

To,

September 8, 2026

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 43rd Annual General Meeting along with Annual Report of Setco Automotive Limited (“the Company”) for the Financial Year 2025-26.

Dear Sir,

This is to inform that the 43rd Annual General Meeting (“AGM”) of the Company will be held on Wednesday, September 30, 2026 at 2:30 p.m IST at the Registered Office of the Company at Alindra Village, Vadodara Godhra Highway, Kalol, Panchmahal, Gujarat, India – 389330 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 43rd Annual General Meeting along with the Annual Report for the financial year 2025-26.

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, September 23, 2026 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

ADITI
SUDEEP
PAI
Digitally signed
by ADITI SUDEEP
PAI
Date: 2026.09.08
18:43:31 +05'30'

Aditi Pai

Company Secretary

A large graphic on the left side of the cover consists of a cluster of overlapping hexagons. Each hexagon contains a different industrial image, all tinted in a warm, orange-brown color. The images show various manufacturing processes, including what appears to be a welding torch, a robotic arm, and different mechanical components.

43rd

**Annual Report
2025 - 26**

Driven by Passion, Process & Performance

GLOBAL QUALITY CERTIFICATIONS - IATF 16949, ISO 14001, 45001 & OHSAS 18001

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.

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



Safety First | Integrity | Excellence | Environment Care | Customer Focus | Team Work | Joy

“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.”

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Corporate Information

BOARD OF DIRECTORS

Mr. Harish Sheth

Chairman & Managing Director

Mr. Udit Sheth

Vice Chairman and Whole-time director

Mrs. Urja Shah

Whole-time director

Mr. Vijay Kalra

Independent Director

Dr. Suresh Shanbhogue

Independent Director

Mr. Alok Parashar

Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Anurag Jain

Chief Financial Officer

Appointed w.e.f. 27th May, 2025

Mr. Hiren Vala

Company Secretary

Resigned w.e.f. 27th May, 2026

Mrs. Aditi Pai

Company Secretary

Appointed w.e.f. 13th July, 2026

AUDIT COMMITTEE

Mr. Vijay Kalra

Chairman

Dr. Suresh Shanbhogue

Member

Mr. Udit Sheth

Member

Mr. Alok Parashar

Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Vijay Kalra

Chairman

Dr. Suresh Shanbhogue

Member

Mr. Alok Parashar

Member

STAKEHOLDERS GRIEVANCES & RELATIONSHIP COMMITTEE

Dr. Suresh Shanbhogue

Chairman

Mr. Harish Sheth

Member

Mrs. Urja Shah

Member

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Mrs. Urja Shah

Chairperson

Mr. Udit Sheth

Member

Mr. Vijay Kalra

Member

Dr. Suresh Shanbhogue

Member

REGISTRAR & SHARE TRANSFER AGENTS

MUFG Intime India Private Limited

C-1, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai - 400 083, Maharashtra, India

SECRETARIAL AUDITORS

Shravan A Gupta & Associates
Practicing Company Secretary,
Mumbai, Maharashtra - India

STATUTORY AUDITORS

Sharp & Tannan Associates
Chartered Accounts, Mumbai,
Maharashtra - India

COMPANY COMMUNICATION

Registered Office:

Alindra (Village) Vadodara - Godhra
Highway, Kaloi (Panchmahals)- 389330,
Gujarat, India

Corporate Office

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

SUBSIDIARIES

Lava Cast Private Limited

Alindra (Village) Vadodara - Godhra
Highway, Kaloi (Panchmahals)- 389330,
Gujarat, India

Setco Automotive (UK) Limited

York Avenue, Haslingden, Lancashire,
United Kingdom 8844HU

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

Apex House, Bank Street, Twenty Eight
Cybercity, Ebene 72201, Republic of
Mauritius

Investor Grievance:

email:- investor.relations@setcoauto.com

OTHER INFORMATION:

- a. Corporate Identification Number
(CIN): L32909GJ1982PLC005203
- 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. 43rd Annual General Meeting information:

Date: September 30, 2026

Day: Wednesday Time: 02.30 p.m.

Place: Alindra Village, Vadodara Godhra Highway, Kalol, Panchmahal -389330, Gujarat, India

For details please refer to the Notice of this AGM.

Product Brands



Key Milestones

1982 Incorporation

1999 - 2000



Technical collaboration with Lipe UK division of Dana Corp. (USA) during India's BS migration

2005 - 2006



PE investment by new vernon set up Setco UK - acquired Lipe (UK) from Dana Corp. (USA) set up Setco NA -Acquired US facility from Haldex AB Sweden

2009 - 2011



Forayed into new global markets - Central Asia, Mena region, Africa, Latin America & South Asia started vertical integration set up R&D set up SOA press shop

2013 - 2014



Launch of clutches to cater aftermarket segment

2014 - 2015



Setting up of diaphragm spring manufacturing facility launched foundry (Lava Cast Pvt. Ltd.) Under JV arrangement

2016 - 2017



Launch of clutches for farm equipment (tractor) segment and American market

2017 - 2018



Launch of clutches for farm equipment (tractor) segment and American market

2018 - 2019



BS-VI approvals from all OEM partners on target

2019 - 2022



Foray into farm tractor segment and BS VI clutches Accomplishment of fundraising activity

2023 - 2024



Launched new range of Setco allied products such as Flywheels, Bearings, Brakes, Lubricants & Oil and many more Increase in offerings in farm equipment for aftermarket

2024 - 2025



Successfully launched new products including Clutch Release Bearings, Central Support Bearings Tractor clutches supplies started in Q4FY25 Launched Automotive Water Pump and Load Cushion & torque Rod Bush

2025 - 2026



Executed documents for sale of Setco Auto Systems Private Limited

Board Of Directors



Harish Sheth, Chairman & Managing Director

Mr. Harish Sheth is the founder of Setco Automotive Limited. A core visionary of the Company, Mr. Harish Sheth has been instrumental in transforming the Company from a single product/single location to a multiple product/ multi-location Company, catering towards a remarkable presence for the Company in the international market as well. Mr. Harish Sheth has a Bachelor's degree in Mechanical Engineering from the University of Michigan, Ann Arbor and an MBA (Finance) from the Columbia University, New York.



Udit Sheth, Vice Chairman

Mr. Udit Sheth is an innovator and entrepreneur who has created India's pioneering Sports Infrastructure Project on PPP model. He is the founder of the TransStadia Group and also part of the promoter family for the Setco Group. TransStadia is the world's first and only SuRe Certified Stadium, which also boasts of LEED Gold & ISO 9000 and 14000 certifications.

His core expertise is in Finance & Operations – which he has applied with detailed research, ergonomics & creativity that has seen the successful establishment of new and innovative projects in his career spanning 19 years.

With mergers and acquisitions in UK & USA for the growth of the commercial vehicle business in India and globally to the creation of the best technologically advanced stadium with number services and technical inputs – he has always worked with foresightedness and bringing newness and agility to any project he handles.

He has also chartered many ground- breaking initiatives in Yoga – and introduced Yogasana as a competitive sport as mandated by the Ministry of Youth Affairs and Sports in Dec 2020.



Urja Shah, Whole-time 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.



Vijay Kalra, Independent Director

Mr. Kalra holds an MBA from Institute of Management Technology, Ghaziabad, a B.E. in Mechanical Engineering from Jiwaji University, Gwalior, and a Diploma in Production Management from Punjab University. He has extensive experience in the automotive and manufacturing sectors, with expertise in Quality Management, Operational Excellence, Safety, and Sustainability. He has played a pivotal role in setting up three Greenfield facilities and has a strong focus on Industry 4.0 and Lean practices



Suresh Shanbhogue, Independent Director

Dr. Suresh Shanbhogue holds an M.Sc., MBA, and Ph.D., and has published two books along with several research papers in reputed journals. He has served as Director on the Boards of various State PSUs and as the Nominee Director of the Government of Goa on the Board of GMR Goa International Airport Limited. His areas of specialization include Planning & Development, Public Policy, Public Finance, PPP, Mining, Official and Medical Statistics, Census & Surveys, and General Administration.



Alok Parashar, Independent Director

Mr. Alok Parashar is an accomplished Chief Operating Officer with over 30 years of leadership experience across premier educational institutions and businesses. He served as COO of the American School of Bombay from 2008 to 2023, where he led expansion, built high-performance teams, and ensured compliance and operational excellence. He was previously the Director of Administration at Mahindra United World College, Pune. A founding team member of Avasara Leadership Institute and Schreiber Dynamix Dairy, he brings deep expertise in strategy, operations, project execution, and change management. A former military officer, Mr. Parashar holds an MBA and a degree in Political Science, with executive education from Harvard.

MESSAGE FROM THE DESK OF

SHRI HARISH SHETH

Chairman & Managing Director

Dear Shareholders,

Greetings from the Setco family.

FY26 was one of the most consequential years in the history of our Company. We improved the financial position of the Group, completed a major strategic transaction and began reshaping the listed company around a more focused future. The decisions taken during the year were not only about addressing the past; they were about creating the operating and financial foundation from which we can build sustainable long-term value.



Economic and Industry Environment

The global economy remained affected by geopolitical tensions, trade-policy uncertainty and volatility in freight, commodities and currencies. Against this backdrop, India continued to benefit from infrastructure investment, domestic consumption, manufacturing activity and improving logistics. These fundamentals remain supportive for commercial vehicles, tractors, construction equipment and auto components, even as individual end markets remain cyclical.

“ FY25 was about strengthening the foundation. FY26 was about reshaping our portfolio. FY27 must be about execution, profitability and growth. ”

For Indian engineering companies, the opportunity is increasingly clear. Global customers are seeking resilient and competitive supply chains while demanding stronger quality systems, traceability, engineering capability and reliable delivery. Our strategy is being aligned to this opportunity with a sharper focus on fully machined cast components, customer diversification and export development.

FY26 Performance

On a consolidated basis, revenue from operations increased by 12.0% to ₹804.92 crore from ₹718.63 crore in FY25. EBITDA was ₹97.66 crore compared with ₹109.18 crore in the previous year. Profit before tax improved to ₹13.17 crore from a loss before tax of ₹129.18 crore in FY25, while the loss after tax narrowed to ₹4.27 crore from ₹126.33 crore. These results should be read with the audited financial statements, including the effect of transaction-related, financing and accounting items.

The improvement in the bottom line is encouraging, but we recognise that the quality of future earnings must increasingly come from operating performance, cash generation and capital efficiency in the continuing businesses. These will be central measures of management execution in FY27 and beyond.

A Strategic Milestone – SASPL and RSB Transmissions

One of the most important developments in Setco's history took place on 29 March 2026, when SAL executed transaction documents for the proposed transfer of control of Setco Auto Systems Private Limited (SASPL) to RSB Transmissions (I) Limited, a Bain Capital-backed automotive-components platform. The transaction was designed to unlock value in the clutch business, provide SASPL with the strength and scale required for its next phase, facilitate the exit of India Resurgence Fund from SASPL, and enable the listed company to sharpen its focus on its continuing businesses.

As at 31 March 2026, SASPL remained within the Group's FY26 reporting perimeter and recorded revenue of ₹738.96 crore and EBITDA of ₹109.89 crore. Subsequent to the year-end, the initial closing was completed and RSB Transmissions (I) Limited / Bain Capital assumed control of SASPL. We are focused on ensuring an orderly transition, protecting the Company's contractual rights and maintaining continuity in the commercial arrangements between SASPL and Lava Cast.

I would like to place on record my appreciation to the employees, customers, suppliers, lenders, investors and advisers who supported us through this complex journey. Most importantly, I thank the people who helped build the Setco clutch franchise over many years, and I extend my best wishes to the SASPL team as it begins its next chapter within the RSB Transmissions / Bain Capital platform.

Lava Cast – The Continuing-Business Focus

Following the SASPL transaction, Lava Cast is the principal continuing operating platform of the listed company. It has meaningful foundry infrastructure, machining capability, metallurgical knowledge and the potential to serve customers across commercial vehicles, tractors, off-highway equipment and selected industrial applications. Our task now is to convert this manufacturing base into a more productive, diversified and globally competitive engineering business.

During FY26, Lava Cast recorded revenue of ₹87.78 crore and EBITDA of ₹3.63 crore. Profitability remained below our expectations and the business reported a loss after tax. We are therefore

approaching the next phase with realism and urgency. Higher utilisation must be accompanied by better yield, lower rejection, energy efficiency, preventive maintenance, machining productivity, disciplined procurement and tighter working-capital management. We are committed to make our facilities better every day.

In March 2026, SAL acquired the remaining equity interests in Lava Cast, making it a wholly owned subsidiary. On 23 March 2026, the Board approved a draft Scheme of Amalgamation for the merger by absorption of Lava Cast into SAL, subject to the approvals of the National Company Law Tribunal and other applicable stakeholders and authorities. The proposed merger is intended to create a simpler listed operating structure, consolidate financial and operational oversight, improve capital allocation, reduce duplicated compliance and provide stakeholders with clearer visibility of the casting business. Until the Scheme becomes effective, Lava Cast will continue as a separate legal entity.

Building a Disciplined Casting Export Business

Exports can become an important pillar of Lava Cast's future, but our objective is not to pursue volume at any price. We intend to build a qualified and commercially sound pipeline of fully machined casting programs where we can compete on engineering, quality, total delivered cost and reliability. Priority sectors include commercial vehicles, tractors, off-highway equipment and selected industrial applications.

Export programs require patience because qualification and ramp-up cycles are long. We will therefore measure progress through stage-gated milestones - customer engagement, RFQ, plant audit, tooling and development, prototypes, validation and production-part approval, commercial nomination and serial supply. Pricing discipline will be equally important: alloy, energy, machining, freight, tooling and working-capital economics must all be reflected in the business we accept. The continuing offtake relationship contemplated with SASPL provides a useful operating base while Lava Cast develops a more diversified domestic and export customer portfolio.

Improving the Overseas Subsidiaries

The performance of our UK and North American subsidiaries remained below their potential during FY26. Improving their profitability and cash generation is therefore a clear management priority. Our approach is centered on sustainable contribution and return on capital rather than revenue growth alone.

In the United Kingdom, the focus is on a leaner, market-facing and increasingly asset-light model, with lower inventory, disciplined receivables and stronger distributor development. In North America, we are concentrating on the replacement market, development of the hydraulics business, product availability, freight economics and contribution margins. Across both entities, management will monitor cost, inventory, receivables, channel productivity and portfolio choices against clear performance milestones.

People, Governance and Responsibility

A transformation of this scale places exceptional demands on people. Throughout FY26, our teams managed day-to-day operations while simultaneously supporting due diligence, transaction execution, separation planning and changes in ownership. I thank every member of the Setco family for their resilience, professionalism and commitment to customers.

As the listed company enters its next phase, capability building at Lava Cast will be especially important in metallurgy, process engineering, maintenance, machining, quality assurance, safety, energy management and export program execution. We will continue to strengthen internal controls, statutory compliance, environmental responsibility and workplace safety. The Setco Foundation's commitment to our communities also remains important, particularly through initiatives supporting children, women and inclusive development.

Looking Ahead

The Company enters FY27 as a materially different enterprise. Our priorities are clear: complete the residual actions arising from the SASPL transaction; progress the proposed merger of Lava Cast into the listed company; restore Lava Cast to sustainable profitability; build a diversified domestic and export order book; improve the UK and North American subsidiaries; and maintain prudent liquidity, funding and capital-allocation discipline.

The opportunity before us is meaningful, but value will be created only through execution. We are committed to ensure customer confidence program by program, improve the plant every day and remain disciplined in the use of capital. Our aspiration is to build Shilayan Industries (name is applied for and awaiting statutory clearances) into a respected engineering company with delighted customers, manufacturing excellence and enduring financial strength.

FY25 was about strengthening the foundation. FY26 was about reshaping our portfolio. FY27 must now be about disciplined execution, profitability and growth. The strategic transition is behind us; the management agenda now moves decisively from restructuring to performance.

Thank you for your trust and continued support. Together, we move forward with clarity of purpose, resolve and confidence.

With sincere regards,

Harish Sheth

Chairman & Managing Director





CIN: L32909GJ1982PLC005203

Registered Office: Alindra Village, Vadodara Godhra Highway, Kalol, Panchmahal, Gujarat, India – 389330 **Tel No.:** 2676- 227101, **Fax:** 02676-235524;

E-mail: investor.relations@setcoauto.com; **Website:** www.setcoauto.com

NOTICE OF 43rd ANNUAL GENERAL MEETING

Notice is hereby given that the **Forty-Third Annual General Meeting (“AGM”)** of the members of **SETCO AUTOMOTIVE LIMITED** will be held on **Wednesday, September 30, 2026 at 2:30 p.m. IST** at the Registered Office of the Company at Alindra Village, Vadodara Godhra Highway, Kalol, Panchmahal, Gujarat, India – 389330 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, 2026 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, 2026 together with the Report of Auditors thereon.

2. To appoint a director in place of Mrs. Urja 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 Shah (DIN: 02675341), as a Whole-time-Director, who is liable to retire by rotation.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, 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 for a further period of three (3) years with effect from January 1, 2027 to December 31, 2029.”

“RESOLVED FURTHER THAT consent of the Members be and is hereby accorded for payment of remuneration to Mr. Harish Kiritbhai Sheth during the aforesaid tenure as follows: (a) ₹10,00,000/- (Rupees Ten Lakhs only) per month, aggregating to ₹1,20,00,000/- (Rupees One Crore Twenty Lakhs only) per annum; or (b) remuneration determined with reference to the net profits of the Company computed in accordance with Section 198 of the Act, being the amount available within 5% of such net profits after taking into account the remuneration paid/payable to

the other Executive Directors of the Company, namely Mr. Udit Harish Sheth, Vice Chairman and Executive Director and Mrs. Urja Harshal Shah, Executive Director, whichever is higher, subject to the applicable limits and approvals prescribed under Section 197 read with Schedule V to the Act.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during his tenure, ₹10,00,000/- (Rupees Ten Lakhs only) per month shall be payable to Mr. Harish Kiritbhai Sheth as minimum remuneration, subject to the provisions of Section 197 read with Schedule V to the Act and other applicable approvals, if any.”

“RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to sign, execute and file all such forms, returns, documents, applications and writings as may be necessary, proper or expedient for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable laws, rules and regulations, the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Udit Harish Sheth (DIN: 00187221) as Vice Chairman and Executive Director of the Company for a further period of three (3) years with effect from May 1, 2026 to April 30, 2029, with remuneration of ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) per month as minimum remuneration, subject to the provisions of Section 197 read with Schedule V to the Act and such other approvals as may be required.”

“RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to sign, execute and file all such forms, returns, documents, applications and writings as may be necessary, proper or expedient for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable laws, rules and regulations, the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the Members of the Company be and is hereby accorded to the re-appointment of Mrs. Urja Harshal Shah (DIN: 02675341) as Executive Director of the Company for a further period of three (3) years with effect from November 11, 2026 to November 10, 2029, with remuneration of ₹5,00,000/- (Rupees Five Lakhs only) per month as minimum remuneration, subject to the provisions of Section 197 read with Schedule V to the Act and such other approvals as may be required.”

“RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to sign, execute and file all such forms, returns, documents, applications and writings as may be necessary, proper or expedient for giving effect to this resolution.”

Notice (Contd.)

“**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**

Aditi Pai
Company Secretary & Compliance Officer

Place: Kalol

Date: September 4, 2026

Registered Office:

Alindra Village, Vadodara Godhra Highway,
Kalol, Panchmahal,
Gujarat, India – 389330
CIN: L32909GJ1982PLC005203

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. 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.
4. 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 cs.shravangupta@gmail.com with copies marked to the Company at investor.relations@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.
5. An explanatory statement pursuant to Section 102(1) of the Act relating to Special business as stated under Item Nos. 3, 4 and 5 of the Notice dated September 4, 2026, is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2026 to Wednesday, September 30, 2026 (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 Sunday 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.

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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 43rd AGM and the Annual Report for the financial year 2025-26 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) - MUFG Intime India Private Limited, 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 investor.relations@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, MUFG 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/>.
16. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form. Further, the transmission and transposition of securities shall also be effected only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings into dematerialised form. Members can contact the Company or RTA for assistance in this regard.
17. Members are requested to note that 'SWAYAM' is a secure, user-friendly web-based application, developed by "MUFG Intime India Private Limited.", our Registrar and Share Transfer Agents, that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal.

This application can be accessed at <https://swayam.in.mpms.mufg.com/>.

- Effective Resolution of Service Request - Generate and Track Service Requests/Complaints through SWAYAM.
- Features - A user-friendly GUI.
- Track Corporate Actions like Dividend/Interest/Bonus/split.
- PAN-based investments - Provides access to PAN linked accounts, Company wise holdings and security valuations.
- Effortlessly Raise request for Unpaid Amounts.

- Self-service portal – for securities held in demat mode and physical securities, whose folios are KYC compliant.
 - Statements - View entire holdings and status of corporate benefits.
 - Two-factor authentication (2FA) at Login - Enhances security for investors.
18. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023(updated as on August 11, 2023), has established a common Online Dispute Resolution Portal (“ODR Portal”) for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the Members can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).
19. In compliance with the Circulars, the Notice of the 43rd AGM along with the Annual Report 2025-26 and the instructions for e-voting are being sent 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 2025-26 and Notice of the 43rd AGM of the Company, he/she may send a request to the Company by writing at investor.relations@setcoauto.com or MUFG Intime India Private Limited, Company’s Registrar and Share Transfer Agent (“RTA”) at rnt.helpdesk@in.mpms.mufg.com mentioning their DP ID and Client ID/folio no. Members may note that the Notice and Annual Report 2025-26 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. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
20. In compliance with the Circulars, the Annual Report for 2025-26, the Notice of the 43rd AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company/DP. A letter providing the web-link for accessing the Annual report, including the exact path, will be sent to those members who have not registered their e-mail address with the Company.
21. To support the “Green Initiative”, the Members who have not registered their email addresses are requested to register the same with RTA/Depository Participant to enable the Company to send communications electronically.
22. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members holding shares in physical form who have not yet registered their nominations are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel their earlier nomination and record a fresh nomination, he/ she may submit the same in Form No. SH-14. The said form can be downloaded from the Company’s website at <https://setcoauto.com/investor-services/> are requested to submit the said form to their DP in case the shares are held in electronic form and to the Company or RTA in case the shares are held in physical form, quoting their folio numbers.
23. Members are requested to check that the correct account number has been recorded with the Depository. Members holding shares in electronic form are requested to intimate any change in their addresses, e-mail IDs, signature(s) or bank mandates to their respective DPs with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate such changes to the RTA of the Company by furnishing Form No. ISR-1 and other forms pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023. The same are available on the website of the Company at <https://setcoauto.com/investor-services/> Members are requested to note that any service request will be processed only if the folio is KYC compliant.
24. 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

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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**").

25. 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.
26. 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.
27. 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 23, 2026. 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.
28. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
29. Mr. Shravan A. Gupta, Proprietor of M/s. Shravan A. Gupta & Associates., 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.
30. 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.
31. 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.
32. A statement providing additional details of a Director seeking re-appointment as set out in Item Nos. 2,3,4 and 5 of the Notice dated September 4, 2026, is annexed herewith as required under Regulation 36(3) of the SEBI Listing Regulations as amended from time to time and Secretarial Standard-2 ("SS-2") on General Meetings issued by the Council of the Institute of Company Secretaries of India (ICSI).

