MAT Credit of Rs. 1027.41 lakhs (previous year Rs. 638.34 lakhs) for current financial year (Previous year Rs. Nil) and same is shown as adjustment from the current tax amount in the statement of profit and loss.

33 Discontinued Business of Parent company

On 31st August 2021, the parent company has entered into Business Transfer Agreement (BTA) with Setco Auto Systems Pvt. Ltd. (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.

- 34 In previous year, 30,70,000 number of shares of SE Transstada Pvt. Ltd. were sold at a price of Rs. 5 per share during the year. Thus, the parent company has incurred a loss of Rs. 1,381.50 lakhs on this transaction in the previous year. The parent company has booked loss of Rs. 153.50 lakhs under OCI, net of opening provisions of Rs. 1,228.00 lakhs.

35 Earning per share

Particulars	2022-2023	2021-2022
Profit available to Equity Shareholders after tax (Rs. In Lakhs)	-15,247.20	-22,436.22
Weighted average number of equity shares of Rs. 2/- each		
Basic - No. of Shares	133,767,275	133,767,275
Diluted - No. of Shares	133,767,275	133,767,275
Earnings per share in Rs. :		
Basic in Rs.	-11.40	-16.77
Diluted in Rs.	-11.40	-16.77

36 SALES-IN-TRANSIT

The Products dispatched from the factory, which remained in transit in respect of which the control have not been transferred amounts to Rs. 572.57 lakhs (Rs. 739.56 lakhs). With a view to reflect true and correct position of revenue, the said amount is reduced from total sales of the year and the stock value there of Rs. 550.30 lakhs (Rs. 687.64 lakhs) is shown under the head "Finished Goods" in Note 7 under the head "Inventories".

37 Related Party Disclosures as per Indian Accounting Standard - 24 "RELATED PARTY DISCLOSURES"

A. Names of Related Parties and Nature of Relationship :

Sr. No.	Name of the Related Party	Relationship
1	Key Managerial Personnel *	

Shri Harish Sheth	Chairman and Managing Director
Shri Udit Sheth	Whole time Director
Smt. Urja Shah	Executive Director
Shri Arun Arora	Independent Director
Shri Ashok Jha	Independent Director
Smt. Suhasini Sathe	Independent Director
Shri Jitender Gujral	Chief Executive Officer (Upto 31.10.2022)
Shri Siva Arvinth	Chief Executive Officer (w.e.f. 01.10.2022)
Shri Rovinder Kumar	Chief Financial Officer (upto 30.05.2022)
Shri Shrinivasan Sivasubrahmanyam	Chief Financial Officer (w.e.f. 14.11.2022)
Shri Hiren Vala	Company Secretary
2 Setco Engineering Private Limited	Enterprises over which key managerial personnel are able to exercise significant influence
3 Western Engineering Works (Partnership)	
4 SE Transstadia Private Limited	
5 White River Entertainment Pvt. Ltd.	
6 Transstadia Technologies Private Limited	
7 Transstadia Play sport Private Limited	
8 Transstadia Enterprises Private Limited (formerly known as Transstadia Capital Private Limited)	
9 Transstadia Boxing India Private Limited	
10 Transstadia Holdings Private Limited	
11 Setco Holdings Private Limited	
12 Transstadia Hospitality Private Limited (Strike off on 9th Jan 2023)	
13 Urdit Exports (Proprietary concern)	
14 Transstadia Education and Research Foundation	
15 Hrehan Venture Advisors Pvt. Ltd.	
16 Wingspun Funds Advisors LLP	
17 Transstadia Institute & Research Council	
18 Transstadia Education Services Pvt Ltd. (Strike off on 5th Dec 2022)	
19 Sportscom Industry Confederation	
20 Harish K. Sheth (HUF)	
21 Setco Foundation (Trust)	
22 Smt. Sneha Sheth	Relatives of Key Managerial Personnel
23 Shri Harshal Shah	

* The Company has designated Managing Director, Chief Financial Officer, Company Secretary and Chief Executive Officer as key managerial personnel for the purposes of Section 203 of Companies Act, 2013.

