

January 27, 2022

To,

BSE Limited,
Dept. of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Company Code: 505075

National Stock Exchange of India Ltd,
Listing Department
Exchange Plaza, Bandra Kurla
Complex,
Bandra (East), Mumbai – 400051
Scrip Symbol: SETCO

Dear Sir,

Sub.: Intimation of withdrawal of credit rating assigned to the Term Loan under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that consequent to Company's full repayment of Term Loan with zero outstanding as on date, at the request of the Company, CareEdge Ratings ("Rating Agency") has taken cognizance of the same and, subsequently as a process, communicated withdrawal of the credit rating assigned to the Company's Term Loan vide its letter no. CARE/HO/RL/2021-22/3551 dated January 24, 2022.

The copy of the Press Release issued by the Rating Agency is enclosed herewith for your reference.

We request you to take the above on your record.

Thanking you,

Yours faithfully,

For Setco Automotive Limited



Hiren Vala
Company Secretary

Setco Automotive Limited

January 25, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Withdrawn
Short Term Bank Facilities	-	-	Withdrawn
Total Bank Facilities	0.00 (Rs. Only)		

Details of facilities as per Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE Ratings Limited has withdrawn the ratings of 'CARE D assigned to the bank facilities of Setco Automotive Limited (SAL) with immediate effect, as the company has repaid the aforementioned bank facilities and term loan in full and there is no amount outstanding under the facility/loan as on date.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company –

Setco Automotive Limited (SAL) is engaged in manufacturing of clutches for Medium and Heavy Commercial Vehicles (MHCV) and markets it under brand name 'LIPE Clutches'. SAL led by Mr. Harish Sheth, is the flagship company of the 'Sheth Group'. Incorporated in 1982, SAL has 4 manufacturing facilities: 2 in India (Kalol - Gujarat, Sitarganj - Uttarakhand), 1 in United Kingdom (Haslingden - Lancashire) and 1 in USA (Paris – Tennessee). The overseas facilities of SAL act as assembling units. SAL meets major portion of MHCV Original Equipment (OEM) demand in India. The product line of SAL also includes supply of hydraulics (pressure converters) and fully machined ferrous castings. SAL also set up ferrous foundry through subsidiary Lava Cast Pvt Ltd (LCPL) (JV between SAL and Lingotes Especiales (LE) of Spain) to produce fully machined ferrous castings. SAL is currently in the process of acquiring 100% stake in LCPL. In addition to LCPL, SAL has also set up a unit to manufacture diaphragm springs which it used to earlier source from Germany.

Brief Financials (YTEI) (Rs. crore)	FY19 (A)	FY20 (A)	FY21 (A)	H1FY22
Total operating income	685.30	474.95	367.92	144.4
PBILDT	101.91	40.64	-34.30	-110.9
PAT	-0.54	-49.56	-123.29	-161.0
Overall gearing (times)	2.83	6.37	-ve	-ve
Interest coverage (times)	1.94	0.71	-ve	-ve

A: Audited ; UA : Un- Audited

Status of non-cooperation with previous CRA:

Any other information: NA

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: *Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3*

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC		-	-	-	0.00	Withdrawn

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	-	-	1)CARE D (05-Apr-21)	1)CARE D (10-Nov-20)	1)CARE C; Negative (07-Feb-20) 2)CARE B; Negative (25-Nov-19) 3)CARE BB; Negative (12-Aug-19) 4)CARE BBB-; Stable (10-Jun-19)	1)CARE BBB-; Positive (17-Sep-18)
2	Fund-based - LT-Cash Credit	LT	-	-	1)CARE D (05-Apr-21)	1)CARE D (10-Nov-20)	1)CARE C; Negative (07-Feb-20) 2)CARE B; Negative (25-Nov-19) 3)CARE BB; Negative (12-Aug-19) 4)CARE BBB-; Stable (10-Jun-19)	1)CARE BBB-; Positive (17-Sep-18)
3	Non-fund-based - ST-BG/LC	ST	-	-	1)CARE D (05-Apr-21)	1)CARE D (10-Nov-20)	1)CARE A4 (07-Feb-20) 2)CARE A4 (25-Nov-19) 3)CARE A4 (12-Aug-19) 4)CARE A3 (10-Jun-19)	1)CARE A3 (17-Sep-18)

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities- NA**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure 5: Bank Lender Details for this CompanyTo view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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