Name of Director	Mr. Harish Kiritbhai Sheth	Mr. Udit Harish Sheth	Mrs. Urja Harshal Shah
Director Identification Number (DIN)	01434459	00187221	02675341
Age (Years)	79	47	50
Date of first appointment on the Board	May 5, 1982	June 30, 2008	September 28, 2015
Nationality	Indian	Indian	Indian

Name of Director	Mr. Harish Kiritbhai Sheth	Mr. Udit Harish Sheth	Mrs. Urja Harshal Shah
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 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/multilocation 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 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 holds 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 2025-26)	NIL	NIL	NIL
Remuneration proposed to be paid	₹10,00,000/- (Rupees Ten Lakhs only) per month	₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) per month	₹ 5,00,000/- (Rupees Five Lakhs only) per month
Number of meetings of the Board attended during the financial year 2025 – 26	8 of 8	8 of 8	7 of 8

Name of Director	Mr. Harish Kiritbhai Sheth	Mr. Udit Harish Sheth	Mrs. Urja Harshal Shah
Directorships of other Boards as on March 31, 2026	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) Setco Auto Systems Pvt. Ltd.. b) Setco Engineering Pvt. Ltd. c) Lava Cast Pvt. Ltd. d) Setco Holdings Pvt. Ltd. e) Transstadia Technologies Pvt. Ltd. f) Transstadia Holdings Pvt. Ltd. g) Transstadia Enterprises Pvt. Ltd. h) SE Transstadia Pvt. Ltd. i) Transstadia Boxing India Pvt. Ltd. j) Pahadi Goodness Pvt. Ltd. k) YSL Yogasana Development Pvt. Ltd. l) Transstadia Institute & Research Council m) Transstadia Education & Research Foundation n) Sportscom Industry Confederation o) SMERII Diving Foundation	a) Transstadia Enterprises Pvt. Ltd. b) Hrehan Venture Advisors Pvt. Ltd.
Board Membership of other Public Companies as on 31st March, 2026	Setco Auto Systems Pvt. Ltd.	- Lava Cast Pvt. Ltd. - Setco Auto Systems Pvt. Ltd.	NIL

Name of Director	Mr. Harish Kiritbhai Sheth	Mr. Udit Harish Sheth	Mrs. Urja Harshal Shah
Chairman / Member of the Committee of the Board of Directors of the Company as on 31st March, 2026	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 he is a Director as on 31st March, 2026	Setco Auto Systems Pvt. Ltd. - Member of Audit Committee	NIL	NIL
Number of Shares held on 31st March, 2026	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.

33. Route Map showing directions to reach to the venue of the AGM, proxy form and attendance slip are attached to the Notice.

THE INTRUCTIONS FOR 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.

- The voting period begins on Sunday, September 27, 2026 at 9:00 am (IST) and ends on Tuesday, September 29, 2026 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 23, 2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- 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/

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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	1) 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 & My Easi New (Token) Tab. 2) 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. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) 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	1) 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.nsdl.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. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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 21 09911
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

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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) 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. 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.

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

Aditi Pai
Company Secretary

Place: Kalol

Date: September 4, 2026

Registered Office:

Alindra Village, Vadodara Godhra Highway,
Kalol, Panchmahal,
Gujarat, India – 389330
CIN: L32909GJ1982PLC005203

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 3 - Re-appointment and remuneration of Mr. Harish Kiritbhai Sheth as Chairman and Managing Director**

Mr. Harish Kiritbhai Sheth (DIN: 01434459) was re-appointed as Chairman and Managing Director of the Company by the Members at the 40th Annual General Meeting held on September 27, 2023 for a period of three years from January 1, 2024 to December 31, 2026, without remuneration.

Considering the changed circumstances of the Company and the increased roles and responsibilities being discharged by Mr. Harish Kiritbhai Sheth, including overseeing and managing the affairs of the Company and the business of its wholly-owned subsidiary, Lava Cast Private Limited, the Nomination and Remuneration Committee recommended his re-appointment for a further period of three years from January 1, 2027 to December 31, 2029 and payment of remuneration during such tenure. The Board of Directors, at its meeting held on August 31, 2026, approved the recommendation, subject to approval of the Members.

The proposed remuneration is ₹10,00,000/- per month (₹1,20,00,000/- per annum) or remuneration determined with reference to the net profits of the Company computed in accordance with Section 198 of the Act, being the amount available within 5% of such net profits after taking into account the remuneration paid/payable to the other Executive Directors, namely Mr. Udit Harish Sheth and Mrs. Urja Harshal Shah, whichever is higher, subject to the applicable limits and approvals under Section 197 read with Schedule V to the Act. In the event of absence or inadequacy of profits in any financial year during his tenure, ₹10,00,000/- per month is proposed to be paid as minimum remuneration, subject to the applicable provisions of the Act.

The proposed terms are considered commensurate with his responsibilities, experience and the functions entrusted to him. The approval of the Members is accordingly sought by way of Special Resolution.

Mr. Harish Kiritbhai Sheth is concerned or interested, financially or otherwise, in the resolution relating to his own re-appointment and remuneration. Mr. Udit Harish Sheth and Mrs. Urja Shah, being his relatives, are also concerned or interested in the resolution. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

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

Item No. 4 - Re-appointment and remuneration of Mr. Udit Harish Sheth as Vice Chairman and Executive Director

Mr. Udit Harish Sheth (DIN: 00187221) was re-appointed as Vice Chairman and Executive Director of the Company for a period of three years from May 1, 2023 to April 30, 2026, with the approval of the Members and without remuneration.

In view of the changed circumstances and the responsibilities of managing the affairs of the Company and the business of its wholly-owned subsidiary, Lava Cast Private Limited, the Nomination and Remuneration Committee recommended his re-appointment as Vice Chairman and Executive Director for a further period of three years from May 1, 2026 to April 30, 2029, with remuneration of ₹7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) per month as minimum remuneration. The Board of Directors, at its meeting held on August 31, 2026, approved the recommendation, subject to approval of the Members and such other approvals as may be required.

The remuneration is proposed as minimum remuneration in the event of absence or inadequacy of profits and shall be governed by Section 197 read with Schedule V to the Act and other applicable provisions. The proposed remuneration is considered commensurate with the responsibilities entrusted to him and his role in the management of the Company and its wholly-owned subsidiary.

Mr. Udit Harish Sheth is concerned or interested, financially or otherwise, in the resolution relating to his own re-appointment and remuneration. Mrs. Urja Shah and Mr. Harish Kiritbhai Sheth being his relatives, are also concerned or interested in the resolution. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

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

Item No. 5 - Re-appointment and remuneration of Mrs. Urja Harshal Shah as Executive Director

Mrs. Urja Harshal Shah (DIN: 02675341) was re-appointed as Executive Director of the Company for a period of three years from November 11, 2023 to November 10, 2026, with the approval of the Members.

In view of the changed circumstances and the responsibilities of managing the affairs of the Company and the business of its wholly-owned subsidiary, Lava Cast Private Limited, the Nomination and Remuneration Committee recommended her re-appointment as Executive Director for a further period of three years from November 11, 2026 to November 10, 2029, with remuneration of ₹5,00,000/- (Rupees Five Lakhs only) per month as minimum remuneration. The Board of Directors, at its meeting held on August 31, 2026, approved the recommendation, subject to approval of the Members and such other approvals as may be required.

The remuneration is proposed as minimum remuneration in the event of absence or inadequacy of profits and shall be governed by Section 197 read with Schedule V to the Act and other applicable provisions. The proposed remuneration is considered commensurate with the responsibilities entrusted to her and her role in the management of the Company and its wholly-owned subsidiary.

Mrs. Urja Harshal Shah is concerned or interested, financially or otherwise, in the resolution relating to her own re-appointment and remuneration. Mr. Harish Kiritbhai Sheth and Mr. Udit Harish Sheth, being her relatives, are also concerned or interested. Save and except her and her relatives, none of the other Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

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

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

Aditi Pai
Company Secretary & Compliance Officer

Place: Kalol

Date: September 4, 2026

Registered Office:

Alindra Village, Vadodara Godhra Highway,

Kalol, Panchmahal,

Gujarat, India – 389330

CIN: L32909GJ1982PLC005203

Annexure forming part of the Explanatory Statement as required to be given pursuant to Part II of Schedule V to the Companies Act, 2013

The information required in terms of Schedule V of the Companies Act, 2013 is as under:

I General Information

1. Nature of Industry The company is engaged in the business of manufacture of clutches for Medium and Heavy Commercial Vehicles
2. Date or expected date of commencement of commercial production Date of commencement of commercial production was January 1984. Date of Incorporation of the Company was May 5, 1982
3. Financial performance based on given indicators

	Rs. In Lakhs		
Particulars	31.03.2026	31.03.2025	31.03.2024
Total Income	348.21	272.99	171.07
Profit/(Loss) Before Tax	8,508.00	-350.45	19.99
Profit/(Loss) After Tax	8,508.00	-130.11	19.99
Particulars	31.03.2026	31.03.2025	31.03.2024
FOB value of Exports	-	-	-
Income in Foreign Exchange	-	-	-
4. Export performance and net foreign exchange collaborations
5. Foreign investments or collaborators, if any No such investment or collaboration except minor shareholding of Non Resident Indians

II Information about the Appointee

- (1) Background details

Mr. Harish Sheth: Mr. Harish Sheth is the founder of Setco Automotive Ltd. He has steered Setco since its inception in 1982 and has made the company the largest manufacturer of clutches for Medium and Heavy Commercial Vehicles in India today. He has been instrumental in shaping Setco from a single product/single location organization to a multiple product/multi location.

Mr. Udit Sheth: Mr. Udit Sheth joined the Company in June 2002. 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 UK and USA acquisitions.

Mrs. Urja Shah: has completed Bachelors in Environmental Science and a 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.

2. Past Remuneration

Mr. Harish Sheth		
Sr. No.	Financial Year	Remuneration
1	2025-26	NIL
2	2024-25	Rs. 393.39 Lakhs
3	2023-24	Rs. 40.00 Lakhs

Mr. Udit Sheth		
1	2025-26	Nil
2	2024-25	Nil
3	2023-24	Nil
3	2023-24	Rs. 40.00 Lakhs

Mrs. Urja Shah		
Sr. No.	Financial Year	Remuneration
1	2025-26	Nil
2	2024-25	Nil
3	2023-24	Nil

- (3) Recognition or awards Mr. Harish Sheth has been Awarded for “The Machinist Super Entrepreneur 2016” under the Editorial Choice Awards. This award was to honour one of India’s finest Entrepreneurs and technocrats.
- (4) Job profile and suitability of the appointees **Mr. Harish Sheth** has been the Managing Director of the Company since its inception in 1982. He was last reappointed as the Chairman and Managing Director of the Company w.e.f. January 1, 2010. He is entrusted with the substantial powers of management of the affairs of the Company. He has steered Setco since its inception in 1982 and has made the company the largest manufacturer of clutches for Medium and Heavy Commercial Vehicles in India today. He has been instrumental in shaping Setco from a single product/single location organization to a multiple product/multi location.
- Mr. Udit Sheth** joined the Company in June 2002. 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 UK and USA acquisitions.
- Mrs. Urja Shah** has been playing a very significant role in the Company’s activities related to Corporate Social Responsibility.
- (5) Remuneration proposed The terms of remuneration to Mr. Harish Sheth, Mr. Udit Sheth and Mrs. Urja Shah are detailed in Explanatory Statement hereinabove under Item Nos. 3, 4 and 5, respectively.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person The remuneration proposed is reasonable when compared to the exigencies of the global stature & complexity of business of the Company and commensurate with the similar industry (manufacturing), operating in India and the profile of the position.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any Mr. Harish Seth and Mr. Udit Sheth are related as father and son. Mrs. Urja Shah is daughter of Mr. Harish Sheth and sister of Mr. Udit Sheth.

Notice (Contd.)

III. Other Information:

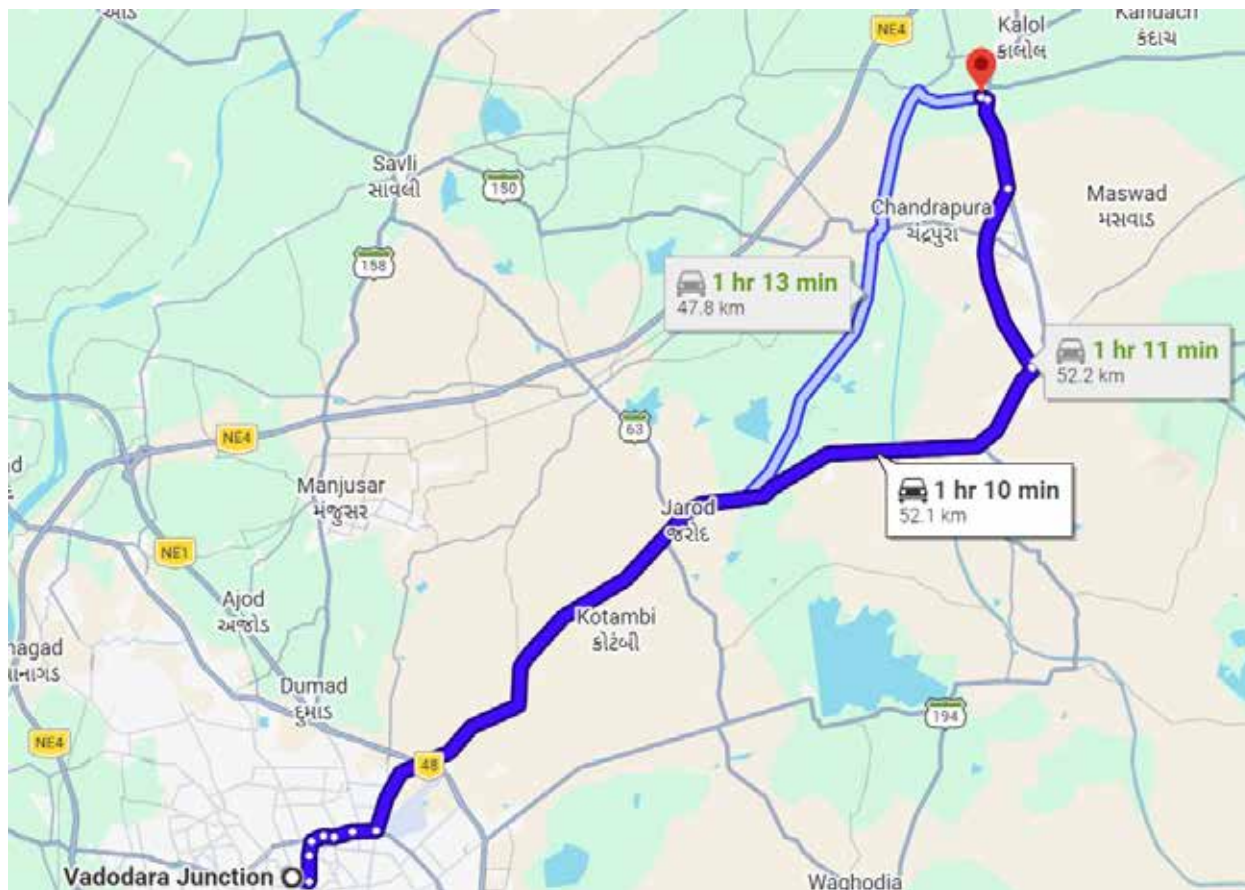
- | | |
|---|--|
| (1) Reasons of loss or inadequate profits | The Company is the holding company of Lava Cast Private Limited and also of companies in USA and UK. Due to various factors, including the US–Iran war and supply-chain disruptions, costs increased, resulting in losses. |
| (2) Steps taken or proposed to taken for improvement | During the year, the Company focused on increasing sales and improving operational metrics. With a sharp focus on reducing fixed costs in its foreign subsidiaries, improving operational efficiency, and achieving higher turnover, the Company expects to generate higher profits in the future. |
| (3) Expected increase in productivity and profits in measurable terms | The Company's tight control over costs and focus on improving asset productivity will help reduce overall costs and increase profitability. |

IV. Disclosures

1. Remuneration package of the managerial person: Fully described in the respective explanatory statement as stated above
2. Disclosures in the Board of Directors' report under the heading "Corporate Governance" attached to the Annual Report of the Company

Route Map to the AGM Venue

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



MANAGEMENT DISCUSSION & ANALYSIS

Financial Year 2025-26

FY26 represented a significant strategic transition for the Company. During the year, the Group continued to operate across clutch systems, fully machined castings and its international businesses while undertaking the transfer of control of Setco Auto Systems Private Limited (SASPL) to RSB Transmissions (India) Limited, an automotive-components platform backed by Bain Capital.

Following completion of the initial closing subsequent to the financial year, the Company's strategic focus has shifted materially. The principal continuing manufacturing platform is Lava Cast, supported by the operations in the United Kingdom and North America. The management agenda now moves from restructuring to performance, with emphasis on sustainable profitability, customer diversification, export development, cash generation and capital efficiency.

Industry Structure and Developments

Global economic environment

The global economy remained exposed to geopolitical tensions, trade-policy uncertainty, volatile freight and commodity markets, and uneven monetary conditions during FY26. Manufacturing supply chains continued to place greater emphasis on resilience, geographic diversification, delivery reliability and total delivered cost. These trends create both risk and opportunity for Indian engineering exporters: demand may remain cyclical, while customers increasingly seek qualified suppliers capable of providing consistent quality, traceability, engineering support and dependable supply.

Indian economy

India remained one of the faster-growing major economies, supported by public infrastructure expenditure, domestic consumption, manufacturing investment and improving logistics connectivity. These structural factors provide a constructive medium-term environment for commercial vehicles, tractors, construction equipment and auto components. Commodity prices, energy costs, interest rates, currency movements and global trade actions nevertheless remain important variables for manufacturing businesses.

Automobile and auto-component industry

The Indian automobile and auto-component industry continues to benefit from a large domestic vehicle parc, replacement demand, infrastructure-led freight activity, localisation by original equipment manufacturers (OEMs) and increasing formalisation of the aftermarket. Commercial-vehicle demand remains cyclical and is influenced by fleet utilisation, freight economics, financing availability and infrastructure activity. Suppliers are increasingly expected to combine engineering capability with cost competitiveness, quality consistency, rapid product development, traceability and dependable delivery.

The clutch and drivetrain aftermarket continued to offer recurring replacement demand during FY26. Within SAL's FY26 reporting perimeter, SASPL served OEM, original-equipment-spares and independent-aftermarket channels. Following the post-year-end transfer of control to Bain Capital / RSB Transmissions (I) Ltd., the clutch platform will be developed within RSB's broader automotive-components strategy, while SAL's continuing-business priorities shift toward castings and other permitted activities.

Casting industry and export landscape

Demand for fully machined cast components is linked to commercial vehicles, passenger vehicles, tractors, construction equipment, off-highway applications and industrial equipment. Global customers evaluate foundry partners on total delivered cost, metallurgical capability, machining depth, quality systems, product traceability, sustainability, energy intensity and continuity of supply. India's engineering base and established export ecosystem support a long-term opportunity, although export programs generally involve extended customer-development, tooling, validation and production-approval cycles.

Management Discussion & Analysis (Contd.)

For Lava Cast, the opportunity is to move progressively from concentrated demand toward a diversified portfolio of domestic and export customers. Converting this opportunity will require sustained control over quality, yield, rejection, energy consumption, machining productivity, working capital and on-time delivery. The business will also need to build a disciplined order pipeline across customer engagement, RFQ, plant audit, tooling and development, prototype validation, production-part approval and serial supply. At LavaCast we are committed to continue to ensure our capacities are duly exhausted by the end of this FY 26-27.

Segment-wise / Product-wise Performance

Strategic portfolio transition - SASPL transaction

On 29 March 2026, SAL executed transaction documents for the proposed transfer of control of SASPL to RSB Transmissions (I) Limited, a Bain Capital-backed automotive-components platform. The transaction was designed to unlock value in the clutch business, provide SASPL with a scaled strategic platform for its next phase of growth, facilitate the exit of India Resurgence Fund from SASPL, and enable the listed company to sharpen its focus on its continuing businesses.

As at 31 March 2026, SASPL remained within the Group's FY26 reporting perimeter. Subsequent to the year-end, the initial closing was completed and Bain Capital / RSB Transmissions (I) Limited assumed control of SASPL. Accordingly, the FY26 consolidated financial and operational discussion includes SASPL for the period required under the applicable accounting framework, whereas the outlook section reflects the Company's post-transaction strategic direction. The accounting presentation, including any classification under Ind AS 105, should be read with the audited financial statements.

The transaction documents also contemplate continuing commercial arrangements between SASPL and Lava Cast, providing a base offtake relationship while Lava Cast develops external domestic and export customers. Detailed transaction terms are set out in SAL's stock-exchange disclosures and the notes to the financial statements.

Clutch systems and allied products - SASPL (FY26 reporting perimeter)

During FY26, SASPL continued to serve the medium and heavy commercial vehicle market across OEM, original-equipment-spares and independent-aftermarket channels. Its portfolio included clutch assemblies and components, together with allied products distributed through its established channel network. Revenue and EBITDA for FY26 were ₹738.96 crore and ₹109.89 crore, respectively.

Operating priorities during the year included new-product development, market-share extension, aftermarket channel engagement, cost management, working-capital discipline and preparation for the ownership transition. Following completion of the transaction after year-end, SASPL is being integrated into RSB's broader automotive-components platform under the new controlling shareholder.

Lava Cast - continuing-business focus

Lava Cast is the principal continuing operating platform of the listed company and is engaged in manufacturing fully machined casting components. Building on the operational gains achieved in FY25, the FY26 agenda focused on equipment reliability, metallurgical and process controls, yield, rejection, energy intensity, machining productivity and development of external-customer business.

Demand across commercial vehicles, tractors, construction equipment, off-highway applications and selected industrial segments provides a meaningful addressable market for machined cast components. The Company intends to pursue this opportunity with a focus on technically qualified programmes, acceptable returns and disciplined cash conversion rather than volume alone.

For FY26, Lava Cast recorded revenue of ₹87.78 crore and EBITDA of ₹3.63 crore. Profitability remained below management expectations and the business reported a loss after tax.

Lava Cast export opportunity

The export strategy is centred on developing a qualified pipeline for fully machined cast components rather than pursuing volume without acceptable returns. Priority areas include commercial vehicles, tractors, off-highway equipment and selected industrial applications. The business intends to leverage its foundry infrastructure, machining capability, quality systems and export-supply experience to build long-duration customer programmes.

Key execution milestones for FY27 include expanding the target-customer funnel, progressing RFQs, completing plant audits and production approvals, converting development parts into serial orders, improving on-time delivery and ensuring that pricing reflects alloy, energy, machining, freight, tooling and working-capital economics. Export growth will be paced with quality, margin and cash-flow discipline.