B. Transactions with Related Parties : (Rs. In Lakhs)

Sr. No.	Nature of transaction	2022-2023	2021-2022
A) Transactions with enterprises over which key managerial personnel are able to exercise significant influence :			
Investment made			
	- Setco Engineering Private Limited	-	3,644.26
Sale of Investment			
	- SE Transstadia Private Limited	-	1,535.00
Office Rent			

- Western Engineering Works	60.00	60.00
- Transstadia Technologies Private Limited	84.00	35.00
Expenditure including capital items (Net)/ Recovery		
- Transstadia Technologies Private Limited	72.89	134.74
Reimbursement of Expenses		
- SE Transstadia Private Limited	8.61	6.87
- Western Engineering Works	0.21	-
Marketing commission paid		
- Setco Engineering Private Limited	291.67	11,195.23
Purchase (gross)		
- Pahadi Goodness Pvt. Ltd.	-	0.16
Loan Given		
- Transstadia Technologies Private Limited	-	598.73
CSR Activity		
- Setco Foundation	121.88	90.00
Outstanding at year end :		
Investment		
SE Transstadia Private Limited	-	-
Setco Engineering Private Limited	9,504.26	9,504.26
Amount receivable		
- SE Transstadia Private Limited	426.49	426.49
- Transstadia Technologies Private Limited	598.73	598.73
Amount payable		
- Setco Engineering Private Limited	24.55	35.13
- SE Transstadia Private Limited	4.93	4.93
- Transstadia Technologies Private Limited	106.33	85.31
- Western Engineering Works	5.40	5.40

B) Transactions with key managerial personnel and their relatives :

Managerial remuneration (directors)

(Including provident fund and excluding commission to non-executive directors)

- Shri Harish Sheth [(Refer Note No. 37(2))]	40.00	168.00
- Shri Udit Sheth	150.00	143.50
- Smt. Urja Shah	66.48	66.48
- Shri Shvetal Vakil (upto 31 Mar 2020) [(Refer Note No. 37(2))]	40.00	-

Remuneration of other Key Managerial Personnel	219.40	153.15
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Outstanding at year end :

Amount receivable

- Shri Harish Sheth	29.28	29.28
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- 1) In pursuance of special resolutions passed by the members and in view of inadequacy of profits, the Chairman & Managing Director has been paid remuneration of Rs. 40.00 lakhs as Ex-gratia (Rs. 168.00 lakhs) per annum, within the limits laid down under Part-II of Schedule V of the Companies Act, 2013.

2) During the year, Ex-gratia arrears paid to Shri Shveta Vakil amounting of Rs. 40.00 lakhs on behalf of Setco Auto Systems Private Limited against the liability transferred to the said company pursuant to the Business Transfer Agreement executed in previous year.

38 Enterprises consolidated as subsidiary in accordance with IND-AS-110 “Consolidated Financial Statements”

Sr. No.	Names of Subsidiaries with country of incorporation	Percentage of Voting Power	Financial Year
i	Setco Automotive (UK) Limited – UK (SAUL)	32.19% by Setco Automotive Ltd. 67.81% by WEW Holding Ltd.	April to March
ii	Setco Automotive (N.A.) Inc. – U.S.A. (SANAI) (Wholly owned Subsidiary of Setco Automotive (UK) Ltd.)	100%	April to March
iii	WEW Holding Limited Mauritius - (WEW) (Wholly owned subsidiary of Setco Automotive Ltd. India)	100%	April to March
iv	Setco MEA DMCC (Wholly owned subsidiary of Setco Automotive Ltd. India)	100%	April to March
v	Lava Cast Private Limited - (India) (Partly owned subsidiary of Setco Automotive Ltd. India)	89.68% by Setco Automotive Ltd. 10.32% by Setco Auto Systems Pvt. Ltd.	April to March
vi	Setco Auto Systems Private Limited (Partly owned subsidiary of Setco Automotive Ltd. India)	81.25%	April to March