Proposed merger of Lava Cast into SAL

During March 2026, SAL acquired the remaining equity interests in LCPL, making it a wholly owned subsidiary. On 23 March 2026, the Board approved a draft Scheme of Amalgamation for the merger by absorption of LCPL into SAL under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme is subject to approval of the National Company Law Tribunal and other shareholders, creditor, lender, statutory and regulatory approvals, as applicable.

As LCPL is wholly owned by SAL, the Scheme does not contemplate issue of shares or payment of consideration and is not expected to alter the listed company's shareholding pattern. The proposed merger is intended to create a simpler listed operating structure, reduce managerial and compliance duplication, consolidate financial and operational oversight, improve capital allocation, reduce costs and present the casting business more transparently to stakeholders. Until the Scheme becomes effective, LCPL will continue to operate as a separate legal entity.

The Setco brand has been transferred pursuant to the SASPL transaction. Accordingly, Setco Automotive Limited has applied for a new name change to Shilayan Industries Limited and will operate under this name going forward post all approvals. The strategic objective is to build Shilayan as a focused engineering and manufacturing platform with Lava Cast at its core, supported by the Company's international operations.

International operations

The performance of the UK and North American subsidiaries remained below their potential during FY26. Management's objective is to improve sustainable profitability and cash generation through leaner cost structures, lower inventory, disciplined receivables, channel development and portfolio rationalisation rather than pursuing revenue growth alone.

United Kingdom subsidiary

Improving the Overseas Subsidiaries

The performance of our UK and North American subsidiaries remained below their potential during FY26, and improving their profitability and cash generation is a clear management priority. The response is centred on sustainable contribution, cash conversion and return on capital rather than revenue growth alone.

The UK subsidiary continued its transition toward a leaner, market-facing operating model. During FY26, management focused on cost rationalisation, inventory and working-capital reduction, customer continuity, distributor development and an asset-light warehousing and fulfilment model. Revenue and EBITDA for FY26 were ₹28.42 crore and ₹(5.28) crore, respectively.

North American subsidiary

The North American subsidiary continued to develop the replacement market through distributor relationships and improvement in the hydraulics business. FY26 priorities included product availability, freight economics and contribution margins. Revenue and EBITDA for FY26 were ₹59.60 crore and ₹(2.55) crore, respectively.

Management Discussion & Analysis (Contd.)

Across both overseas subsidiaries, the Company's focus is on sustainable profitability and cash generation rather than revenue growth alone. Product and brand alignment following the SASPL transaction will be managed in accordance with the transaction documents, customer requirements and applicable legal arrangements.

Outlook

SAL (till new name is applied) enters FY27 with a materially different portfolio and a clearer operating focus. The near-term priority is to complete the SASPL transition efficiently, progress the proposed LCPL merger, restore Lava Cast to sustainable profitability and build a credible pipeline of external domestic and export business. The pace of value creation will depend on execution discipline, customer qualification, plant utilisation, quality, energy efficiency, working capital and capital allocation.

Management's principal priorities for the continuing business are:

1. Complete the operational, accounting, legal, tax and stakeholder actions arising from the SASPL transaction while protecting the Company's rights under the transaction documents.
2. Drive Lava Cast toward sustainable profitability through higher utilisation, improved yield, lower rejection, better productivity, preventive maintenance, energy efficiency and disciplined procurement.
3. Diversify Lava Cast's domestic customer base and convert identified export programmes through a stage-gated customer qualification and commercial process.
4. Progress the LCPL-SAL merger through the required regulatory and stakeholder approvals and prepare for orderly operational integration.
5. Improve the UK and North American subsidiaries through leaner cost structures, inventory and receivable discipline, channel productivity, portfolio rationalisation and explicit cash-generation milestones.
6. Maintain prudent liquidity, funding and capital-allocation discipline, with close monitoring of cash conversion, working capital and contingent transaction obligations.

The outlook remains subject to commercial-vehicle and industrial cycles, commodity and energy prices, currency movements, export demand, customer approvals, regulatory timelines and execution risks described below.

Risks and Concerns

The Board and management review key business risks and mitigation actions periodically. The principal risks relevant to FY26 and the continuing business are summarised below.

Risk	Context / potential impact	Management response
Demand and concentration	Cyclical end markets and dependence on a limited number of customers can affect volumes, utilisation and bargaining power.	Develop external domestic and export customers; monitor program concentration; align fixed costs and capacity with realistic demand.
Merger approvals	The LCPL-SAL merger is subject to NCLT and other approvals and may take longer than planned.	Maintain a regulatory workplan; coordinate advisers, lenders and stakeholders; preserve business continuity pending effectiveness.
Foundry operations	Breakdowns, maintenance gaps, low yield, rejection, metallurgical variation and capacity underutilization can materially affect cost and delivery.	Preventive maintenance; process control; root-cause analysis; quality gates; critical-spares planning; daily operating reviews.
Raw material and energy	Scrap, alloy, power, fuel and consumable prices are volatile and may not be recovered immediately from customers.	Strategic sourcing; price-adjustment mechanisms where available; mix management; yield and energy-efficiency projects.

Risk	Context / potential impact	Management response
Liquidity and working capital	Inventory, receivables, maintenance requirements and turnaround funding can place pressure on cash flows.	Cash forecasting; inventory and receivable controls; capex prioritisation; funding and covenant monitoring.
Overseas subsidiaries	Sub-scale operations, inventory, customer concentration and local cost bases can impair profitability.	Asset-light operating model; channel and portfolio review; cost rationalisation; cash and performance milestones.
Environment, health and safety	Foundry operations are subject to emissions, waste, water, occupational-safety and other regulatory requirements.	Permit and compliance monitoring; ETP and environmental controls; safety training; incident review and corrective actions.

Internal Control Systems and Their Adequacy

The Group has a framework of internal financial and operational controls designed with reference to the nature, scale and complexity of its operations. The framework includes documented authority limits, maker-checker controls, periodic management reporting, budgeting and variance analysis, inventory and receivable controls, statutory-compliance monitoring and enterprise-system-enabled controls. The control environment is supported by internal audit and review by the Audit Committee.

During FY26, control attention included transaction-related approvals and documentation, closing and separation readiness for SASPL, inter-company balances, treasury and debt obligations, inventory accuracy, procurement, customer credit, capex, statutory compliance, and operational controls at Lava Cast. Control observations are tracked through agreed action plans and escalated based on materiality.

Based on management's assessment the internal financial controls were adequate as at 31 March 2026.

Discussion on Financial Performance with Respect to Operational Performance

FY26 consolidated results reflect the Group's operations for the year and the applicable accounting treatment of the SASPL transaction executed close to year-end. The audited financial statements should be the controlling source for all figures, classifications and explanatory commentary in this section. Management will increasingly assess the quality of future earnings through operating performance, cash conversion and capital efficiency in the continuing businesses.

Consolidated financial analysis

₹ crore, except percentages

Particulars	FY26	FY25	YoY change	Key reason / management commentary
Revenue from operations	804.92	718.63	12.0%	Increase supported by market-share gains and underlying operating performance.
EBITDA	97.66	109.18	-10.6%	Operating cost pressures increased during the year; management focus remains on productivity, procurement and cost discipline.
EBIT / operating profit	80.33	88.80	-9.5%	Operating cost pressures affected EBIT; continued focus is on productivity and cost control.
Profit / (loss) before tax	13.17	(129.18)	Turnaround to profit	Improvement includes the effect of the IRF interest waiver and other financing/accounting items; refer to the audited financial statements.
Profit / (loss) after tax	(4.27)	(126.33)	Loss narrowed 96.6%	Loss reduced materially, including the effect of financing/accounting items; refer to the audited financial statements.

Entity-level operational highlights ₹ crore

Business / entity	Metric	FY26	FY25	Basis / status
SASPL	Revenue	738.96	653.87	FY26 reporting perimeter
SASPL	EBITDA	109.89	102.55	FY26 reporting perimeter
SASPL	Profit / (loss) after tax	(18.05)	(111.79)	FY26 reporting perimeter
Lava Cast	Revenue	87.78	87.38	Continuing-business focus
Lava Cast	EBITDA	3.63	5.29	Continuing-business focus
Lava Cast	Profit / (loss) after tax	(34.40)	(15.94)	Continuing-business focus
UK subsidiary	Revenue	28.42	31.46	INR equivalent
UK subsidiary	EBITDA	(5.28)	(2.03)	INR equivalent
UK subsidiary	Profit / (loss) after tax	(5.58)	(2.13)	INR equivalent
North American subsidiary	Revenue	59.60	65.02	INR equivalent
North American subsidiary	EBITDA	(2.55)	7.39	INR equivalent
North American subsidiary	Profit / (loss) after tax	(5.77)	2.80	INR equivalent

Material Developments in Human Resources / Industrial Relations

The Group's people agenda during FY26 focused on safety, operating discipline, technical capability, quality ownership, productivity, succession, leadership continuity and communication through the SASPL ownership transition. At Lava Cast, capability building is particularly important in metallurgy, process engineering, maintenance, machining, quality assurance, energy management and export programme execution. The objective is to embed a culture of safety, accountability, quality ownership and continuous improvement.

Disclosure of Accounting Treatment

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013. The accounting treatment of the SASPL transaction, assets or disposal groups held for sale and/or discontinued operations, the proposed LCPL merger, exceptional items and transaction costs shall be as set out in the audited financial statements and notes thereto.

No treatment different from that prescribed in an applicable accounting standard has been followed, except as specifically disclosed in the financial statements together with management's explanation

The Lava Cast debt, which was sanctioned and subsequently restructured during Financial Year 2025, was regularized and classified as a normal account during Financial Year 2026. Accordingly, the account is currently classified as a standard account in the books of the business.

Cautionary Statement

Statements in this MD&A describing the Company's objectives, projections, estimates, expectations or outlook may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially due to economic conditions, demand cycles, commodity and energy prices, customer decisions, competition, technology, foreign exchange, financing conditions, regulatory approvals, transaction execution and other factors. The Company undertakes no obligation to update forward-looking statements except as required by law.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 43rd (Forty-Third) Annual Report on the business and operations of Setco Automotive Limited ("the Company") together with the audited standalone and consolidated financial statements for the financial year ended March 31, 2026.

This Report has been prepared in accordance with the applicable provisions of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable laws, rules and regulations.

FINANCIAL PERFORMANCE

The financial performance of the Company, on a standalone and consolidated basis, for the financial year ended March 31, 2026 is summarised below:

(Rs. in Lakhs Except for EPS)

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from Operations & Other Income	348.21	272.99	81,674.00	73,033.47
Profit/(Loss) before Finance Cost & Depreciation	220.56	(319.16)	10,947.53	12,088.69
Finance Cost	3.08	31.29	5,579.39	21,741.08
Depreciation	-	—	2,915.05	3,208.74
Profit/(Loss) before Tax	8,507.45	(350.45)	1,315.87	(12,917.83)
Tax Expense	-	220.34	1,744.05	(284.97)
Profit/(Loss) after Tax	8,507.45	(130.11)	(428.18)	(12,632.86)
Other Comprehensive Income	-	—	47.33	(88.91)
Total Comprehensive Income	8,507.45	(130.11)	(380.85)	(12,721.77)
Non-controlling Interest	-	—	(415.80)	(2,135.68)
Profit/(Loss) attributable to Equity Holders	8,507.45	(130.11)	24.50	(10,586.09)
Earnings Per Share (₹)	6.36	(0.10)	(0.01)	(7.86)

BUSINESS OPERATIONS

During the year under review, your Company recorded the following consolidated financial highlights:

- Revenue from Operations stood at ₹804.92 crore in FY26, as against ₹718.6 crore in FY25.
- EBITDA for FY26 reached ₹97.66 crore as against ₹109.2 crore in FY25. EBITDA Margin for the full year stood at 12.1% (compared to 15.2% in FY25).

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

As on March 31, 2026, the issued and paid-up equity share capital of the Company was ₹26,75,34,550 divided into 13,37,67,275 equity shares of ₹2 each.

During the financial year under review, the Company did not issue equity shares with differential voting rights, sweat equity shares or bonus shares.

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 have been paid to both stock exchanges.

Directors' Report (Contd.)

REGISTRAR AND SHARE TRANSFER AGENT

MUFG Intime India Private Limited (formerly known as Link Intime India Pvt. Ltd) continues to act as the Registrar and Share Transfer Agent of the Company.

DIVIDEND

The Board of Directors did not declare any dividend during the financial year ended March 31, 2026.

Subsequent to the close of the financial year, the Board of Directors, at its meeting held on May 26, 2026, declared an Interim Dividend of ₹13/- per equity share (i.e. 650%) on 13,37,67,275 equity shares of face value of ₹2/- each. The record date for determining the entitlement of shareholders to the said Interim Dividend was June 2, 2026.

Since the Interim Dividend was declared after the end of the financial year, the same has not been recognised as a liability as at March 31, 2026 and has been appropriately disclosed as an event occurring after the reporting period in accordance with the applicable Indian Accounting Standards.

TRANSFER TO RESERVES

The Board of Directors has decided not to transfer any amount to the reserves for FY 2025-26.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Accordingly, disclosure relating to deposits which are not in compliance with Chapter V of the Act is not applicable.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS OR SECURITY

Details of loans, guarantees, investments and securities, as applicable, under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Power) Rules, 2014, are provided in the notes forming part of the financial statements, forming part of this Annual Report. The Company has not provided any security in terms of the Section 186 of the Act.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report as stipulated under the SEBI Listing Regulations forms part of the Annual Report and provides, inter alia, an overview of the industry, business performance, opportunities and threats, risks, internal control systems and the financial and operational performance of the Company.

CHANGE IN THE NATURE OF BUSINESS

During FY 2025-26, the Board approved certain significant restructuring proposals towards the end of the financial year.

On March 28, 2026, the Board approved, subject to shareholders' and regulatory approvals, proposals including change of the Company's name from "Setco Automotive Limited" to "Shilayan Industries Limited" and corresponding amendments to its constitutional documents, in connection with the proposed restructuring/divestment of its automotive business interests.

The corresponding resolutions were subsequently placed before shareholders at the Extraordinary General Meeting held on April 25, 2026.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

Subsequent to March 31, 2026, significant developments took place in relation to the Company's investment in Setco Auto Systems Private Limited ("SASPL").

The Company had entered into a transaction with RSB Transmissions (I) Limited for divestment of its majority interest in SASPL. The transaction was completed on May 27, 2026, consequent to which SASPL ceased to be a subsidiary of the Company.

The final consideration was determined in accordance with agreed closing adjustments under the transaction documents. These developments constitute material events occurring after the close of FY 2025-26 and should be read together with Note disclosures to the financial statements.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During FY 2025-26, the Company undertook major corporate restructurings across its subsidiaries:

- **Acquisition of LCPL Stake:** At its meeting held on March 20, 2026, the Board approved the acquisition from SASPL of 1,34,60,000 equity shares (representing 10.32% of the paid-up share capital) of Lava Cast Private Limited ("LCPL"). Consequent to the completion of this acquisition, LCPL became a wholly-owned subsidiary of the Company.
- **Scheme of Amalgamation:** On March 23, 2026, the Board approved a Scheme of Amalgamation of Lava Cast Private Limited with Setco Automotive Limited under Sections 230 to 232 of the Act, with March 23, 2026 as the appointed date. As LCPL is a wholly-owned subsidiary, no shares will be issued pursuant to the Scheme, and there will be no change in the shareholding pattern. The Scheme remains subject to approval by the Hon'ble National Company Law Tribunal (NCLT) and other regulatory authorities.
- **Cessation of SASPL:** Pursuant to the transaction with RSB Transmissions (I) Limited, SASPL ceased to be a subsidiary effective May 27, 2026.

The statement containing the salient features of the financial statements of subsidiaries in Form AOC-1 forms part of the Annual Report as Annexure C.

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 2025-26 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.

As at March 31, 2026, the Board comprised Executive Directors and Non-Executive Independent Directors in accordance with the applicable regulatory requirements.

The detailed composition of the Board and its Committees, attendance of Directors and other disclosures are provided in the Corporate Governance Report forming part of the Annual Report.

DIRECTOR RETIRING BY ROTATION

In accordance with Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Urja Shah, Whole-time Director (DIN: 02675341) is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Directors' Report (Contd.)

KEY MANAGERIAL PERSONNEL

During FY 2025-26, the Key Managerial Personnel of the Company included:

- Mr. Harish Sheth, Chairman & Managing Director;
- Mr. Udit Sheth, Vice Chairman;
- Mrs. Urja Harshal Shah, Whole-time Director;
- Mr. Anurag Jain, Chief Financial Officer*
- Ms. Aditi Pai, Company Secretary and Compliance Officer#

The Company designated the Chairman and Managing Director as Chief Executive Officer of the Company.

*Mr. Anurag Jain was appointed as Chief Financial Officer and Key Managerial Personnel with effect from May 27, 2025, following the resignation of Mr. Kuldeep Singh as CFO with effect from April 18, 2025. This had already been recorded in the FY25 Directors' Report because the appointment occurred before that report was approved.

Subsequent to the close of FY 2025-26, Mr. Hiren Vala resigned as Company Secretary, Compliance Officer and Nodal Officer with effect from May 27, 2026.

#Ms. Aditi Pai was appointed as Company Secretary and Compliance Officer with effect from July 13, 2026. She is an Associate Member of the Institute of Company Secretaries of India.

BOARD AND COMMITTEE MEETINGS

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, eight (8) Board Meetings were held, the details of which are given in the Corporate Governance Report. The details of Committee meetings are provided in the Corporate Governance Report. For eligible matters, the Board/ its committee may also accord approvals through resolutions passed by circulation, between two meetings.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1) (b) of SEBI Listing Regulations and they continue to comply with the Code of Conduct laid down under Schedule IV to the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Directors have further confirmed that they are not debarred from holding the office of the director under any SEBI Order or any other such authority.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied with the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors and complied with the requirements of passing proficiency test, as applicable.

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the Companies Act, 2013 and the SEBI Listing Regulations, the annual performance evaluation of the Board, its Committees, the Chairman and individual Directors was carried out for FY 2025-26.

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 2025-26.

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.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the requirement of the Listing Regulations, The Company continues to conduct familiarisation programmes for its Independent Directors to familiarise them with the Company, its industry, business model, regulatory environment, roles, rights and responsibilities 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-and-code-of-conduct-sasl/>.

NOMINATION AND REMUNERATION POLICY

The Company has in place a Nomination and Remuneration Policy (the "Policy") pursuant to Section 178 of the Companies Act, 2013 and applicable provisions of the SEBI Listing Regulations.

The Policy governs, inter alia, appointment, remuneration and evaluation of Directors, Key Managerial Personnel and Senior Management.

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-and-code-of-conduct-sasl/>

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

The Board of Directors, at its meeting held on August 12, 2025, based on the recommendation of the Audit Committee, has recommended the re-appointment of M/s. Sharp & Tannan Associates, Chartered Accountants, as Statutory Auditors

Directors' Report (Contd.)

of the Company for a further term of five (5) years, i.e., from the conclusion of the 42nd AGM until the conclusion of the 47th AGM, subject to the approval of the Members at the ensuing AGM. The resolution for their re-appointment forms part of the Notice convening the AGM.

M/s. Sharp & Tannan Associates have confirmed their eligibility for re-appointment and have declared that they are not disqualified to continue as Statutory Auditors of the Company in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

During the year under review, there were no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors.

The observations made in the Auditor's Report are self-explanatory and do not call for any further comments under Section 134(3)(f) of the Companies Act, 2013.

COST AUDIT AND 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

Pursuant to Regulation 24A of the Listing Regulations read with provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is mandated that every listed entity and its material unlisted subsidiaries undertake a Secretarial Audit.

Further, listed entities are required to submit an Annual Secretarial Compliance Report, which shall be signed by the appointed Secretarial Auditor or a Peer Reviewed Company Secretary satisfying the conditions as prescribed by SEBI.

In alignment with the aforementioned regulatory framework including the amendments made by SEBI and the provisions of the Companies Act, 2013 regarding Secretarial Audit and appointment of Secretarial Auditor, the Members at 42nd Annual General Meeting held on September 25, 2025, approved appointment of M/s. Shravan A. Gupta & Associates, Practicing Company Secretaries (Membership No. 27484, CP No. 9990) a peer reviewed firm of Company Secretaries in whole time practice, as the Secretarial Auditors of the Company for a term of 5 consecutive years from the conclusion of 42nd AGM till the conclusion of the 47th AGM of the Company to be held in the year 2030.

The Board acknowledges the significance of robust compliance mechanisms and corporate governance practices within the Company. M/s. Shravan A. Gupta & Associates, Practicing Company Secretaries brings extensive experience in the field and is expected to provide invaluable insights into the regulatory landscape, ensuring adherence to all relevant laws and guidelines as applicable pursuant to the Secretarial Audit guidelines.

The Secretarial Audit Report for the financial year ended March 31, 2026 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. Shravan A. Gupta & Associates, Practicing Company Secretaries 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 SUBSIDIARIES

Secretarial audit of the material unlisted Indian subsidiaries, as applicable for FY 2025-26, shall be undertaken in accordance with Regulation 24A of the SEBI Listing Regulations.

REPORTING OF FRAUDS BY AUDITORS

None of the Auditors of the Company has identified and reported any fraud as specified under the second proviso of Section 143(12) of the Act.

COMPLIANCE WITH SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, have been duly complied by your Company.

CREDIT RATINGS

The Company has not issued any securities and does not have any fixed deposit program/borrowing or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March 2026, the Company was not required to obtain credit ratings in respect of the same.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- i. in preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. appropriate accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of its profit and loss of the Company for the financial year ended March 31, 2026;
- iii. proper and sufficient care has been taken for maintenance of adequate accounting records for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis
- v. adequate internal financial controls have been laid down and such controls were operating effectively; and
- vi. proper systems have been devised to ensure compliance with applicable laws and 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 Indian Accounting Standard (IND AS) - 24 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-and-code-of-conduct-sas/>.

The details of related party transactions as per Indian Accounting Standards (IND AS) – 24 are set out in Note 26 to the Standalone Financial Statements of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act, 2013.

The composition of the CSR Committee and the Annual Report on CSR activities for FY 2025-26 is provided in Annexure B to this Report.

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

The disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the applicable Rules shall be made based on the Company's FY26 operations.

The details of foreign exchange earnings and outgo are provided in the notes to the standalone and consolidated financial statements.

- A. Conservation of Energy: Operations are not inherently energy-intensive; however, conservation measures and employee awareness programs are routinely implemented.
- B. Technology Absorption: Proprietary heritage clutch technologies are utilized under the 'Lipe' brand. Most components are sourced indigenously except for critical imported components.
- C. Foreign Exchange Earnings and Outgo: Details of earnings and outgo are disclosed in the Notes to the standalone and consolidated financial statements.

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 2025-26. 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, 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, 2026 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 accessed using the link <https://setcoauto.com/category/setco-automotive-limited/>. The Annual Return will be submitted to the Registrar of Companies within the timelines prescribed under the Act.

INVESTOR EDUCATION AND PROTECTION FUND

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).

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 2026 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 Section 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/>.

HUMAN RESOURCES

The Company continues to recognise human capital as an important organisational resource and focuses on employee engagement, capability development, performance management and creation of an inclusive workplace.

The endeavor is to build and strengthen organizational capabilities thereby enabling the Organization to sustain attractive growth in a dynamic business environment.

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 during the financial year 2025-26.

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-and-code-of-conduct/>. No such fraud or wrongful conduct was reported during the year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS

During the financial year under review and up to the date of this Report, the following significant regulatory matters are brought to the attention of the Members:

Order passed by the Securities and Exchange Board of India

- **SEBI Order:** On February 5, 2026, SEBI issued an order in respect of past transactions, restraining promoter directors from accessing the securities market for two years, levying monetary penalties, and directing certain refunds/restitutions. A corrigendum was subsequently issued on April 13, 2026.
- **Hon'ble SAT Relief:** The order was challenged before the Hon'ble Securities Appellate Tribunal (SAT). By an interim order dated May 8, 2026, the Hon'ble SAT stayed the operation of the SEBI order subject to penalty deposits and compliance conditions. The matter remains sub judice and is not expected to have a material adverse impact on current operations.

INDUSTRIAL RELATIONS

The relations with the employees have continued to remain cordial.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure pertaining to remuneration and other details as required under the 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.

PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no proceedings against the company under the Insolvency and Bankruptcy Code, 2016.

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. The requirement to disclose the details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.
3. There has been no issue of Equity Shares (including Sweat Equity Shares) to employees of your Company, under any scheme.
4. The Managing Director has not received any remuneration/commission from subsidiary of the Company. The Whole-time Director has received remuneration from subsidiary of the Company.
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

Your Directors place on record their sincere appreciation for the contribution, commitment and cooperation of the employees of the Company.

The Board also acknowledges the continued support received from shareholders, customers, lenders, bankers, suppliers, business associates, government authorities and other stakeholders.

For and on behalf of the Board of Directors
Setco Automotive Limited

Place: Kalol
Date: September 4, 2026

Harish Sheth
Chairman & Managing Director
DIN: 01434459

Form No. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

Setco Automotive Limited**CIN: L32909GJ1982PLC005203**

Alindra Village, Vadodara Godhra Highway, Kalol, Panchmahal,
Kalol (Panch Mahals), Panch Mahals, Kalol, Gujarat, India, 389330

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2026, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2026 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investments, overseas direct investments, external commercial borrowings; - **Not Applicable during the audit period**
- (v) 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) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 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) Regulation, 2014; **Not Applicable during the audit period**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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; **Not Applicable during the audit period**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable during the audit period**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 notified on 11th September, 2018- **Not Applicable during the audit period**
- (vi) The other laws as are applicable specifically to the Company are compiled as per representation made by the management of company during the audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, during the audit period:

During the period under review, there was a shortfall in the required number of Independent Directors on the Board of the Company for a period of approximately one month, resulting in non-compliance with the applicable requirements relating to the composition of the Board of Directors under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Consequently, the composition of the Nomination and Remuneration Committee ("NRC") was also not in compliance with the requirements prescribed under Regulation 19 of the SEBI Listing Regulations during the aforesaid period.

The Stock Exchange levied the requisite penalties/fines on the Company for the aforesaid non-compliances. The Company subsequently took necessary steps to restore compliance with the applicable provisions by appointing the requisite Independent Director(s) and reconstituting the NRC. The Company has also paid the applicable fines/penalties levied by the Stock Exchange.

Mr. Kuldeep Singh has resigned from the position of Chief Financial Officer of the Company with effect from April 18, 2025

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, 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.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously as recorded in the minutes of the meetings of the Resolution Professional with Board of Directors or Committee of the Board, as the case may be.

I 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.

I further report that, during the audit period:

During the year under review, the Securities and Exchange Board of India ("SEBI") issued a show cause notice dated October 14, 2024, to, inter alia, the Company, alleging contraventions of: (i) the SEBI Act, 1992; (ii) the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003; and (iii) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The allegations pertain to certain related party transactions undertaken in prior financial years.

Directors' Report (Contd.)

The Company has submitted detailed responses to SEBI, denying the allegations and asserting, inter alia, that the said transactions were undertaken in compliance with applicable laws and regulatory requirements. The matter is currently pending adjudication before SEBI's Quasi-Judicial Authority. The Company continues to believe that the transactions were entered into in compliance with applicable law.

I Further Report that during the period under Review

- a) the Board that Securities and Exchange Board of India ("SEBI") has passed an Order under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Sections 15HA and 15HB of the SEBI Act, 1992, in the matter of Setco Automotive Limited ("the Company") and other noticees, which was received by the Company on February 05, 2026
- b) Share Purchase and Subscription Agreement executed on 29 March 2026 by and between Setco Auto Systems Private Limited ("SASPL"), RSB Transmissions (I) Limited ("Purchaser"), SAL, and other parties thereto ("SPSSA"), for, inter alia, sale of stake held by SAL in SASPL, a material subsidiary of SAL, to the Purchaser, wherein 4,47,847 equity shares (representing approximately 41% of the paid-up share capital of SASPL (on a fully diluted basis as on date) ("Sale Securities") will be sold by SAL for, approximately, INR 207 Crores (Indian Rupees two hundred and seven crores) (determined basis the financial position of SASPL as on December 31, 2025) and which consideration shall be subject to adjustments based on net debt and working capital position of SASPL as on the date of transfer of the Sale Securities ("Closing Date"), as per the agreed accounting principles in the SPSSA. SAL shall also be entitled to payment of deferred consideration on the sale of said Sale Securities upon achievement of EBITDA-linked milestones and such other terms as set out in the SPSSA. Furthermore, execution of the following documents were also approved: (i) a Deed of Indemnity to be executed by and between SASPL, Purchaser, SAL and other parties thereto ("Indemnity Deed"); and (ii) Undertaking to be executed by and between SAL, SASPL, India Resurgence Fund - Scheme 1, India Resurgence Fund - Scheme 2, Vistra ITCL (India) Limited and other parties thereto ("SAL Undertaking") in respect of the transactions contemplated under the Transaction Documents
- c) During the period under review, the Company altered its Object Clause of the Memorandum of Association pursuant to the provisions of Section 13 of the Companies Act, 2013.
- d) During the period under review, the Board of Directors of the Company approved the proposal for change in the name of the Company and consequential alteration of the Memorandum of Association and Articles of Association of the Company. However, the proposed change in name and consequential alteration of the Memorandum of Association and Articles of Association were not implemented/completed during the period under review, and no change in the name of the Company was effected
- e) During the period under review, the Company shifted its Registered Office within the local limits of [City/Town], in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Shravan A Gupta & Associates
Practicing Company Secretary
A Peer Reviewed Firm 2140/2022

Shravan A Gupta
ACS: 27484, CP:9990
UDIN : A027484H001361289

Place: Mumbai

Date : 04th September,2026

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report

To
The Members
Setco Automotive Limited
CIN: L32909GJ1982PLC005203
Alindra Village, Vadodara Godhra Highway, Kalol, Panchmahal,
Kalol (Panch Mahals), Panch Mahals, Kalol, Gujarat, India, 389330

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained 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. My examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Shravan A Gupta & Associates
Practicing Company Secretary
A Peer Reviewed Firm 2140/2022

Shravan A Gupta
ACS: 27484, CP:9990
UDIN : A027484H001361289

Place: Mumbai
Date : 04th September, 2026

ANNEXURE - B

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2025-26

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 embody the principles of CSR – 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. Vijay Kalra	Member (Independent Director)		
4	Dr. Suresh Shanbhogue	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/composition-of-the-various-committees-of-the-board-of-directors-sal/>

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

7. (a) Two percent of average net profit of the company as per section 135(5): Not Applicable in 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
Not Applicable					

(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 on- 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).

(a) Date of creation or acquisition of the capital asset(s): None

Amount of CSR spent for creation or acquisition of capital asset: Nil

(b) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(c) 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: September 4 , 2026

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

PART "A": Subsidiaries

(Rs. In Lakhs)

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*	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 Pvt. Ltd.	Same as Holding Company	INR	13056.00	(26,726.76)	10,793.90	10,793.90	-	8,778.29	(1,626.17)	1,820.63	(3,446.80)	-	100%
Setco Auto Systems Pvt. Ltd.	Same as Holding Company	INR	87.38	(71,469.47)	40,537.43	40,537.43	171.49	73,895.50	(1,748.21)	99.06	(1,847.27)	-	81.24%
WEW Holdings Limited	Same as Holding Company	1 GBP = Rs. 127.02	810.18	(13.97)	800.04	800.04	799.87	-	2.14	-	2.14	-	100%
Setco Automotive (UK) Ltd.	Same as Holding Company	1 GBP = Rs. 127.02	3473.07	(3,095.99)	5,152.91	5,152.91	3,130.50	2,842.27	(557.60)	-	(557.60)	-	100%
Setco Automotive (NA) Inc	Same as Holding Company	1 USD = Rs. 95.87	1923.15	42.37	6,212.37	6,212.37	-	5,960.44	(752.45)	(175.64)	(576.81)	-	100%
SETCO MEA DMCC	Same as Holding Company	1 AED = Rs. 25.31	24.59	(481.57)	865.21	865.21	-	527.12	26.20	-	26.20	-	100%

*Rates as on March 31, 2026

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report outlines the governance practices 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 create long-term value for its stakeholders. Corporate Governance involves balancing the interests of shareholders, management, customers, suppliers, Government and the community at large.

The Company believes in fairness, transparency, accountability and integrity across its operations and in maintaining trust with stakeholders.

The governance framework is periodically reviewed by the Board of Directors (“**Board**”). The Board is provided regular and comprehensive information to facilitate oversight of business activities, corporate policies, financial and secretarial reporting, compliance, risk and other significant matters.

GOVERNANCE STRUCTURE

As at March 31, 2026, the Board consisted of six Directors, comprising three Executive Directors and three Non-Executive Independent Directors. The Company is headed by an Executive Chairman who is also the Managing Director. Accordingly, Independent Directors constituted one-half of the total Board 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 takes 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, 2026 in compliance 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 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:

Name of Director	DIN	Category / Position	Initial appointment
Mr. Harish Kiritbhai Sheth	01434459	Executive Director – Chairman & Managing Director; Promoter	May 5, 1982
Mr. Udit Harish Sheth	00187221	Executive Director – Vice Chairman / Whole-time Director; Promoter	June 30, 2008
Mrs. Urja Harshal Shah	02675341	Executive Director – Whole-time Director; Promoter	September, 28, 2015
Mr. Vijay Kalra	07217974	Non-Executive Independent Director	November 11, 2024
Dr. Suresh Shanbhogue	00517958	Non-Executive Independent Director	November 11, 2024
Mr. Alok Shyamkrishna Parashar	06722651	Non-Executive Independent Director	January 31, 2025

Mr. Harish Sheth is the father of Mr. Udit Sheth and Mrs. Urja Shah. Mr. Udit Sheth and Mrs. Urja Shah are siblings. None of the Independent Directors is related to any other Director.

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 FY 2025-26, the Board met eight (8) times. The dates of the meetings were:

Sr. No.	Date of Board Meeting	Total Directors	Directors Present	Independent Directors Present
1	27-May-2025	6	6	3
2	12-Aug-2025	6	6	3
3	17-Oct-2025	6	5	3
4	14-Nov-2025	6	6	3
5	13-Feb-2026	6	6	3
6	20-Mar-2026	6	6	3
7	23-Mar-2026	6	6	3
8	28-Mar-2026	6	6	3

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 to the Board as prescribed under Regulation 17(7) read with Part A of Schedule II 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 Meeting. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations.

The following table provides the attendance record at the Board Meeting and Annual General Meeting of the Company during the financial year 2025-26 and directorships, memberships and chairmanships in other public limited companies at the end of the financial year 2025-26:

Director	Category	Relationship	Board Meetings Attended	Attended 42nd AGM
Mr. Harish Sheth	Chairman & Managing Director	Father of Udit Sheth & Urja Shah	8/8	Yes
Mr. Udit Sheth	Vice Chairman / Whole-time Director	Son of Harish Sheth; brother of Urja Shah	8/8	No
Mrs. Urja Shah	Whole-time Director	Daughter of Harish Sheth; sister of Udit Sheth	7/8	No
Mr. Vijay Kalra	Independent Director	N.A.	8/8	Yes
Dr. Suresh Shanbhogue	Independent Director	N.A.	8/8	No
Mr. Alok Parashar	Independent Director	N.A.	8/8	No

Table 2: Number of directorships/committee positions of directors as on March 31, 2026

Director	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	1	-	27,62,863	-
Mrs. Urja Shah	1	1	-	42,84,725	-
Mr. Vijay Kalra	1	1	1	-	-
Mr. Suresh Shanbhogue	1	2	1	-	-
Mr. Alok Parashar	1	1	0	-	-

@ 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

- Knowledge of the Company's businesses, policies and culture, major risks / threats and opportunities and knowledge of the industry in which the Company operates.
- Behavioural skills and competencies to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Administration and Decision Making.
- Corporate laws and governance.
- Financial and management skills.
- Technical / professional skills and specialized knowledge relevant to the Company's business.
- Stakeholders relationship skills.

Skill / Competency	Harish Sheth	Udit Sheth	Urja Shah	Vijay Kalra	Suresh Shanbhogue	Alok Parashar
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 materially significant pecuniary relationship or transactions 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 Directors

Provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations have 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 13, 2026 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.

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 statutes 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/>.

B. COMMITTEES OF THE 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 Audit Committee met seven (7) times during FY 2025-26 on May 27, 2025; August 12, 2025; November 14, 2025; February 13, 2026; March 20, 2026; March 23, 2026 and March 28, 2026.

Member	Category	Designation	Meetings Held	Meetings Attended
Mr. Vijay Kalra	Non-Executive Independent	Chairperson	7	7
Mr. Udit Sheth	Executive Director	Member	7	7
Dr. Suresh Shanbhogue	Non-Executive Independent	Member	7	7
Mr. Alok Parashar	Non-Executive Independent	Member	7	7

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 Nomination and Remuneration Committee ("NRC") met three (3) times during FY 2025-26 on May 27, 2025; August 12, 2025 and February 13, 2026.

Member	Category	Designation	Meetings Held	Meetings Attended
Mr. Vijay Kalra	Non-Executive Independent	Chairperson	3	3
Dr. Suresh Shanbhogue	Non-Executive Independent	Member	3	3
Mr. Alok Parashar	Non-Executive Independent	Member	3	3

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 2025-26 are as follows:

During FY 2025-26, the NRC recommended the appointment of Mr. Anurag Jain as Chief Financial Officer with effect from May 27, 2025, following the resignation of Mr. Kuldeep Singh as CFO with effect from April 18, 2025.

Directors' Remuneration

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	0.00	0.00	0.00	0.00	0.00
Mr. Udit Sheth	Vice Chairman and Whole-time director	0.00	0.00	0.00	0.00	0.00
Mrs. Urja Shah	Whole-time director	0.00	0.00	0.00	0.00	0.00
Mr. Vijay Kalra	Non-Executive Independent Director	0.00	0.00	0.00	8.30	8.30
Dr. Suresh Shanbhogue	Non-Executive Independent Director	0.00	0.00	0.00	9.70	9.70
Mr. Alok Shyamkrishna Parashar	Non-Executive Independent Director	0.00	0.00	0.00	9.40	9.40

Service Contracts:

Name	Designation	Tenure	From	To
Mr. Harish Sheth	Chairman & Managing Director	3 years	01-Jan-2024	31-Dec-2026
Mr. Udit Sheth	Vice Chairman / Whole-time Director	3 years	01-May-2023	30-Apr-2026
Mrs. Urja Shah	Whole-time Director	3 years	11-Nov-2023	10-Nov-2026

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 Stakeholders Relationship Committee ("SRC") met four (4) times during FY 2025-26 on May 27, 2025; August 12, 2025; November 14, 2025 and February 13, 2026.

Member	Category	Designation	Meetings Held	Meetings Attended
Dr. Suresh Shanbhogue	Non-Executive Independent	Chairperson	4	4
Mr. Harish Sheth	Executive 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, was the Compliance Officer of the Company throughout FY 2025-26.

Investor grievance status – FY 2025-26	Number
No. of Complaints pending as on April 1, 2025	0
No. of Complaints / queries received during the year	0
No. of Complaints resolved during the year	0
No. of Complaints pending as on March 31, 2026	0

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, Mr. Vijay Kalra, Dr. Suresh Shanbhogue 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) Last three Annual General Meetings

Financial Year	AGM	Date / Time	Venue	Special Resolutions
2022-23	40th AGM	27-Sep-2023, 2:00 p.m.	Registered Office, Baroda-Godhra Highway, Kalol, Panchmahal, Gujarat	Reappointment of Mr. Harish Sheth, Mrs. Urja Shah and Mr. Udit Sheth as a period of three (3) years.
2023-24	41st AGM	28-Sep-2024, 2:30 p.m.	Registered Office, Baroda-Godhra Highway, Kalol, Panchmahal, Gujarat	Nil
2024-25	42nd AGM	25-Sep-2025, 2:30 p.m.	Registered Office, Baroda-Godhra Highway, Kalol, Panchmahal, Gujarat	Appointment of Mr. Vijay Kalra, Mr. Suresh Shanbhogue and Mr. Alok Parashar as Independent Directors.

(ii) Extraordinary General Meetings during FY 2025-26

No Extraordinary General Meeting of the Members was held during the Financial Year 2025-26.

(iii) Details of the meeting convened in pursuance of the order passed by the National Company Law Tribunal (NCLT)

Not Applicable

(iv) **No Special Resolution was passed through Postal Ballot during Financial Year 2025-26.**

D. POLICIES AND DISCLOSURES

(i) Means of Communication

- **Stock Exchange Intimations:** Disclosures under the SEBI Listing Regulations are filed electronically with BSE Limited and National Stock Exchange of India Limited and are also disseminated through the Company's website.
- **Financial Results:** Quarterly / half-yearly / annual financial results are published and made available on the Company's website in accordance with applicable requirements.
- **Annual Report:** The Annual Report containing the statutory financial statements and reports is circulated / made available to eligible shareholders and is hosted on the Company's website.
- **Website:** The Company maintains an investor section containing financial results, shareholding patterns, annual reports, exchange disclosures, policies and investor-service information.
- **NEAPS and BSE Listing Centre:** Periodic and event-based compliance filings are made through the electronic portals of NSE and BSE.

(ii) Non-compliance / Penalties / Strictures relating to Capital Markets

FY	Authority	Particulars	Amount of Fine / Directions	Status / Remarks
2025-26	BSE and NSE	Non-compliance with Regulation 17(1) of SEBI LODR relating to composition of the Board, including non-appointment of a Woman Director	₹1,50,000 + 18% GST each by BSE and NSE	PAID
		Non-compliance with Regulation 19(1)/19(2) of SEBI LODR relating to constitution of the Nomination and Remuneration Committee	₹60,000 + 18% GST each by BSE and NSE	PAID
		Non-compliance with Regulation 17(1) relating to composition of the Board, including non-appointment of a Woman Director	Fines aggregating to ₹4,60,000 + GST, ₹82,000 + GST, ₹1,84,000 + GST and ₹88,000 + GST, as recorded in the report	Fine paid; Requested for waiver of imposed penalty and the same was approved by BSE.
		Non-compliance with Regulation 18(1) relating to constitution of the Audit Committee	₹96,760 + 18% GST each	Fine paid; Requested for waiver of imposed penalty and the same was approved by BSE.
		Non-compliance with Regulation 19(1)/19(2) relating to constitution of the Nomination and Remuneration Committee	₹2,17,120 + 18% GST each	Fine paid; Requested for waiver of imposed penalty and the same was approved by BSE.

FY	Authority	Particulars	Amount of Fine / Directions	Status / Remarks
		Non-compliance with Regulation 20(2)/20(2A) relating to constitution of the Stakeholders Relationship Committee	₹1,03,840 + 18% GST each	Fine paid; Requested for waiver of imposed penalty and the same was approved by BSE.
	SEBI	SEBI Order dated 5 February 2026, pursuant to Show Cause Notice dated 14 October 2024, concerning the financial statements and matters investigated under Sections 11 and 11C of the SEBI Act and other applicable provisions	SEBI Order dated 5 February 2026	The matter has been appealed before SAT by Mr. Harish Sheth, Mr. Udit Sheth and Mrs. Urja Shah and is pending before Hon'ble Securities Appellate Tribunal
2024-25	BSE and NSE	Delay in submission of annual audited financial results under Regulation 33(3)(d) of SEBI LODR	₹2,15,000 + 18% GST each	PAID
		Delay of one day in filing the Annual Secretarial Compliance Report under Regulation 24A	₹2,000 + 18% GST each	PAID
2023-24	BSE and NSE	Non-submission of the financial results within the period prescribed under regulation 33 of the Listing Regulations for the financial year ended 31st March 2023	Rs. 15,000 + 18% GST each by BSE and NSE	PAID
		Delay in submitting disclosure of Related Party Transactions under regulation 23(9) of the Listing Regulations	Rs. 5,000 + 18% GST each by BSE and NSE	PAID

(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 26 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/>.

(iv) Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report and includes the matters specified under Schedule V to the SEBI 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 2025-26.

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, 2026 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) Material Subsidiary Companies

During the financial year 2025-26, Setco Auto Systems Private Limited ("SASPL") and Lava Cast Private Limited ("LCPL") were material unlisted subsidiaries of the Company in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company complied with the applicable corporate governance requirements in respect of its material subsidiaries during the year under review.

On March 20, 2026, the Company acquired an additional 10.31% equity interest in LCPL, thereby increasing its shareholding from 89.69% to 100%, consequent to which LCPL became a wholly owned subsidiary of the Company.

On March 28, 2026, the Board of Directors of the Company approved the proposed divestment of the Company's shareholding in SASPL to RSB Transmissions (I) Limited ("RSB"), and the definitive transaction documents in relation thereto were executed on March 29, 2026.

Subsequent to the close of the financial year, upon fulfilment of the applicable conditions precedent, the first closing of the transaction was completed on May 27, 2026, pursuant to which the Company transferred 4,47,847 equity shares, representing approximately 41% of the equity share capital of SASPL, to RSB. Consequent to the said transfer and RSB acquiring control over SASPL, SASPL ceased to be a subsidiary, and accordingly a material subsidiary, of the Company with effect from May 27, 2026.

Accordingly, as on the date of this Report, LCPL is the material unlisted subsidiary of the Company in terms of the applicable provisions of the Listing Regulations.

The Audit Committee reviews the financial statements, in particular the investments made by the unlisted subsidiary companies, and the minutes of the meetings of the Board of Directors of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company, in accordance with the applicable provisions of the Listing Regulations.

(ix) Accounting Treatment

The financial statements are prepared in accordance with applicable Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and the relevant rules. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

(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

There were no instances during the financial year 2025-26, wherein the Board had not accepted recommendations made by any committee of the Board.

(xiv) Total Fees Paid to Statutory Auditors

Total fees of Rs. 66.50 Lakhs (Rupees Sixty-Six Lakhs Fifty Thousand Only) for financial year 2025-26, 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 or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March 2026. The Company was not required to obtain credit ratings in respect of the same.