39 Additional Information, as required under Schedule III to the Companies Act, 2013

Sr. No.	Name of the Entity	Share of net assets		Share of profit or loss	
		As at 31st March, 2023		Year ended 31st March 2023	
		As % of consolidated net assets	Rs. in lakhs	As % of consolidated profit or loss	Rs. in lakhs
I	Parent				
	Setco Automotive Limited	-9.11%	3,923.76	-5.22%	1,003.08
II	Subsidiaries				
	a. Indian				
	Lava Cast Private Limited	15.86%	-6,831.42	16.44%	(3,161.18)
	Less : Non-controlling interest	-0.31%	-132.19	-0.32%	(61.15)
	Setco Auto Systems Private Limited	108.11%	-46,562.63	108.87%	(20,930.21)
	Less : Non-controlling interest	-20.27%	-8,730.49	-20.52%	(3,944.67)
		103.39%	-44,531.37	104.47%	-20,085.57
	b. Foreign				
	1. Setco Automotive (UK) Limited	7.12%	-3,064.82	1.91%	(366.43)
	2. Setco Automotive (NA) Inc.	-2.51%	1,082.18	-1.69%	325.19
	3. WEW Holdings Limited	0.01%	-4.90	-0.01%	1.18
	4. SETCO MEA DMCC	1.11%	-476.30	0.54%	(103.10)
	Total	100.00%	(43,071.46)	100.00%	(19,225.65)

Sr. No.	Name of the Entity	Share of other comprehensive income		Share of total comprehensive income	
		Year ended 31st March 2021		Year ended 31st March 2021	
		As % of consolidated other comprehensive income	Rs. in lakhs	As % of consolidated total comprehensive income	Rs. in lakhs
I	Parent				
	Setco Automotive Limited	0.00%	-	-6.88%	1,309.86
II	Subsidiaries				
	a. Indian				
	Lava Cast Private Limited	0.00%	-	16.61%	(3,161.18)
	Less : Non-controlling interest	0.00%	-	-0.32%	(61.15)
	Setco Auto Systems Private Limited	100.00%	(146.01)	110.71%	(21,076.22)
	Less : Non-controlling interest	-18.75%	(27.38)	-20.86%	(3,972.05)
		81.25%	(118.63)	106.13%	(20,204.21)
	b. Foreign				
	1. Setco Automotive (UK) Limited	-	-	1.92%	(366.43)
	2. Setco Automotive (NA) Inc.	-	-	-1.71%	325.19
	3. WEW Holdings Limited	-	-	-0.01%	1.18
	4. SETCO MEA DMCC	-	-	0.54%	(103.10)
	Total	100.00%	(146.01)	100.00%	(19,037.51)

40 CONTINGENT LIABILITIES & COMMITMENTS

A. Contingent liabilities :

- i) Guarantees given by the bank on behalf of Parent Company, Setco Automotive Limited Rs. 12.55 lakhs (Rs. 14.53 lakhs).
- ii) Guarantee given for maximum \$ 3.00 million (\$ 3.00 million) to Bank of Baroda, New York, USA for wholly owned ultimate foreign subsidiary's credit facilities Rs. 2,480.70 lakhs (Rs. 2,288.10 lakhs). The carrying amounts of related financial guarantee contracts recognised in books of account are Rs. 18.19 lakhs as at 31.03.2023 (Rs. 18.62 lakhs).
- iii) Guarantee given for maximum Rs. 16,678.00 lakhs (Rs. 18,326.00 lakhs) to Bank of Baroda, Mumbai, India, for subsidiary's credit facilities. The carrying amounts of related financial guarantee contracts are recognised in books of account are Rs. 670.34 lakhs as at 31.03.2023 (Rs. 643.68 lakhs).
- iv) Guarantee given for maximum Rs. 56,500.00 lakhs (Rs. 56,500.00 lakhs) to Vistra ITCL (India) Limited, Mumbai, India (Debenture Trustee) for non convertible debentures issued by the parent company in previous year and its Indian subsidiary company, Setco Auto Systems Pvt. Ltd.
- v) Guarantee given by bank on behalf of Lava Cast Pvt Ltd Rs. Nil (Rs. 574.85 lakhs).
- vi) Guarantees given by the bank on behalf of Setco Auto Systems Pvt. Ltd. Rs. 1.98 lakhs (Rs. 1.98 lakhs).

B. NOTE ON PENDING LITIGATION :-

- i) The parent company had filed a case against a competitor for cancellation of registration of design granted by Controller of Patents and Designs in Kolkata High Court. In view of the settlement of differences under a consent terms, the said case became infructuous and the process of withdrawal of the case is under process.
- ii) The parent company has received Assessment Orders under section 143(3) read with section 144C (3) for A.Y.2016-17, A.Y. 2017-18 & A.Y.2018-19 in which certain additions are made resulting in demand of Rs. 0.73 lacs, Rs.0.35 lacs and Rs. Nil amount respectively. The matters on which additions are made in respect of product development expenses, are adjudicated in favour of the parent company by the Income tax Appellate Tribunal. These adjudicated matters are not contested further by the Income tax Department.

The parent company's appeals in which additions are made are contested before the Commissioner of Income tax (Appeals) which are pending for disposal. Based on adjudication by the Income tax appellate tribunal, the appeal before the CIT Appeals are expected to decide in favour of the company. Therefore, the demand arising on account of such additions are expected to be deleted and hence not provided for.

The penalty proceedings initiated by the Department under section 271(1)(c) of the Income tax Act, 1961 based on additions made in the assessments referred to above are requested to be kept in abeyance till the disposal of appeal. Based on adjudication of the matters decided in favour of the parent company it is expected that such proceedings will be dropped.

- iii) The parent company has received notices U/s. 276B/276BB of Income tax Act, 1961 for delay in payment of amount of TDS to the credit of Central Government for the F.Y.2019-20 & F.Y.2020-21. The parent company has represented and laid facts and the compelling circumstances under which the delay in payment accrued. However, as on date, entire due amount with applicable interest has been paid. Compliances and proceedings of the same are ongoing and no order is received till date.
- iv) The Lava Cast Private Limited has received legal notices from 19 vendors for recovery of their outstanding overdues of Rs. 94.41 Lakhs along with interest. As the financial restructuring has provided enough financial stability, the company is surely pay to all the outstanding overdue amount without interest to the vendors in near future.

The parent company's management reasonably expects that these cases when ultimately concluded/adjudicated will not have any material or adverse effect on the company's results or the operations or financial condition.

C. Commitments : (For parent company and Indian subsidiary company)

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 163.59 lakhs (Rs. 467.22 lakhs).

41 TRADE PAYABLES & RECEIVABLES

- i) In Respect of parent company & Indian subsidiary company, Setco Auto Systems Pvt. Ltd., Trade payables' balances for which balance confirmations have been received, have been reconciled and necessary adjustments, if any, has been accounted. In respect of trade receivables and other debit/credit balances, for which balance confirmations have been received, have been reconciled and necessary adjustments, if any, has been accounted. In respect of Indian subsidiary company, Lava Cast Pvt. Ltd., Trade Payables, Creditors for Capital Expenditure and Capital Advances are subject to reconciliation and / or confirmation.
- ii) In the opinion of the management, current and non-current assets are recoverable in the normal course of business.

42 Fair Value Measurements :

- (i) Financial instruments by category :

The carrying amounts of financial instruments by class are as follows :

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
A. Financial assets		
I. Measured at amortised cost		
Trade Receivables	3,825.73	4,281.83
Cash and Cash Equivalents	33.76	32.23
Other Financial Assets	110.19	110.28
Investment in Preference Shares of Related Entity	7,002.79	7,002.79
II. Measured at fair value through profit and loss (FVTPL)		
Other Financial Assets	0.25	0.25
III. Measured at fair value through other comprehensive income (FVOCI)		
Investment in Equity Instruments of Related Entity	-	-
	10,972.72	11,427.38
A. Financial liabilities		

I. Measured at amortised cost		
Borrowings	80,551.07	69,376.47
Lease Liability	-	-
Unclaimed Dividend	64.78	72.38
Trade Payables	9,375.56	8,496.17
II. Measured at fair value through profit and loss (FVTPL)		
Finance lease obligation	-	-
	89,991.41	77,945.02

(ii) **Fair value hierarchy :**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the entity has classified its financial instruments into 3 levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measure quoted prices.

Level 2: The fair values of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all the significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	(Rs. In Lakhs)		
	Level 1	Level 2	Level 3
Measured at fair value through profit and loss (FVTPL)			
As at 31st March 2023			
Other Financial Assets	-	-	0.25
As at 31st March 2022			
Other Financial Assets	-	-	0.25
Finance lease obligation	-	-	-
Measured at fair value through other comprehensive income (FVOCI)			
As at 31st March 2023			
Investment in Equity Instruments of Related Entity	-	-	-
	-	-	-
As at 31st March 2022			
Investment in Equity Instruments of Related Entity	-	-	-
	-	-	-

(iii) **Valuation techniques used to determine the fair value- Level 3 :**

Valuation is based on Income approach, wherein discounted cash flow method is used to capture present value of the expected future economic benefits to be derived from the ownership of particular financial instrument.