(xvi) Sexual Harassment of Women at Workplace

Particular	FY 2025-26
No. complaints filed during the financial year	NIL
No. complaints disposed of during the financial year	NIL
No. complaints pending as on end of the financial year	NIL

(xvii) Directors and Officers Liability Insurance (D&O) as specified under Regulation 25(10) of the SEBI Listing Regulations:

The Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors, Officers, Managers and Employees 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.

E. GENERAL SHAREHOLDER INFORMATION

(i)	43rd Annual General Meeting	
	Day & Date	Wednesday, September 30, 2026
	Time	2:30 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 2026-27	
	First Quarterly Results	On or before 14th August, 2026
	Second Quarterly Results	On or before 14th November, 2026
	Third Quarterly Results	On or before 14th February, 2027
	Fourth Quarterly Results	On or before 30th May, 2027
(iii)	Dates of Book Closure	Thursday, September 24, 2026 to Wednesday, September 30, 2026 (both days inclusive)
(iv)	Dividend Payment Date	During the year under review, the Board of Directors did not recommend any dividend for the year ended March 31, 2026. Subsequent to the year end, the Board at its meeting held on May 26, 2026 declared an interim dividend of ₹13 per equity share of face value ₹2 each (650%) for FY 2026-27 and the dividend payment date was June 11, 2026.
(v)	Listing details	
	Name of Stock Exchanges & Stock Code(s)	Address
	BSE Ltd (Stock Code- 505075)	Phiroze Jeejeebhoy Towers, 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 2025-26 and 2026-27.

- (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, 2026 are as follows:**

Month(s)	BSE		NSE	
FY2025-26	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April-25	20.58	17.35	20.10	17.25
May-25	20.46	16.98	20.46	16.75
June-25	19.57	16.31	20.19	16.21
July-25	19.50	15.86	19.80	15.76
August-25	17.12	13.81	17.12	13.70
September-25	20.02	14.31	19.98	14.08
October-25	20.28	16.00	20.09	15.96
November-25	19.02	14.90	18.89	14.86
December-25	16.31	14.51	16.63	14.50
January-26	16.12	11.75	16.15	11.56
February-26	16.92	13.66	16.92	13.71
March-26	19.34	15.05	19.89	15.42

- (vii) **Performance of share price in comparison with board – based indicators viz. BSE Sensex and NSE Nifty:**

The Chart below shows the comparison of the Company’s share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2026 (based on month end closing):





(viii) Registrar and Share Transfer Agent / Correspondence

Share transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Transfer Agents, i.e. MUFG Intime India Pvt Ltd. (formerly Link Intime India Pvt Ltd.) having their office at:

MUFG Intime India Pvt Ltd. (formerly Link Intime India Pvt Ltd.):

Unit: Setco Automotive Limited, C-101, 247 Park, LBS. Marg, Vikhroli (West), Mumbai – 400083, Tel No.: +91-022-4918 6000, Fax: +91-022 49186060, Website: <https://in.mpms.mufg.com/>.

Technology led initiatives taken by Registrar and Share Transfer Agent

The Company's RTA has implemented various investor-related initiatives as detailed below in order to enhance their investor service levels:

Investor Self-Service portal: 'SWAYAM' is a secure, user-friendly web-based application that empowers investors to effortlessly access information through a dashboard and avail various services in digital mode.

Following are the key features and benefits of 'SWAYAM' Portal:

- Updated status on electronic holdings across various companies serviced by the RTA and its subsidiaries.
- Tracking of corporate actions.
- Generate and track service requests/ complaints raised on this portal.
- Shareholders holding shares in physical form can register on the said portal only after updating their KYC details in their folio.

The investors are requested to get themselves registered and access the 'SWAYAM' Portal at <https://swayam.in.mpms.mufg.com>.

Chatbot Facility:

The RTA of the Company has a Chatbot facility named 'iDIA' to enable the investors to ask questions and get information about queries. 'iDIA' is a Chatbot that utilises conversational technology to provide investors with

a round-the-clock intuitive platform to ask questions and get information about queries. Investors may talk to iDIA by logging in to <https://in.mpms.muvg.com>.

Web-based Investor Query facility:

The shareholders are requested to take note that all queries, service requests or complaints in electronic mode, by any genuine shareholders, are to be raised only through website of RTA, the link for which is: https://web.in.mpms.muvg.com/helpdesk/Service_Request.html. Following is the step-by-step procedure to be followed by shareholders to raise query/service request through website of RTA:

Please click on the following weblink: https://web.in.mpms.muvg.com/helpdesk/Service_Request.html. Thereafter, the person is required to –

- (i) Enter email id & answer a math question, based on which OTP will be received for entering the same;
- (ii) Select name of the Company from drop down, fill in DP ID Client ID/Folio No., Mobile No., and Request Type; and
- (iii) Input the query details and submit. Provision has been made for attaching 5 separate files of 1 MB each.

Once a service request is submitted, an auto acknowledgement is sent providing the URN (Unique Reference No.) assigned. The acknowledgement also has a URL through which the person can view the status of his service request. The said email is sent from noreply@in.mpms.muvg.com.

(ix) Share Transfer System

The Company has a Board-level Stakeholders Relationship Committee to review investor service requests and complaints. Securities of listed companies are transferable only in dematerialised form, subject to the exceptions / processes prescribed by SEBI. Service requests relating to physical securities are processed in dematerialised form in accordance with applicable SEBI circulars.

Annual Certificate on Security Transfer:

In terms of Regulation 40(9) of the SEBI Listing Regulations, certificate, on annual basis, has been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company.

(x) Dematerialisation 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, 2026, 13,28,98,180 equity shares (constituting 99.35%) were in dematerialized form.

- (xi) The Distribution of Shareholding and Category-wise Shareholding Pattern as on March 31, 2026 is as follows:

(a) Distribution of Shareholding as on March 31, 2026:

Distribution of Shareholding						
No. of Shares			Shareholders		Shares Held	
			No.	%	Shares	%
1	-	500	20392	69.68	3041380	2.27
501	-	1000	3769	12.88	3185276	2.38
1001	-	2000	2230	7.62	3373795	2.52
2001	-	3000	859	2.94	2212552	1.65
3001	-	4000	364	1.24	1326673	0.99
4001	-	5000	435	1.49	2095469	1.57
5001	-	10000	598	2.04	4554748	3.41
10001	-	*****	619	2.12	113977382	85.21
			29266	100.00%	133767275	100.00%

(b) Category-wise Shareholding Pattern as on March 31, 2026:

Category	No. of Shares held	% of Shares held
Promoters and Promoter Group	7,92,57,488.00	59.25
Nationalised Banks	750.00	0
Foreign Nationals	34,790.00	0.03
Foreign Portfolio Investor	40,000.00	0.03
Central Government	4,350.00	0
Clearing Members	3,59,764.00	0.27
Other Bodies Corporate	21,09,126.00	1.58
Hindu Undivided Family	19,03,500.00	1.42
Non Resident Indians	14,13,053.00	1.06
Public	4,54,96,959.00	34.01
Trusts	750.00	0
Body Corporate - Ltd Liability Partnership	12,77,201.00	0.95
Unclaimed or Suspense or Escrow Account	880.00	0
Investor Education and Protection Fund	18,12,237.00	1.35
Relatives of promoters (other than "Immediate relatives" of promoters disclosed under Promoter and Promoter Group & apos; category)	16,427.00	0.01
Other Directors/Relatives	40,000.00	0.03
TOTAL:	13,37,67,275.00	100

(xii) Outstanding GDRs / ADRs / Warrants / Convertible Instruments

The Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments during the year under review and hence, as on March 31, 2026, the Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

(xiii) Commodity Price Risk / Foreign Exchange Risk and Hedging

The Company does not deal in commodities in a manner requiring separate commodity-price-risk disclosure. Foreign exchange risk and hedging activities, if any, should be read with the Management Discussion and Analysis Report and the notes to the financial statements.

(xiv) CEO / CFO 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:

During the financial year no Independent Director resigned or ceased to be an Independent Director. All three Independent Directors remained active as at March 31, 2026.

(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	29.19	166.78
	- Related party	81.97	0.00	0.00

(xvii) Plant locations of the Company and its Subsidiaries Companies:
Lava Cast Private Limited:

Location	Address
Gujarat	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, MUFG Intime India Pvt Ltd. (formerly Link Intime India Pvt Ltd.) for any query related to share transfers, dematerialization, transmissions, change of address, non-receipt of dividend or any other related queries.

The address of MUFG Intime India Pvt Ltd. (formerly Link Intime India Pvt Ltd.) 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.

GREEN INITIATIVE

As a responsible corporate entity, the Company wholeheartedly endorses and supports the 'Green Initiative' launched by the Ministry of Corporate Affairs, Government of India. This initiative facilitates electronic delivery of documents, including the Annual Report, quarterly & half-yearly results and other such documents, to shareholders'

registered e-mail addresses by their Depositories and/or RTAs. We urge shareholders who have not yet registered their e-mail addresses to do so without delay. Shareholders who hold shares in Demat form can register their e-mail address with their respective DPs. For shareholders who hold shares in physical form, we kindly request that they register their e-mail addresses with the RTA by sending a signed letter, quoting their Folio Number details.

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 Unclaimed/Unpaid Amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividend, if not claimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The Members who have a claim on the shares of the Company and dividends which have been transferred to the IEPF in the past, may claim the same from the IEPF Authority by submitting an online application in Form No. IEPF-5, which is available on the website www.iepf.gov.in and send a duly signed copy of the same to the Company at investor.relations@setcoauto.com along with the requisite attachments to Form No. IEPF-5.

The following table gives information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent

Financial Year	Date of declaration of Dividend	Due date to transfer to IEPF
Final Dividend 2018-19	27.09.2019	26.09.2026

To claim above unpaid dividend or in case you need any information/clarification, please write to or contact our RTA M/s. MUFG Intime India Pvt Ltd. (formerly Link Intime India Pvt Ltd.), C-101, 247 Park, LBS. Marg, Vikhroli (West), Mumbai - 400083, Tel No.:022 - 4918 6000, Toll-free number : 1800 1020 878, e-mail: helpdesk@in.mpms.mufg.com

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

Suspense Escrow Demat Account:

In accordance with the SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2024/37 dated 7th May 2024), the Company had opened a Suspense Escrow Demat Account with the DP for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of Confirmation to the shareholders in lieu of physical share certificates to enable them to make a request to DP for dematerialising their shares. As on March 31, 2026, 880 equity shares of the Company were lying in the Suspense Escrow Demat Account.

Unclaimed Suspense Account:

In accordance with the requirements of Regulations 34 and 39 read with Schedule V(F) of the Listing Regulations, details of equity shares in Setco Automotive Limited – Unclaimed Suspense Account are as follows:

Particulars	No. of Shareholders	No. of equity shares
Opening Balance: Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1st April 2025	126	1,12,995
Less: Number of shareholders who approached the Company for transfer of shares and shares transferred from Unclaimed Suspense Account during FY 2025-26	0	0
Less: Number of shareholders whose shares got transferred from Unclaimed Suspense Account to IEPF during FY 2025-26	0	0
Closing Balance: Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account as on 31st March 2026	126	1,12,995

All the corporate benefits against these shares like bonus shares, split, etc., would also be transferred to the Unclaimed Suspense Account of the Company. While the dividend for the shares which are lying in Unclaimed Suspense Account would be credited back to the relevant dividend accounts of the Company. The voting rights on shares lying in Unclaimed Suspense Account shall remain frozen till the rightful owner claims the shares

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

SETCO AUTOMOTIVE LIMITED

CIN: L32909GJ1982PLC005203

Alindra Village, Vadodara Godhra Highway, Kalol, Panchmahal, Kalol (Panch Mahals),
Panch Mahals, Kalol, Gujarat, India, 389330

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SETCO AUTOMOTIVE LIMITED** having **CIN L32909GJ1982PLC005203** and having registered office at Alindra Village, Vadodara Godhra Highway, Kalol, Panchmahal, Kalol (Panch Mahals), Panch Mahals, Kalol, Gujarat, India, 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 March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment
1.	Mr. Harish Kiritbhai Sheth	01434459	05/05/1982
2.	Mr. Udit Harish Sheth	00187221	30/06/2008
3.	Mrs. Urja Harshal Shah	02675341	28/09/2015
4.	Dr. Suresh Shanbhogue	00517958	11/11/2024
5.	Mr. Vijay Kalra	07217974	11/11/2024
6.	Mr. Alok Shyamkrishna Parashar	06722651	31/01/2025

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.

Shravan A. Gupta & Associates
Practicing Company Secretary
P.R. No. 2140/2022

Shravan A. Gupta
ACS: 27484, CP: 9990
UDIN: A027484H001360310

Date: 04th September, 2026

Place: Mumbai

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

We, Mr. Harish Kiritbhai Sheth, Chairman and Managing Director and Mr. Anurag Jain, Chief Financial Officer of Setco Automotive Limited hereby certify that: -

We hereby certify that on the basis of review of the financial statements and the cash flow statement for the year ended March 31, 2026 ("the statements") and that to the best of our knowledge and belief:

- (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 by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we 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 in internal control over financial reporting during the financial year ended March 31, 2026
- (2) significant changes in accounting policies during the financial year ended March 31, 2026 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 Kiritbhai Sheth
Chairman and Managing Director

Anurag Jain
Chief Financial Officer

Date: August 31, 2026

Place: Mumbai

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To

The Members of

Setco Automotive Limited

CIN: L32909GJ1982PLC005203

Alindra Village, Vadodara Godhra Highway, Kalol, Panchmahal,

Kalol (Panch Mahals), Panch Mahals, Kalol, Gujarat, India, 389330

1. We have examined the compliance of conditions of Corporate Governance by Setco Automotive Limited ("the Company"), for the year ended on 31st March, 2026, 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, 2026.
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.

Shravan A. Gupta & Associates
Practicing Company Secretary

Shravan A. Gupta

ACS: 27484, CP: 9990

UDIN: A027484H001360365

Date: 04th September, 2026

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, 2025.

Harish Kiritbhai Sheth
Chairman & Managing Director
DIN: 01434459

Udit Sheth
Vice Chairman
DIN: 00187221

Place: Mumbai
Date: August 31, 2026

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, 2026, 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 material 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, 2026, its profits (financial performance including 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:

- a. Refer Note No. 24 of the Standalone Financial Statement regarding the 'Exceptional Items' of Rs. 8,290 Lakhs for the 'Reversal of Provision for diminution in investment' in the Company's subsidiary viz. Lava Cast Private Limited, based on the re-assessment of the carrying value of the investment and in light of the Scheme of Amalgamation filed under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, for the amalgamation of Lava Cast Private Limited with the Company.
- b. Refer Note 3 and 10 of the Standalone Financial Statement regarding a fact that company has not charged interest on unsecured loan to the subsidiaries. Also refer Note No. 14 of the Standalone Financial Statement regarding a fact that 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.
- c. The Company has total Non-Current Investment of Rs 10,414 Lakhs (Previous Year Rs. 23,350 Lakhs) as at the balance sheet date, out of the same company has provided for 'Impairment in Value of Investments' of Rs 2,844 Lakhs (Previous Year Rs. 11,133 Lakhs) in earlier years and stated at net value of Rs 7,570 Lakhs (Previous Year Rs. 12,217 Lakhs), which is in the opinion of the management is fair value of the net investment.

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

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements taken as a whole; in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the key audit matter as described below:

Determination of fair value of carrying amount of investments

Description of key audit matter:

The Company has investments (net of impairment provisions) of Rs. 20,533 (Previous Year Rs. 12,217 Lakhs) as at 31 March 2026 consisting of investments in the equity instruments of subsidiaries and other related entities (both Non-current and Current Investments) which are valued as per Ind AS 109, "Financial instruments". By their nature, these are subjected to various factors related to respective investee entities including but not limited to, economic factors, business dynamics, financial performance etc. and impact a fair valuation of these investments. Accordingly, this necessitates a close monitoring by the management of these situations and judgement, based on appropriate evaluation criteria to arrive at a fair value of carrying amounts of these assets as at balance sheet date. Against this background, this matter was of significance in the context of our audit.

Description of Auditor response:

We have carried out a comparison between carrying value of investment as at balance sheet date and net worth as reflected by latest audited and / or management certified financials of investee companies. Wherever carrying amount of investment is more than the net-worth of investee Company we have discussed and enquired with the management the process followed by them to identify permanent diminution, if any, in the value of investment and necessary accounting treatment adopted in the books. In addition, management has provided us with the future business plans, proposed amalgamation wherever necessary and how in their business judgement such gap between investment and net-worth of the investee is either compensated with improving business conditions or valuations of such entities. Going forward our regular audit procedures are designed to keep a follow up on outcomes of these management assertions.

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

Independent Auditor's Report (Contd.)

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.

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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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, 2026 on its financial position in its Standalone Financial Statements - Refer Note 32 to the Standalone Financial Statements.
 - ii. The Company 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. During the year Rs 15.64 Lakhs (Previous Year Rs. 16.3 Lakhs) have been transferred to the Investor Education and Protection Fund by the Company as on 31st March 2026.

- 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 has not declared / paid any dividend hence reporting under rule 11 f is not applicable to that extent.
- vi. Based on our examination which included test checks and based on explanations and details provided to us, except for the instance listed below, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with:
- a. Table schema level changes carried out from the application are not tracked; and
 - b. The company uses SAP application, which is operated by a third-party software service provider, for maintaining its books of account and in absence of either SOC2 report or Independent auditor's report, we are unable to comment whether audit trail feature of the said software was enabled at database and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for records retention.

Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

CA Pramod Bhise

Partner

Membership No.: (F) 047751

UDIN: 26047751MUVKPN3346

Mumbai, August 31, 2026

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) and intangible assets. 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, 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, Cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they become payable.
 - (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, 2026 on account of disputes except the following :

Sr.	Name of the Statute	Nature of the dues	Amount (Rs. In Lacs)	Related F.Y. / A.Y.	Forum where dispute is pending	Remark, if any (Rs Lacs)
1	Income Tax Act, 1961	Order u/s 143	0.35 **	A.Y. 17-18	CIT(Appeal) – Vadodara	*
2	Goods and Service Tax Act 2017	Order u/s 74	208.00	F.Y. 21-22	GST (Appeal)	10.43**

*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

Independent Auditor's Report (Contd.)

- (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 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 additional 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.
- (xi) 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 (including Exceptional items) in the current year, however had incurred cash loss in the immediately preceding financial year amounting to Rs. 130.11 Lakhs
- (xviii) There has been no 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.: 0109983W

by the hand of

CA Pramod Bhise

Partner

Membership No. (F) 047751

UDIN: 26047751MUVKPN3346

Mumbai, August 31, 2026

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, 2026 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, 2026, 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.: 0109983W

by the hand of

CA Pramod Bhise

Partner

Membership No. (F) 047751

UDIN: 26047751MUVKPN3346

Mumbai, August 31, 2026

Balance Sheet as at 31st March 2026

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March 2026	As at 31st March, 2025
ASSETS :			
1. Non-current assets			
a. Property, plant and equipment		-	-
b. Capital work-in-progress		-	-
c. Right of use of assets		-	-
d. Intangible assets		-	-
e. Intangible Assets Under Development		-	-
f. Financial assets			
(i) Investments	2	7,570.23	12,216.95
(ii) Loans Receivables	3	1,966.15	1,729.14
(iii) Other financial assets	4	-	0.25
g. Deferred tax assets (net)	5	518.45	518.45
h. Other non-current assets		-	-
Total non-current assets		10,054.83	14,464.79
2. Current assets			
a. Inventories		-	-
b. Financial assets			
(i) Investments	6	12,962.83	-
(ii) Trade receivables	7	92.63	83.34
(iii) Cash and cash equivalents	8	42.23	57.62
(iv) Bank Balances Other Than (ii) Above	9	10.45	29.83
(v) Loans	10	62.45	61.56
c. Current tax assets (net)		-	-
d. Other current assets	11	407.49	406.42
Sub-total - Current Assets		13,578.07	638.77
Total assets		23,632.90	15,103.56
EQUITY AND LIABILITIES :			
EQUITY			
Equity share capital	12	2,675.35	2,675.35
Other equity	13	13,219.33	4,711.33
Total equity		15,894.68	7,386.68
LIABILITIES			
1. Non-current liabilities			
a. Financial liabilities			
(i) Borrowings	14	6,993.98	6,955.81
(ii) Lease liability		-	-
(iii) Other financial liabilities	15	695.56	653.45
b. Other non current liabilities		-	-
c. Provisions		-	-
Total non-current liabilities		7,689.54	7,609.26
2. Current Liabilities			
a. Financial liabilities			
(i) Borrowings		-	-
(ii) Lease liability		-	-
(iii) Trade payables			
(a) Dues of micro, small and medium enterprises	16	-	2.69
(b) Dues of creditors other than micro, small and medium enterprises		19.07	32.47
(iv) Other financial liabilities	17	28.21	47.59
b. Other current liabilities	18	1.41	24.87
c. Provisions		-	-
d. Current tax liabilities (net)		-	-
Total current liabilities		48.68	107.62
Total liabilities		7,738.22	7,716.88
Total equity and liabilities		23,632.90	15,103.56

Notes including Material Accounting Policies are an integral part of the Financial Statements : 1 To 51

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
[DIN: 01434459]
Chairman & Managing Director

Anurag Jain
Chief Financial Officer

(**CA Pramod Bhise**)
Partner
Membership No. : 047751

UDIT SHETH
[DIN: 00187221]
Vice Chairman and Whole time Director

Aditi Pai
Company Secretary

Place : Mumbai
Date : 31st August, 2026

Place : Mumbai
Date : 31st August, 2026

Statement of Profit and Loss for the year ended on 31st March 2026

(Rs. In Lakhs)

Particulars		Note No.	Period ended 31st March 2026	Period ended 31st March 2025
INCOME :				
I.	Revenue from operations	19	115.00	114.38
II.	Other income	20	233.21	158.61
III.	Total Income (I + II)		348.21	272.99
EXPENSES :				
IV.	Cost of materials consumed		-	-
	Changes in inventories of finished goods and work-in-progress		-	-
	Employee benefit expenses	21	1.56	397.37
	Finance costs	22	3.08	31.29
	Depreciation and amortization expenses		-	-
	Other expenses	23	125.54	194.78
	Total expenses (IV)		130.18	623.44
V.	Profit/(loss) before exceptional items and tax (III - IV)		218.03	-350.45
VI.	Exceptional items	24	-8,289.97	-
VII.	Profit/(loss) before tax (V - VI)		8,508.00	-350.45
VIII.	Tax expense/(credit)			
	- Current tax		-	-
	- Deferred tax		-	-
	MAT credit entitlement			
	- Previous years		-	-
	- Current year		-	-
	Tax Refund for earlier years		-	220.34
	Total Tax expense		-	220.34
IX.	Profit/(loss) for the year from continuing operations (VII - VIII)		8,508.00	-130.11
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		-	-
	(b) Gain / (loss) on FVTOCI Equity securities		-	-
	(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)		-	-
XI.	Total comprehensive income for the year (IX + X)		8,508.00	-130.11
XII.	Earnings/(loss) per equity share (face value of Rs. 2/- Each)	24		
	Earnings/(loss) per equity share from continuing operations			
	- Basic (In Rs. per share)		6.36	-0.10
	- Diluted (In Rs. Per share)		6.36	-0.10

Notes including Material Accounting Policies are an integral part of the Financial Statements : 1 To 50

As per our report of even date attached

For and on behalf of the Board

For **Sharp & Tannan Associates**

Chartered accountants

(ICAI Firm registration No. : 109983W)

HARISH SHETH

[DIN: 01434459]

Chairman & Managing Director

Anurag Jain

Chief Financial Officer

(CA Pramod Bhise)

Partner

Membership No. : 047751

UDIT SHETH

[DIN: 00187221]

Vice Chairman and Whole time Director

Aditi Pai

Company Secretary

Place : Mumbai

Date : 31st August, 2026

Place : Mumbai

Date : 31st August, 2026

Cash Flow Statement for the year ended on 31st March 2026

(Rs. In lakhs)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	8,508.00	-350.45
Adjustment for :		
Unrealized exchange loss/(gain)	-247.29	-83.10
Write back of Financial Guarantee	-	-18.19
Impairment loss allowance on advances/receivables	-8,289.97	-
Reversal of Impairment loss allowance on receivables	-	-
Interest expense	3.03	31.22
Other Financial charges	0.05	0.07
Finance Income Related to Financial Guarantee Measured at Fair Value	15.97	-15.29
Operating profit / (loss) before changes in working capital	-10.20	-435.74
Adjustments for changes in :		
Trade receivables	0.00	-
Loans and other assets	-0.00	544.34
Other non-current and current assets	350.70	248.44
Trade payables	-15.98	-409.33
Other non-current and current liabilities	-23.47	8.31
Change in current assets/liabilities	311.48	391.75
Cash generated from operations	301.29	-43.99
Direct taxes (net of refund)	-351.77	39.80
Net Cash flow from Operating Activities	-50.48	-4.19
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash used in Investing Activities	-0.00	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Term Loans	38.17	16.23
Interest expense	-3.03	-31.22
Other Financial charges	-0.05	-0.07
Net Cash used in Financing Activities	35.08	-15.06
Opening Cash and Cash Equivalents	57.63	76.87
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	-15.40	-19.25
Closing Cash and Cash Equivalents	42.23	57.62

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 Material Accounting Policies are an integral part of the Financial Statements : 1 To 51

As per our report of even date attached

For and on behalf of the Board

For **Sharp & Tannan Associates**

Chartered accountants

(ICAI Firm registration No. : 109983W)

HARISH SHETH

[DIN: 01434459]

Chairman & Managing Director

Anurag Jain

Chief Financial Officer

(CA Pramod Bhise)

Partner

Membership No. : 047751

UDIT SHETH

[DIN: 00187221]

Vice Chairman and Whole time Director

Aditi Pai

Company Secretary

Place : Mumbai

Date : 31st August, 2026

Place : Mumbai

Date : 31st August, 2026

Statement of Changes in Equity for the year ended on 31st March 2026

A. Equity share capital

Particulars	Rs. In Lakhs
Balance as at April 1, 2024	2,675.35
Changes in Equity Share Capital due to prior period errors	-
Restated Balance as at April 1, 2024	2,675.35
Changes in Equity Share Capital during the year	-
Balance as at 31st March, 2025	2,675.35
 Balance as at April 1, 2025	 2,675.35
Changes in Equity Share Capital due to prior period errors	-
Restated Balance as at April 1, 2025	2,675.35
Changes in Equity Share Capital during the year	-
Balance as at 31st March, 2026	2,675.35

Statement of Changes in Equity for the year ended on 31st March 2026

B. Other Equity

Particulars	(Rs. In Lakhs)					
	Capital Reserve	Reserves and Surplus General Reserve	Security Premium	Retained Earnings	Share option outstanding amount	Other Items of Other Comprehensive Income - Equity Instruments at FVOCI
Balance as at 1st April, 2024	13,224.31	1,948.62	239.29	-10,590.78	-	- 4,821.44
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance as at 1st April, 2024	13,224.31	1,948.62	239.29	-10,590.78	-	- 4,821.44
Employee stock option cancelled during the year	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Profit for the year	-	-	-	-130.11	-	- -130.11
Other Comprehensive Income (net of tax)	-	-	-	-	-	-
Total comprehensive income for the year ended 31st March, 2025	-	-	-	-130.11	-	- -130.11
Balance as at 31st March, 2025	13,224.31	1,948.62	239.29	-10,570.80	-	- 4,711.33
Balance as at 1st April, 2025	13,224.31	1,948.62	239.29	-10,700.89	-	- 4,711.33
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance as at 1st April, 2025	13,224.31	1,948.62	239.29	-10,700.89	-	- 4,711.33
Employee stock option granted during the year	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Profit for the year	-	-	-	8,508.00	-	- 8,508.00
Other Comprehensive Income (net of tax)	-	-	-	-	-	-
Total comprehensive income for the year ended 31st March, 2026	-	-	-	8,508.00	-	- 8,508.00
Balance as at 31st March, 2026	13,224.31	1,948.62	239.29	-2,192.89	-	- 13,219.33

Notes including Material Accounting Policies are an integral part of the Financial Statements : 1 To 51

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
[DIN: 01434459]
Chairman & Managing Director

(**CA Pramod Bhise**)
Partner
Membership No. : 047751

Place : Mumbai
Date : 31st August, 2026

UDIT SHETH
[DIN: 00187221]
Vice Chairman and Whole time Director

Aditi Pai
Company Secretary
Membership No. : A42685

Place : Mumbai
Date : 31st August, 2026

Notes Forming Part of the Standalone Financial Statements for the Year Ended 31st March 2026

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.

1. Material 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 Material Accounting Policy no. 1.15.

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 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.

- (3)** 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.

1.4 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.

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 Selling/Marketing Expenses

- a) Commission, Discount and other expenses payable on sales are recognized on determination of amount payable in accordance with arrangement/contracts with the parties.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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. 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.

C. 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.

2 Non-current investment

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March 2026	As at 31st March, 2025
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		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	(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	(b)	237.59	237.59
		79.20	79.20
13,05,60,000 (11,70,90,000) Equity share of Rs. 10/- each fully paid up of subsidiary - Lava Cast Private Limited #	(e)	-	11,709.00
Less : Impairment in Value of Investments		-	8,289.97
		-	3,419.03
Deemed Investment in Equity - Fair Value of Financial Guarantees extended to Lava Cast Private Limited		-	1,156.69
100 (100) Equity shares of AED 1000 each fully paid up of wholly owned foreign subsidiary - Setco MEA DMCC (Dubai)	(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)	(d)	-	71.00
Sub total (A)		567.44	5,214.16
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		1,193.71	1,193.71
Sub total (B)		7,002.79	7,002.79
iv) 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/-)"		-	-
140,000 (1,00,000) Unrated, Unlisted Unsecured 8% p.a Non Convertible Debentures of Rs. 1000 /- each of Lava Cast Private Limited ##	(f)	-	-
Sub total (iv)		-	-
Total (non-current investments)		7,570.23	12,216.95

- (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.
- (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.

(e) # Acquisition of Equity Shares of Lava Cast Private Limited ("LCPL")
The Company acquired 1,34,60,000 equity shares of LCPL having a face value of ₹10 each, representing 10.31% of the total paid-up share capital of LCPL on a fully diluted basis, from SASPL for a lump sum consideration of ₹1 (Rupee One only).

During the year, the Company reassessed the carrying value of its investment in Lava Cast Private Limited, a wholly owned subsidiary. Based on the latest financial position, business performance and future projections of the subsidiary, management concluded that the conditions which led to the recognition of impairment in earlier years no longer exist to the extent previously recognized. Accordingly, the Company has reversed impairment loss amounting to ₹8,289.97 lakhs on its investment in the subsidiary and recognized the same in the Statement of Profit and Loss for the year as Exceptional Items

3 Loans Receivables

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March 2026	As at 31st March, 2025
Considered good, Unsecured			
Loans to subsidiary companies			
(i) Setco Automotive (UK) Ltd.		2,856.96	2,619.95
Less : Impairment Loss Allowance		890.81	890.81
		1,966.15	1,729.14
(ii) Lava Cast Private Limited \$	(a)	-	-
Total		1,966.15	1,729.14

(a) "\$ Assignment of Loan Receivable from LCPL

The Company accepted assignment of an unsecured loan receivable aggregating to ₹97.56 crore outstanding as at March 20, 2026, from Lava Cast Private Limited from SASPL for a consideration of ₹1 (Rupee One only)"

- The Company has granted loan to its subsidiary , which have remained outstanding . As per the terms and understanding between the parties, no interest is chargeable on these loans.

4 Others Financial Assets

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
Considered good, Unsecured		
Other deposits	-	0.25
Total	-	0.25

5 Deferred Tax Assets (Net)

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
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	518.45
Deferred Tax Assets (Liability)	-	-
MAT Credit utilization		
Net Deferred Tax Assets	518.45	518.45
Total provision made in Statement of Profit and Loss	-	-

6 Current investment

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
13,05,60,000 (11,70,90,000) Equity share of Rs. 10/- each fully paid up of subsidiary - Lava Cast Private Limited # (a)	11,709.00	-
Less : Impairment in Value of Investments	-	-
	11,709.00	-
Deemed Investment in Equity - Fair Value of Financial Guarantees extended to Lava Cast Private Limited	1,182.83	-
140,000 (1,00,000) Unrated, Unlisted Unsecured 8% p.a Non Convertible Debentures of of Rs. 1000 /- each of Lava Cast Private Limited ## (b)	-	-
Assets classified as held for sale		
7,10,000 (7,10,000) equity share of Rs. 10/- each fully paid up of subsidiary - Setco Auto Systems Private Limited (SASPL)* (c)	71.00	-
Total	12,962.83	-

- (a) # Acquisition of Equity Shares of Lava Cast Private Limited ("LCPL")
The Company acquired 1,34,60,000 equity shares of LCPL having a face value of ₹10 each, representing 10.31% of the total paid-up share capital of LCPL on a fully diluted basis, from SASPL for a lump sum consideration of ₹1 (Rupee One only).

During the year, the Company reassessed the carrying value of its investment in Lava Cast Private Limited, a wholly owned subsidiary. Based on the latest financial position, business performance and future projections of the subsidiary, management concluded that the conditions which led to the recognition of impairment in earlier years no longer exist to the extent previously recognized. Accordingly, the Company has reversed impairment loss amounting to ₹8,289.97 lakhs on its investment in the subsidiary and recognized the same in the Statement of Profit and Loss for the year as Exceptional Items

- (b) ## Acquisition of Non-Convertible Debentures of LCPL
The Company acquired 1,40,000 Non-Convertible Debentures of LCPL having a face value of ₹1,000 each together with accrued interest of ₹1.97 crore outstanding as at March 20, 2026, from SASPL for a lump sum consideration of ₹1 (Rupee One only).

- (c) *Held for Sale – Refer to Note No.47

7 Trade Receivables (Unsecured)

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
Undisputed, Considered good, Secured		
Related parties* (a)	92.63	83.34
Others	-	-
	92.63	83.34
Undisputed, Considered doubtful, Secured		
Related parties	-	-
Others	-	-
	-	-
Less : Allowance for Credit Loss	-	-
Total	92.63	83.34

- (a) *As part of the internal financial restructuring and consolidation of inter-company balances within the Group, the Company accepted assignment of certain receivables aggregating to ₹3.32 crore from SASPL. These receivables had remained outstanding for more than four years and were fully impaired in the books of SASPL in earlier periods. Accordingly, the receivables were assigned to the Company for a nominal consideration of ₹1 (Rupee One only)

Movement in Allowance for Credit Loss is as follows :

Particulars	As at 31st March 2026	As at 31st March, 2025
Opening	-	124.94
Add : Additions	-	-
Less: Utilisations / Reversals	-	124.94
Closing	-	-

Trade Receivables ageing as at 31st March, 2026 :

(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	-	9.29	-	83.34	-	-	92.63
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	-	9.29	-	83.34	-	-	92.63
Less : Allowance for credit impaired balances							
Total							92.63

Trade Receivables ageing as at 31st March, 2025 :

(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						83.34	83.34
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	-	83.34	83.34
Less : Allowance for credit impaired balances							
Total							83.34

- An amount of Rs. 92.63 lakhs (Rs.83.34 lakhs) against export receivables as on 31st March 2026, 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.

8 Cash and Cash Equivalents

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
Cash balance	7.40	7.40
Bank balances	25.12	26.60
Fixed Deposit Account	9.71	23.62
Total	42.23	57.62

9 Bank Balances Other Than Cash and Cash Equivalents Above

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
Other bank balance		
Unclaimed dividends	10.45	29.83
Total	10.45	29.83

10 Loans Receivables

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
Considered good, Unsecured		
Loans to subsidiary companies		
Setco MEA Limited, UAE	62.45	61.56
Total	62.45	61.56

- Company has not charged interest from its Subsidiaries during the year.

11 Other Current Assets

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March 2026	As at 31st March, 2025
Advances to related parties			
SE Transstadia Private Limited **	(b)	-	-
Pre-payments			
Prepaid expenses		2.38	2.79
Advances to suppliers	33(e)	0.07	1.27
Sub total		2.45	4.06
Balance with Statutory / Government Authorities			
Balance with Income Tax	33(B)	-	-
Appeal fees paid to GST		14.73	10.43
Statutory dues receivable - Income Tax		351.77	323.57
GST/VAT refund receivables		452.63	453.17
Less : Impairment Loss Allowance	(a)	414.09	414.09
Sub total		405.04	373.08
Other Loans And Advances			
Employees advances		-	29.28
Total		407.49	406.42

- (a) Recognition of income of refund of IGST/CGST, share of state of 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.

(b) ***Assignment of Certain Advances/Loans

The Company also accepted assignment of certain advances/loan balances aggregating to ₹ 4.26 crore from SASPL. These balances had been outstanding for more than four years and did not carry recoverable value in the books of SASPL. Accordingly, the said balances were assigned to the Company for a nominal consideration of ₹1 (Rupee One only).

12 Equity

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
(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 2026		As at 31st March, 2025	
	Number	(Rs. In Lakhs)	Number	(Rs. In Lakhs)
Equity shares				
As at the beginning of the year	13,37,67,275	2,675.35	13,37,67,275	2,675.35
Add : Shares issued on exercise of employee stock options	-	-	-	-
	13,37,67,275	2,675.35	13,37,67,275	2,675.35
Less : Changes, if any during the year	-	-	-	-
Outstanding at the end of the year	13,37,67,275	2,675.35	13,37,67,275	2,675.35

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

Name of Shareholders	As at 31st March 2026		As at 31st March, 2025	
	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 at 31st March 2026		As at 31st March, 2025		% change during the year
	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	-
Transstadia Enterprises Private Limited	16,50,000	1.23	16,50,000	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 at 31st March, 2025		As at 31st March, 2024		% change during the year
	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	-
Transstadia Capital Private Limited	16,50,000	1.23	16,50,000	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	As at 31st March 2026	As at 31st March, 2025
(i) Capital Reserve (Opening & Closing Balance)		
a) On forfeiture of Shares	0.21	0.21
b) Gain on Sale of Clutch Business	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
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	-10,700.89	-10,570.78
Add : Profit for the year	8,508.00	-130.11
Total	-2,192.89	-10,700.89
Total (i to iv)	13,219.33	4,711.33

14 Borrowings

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
Other loans		
From Related Party		
Unsecured	6,993.98	6,955.81
From others		
Secured	-	-
Unsecured	-	-
Total (A)	6,993.98	6,955.81
NCD		
From others		
Secured	-	-
Total (B)	-	-
Lease liability		
From others		
Secured	-	-
Total (C)	-	-
Total (A+B+C)	6,993.98	6,955.81
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	6,993.98	6,955.81

- 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 2026	As at 31st March, 2025
Financial Guarantee Contracts - LCPL	695.56	653.45
Total	695.56	653.45

16 Trade payables

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
Undisputed		
Dues of Micro, small and medium enterprises	-	2.69
Dues other than of Micro, small and medium enterprises	19.07	32.47
Total	19.07	35.16

- (a) The Company also accepted assignment of certain balances of ₹ 8.89 crore from SASPL. These balances had been outstanding for more than four years and did not carry recoverable value in the books of SASPL. Accordingly, the said balances were assigned to the Company for a nominal consideration of ₹1 (Rupee One only).

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 2026	As at 31st March, 2025
Principal amount remaining unpaid to any supplier at the end of each accounting year	-	2.69
Interest accrued & remaining unpaid	-	-

Trade Payables ageing as at 31st March, 2026 :

(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	-	18.99	0.08	-	-	19.07
Total						19.07
Balance as at 31st March, 2026						19.07

Trade Payables ageing as at 31st March, 2025 :

(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	2.69	-	-	-	-	2.69
Total	2.69	-	-	-	-	2.69
Outstanding dues other than of Micro, small and medium enterprises						
Disputed dues	-	-	-	-	-	-
Undisputed dues	24.80	2.58	5.09	-	-	32.47
Total	24.80	2.58	5.09	-	-	32.47
Balance as at 31st March, 2025	27.49	2.58	5.09	-	-	35.16

17 Other financial liabilities

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March 2026	As at 31st March, 2025
Unpaid/unclaimed dividend	(a)	10.45	29.83
Other Payable		17.75	17.76
Total		28.20	47.59

- (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 2026	As at 31st March, 2025
Payable towards statutory liabilities	1.40	24.87
Total	1.40	24.87

19 Revenue from operations

(Rs. In Lakhs)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
(i) Sales of products	-	-
Total	-	-
(ii) Other Operating Revenue		
Management Service Fees	115.00	114.38
Total	115.00	114.38
Total (i) + (ii)	115.00	114.38

20 Other Income

(Rs. In Lakhs)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Interest Income from		
Others	1.89	85.37
Other non-operating income		
Finance Income - Financial Guarantee	-15.97	15.29
Foreign Exchange Fluctuation Gain (Net)	247.29	57.85
Others	-	0.10
Total	233.21	158.61

21 Employee Benefit Expenses

(Rs. In Lakhs)

Particulars	Refer Note No.	Period ended 31st March 2026	Year ended 31st March 2025
Salaries, wages and bonus	(a)	1.55	397.35
Contribution to employees welfare funds		0.01	0.02
Total		1.56	397.37

(a) Ex-gratia payment to Chairman of Rs. 0 (Rs. 393.39 lakhs).

22 Finance Cost

(Rs. In Lakhs)

Particulars	Period ended 31st March 2026	Year ended 31st March 2025
Interest expense	3.03	31.22
Other financial charges	0.05	0.07
Total	3.08	31.29

23 Other Expenses

(Rs. In Lakhs)

Particulars	Period ended 31st March 2026	Year ended 31st March 2025
Insurance	8.99	10.06
Travelling expenses	-0.14	0.35
Legal and professional charges	83.08	74.15
Statutory auditors' remuneration	6.00	6.00
Printing and stationary	-	2.24
Communication expenses	-	0.21
Directors' sitting fees	27.40	16.25
General expenses	1.48	69.35
Marketing and sales promotion	-1.27	1.56
Total	125.54	194.78

24 Exceptional Items

(Rs. In Lakhs)

Particulars	Period ended 31st March 2026	Year ended 31st March 2025
Provision for diminution in investment	-8,289.97	-
Total	-8,289.97	-

During the year, the Company reassessed the carrying value of its investment in Lava Cast Private Limited, a wholly owned subsidiary. Based on the latest financial position, business performance and future projections of the subsidiary, management concluded that the conditions which led to the recognition of impairment in earlier years no longer exist to the extent previously recognized. Accordingly, the Company has reversed impairment loss amounting to ₹8,289.97 lakhs on its investment in the subsidiary

25 EARNING/(LOSS) PER SHARE (EPS)

Particulars	2025-2026	2024-2025
Profit available to Equity Shareholders after tax (Rs. In Lakhs)	8,508.00	-130.11
Weighted average number of equity shares of Rs. 2/- each		
Basic - No. of Shares	13,37,67,275	13,37,67,275
Diluted - No. of Shares	13,37,67,275	13,37,67,275
Earnings per share in Rs. :		
Basic in Rs.	6.36	-0.10
Diluted in Rs.	6.36	-0.10

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

A. Names of Related Parties and Nature of Relationship :

S r . No.	Name of the Related Party	Relationship
1	Shilayan Automotive (UK) Limited (Formerly Setco Automotive (UK) Limited)	Wholly Owned Ultimate Foreign Subsidiary Companies
2	Shilayan Automotive N.A. Inc. (Formerly Setco Automotive N.A. Inc.)	
3	WEW Holdings Limited, Mauritius	Wholly Owned Foreign Subsidiary Companies
4	Setco MEA DMCC, UAE	
5	Setco Auto Systems Private Limited **	Indian Subsidiary Company
6	Lava Cast Private Limited	Indian Subsidiary Company
7	Key Managerial Personnel *	
	Mr. Harish Sheth	Chairman and Managing Director
	Mr. Udit Sheth	Vice Chairman and Whole time Director
	Mrs. Urja Shah	Whole time Director
	Mr. Vijay Kalra	Independent Director
	Mr. Suresh Shanbhogue	Independent Director
	Mr. Alok Parashar	Independent Director
	Mr. Neeraj Singhal	Executive Director and Chief Executive Officer (Appointed on 01.01.2025) in Indian Subsidiary company
	Mr. Deepak Shrikrishna Diwan	Executive Director and Chief Executive Officer (w.e.f. 11.07.2024) in Indian Subsidiary company
	Mr. Kuldeep Singh	Chief Financial Officer (Resigned on 18.04.2025)
	Mr. Anurag Jain	Chief Financial Officer (Appointed on 27.05.2025)
	Mr. Hiren Vala	Company Secretary (Resigned on 27.05.2026)
	Ms. Aditi Pai	Company Secretary (Appointed on 13.07.2026)
8	Shilayan Global Private Limited (Formerly Setco Engineering Private Limited)	Enterprises over which key managerial personnel are able to exercise significant influence
9	Shilayan Auto Private Limited (Formerly Setco Holdings Private Limited)	
10	SE Transstadia Private Limited	
11	Transstadia Holdings Private Limited	
12	Transstadia Technologies Private Limited	
13	Transstadia Enterprises Private Limited	
14	Transstadia Boxing India Private Limited	
15	Pahadi Goodness Private Limited	
16	Transstadia Education and Research Foundation	
17	Transstadia Institute & Research Council	
18	SMERII Diving Foundation	
19	Hrehan Venture Advisors Pvt. Ltd.	
20	Wingspun Funds Advisors LLP	
21	Sportscom Industry Confederation	
22	YSL Yogasana Development Private Limited	
23	Autofridge India Private Limited	
24	Info Tech Corporation of Goa Limited	
25	Avasara Leadership Institute	
26	Urdit Exports (Proprietary concern)	
27	Western Engineering Works (Partnership)	
28	Tech-Savvy	
29	Harish K. Sheth (HUF)	
30	Setco Foundation (Trust)	
31	Mrs. Sneha Sheth	Relatives of Key Managerial Personnel
32	Mr. Harshal Shah	
33	Mrs. Neethu Sheth	

* 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.