43 Disclosure of ratios :

	Ratios	As at 31st March, 2023	As at 31st March, 2022	Change	Reason for Change
a)	Current ratio [Current Assets / (Current Liabilities - Current Maturities of Long Term Borrowings - Interest Accrued)]	1.07	1.21	-12%	Due to repayment of short term borrowings
b)	Debt-Equity ratio [(Long Term Borrowings + Short Term Borrowings + Interest Accrued) / Equity]	-2.03	-3.16	-36%	Due to decrease in loss for the year
c)	Debt service coverage ratio [Profit/(loss) before exceptional items and tax + Finance Costs / (Finance Costs + Principal payment of borrowings)]	0.02	-0.16	-112%	Due to profit before interest and tax for the year
d)	Return on equity ratio [Net Profit/(loss) after tax / Average Shareholder's equity]	0.57	1.92	-70%	Due to decrease in loss for the year
e)	Inventory turnover ratio [Cost of Materials consumed + Changes in inventories of finished goods and work-in-progress / Average Inventory]	2.53	2.06	23%	Higher material consumed in line with higher revenue
f)	Trade receivables turnover ratio [Revenue from operations / Average Trade Receivables]	13.46	9.92	36%	Due to higher revenue
g)	Trade payables turnover ratio [Net Purchase / Average Trade Payables]	3.49	2.46	42%	Higher material purchased in line with higher revenue
h)	Net capital turnover ratio [Revenue from operations / Average Working Capital]	22.65	-6.20	-465%	Due to repayment of short term borrowings
i)	Net profit ratio [Net Profit(Loss) after Tax / Revenue from operations]	-35%	-58%	-41%	Due to decrease in loss for the year
j)	Return on capital employed [Profit before interest and taxes / Capital Employed]	0.01	-0.09	-117%	Due to profit before interest and tax for the year
k)	Return on investment [Net Income / Cost of Investment]	0%	0%	0%	

44 Disclosure in respect of materials & component consumption, inventories, deferred tax assets, deferred tax liabilities, trade receivables, trade payables and change in Inventories of finished goods and work in progress are reflected, each at aggregate amounts only on the basis of information available from wholly owned ultimate foreign subsidiaries.

45 The audited financial statements of the wholly owned ultimate foreign subsidiaries have been prepared in accordance with local laws of the country in which these subsidiaries 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.

46 In Financial Year 2017-18, Setco Automotive UK Ltd had revalued its investment in Setco Automotive (NA) Inc. from Rs. 1,483.11 lakhs to Rs. 2,665.50 lakhs and in Financial Year 2018-19 it has revalued Land and Building from Rs. 813.35 lakhs to Rs. 1,078.63 lakhs. Upon consolidation, these inter company balances have been eliminated and consequent effect on Retained Earnings have been derecognised.

47 Other Notes specific to parent company have been mentioned in the Notes of Parent company's Standalone Financial Statement.

48 Figures in brackets represent previous year's figures.

49 Previous year's figures have been regrouped/ reclassified wherever necessary to confirm with the current year's classification/ disclosure.

As per our report of even date attached
For Sharp & Tannan Associates
Chartered accountants
(ICAI Firm registration No. : 109983W)

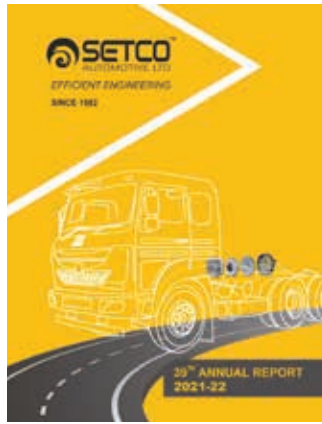
(CA Pramod Bhise)
Partner
Membership No. : 047751

Place : Pune
Date : June 2, 2023

For and on behalf of the Board

Harish Sheth Chairman & Managing Director	Udit Sheth Vice Chairman	Urja Shah Executive Director
Arun Arora Independent Director	Ashok Jha Independent Director	Suhasini Sathe Independent Director
Shrinivasan Iyer Chief Financial Officer	Hiren Vala Company Secretary	

Place : Mumbai
Date : June 2, 2023





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