** Setco Auto Systems Private Limited cease to be an Indian Subsidiary of the Company w.e.f 27.05.2026

B. Transactions with Related Parties :

(Rs. In Lakhs)

Sr. No.	Nature of transaction	2025-2026	2024-2025
A)	Transactions with wholly owned ultimate foreign subsidiaries :		
	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 (NA), INC.	-	-
	Loans and advances		
	- Setco Automotive (UK) Limited	2,856.96	2,619.95
	- Setco Automotive (NA), INC.	-	-
	- Setco MEA DMCC	62.45	61.56
	Amount receivable		
	- Setco MEA DMCC	92.63	83.34
	Amount Payable		
	- Setco Automotive (UK) Limited	-	-
	- Setco Automotive (NA), INC.	-	-
	- Setco MEA DMCC	17.75	17.75
B)	Transactions with Indian subsidiary :		
	Expenditure recovered		
	- Setco Auto Systems Private Limited	5.64	1.50
	Management Service Fees recovered		
	- Setco Auto Systems Private Limited	115.00	114.38
	Finance Income		
	- Lava Cast Private Limited	(15.97)	15.29
	Outstanding at year end :		
	Investment		
	- Setco Auto Systems Private Limited	71.00	71.00
	- Lava Cast Private Limited		
	Investment in Equity Share	11,709.00	11,709.00
	Investment in NCD	-	-
	Interest receivables on Investment in NCD	-	-
	Loans and advances		
	- Setco Auto Systems Private Limited	6,993.98	6,955.81
	- Lava Cast Private Limited	-	-
	Financial Guarantees Liabilities		
	- Lava Cast Private Limited	695.56	653.45
	Deemed Equity Investment		
	- Lava Cast Private Limited	1,182.83	1,156.69
C)	Transactions with enterprises over which key managerial personnel are able to exercise significant influence :		
	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)		
	- Mr. Harish Sheth [Refer Note (a)]	-	393.39
	- Mr. Shrinivasan Sivasubrahmanyam [Refer Note (b)]	-	3.96
	Outstanding at year end :		
	Amount receivable		
	- Mr. Harish Sheth	29.28	29.28

- (a) 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.Nil lakhs (Rs. 393.39 lakhs) as Ex-gratia, within the limits laid down under Part-II of Schedule V of the Companies Act, 2013.
- (b) During the year arrears amount paid of Rs.Nil (Rs.3.96 lakhs)

27 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 31.03.2026	As at 31.03.2025	Maximum Balance during 2025-2026	Maximum Balance during 2024-2025
1	Setco Automotive (UK) Limited, UK	2,856.96	2,619.95	2,856.96	3,176.22
2	Setco Automotive (NA) Inc., USA	-	-	-	-
3	Setco MEA DMCC	62.45	61.56	62.45	61.56

28 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 (Rs. in lakhs)	Percentage to the total loans and advances in the nature of loans
Promoters	-	0.00%
Directors	-	0.00%
KMPs	-	0.00%
Related parties	2,919.41	100.00%

29 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. 2, 3, 9, 13, 14, 16, 26, 27 and 28. Loans and corporate guarantees given are for business purpose of subsidiaries..

30 Segment information

The Company does not have any reportable segment.

31 Payment to Auditors

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
As Auditors		
Statutory Audit Fees	6.00	6.00
Total	6.00	6.00

32 Contingent Liabilities and Commitments :

A. Contingent Liabilities :

- (i) Guarantee given for maximum Rs. 16,678.00 lakhs (Rs. 16,678.00 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. 695.56 lakhs as at 31.03.2026 (Rs. 653.45 lakhs).

B. Note on Pending Litigation :

- (i) 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.
- (ii) The Company has received Assessment Orders under section 143(3) read with section 144C (3) for A.Y. 2017-18 & A.Y.2018-19 in which certain additions are made resulting in demand of 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) During the PY year Company received order from GST Authorities raising a demand of Rs. 1.04 Crores along with interest and penalties amount of Rs. 1.04 Crores. The Company has contested the matter before GST CIT (Appeals) and made part payment of Rs. 10.43 lacs against the demand raised as prescribed. The matter is pending for final adjudication.
- (iv) During the year, the Company received an order from the GST authorities on 6 June 2026 to conduct a GST audit for the five-year period from 2019 to 2024. Subsequently, the Company received the audit closure order from the GST authorities on 2 July 2026.
- (v) During the year under review, pursuant to the Show Cause Notice dated 14th October, 2024 issued by SEBI, the Company submitted its representation in response thereto and denied all the allegations made in the said Show Cause Notice. The matter was heard by the SEBI Quasi Judicial Authority ("QJA"), before whom the Company contested all allegations referred to in the said Show Cause Notice.

The said Quasi Judicial Authority passed an order dated 5th Feb 2026 and held, inter alia, as under:

- i) Restrained the Promoter Directors from dealing in the securities market for a period of 2 years 18 months from the date of the said order dated 5th Feb 2026.
- ii) Levied monetary penalties on the Promoter Directors and the then CEO of the Company.
- iii) Directed the Promoter Directors to redeem/refund the proceeds of cumulative redeemable preference shares subscribed by the Company in Setco Engineering Pvt. Ltd., a promoter-owned company, and to refund the one-time compensatory marketing commission paid by the

Company's subsidiary, Setco Auto Systems Pvt. Ltd. ("SASPL"), to the said promoter-owned company.

The aforesaid order of the Quasi Judicial Authority has been challenged by the Promoter Directors before the Securities Appellate Tribunal ("SAT"). SAT, vide its interim order dated 7th May, 2026, subject to payment of the monetary penalties, has stayed the operation of the order dated 5th Feb 2026 passed by the Quasi Judicial Authority.

The Company has consistently maintained before the Quasi Judicial Authority and SAT that the allegations are without merit and has asserted, inter alia, that the transactions in question were undertaken in compliance with applicable laws and regulatory requirements.

The Company, based on its current assessment and legal advice, believes that the matter, upon final adjudication, is not expected to have a material adverse impact on the Company's operations, financial position or results. Accordingly, no material accounting adjustment has been considered necessary in the accompanying financial statements, except for disclosures made where applicable and subject to the final outcome of the proceedings.

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.

33 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.

34 Employee Benefits

Disclosure pursuant to Ind AS – 19 "Employee Benefits"

i) Defined Contribution Plans

An amount of Rs 0.01 lakhs (Rs. 0.02 lakhs) (Provident Fund & ESIC) is recognized as an expense and included in Note 21 under the head "Employee Benefits".

35 (i) Tax Expenses :

Particulars	(Rs. In Lakhs)	
	Period ended 31st March 2026	Year ended 31st March 2025
(a) Tax expense :		
Current tax		
Current tax on profits for the year - Utilization of MAT	-	-
Adjustments for current tax of prior periods	-	220.34
Total current tax expense	-	220.34
Deferred tax		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	-	-
Tax Expenses	-	220.34

(Rs. In Lakhs)

Particulars	Period ended 31st March 2026	Year ended 31st March 2025
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :		
(Loss)/Profit before tax	8,508.00	-350.45
Tax at the Indian tax rate of 15.60% (Previous year 15.60%)		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
– Disallowance of expenditure	-8,289.97	-
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income :		
Revised Accounting (Loss)/Profit	218.03	-350.45
Tax Expenses on 15.60%	34.01	-54.67
Current Tax as per Profit & Loss Account	-	-

(ii) Movement in Deferred Tax :

(Rs. In Lakhs)

Particulars	As at 31st March 2026	As at 31st March, 2025
MAT Credit Entitlement	518.45	518.45
Net Deferred Tax Assets	518.45	518.45

36 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 2026	As at 31st March, 2025
A. Financial assets		
I. Measured at amortised cost		
Loans	2,028.60	1,790.70
Trade Receivables	92.63	83.34
Cash and Cash Equivalents	42.23	57.62
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	1,182.83	1,156.69
Other Financial Assets	-	0.25
	10,349.08	10,091.39
B. Financial liabilities		
I. Measured at amortised cost		
Borrowings	6,993.98	6,955.81
Unclaimed Dividend	10.45	29.83
Trade Payables	19.07	35.16
II. Measured at fair value through profit and loss (FVTPL)		
Financial Guarantees	695.56	653.45
	7,719.06	7,674.25

(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 2026			
Financial Guarantees-Deemed Investment	-	-	1,182.83
Other Financial Assets	-	-	-
Financial Guarantees	-	-	695.56
	-	-	1,878.39
As at 31st March 2025			
Financial Guarantees-Deemed Investment	-	-	1,156.69
Other Financial Assets	-	-	0.25
Financial Guarantees	-	-	653.45
	-	-	1,810.39

(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.

37 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	Exposure arising from	Measurement	Management
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

38 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 2026	As at 31st March, 2025
Total Debt (Rs. In Lakhs)	6,993.98	6,955.81
Total Equity (Rs. in Lakhs)	15,894.68	7,386.68
Debt-Equity Ratio	0.44	0.94

39 Disclosure of ratios :

	Ratios	As at 31st March 2026	As at 31st March, 2025	Change	Reason for Change
a)	Current ratio	278.93	5.94	4599%	Due to decrease in current liabilities
	[Current Assets / (Current Liabilities - Current Maturities of Long Term Borrowings - Interest Accrued)]				
b)	Debt-Equity ratio	0.44	0.94	-53%	Due to increase in profit for the year
	[(Long Term Borrowings + Short Term Borrowings + Interest Accrued) / Equity]				
c)	Debt service coverage ratio	71.79	-10.20	-804%	Due to increase in profit for the year
	[Profit/(loss) before exceptional items and tax + Finance Costs / (Finance Costs + Principal payment of borrowings)]				
d)	Return on equity ratio	0.73	-0.02	-4286%	Due to increase in profit for the year
	[Net Profit/(loss) after tax / Average Shareholder's equity]				
e)	Inventory turnover ratio	-	-	0%	Note (i)
	[Cost of Materials consumed + Changes in inventories of finished goods and work-in-progress / Average Inventory]				
f)	Trade receivables turnover ratio	1.31	1.39	-6%	Note (i)
	[Revenue from operations / Average Trade Receivables]				
g)	Trade payables turnover ratio	-	-	0%	Note (i)
	[Net Purchase / Average Trade Payables]				
h)	Net capital turnover ratio	0.21	0.31	-33%	Due to increase in profit for the year
	[Revenue from operations / Average Working Capital]				
i)	Net profit ratio	7398%	-114%	-6604%	Due to profit during the year
	[Net Profit(Loss) after Tax / Revenue from operations]				
j)	Return on capital employed	0.02	-0.29	-108%	Due to profit during the year
	[Profit before interest and taxes / Capital Employed]				
k)	Return on investment	0%	0%	0%	
	[Net Income / Cost of Investment]				

- (i) In respect of aforesaid mentioned ratios, there is no significant change (25% or more) in FY 2025-26 in comparison to FY 2024-25

40 Audit Trail :

The company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. There are two exceptions noted by the Company's management

- a) Table schema level changes carried out from the application are not tracked; and
- b) The company uses SAP application, which is operated by a third-party software service provider, for maintaining its books of account and said party has not provided either SOC2 report or Independent auditor's report. However, these exceptions do not impact the internal control environment of the Company.

However, these exceptions do not impact the internal control environment of the Company.

- 41** The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 42** The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 43** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 44** No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 45** The Company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- 46** The Company has not made any contribution to the political parties during FY 2025-26. (PY: NIL).
- 47** The Company had invested Rs. 70 lakhs in 700000 equity shares of its subsidiary, Setco Auto Systems Private Limited ("SASPL"), in September 2021, thereby acquiring a 65% stake in the said company. During the year, the Company entered into definitive agreements/arrangements with RSB Transmission (India) Limited ("RSBTransmission") in connection with the proposed sale of its entire stake in SASPL to RSB Transmission. The transaction has been approved by the shareholders and is proposed to be implemented in two stages.

The first stage involves the sale of 4,47,847 equity shares in SASPL, representing approximately 41% of its fully diluted paid-up capital, for an initial consideration of approximately Rs. 185 crore. The second stage envisages transfer of the remaining shares under a separate agreement, for a maximum consideration of Rs. 255 crore, contingent upon achievement of EBITDA-linked performance milestones. In addition, Setco Automotive Limited may receive deferred consideration of up to Rs. 71 crore linked to SASPL's EBITDA performance for the period ending 31st May, 2026. The transaction also includes the exit of India Resurgence Fund (Schemes 1 and 2), which holds 35% of SASPL's paid-up capital, on the closing date.

The agreements set out the respective rights and obligations of the parties and are intended to support the Company's operational and strategic business objectives. The management has evaluated the accounting and disclosure implications of the said arrangements in accordance with the applicable provisions of Ind AS and the Companies Act, 2013.

Based on the assessment carried out by the management, the impact of the aforesaid agreements and arrangements has been appropriately accounted for and/or disclosed in the accompanying financial statements, wherever applicable.

48 Interim Dividend - Board of Directors, at its meeting held on 26 May 2026, declared an interim dividend of ₹13 per equity share for the financial year 2026-27. The dividend shall be paid to those equity shareholders whose names appear in the Register of Members / beneficial owners as on the record date, 2 June 2026, in accordance with the applicable provisions of the Companies Act, 2013 and other applicable regulations.

49 "The Board of Directors of the Company have approved a Scheme of Amalgamation ("the Scheme") under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, for the amalgamation of Lava Cast Private Limited ("Transferor Company") with Setco Automotive Limited ("Transferee Company"). The proposed Scheme is intended to be effected subject to the receipt of necessary approvals, including but not limited to approval of the Hon'ble National Company Law Tribunal (NCLT), shareholders, creditors of the respective companies, from relevant statutory and regulatory authorities, as may be required

Accordingly, it was proposed to implement a Scheme of Amalgamation for the merger of Lava Cast Pvt. Ltd., a wholly owned subsidiary, with the Company. The Scheme is finalised By the board at its meeting held on 23/03/2026 and is subject to the approval of the concerned regulatory and statutory authorities. Scheme envisages merger of all assets & liabilities which in effect transfers the whole undertaking as per the scheme of merger by absorption

The accounting treatment and consequential adjustments arising upon the Scheme becoming effective shall be carried out in accordance with the applicable provisions of the Companies Act, 2013 and the relevant Indian Accounting Standards (Ind AS)"

50 Figures in brackets represent previous year's figures.

51 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 : Mumbai
 Date : 31st August, 2026

For and on behalf of the Board

HARISH SHETH
 [DIN: 01434459]
 Chairman & Managing Director

UDIT SHETH
 [DIN: 00187221]
 Vice Chairman and Whole time
 Director

Place : Mumbai
 Date : 31st August, 2026

Anurag Jain
 Chief Financial Officer

Aditi Pai
 Company Secretary

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, 2026, 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 material 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, 2026, its Consolidated losses (including 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

We reproduce hereunder the 'Basis for Qualified Opinion' issued by independent auditor of one of the subsidiary viz. WEW Holding Limited vide their audit report dt. August 11, 2026 to the extent the same is 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 said subsidiary's report, which is reproduced as under:

"As stated in note 6 to the financial statements, Setco 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."

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. The Company has total investment of Rs. 8,196.50 lacs in 9% Cumulative compulsorily Redeemable Preference Shares of Setco Engineering Private Limited (SEPL) a Company in which directors have an 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 is reasonably certain to recover principal amount and the accumulated unpaid dividend.
- c. Note No. 33 for 'Exceptional Items' for Rs. 1,028 Lakhs (previous year Rs. 57 Lakhs).
- d. Note No. 38 B (iv) related to the SEBI Order of 5th February, 2026 passed under section 11(1), 11(4), 11(4A), 11B (1), 11B (2) read With Section 15HA And 15HB of the Securities and Exchange Board of India Act, 1992 (SEBI).

- e. Note No. 54 related to the phased divestment of the Company's 100% equity interest in Setco Auto Systems Private Limited ("SASPL") to RSB Transmissions (I) Limited ("RSB").
- f. Note No. 56 for 'Scheme of Amalgamation' of Company's subsidiary Lava Cast Pvt. Ltd with the Company.

Material uncertainty related to going concern:

We reproduce hereunder the 'Material uncertainty related to going concern' paragraphs forming part of audit reports issued by us of two subsidiaries viz. **SETCO Auto Systems Private Limited** ('SASPL') and **Lava Cast Private Limited** ('LCPL') and issued by other respective auditors of two subsidiaries viz. **SETCO MEA DMCC** ('SMD') and **Shilayan Automotive UK Limited** [formerly Setco Automotive (UK) Limited] ('SAUL') which are reproduced below:

- a. We draw attention to the Note No. 47 to the financials statement and the fact that the financial results indicates that the Company has incurred a net loss (i.e., total comprehensive income) of Rs. 1,805 Lakhs during the year ended on 31 March 2026 (Previous year Rs. 11,224 Lakhs) and reports a negative net worth of Rs. 71,382 Lakhs (Rs. 69,577 Lakhs as at March 31, 2025). These events along with certain other factors / condition indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter. (SASPL).

- b. We draw attention to the Note No. 03 to the financials statement which indicates that the Company has incurred a net loss (i.e., total comprehensive income) of Rs. 3,440 Lakhs during the year ended on 31 March 2026 (Previous year Rs. 1,609 Lakhs) and reports a negative net worth of Rs. 13,671 Lakhs (Previous year Rs. 10,257 Lakhs). These events and condition indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern, which needs to be addressed by the Management.

Our opinion is not modified in respect of this matter. (LCPL).

- c. The Company has suffered recurring losses from operations for the past years, has a net shareholder's deficit of AED 1,705,418; the entity is not able to pay its interest obligations for loans; all these indicate the entity is in liquidity crisis and ensuing solvency issues as at reporting date. Based on these we could not confirm the entity's ability to continue as a going concern. The financial statement do not include any adjustments that might result from the outcome of this uncertainty.

Our opinion is not modified in respect of this matter. (SMD).

- d. In forming our opinion we have considered the adequacy of the disclosure made in note 1.2 of the financial statements regarding the going concern status of the Company. The company incurred an operating loss of GBP 442 k in the year and had an accumulated deficit of reserves of GBP 2.3m at 31 March 2026. Trading conditions remain challenging and the company is reliant on ongoing working capital support from the parent company to meet its obligations as they fall due. The financial statements have been prepared on a going concern basis due to the company having secured on-going parent company funding sufficient to enable the company to trade for the foreseeable future. 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.

Our opinion is not modified in respect of this matter. (SAUL).

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements taken as a whole; in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

The “Consolidated Financial Statements” includes the results of the entities mentioned below:

Sr. No.	Name of the related party	Nature of relationship
1.	Setco Automotive Limited, India	Holding Company
2.	Setco Auto Systems Private Limited, India	Subsidiary Company
3.	Lava Cast Private Limited, India	Subsidiary Company
4.	Setco MEA DMCC, UAE	Subsidiary Company
5.	WEW Holdings Limited, Mauritius - (WEWHL)	Subsidiary Company
6.	Shilayan Automotive (UK) Ltd., UK [formerly known as Setco Automotive (UK) Ltd.] – (SAUL)	Subsidiary of WEWHL
7.	Setco Automotive N.A. Inc. (USA)	Subsidiary of SAUL

- a) The Consolidated financial statement includes the Ind AS Financial Statements of two (2) domestic subsidiaries which reflect total assets of Rs. 51,331 Lakhs as at March 31, 2026; and total revenue of Rs. 83,158 Lakhs & Rs. 5,294 Lakhs of comprehensive income (i.e. Loss) for the year then ended. These Ind AS Financial Statements have been audited by us and audit report have been furnished by us and we have issued un-modified opinion on the Statement along with para on ‘Material uncertainty related to going concern’ [Refer point no. a) & b) of para on ‘Material uncertainty related to going concern’ mentioned above].
- b) The Consolidated financial statement includes the financials statements of four (4) foreign subsidiary which reflects assets of Rs. 11,331 Lakhs as at March 31, 2026; and total revenue of Rs. 9,804 Lakhs & Rs. 1,106 Lakhs of comprehensive income (i.e. loss) for the year then ended. These financial statements have been audited by respective independent auditors whose audit reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.
- c) Refer Note 44 to the Consolidated financial statement, the subsidiaries [mentioned at b) above] are located outside India and their standalone / consolidated financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been prepared by the management under generally accepted auditing standards applicable in their respective countries and accordingly audited by the auditors. The Holding Company’s management has converted the standalone / consolidated financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company’s management. Our opinion in so far as it relates to the balances and affairs of these subsidiaries located outside India is based these procedures and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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. 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 India as on March 31, 2026 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, 2026 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 disclose the impact of pending litigations as at March 31, 2026 on its financial position in its Consolidated Financial Statements - Refer Note 38 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 2026.
 - 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 has not declared / paid any dividend hence reporting under rule 11(f) is not applicable to that extent.
- vi. Based on our examination which included test checks, audit reports issued by us for domestic subsidiaries and based on explanations and details provided to us, except for the instance listed below, the Parent Company and two domestic subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with:
 - a. Table schema level changes carried out from the application are not tracked; and
 - b. The Parent Company and two domestic subsidiaries uses SAP application, which is operated by a third-party software service provider, for maintaining its books of account and in absence of either SOC2 report or Independent auditor's report, we are unable to comment whether audit trail feature of the said software was enabled at database and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for records retention.

2. 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 of its subsidiaries included in the consolidated financial statements of the holding company, to which reporting under CARO is applicable, we draw attention to certain qualifications, or adverse remarks in these CARO reports:

Sr. No.	Name of the Entity (CIN)	Holding Company / Subsidiary / Associate / Joint Venture	Clause number of the CARO report
1	Setco Automotive Limited L32909GJ1982PLC005203	Holding Company	Clause (vii)(c) - Status of disputed Statutory Dues
2	Setco Auto Systems Private Limited (U35100GJ2010PTC062770)	Subsidiary Company	Subsidiary Company Clause (i)(b) – No physical verification of Property, Plant and Equipment was carried out by the Company. Clause (ii)(a) – Discrepancies more than 10% noticed on physical verification of some class of inventories. Clause (iii) - Loans and advances granted to various parties and related parties and its terms and repayment.

Sr. No.	Name of the Entity (CIN)	Holding Company / Subsidiary / Associate / Joint Venture	Clause number of the CARO report
			Clause (iv) - Compliance with Sections 185 and 186 regarding loans, investments, guarantees, and securities.
			Clause (vii)(a) & (b) – Delay in of Statutory undisputed Statutory Dues
			Clause (ix) – Extension for repayment of Non-convertible debentures and delay in repayment of interest on Loans
			Clause (xi) – Financial fraud on company by an external party.
3	Lava Cast Private Limited (U27205GJ2011PTC100777)	Subsidiary Company	Clause (i)(b) – No physical verification of Property, Plant and Equipment was carried out by the Company. Clause (ii)(b) – Discrepancies in quarterly reporting to the banker about inventories, debtors and creditors balance. Clause (vii)(c) - Status of disputed Statutory Dues Clause (xiv) – Non-compliance with internal audit procedure. Clause (xvii) – Reporting of cash loss during the year.

Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

CA Pramod Bhise

Partner

Membership No. (F) 047751

UDIN: 26047751FFTOPF7932

Mumbai, August 31, 2026

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 are incorporated in India, as of that date (collectively referred as "Companies") as of March 31, 2026 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, 2026, 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.: 0109983W

by the hand of

CA Pramod Bhise

Partner

Membership No. (F) 047751

UDIN: 26047751FFTOPF7932

Mumbai, August 31, 2026

Consolidated Balance Sheet as at 31st March 2026

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
ASSETS :			
1. Non-current assets			
a. Property, plant and equipment	2	15,920.35	17,580.31
b. Capital work-in-progress	2	162.27	21.73
c. Right of use of assets	2	343.71	345.17
c. Intangible assets	2	4,387.92	5,170.00
d. Intangible Assets Under Development	2	129.40	129.40
e. Financial assets			
(i) Investments	3	7,174.28	8,310.55
(ii) Loans Receivables		-	-
(iii) Other financial assets	4	138.87	144.58
f. Deferred tax assets (net)	5	582.72	1,592.09
g. Other non-current assets	6	214.18	175.54
Total non-current assets		29,053.70	33,469.35
2. Current assets			
a. Inventories	7	11,870.84	13,647.70
b. Financial assets			
(i) Trade Receivables	8	7,090.98	6,926.11
(ii) Cash and cash equivalents	9	4,028.41	2,018.79
(iii) Bank balances other than (ii) above	10	10.45	29.83
(iv) Loans Receivables		-	-
(v) Other financial assets	11	5.41	-
c. Current tax assets (net)		-	-
d. Other current assets	12	1,378.32	1,397.38
Total current assets		24,384.42	24,019.81
Total assets		53,438.14	57,489.16
EQUITY AND LIABILITIES :			
EQUITY			
Equity share capital	13	2,675.35	2,675.35
Other equity	14	(73,492.36)	(72,057.47)
Total Equity		(70,817.01)	(69,382.12)
LIABILITIES			
1. Non-current liabilities			
a. Financial liabilities			
(i) Borrowings	15	8,264.87	107,236.75
(ii) Lease liability		1.24	8.39
(iii) Other financial liabilities	16	3.50	-
b. Provisions	17	311.78	397.00
c. Deferred tax liabilities (net)		991.44	-
d. Other non-current liabilities	18	2,051.28	2,248.82
Total non-current liabilities		11,624.11	109,890.95
2. Current liabilities			
a. Financial liabilities			
(i) Borrowings	19	98,775.92	4,319.21
(ii) Lease liability		8.09	7.27
(iii) Trade payables			
(a) Dues of micro, small and medium enterprises	20	3,793.24	3,499.45
(b) Dues of creditors other than micro, small and medium enterprises		7,923.62	6,195.68
(iv) Other financial liabilities	21	39.13	29.84
b. Other current liabilities	22	2,057.56	2,757.49
c. Provisions	23	33.49	171.36
d. Current tax liabilities (net)	24	-	0.03
Total current liabilities		1,12,631.04	16,980.33
Total liabilities		1,24,255.16	1,26,871.28
Total equity and liabilities		53,438.14	57,489.16

Notes including Material Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 58

As per our report of even date attached

For and on behalf of the Board

For Sharp & Tannan Associates

Chartered accountants

(ICAI Firm registration No. : 109983W)

HARISH SHETH

[DIN: 01434459]

Chairman & Managing Director

Anurag Jain

Chief Financial Officer

(CA Pramod Bhise)

Partner

Membership No. : 047751

UDIT SHETH

[DIN: 00187221]

Vice Chairman and Whole time Director

Aditi Pai

Company Secretary

Place: Mumbai

Date : 31st August, 2026

Place: Mumbai

Date : 31st August, 2026

Consolidated Statement of Profit and Loss for the year ended on 31st March 2026

(Rs. In Lakhs)

Particulars	Note No.	Year ended 31st March 2026	Year ended 31st March 2025
INCOME :			
I. Revenue from operations	25	80,492.66	71,862.76
II. Other income	26	1,181.34	1,170.70
III. Total Income (I + II)		81,674.00	73,033.46
EXPENSES :			
IV. Cost of materials consumed	27	38,671.61	31,194.90
Purchases of stock-in-trade	28	2,066.88	2,227.42
Changes in inventories of finished goods and work-in-progress	29	(86.85)	370.74
Employee benefit expenses	30	11,309.86	10,678.63
Finance costs	31	5,579.39	21,741.08
Depreciation and amortization expenses	2	2,915.05	3,208.74
Other expenses	32	18,764.95	16,473.08
Total expenses (IV)		79,220.89	85,894.59
V. Profit/(loss) before exceptional items and tax (III - IV)		2,453.11	(12,861.13)
VI. Exceptional items	33	1,136.27	56.70
VII. Profit/(loss) before tax (V - VI)		1,316.84	(12,917.83)
VIII. Tax expense/(credit)			
- Current tax		-	-
- Deferred tax		1,744.05	(64.63)
MAT credit entitlement			
- Previous years		-	-
- Current year		-	-
Tax adjustment for earlier years		-	(220.34)
		1,744.05	(284.97)
IX. Profit/(loss) for the year from continuing operations (VII - VIII)		(427.20)	(12,632.86)
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		63.17	(95.12)
(b) Gain / (loss) on FVTOCI Equity securities		-	-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(14.71)	15.98
B. (i) Items that will be reclassified to profit or loss		-	-
(a) Exchange differences in translating the financial statements of foreign operations		(1.13)	(9.77)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		47.33	(88.91)
XI. Total comprehensive income for the year (IX + X)		(379.87)	(12,721.77)
Profit for the year attributable to			
Owners of the company		(11.40)	(10,509.36)
Non-controlling Interest		(415.80)	(2,123.50)
Other Comprehensive Income for the year attributable to			
Owners of the company		36.60	(76.73)
Non-controlling Interest		10.74	(12.18)
Total Comprehensive Income for the year attributable to		25.19	(10,586.09)
Owners of the company		(405.06)	(2,135.68)
Non-controlling Interest			
XII. Earnings per equity share (face value of Rs. 2/- Each)			
- Basic (In Rs. per share) to the extent of profit attributable to the owners	34	(0.01)	(7.86)
- Diluted (In Rs. per share) to the extent of profit attributable to owners		(0.01)	(7.86)

Notes including Material Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 58

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

[DIN: 01434459]

Chairman & Managing Director

Anurag Jain

Chief Financial Officer

(CA Pramod Bhise)

Partner

Membership No. : 047751

UDIT SHETH

[DIN: 00187221]

Vice Chairman and Whole time Director

Aditi Pai

Company Secretary

Place: Mumbai

Date : 31st August, 2026

Place: Mumbai

Date : 31st August, 2026

Consolidated Cash Flow Statement for the year ended on 31st March 2026

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	1,316.84	(12,917.83)
Adjustment for :		
Depreciation and amortisation expense	2,915.05	3,208.74
(Profit)/loss on sale of property, plant and equipment	113.69	(64.77)
Unrealized exchange loss/(gain)	(1.13)	(25.49)
Impairment loss/(reversal) in the value of Investments	-	-
Impairment loss allowance on Other Current Assets	-	18.53
Impairment loss allowance on Intangible Asset	-	29.47
Impairment loss allowance on Debtors	-	0.11
Adjustment for Non -core transactions	11,746.53	
Impairment loss allowance on Equity shares of LCPL	1,136.27	-
Inventory Write down	(1,055.16)	-
Interest expense	5,258.44	21,429.59
Other Financial charges	320.95	311.49
Interest income	(32.85)	(108.53)
Rent Income	(0.32)	-
Reversal of deferred gain on financial liability	(197.54)	(181.45)
Corporate tax / Deferred Tax	(1,758.76)	300.95
Employee Benefits Designated Through Other Comprehensive Income	63.17	(95.12)
Operating profit / (loss) before changes in working capital	19,825.18	11,905.69
Trade receivables	(1,301.14)	(2,787.87)
Inventories	1,777.15	(914.17)
Other Financial Assets	0.30	(32.87)
Other Current / Non-Current Assets	1,427.62	322.04
Trade payables	2,021.72	56.55
Provisions	(223.11)	(18.35)
Other Current / Non-Current Liabilities	291.51	895.06
Other Financial Liabilities	12.71	(79.63)
Change in current assets/liabilities	4,006.76	(2,559.25)
Net cash flow generated from operating activities before tax	23,831.94	9,346.44
Direct taxes (tax deducted at source)	(437.83)	(422.68)
Net cash flow from operating activities	23,394.11	8,923.76
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(430.55)	(1,056.33)
Proceeds on Sale of property, plant and equipment	(181.91)	583.99
Purchase of Intangible asset	(1.23)	(171.30)
Rent Income	0.32	-
Interest income	32.85	108.53
Impairment loss allowance on Equity shares of LCPL	1,136.27	-
Net cash used in investing activities	555.75	(535.10)

Consolidated Cash Flow Statement for the year ended on 31st March 2026

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Non Convertible Debentures	-	975.00
Proceeds from term loans	(590.87)	-
Repayment of cash credit	112.60	(177.20)
Repayment of short term loans	(2,598.56)	(397.25)
Repayment of term loans	(11,375.28)	(362.18)
Reversal of deferred gain on financial liability	197.54	181.45
Repayment of lease	(6.33)	(5.41)
Interest Accrued on Debentures	(2,007.14)	13,769.61
Unclaimed Dividend	19.39	16.35
Interest expense	(5,258.44)	(21,429.59)
Other Financial charges	(320.95)	(311.49)
Net cash used in financing activities	(21,828.05)	(7,740.70)
D. Net effect of exchange gain/(loss) on cash and cash equivalents	(112.08)	(24.04)
Net Increase in Cash and Cash Equivalents (A + B + C + D)	2,009.73	623.92
Opening Cash and Cash Equivalents	2,018.78	1,394.87
Closing Cash and Cash Equivalents	4,028.41	2,018.78

Note:

- 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 Material Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 58

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
[DIN: 01434459]
Chairman & Managing Director

Anurag Jain
Chief Financial Officer

(CA Pramod Bhise)
Partner
Membership No. : 047751

UDIT SHETH
[DIN: 00187221]
Vice Chairman and Whole time Director

Aditi Pai
Company Secretary

Place: Mumbai
Date : 31st August, 2026

Place: Mumbai
Date : 31st August, 2026

Consolidated Statement of Changes in Equity for the year ended on 31st March, 2026

A. Equity share capital

Particulars	Rs. In Lakhs
Balance as at April 1, 2024	2,675.35
Changes in Equity Share Capital due to prior period errors	-
Restated Balance as at April 1, 2024	2,675.35
Changes in Equity Share Capital during the year	-
Balance as at 31st March, 2025	2,675.35
Balance as at April 1, 2025	2,675.35
Changes in Equity Share Capital due to prior period errors	-
Restated Balance as at April 1, 2025	2,675.35
Changes in Equity Share Capital during the year	-
Balance as at 31st march, 2026	2,675.35

B. Other Equity

Particulars	Rs. in Lakhs						
	Capital Reserve	General Reserve	Reserves and Surplus	Share option outstanding amount	Share option outstanding	Currency Translation reserve	Non-Controlling Interest
Balance as at 1st April, 2024	953.89	1,956.52	5,201.06	(58,371.44)	-	514.98	(9,575.21)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1st April, 2024	953.89	1,956.52	5,201.06	(58,371.44)	-	514.98	(9,575.21)
Unrealised Profit Margin on Stock	-	(43.96)	-	(15.72)	-	(15.72)	(15.72)
Currency Translation Reserve for the year	-	-	(10,509.36)	-	(9.77)	(53.73)	(53.73)
Profit for the year	-	-	44.18	-	-	44.18	44.18
Add : Transfer from Profit & Loss	-	-	(66.96)	-	-	(66.96)	(66.96)
Other Comprehensive Income (net of tax)	-	-	(10,532.14)	-	-	(10,532.14)	(10,532.14)
Total comprehensive income for the year ended 31st March, 2025	953.89	1,912.56	5,201.06	(68,919.30)	-	505.21	(12,667.82)
Balance as at 31st March, 2025	953.89	1,912.56	5,201.06	(68,919.30)	-	505.21	(12,667.82)
Balance as at 1st April, 2025	953.89	1,912.56	5,201.06	(68,919.30)	-	505.21	(12,667.82)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1st April, 2025	953.89	1,912.56	5,201.06	(68,919.30)	-	505.21	(12,667.82)
Add : Received during the year on issue of Shares Warrants	-	-	-	-	-	-	-
Less : Transferred to Interest Accrued on Unlisted NCD [Refer Note 11(i)]	-	-	-	-	-	-	-
Unrealised Profit Margin on Stock	-	-	-	-	-	-	-
Currency Translation Reserve for the year	-	-	-	-	(1.13)	(1.13)	(1.13)
Profit for the year	-	-	-	-	-	(1.13)	(1.13)
Less : Transfer to General Reserve	-	0.22	-	(11.40)	-	(11.40)	(11.40)
Add : Transfer from Profit & Loss	-	-	(1,055.16)	-	-	(1,054.95)	(1,054.95)
Other Comprehensive Income (net of tax)	-	-	37.73	-	-	37.73	37.73
Total comprehensive income for the year ended 31st March, 2026	-	0.22	-	(1,028.84)	-	(1,028.63)	(1,028.63)
Balance as at 31st March, 2026	953.89	1,912.78	5,201.06	(69,948.14)	-	504.08	(12,115.95)

Notes including Material Accounting Policies are an integral part of the Consolidated Financial Statements : 1 To 58

For and on behalf of the Board

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

Anurag Jain
Chief Financial Officer

HARISH SHETH
[DIN: 01434459]
Chairman & Managing Director

Aditi Pai
Company Secretary

UDIT SHETH
[DIN: 00187221]
Vice Chairman and Whole time Director
Place: Mumbai
Date : 31st August, 2026

(CA Pramod Bhise)
Partner
Membership No. : 047751
Place: Mumbai
Date : 31st August, 2026

Notes Forming Part of the Consolidated Financial Statements for the year ended on 31st March, 2026

1 Material 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 May 27, 2025.

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 Material 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 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

1.7 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 obligation,
- Determine the transaction price of the contract,
- Allocate the transaction price to each of the separate performance obligations, and
- Recognise the revenue as each performance obligation is satisfied.

(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 Plans

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 Plans

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.

E. New Labour Code

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. As the Company does not have any employees on its rolls, the provisions of the said Labour Codes are not applicable to the Company, and accordingly, no financial impact arises on this account. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Codes and would provide appropriate accounting effect on the basis of such developments as needed, if and when applicable

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.

Note - 2 Property, Plant and Equipment

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		(Rs. in lakhs)
		Cost as on 01.04.2025	Additions for the year	Adjustment for the year	Cost as on 31.03.2026	Up to 01.04.2025	Additions for the year	Adjustment for the year	Up to 31.03.2026	As on 31.03.2026	As on 31.03.2025	
A	Property, Plant & Equipment											
1	Free Hold Land	4,145.87	-	24.24	4,170.11	-	-	-	-	4,170.11	4,145.87	
	Previous year	4,245.55	12.47	(112.14)	4,145.87	-	-	-	-	4,145.87	4,245.55	
2	Buildings	6,887.52	-	115.62	7,003.14	1,761.98	296.20	53.95	2,112.13	4,891.01	5,125.54	
	Previous year	6,844.12	18.58	24.82	6,887.52	1,451.30	299.60	11.08	1,761.98	5,125.54	5,392.82	
3	Plant & Machinery	16,811.82	248.25	(1,000.38)	16,059.69	9,090.67	1,381.37	(831.99)	9,640.06	6,419.63	7,721.15	
	Previous year	17,322.75	865.22	(1,376.15)	16,811.82	8,542.59	1,522.08	(974.00)	9,090.67	7,721.15	8,780.16	
4	Furniture & Fixtures	186.39	0.34	3.41	190.13	130.79	19.74	3.09	153.62	36.51	55.60	
	Previous year	182.05	3.27	1.06	186.39	110.37	19.35	1.07	130.79	55.60	71.69	
5	Office Equipments	105.52	12.13	7.86	125.50	61.86	13.96	6.82	82.63	42.87	43.66	
	Previous year	95.04	11.21	(0.73)	105.52	49.56	13.03	(0.74)	61.86	43.66	45.48	
7	Computers	403.58	109.55	34.81	547.94	372.33	32.68	32.67	437.69	110.26	31.25	
	Previous year	419.05	12.18	(27.64)	403.58	387.92	12.79	(28.38)	372.33	31.25	31.13	
8	Electric Fittings	1,987.16	5.41	(23.96)	1,968.60	1,752.33	25.47	(14.72)	1,763.08	205.52	234.83	
	Previous year	1,984.54	22.62	-	1,987.16	1,555.65	196.68	-	1,752.33	234.83	408.89	
9	Vehicles	317.76	23.33	(13.88)	327.21	95.35	38.48	(27.28)	106.56	220.66	222.40	
	Previous year	223.38	91.45	2.93	317.76	43.78	50.88	0.69	95.35	222.41	179.60	
	Sub Total (Property, Plant & Equipment)	30,845.61	400.21	(852.28)	30,393.53	13,265.32	1,985.32	(777.45)	14,473.18	15,920.35	17,580.29	
	Previous year	31,296.49	1,037.00	(1,487.87)	30,845.63	12,141.18	2,114.40	(990.27)	13,265.32	17,580.31	19,155.29	
B	Right of Use of Assets											
1	Land	360.96	-	-	360.96	15.79	1.46	-	17.25	343.71	345.17	
	Previous year	360.96	-	-	360.96	11.42	4.37	-	15.79	345.17	349.54	
C	Intangible Assets											
1	Goodwill	280.91	-	-	280.91	280.91	-	-	280.91	-	-	
	Previous year	280.91	-	-	280.91	280.91	-	-	280.91	-	-	
2	Product Development	3,244.35	-	-	3,244.35	1,771.14	138.92	-	1,910.06	1,334.29	1,473.21	
	Previous year	3,218.94	25.40	-	3,244.35	1,320.85	450.29	-	1,771.14	1,473.21	1,898.09	
3	Technical Know how	5,757.81	-	-	5,757.81	2,094.10	627.22	-	2,721.32	3,036.48	3,663.70	
	Previous year	5,757.81	-	-	5,757.81	1,466.88	627.22	-	2,094.10	3,663.70	4,290.92	
4	Computer Software	833.09	1.23	-	834.33	800.00	17.18	-	817.18	17.14	33.10	
	Previous year	774.67	16.50	41.92	833.09	745.63	12.44	41.92	800.00	33.10	29.04	
	Sub Total (Intangible Assets)	10,116.16	1.23	-	10,117.39	4,946.15	783.32	-	5,729.47	4,387.91	5,170.00	
	Previous year	10,032.33	41.90	41.92	10,116.16	3,814.27	1,089.95	41.92	4,946.15	5,170.00	6,218.05	

SR. NO.	PARTICULARS	(Rs. in lakhs)									
		GROSS BLOCK		DEPRECIATION		NET BLOCK					
		Cost as on 01.04.2025	Additions for the year	Adjustment for the year	Cost as on 31.03.2026	Up to 01.04.2025	Additions for the year	Adjustment for the year	Up to 31.03.2026	As on 31.03.2026	As on 31.03.2025
D	Intangible Asset Under Development :										
1	Product Development	129.40	-	-	129.40	-	-	-	-	129.40	129.40
	Previous year	-	129.40	-	129.40	-	-	-	-	129.40	-
2	Computer Software	-	-	-	-	-	-	-	-	-	-
	Previous year	29.47	-	(29.47)	-	-	-	-	-	-	29.47
	Sub Total	129.40	-	-	129.40	-	-	-	-	129.40	129.40
	Previous year	29.47	129.40	(29.47)	129.40	-	-	-	-	129.40	29.47
E	Capital Work in Progress :										
	Capital Work in Progress	21.73	285.50	-	307.22	-	144.95	-	144.95	162.27	21.73
	Previous year	-	21.73	-	21.73	-	-	-	-	21.73	-
	Grand Total (A+B+C+D+E)	41,473.85	686.94	(852.28)	41,308.51	18,227.26	2,915.05	(777.45)	20,364.85	20,943.64	23,246.59
	Previous year	41,719.25	1,230.03	(1,475.41)	41,473.87	15,966.88	3,208.73	(948.34)	18,227.26	23,246.60	25,752.34

Note :

- (i) Adjustment for the year include net impact of foreign exchange fluctuation of Rs. -112.08 lakhs (Rs. -24.04 lakhs).

3 Non-current investment

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2026	As at 31st March, 2025
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		(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		171.49	1,307.76
Lava Cast Private Limited		-	-
Sub total (iii)		-	-
iv) Non trade investment (unquoted) (at deemed cost) :			
10 (10) equity shares of Rs. 25/- each of Kalol Urban Co.op.Bank Limited (Rs.250/-)		0.00	-
Sub total (iv)		0.00	-
Sub total (b)		171.49	1,307.76
Total (non-current investments)		7,174.28	8,310.55

4 Other financial assets

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Considered Good, Unsecured		
Other deposits (at amortised cost)	138.87	144.58
Total	138.87	144.58

5 Deferred tax assets (net)

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred tax liabilities:		
Timing Differences related to Property, Plant & Equipment and Intangible Assets	3,111.02	3,174.18
Deferred tax assets :		
Timing differences related to Expenses	91.24	(409.52)
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)	(927.18)	1,073.63
MAT credit entitlement	518.45	518.45
Net Deferred Tax Assets(Liability)	(408.73)	1,592.09
Total provision made in Statement of Profit and Loss	1,744.05	(64.63)
Deferred tax assets	582.72	1,592.09
Deferred tax liabilities	991.44	-

6 Other non-current assets

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Other deposits	211.32	174.96
Advance Paid to Gratuity Fund	2.28	-
Capital advances	0.58	0.58
Total	214.18	175.54

7 Inventories

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw materials	4,882.28	6,842.83
Work-in-progress	1,252.08	1,259.07
Finished goods	4,892.00	4,889.49
Stores and Packing Materials	745.43	651.25
Scrap	99.05	5.07
Total	11,870.84	13,647.71

8 Trade receivables (Unsecured)

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Undisputed, Considered good, Secured (a)	7,090.98	6,926.11
Undisputed, Considered doubtful, Secured	-	340.62
Less : Allowance for Credit Loss	-	340.62
	-	-
Total	7,090.98	6,926.11

- (a) *As part of the internal financial restructuring and consolidation of inter-company balances within the Group, the Company accepted assignment of certain receivables aggregating to ₹3.32 crore from SASPL. These receivables had remained outstanding for more than four years and were fully impaired in the books of SASPL in earlier periods. Accordingly, the receivables were assigned to the Company for a nominal consideration of ₹1 (Rupee One only)

Movement in Allowance for Credit Loss is as follows :

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening	340.62	340.51
Add : Additions	-340.62	0.11
Less: Utilisations / Reversals	-	-
Closing	-	340.62

Trade Receivables ageing as at 31st March, 2026 :

(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	7,544.98	-518.77	64.81	-0.04	-	-	7,090.98
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	7,544.98	-518.77	64.81	-0.04	-	-	7,090.98
Less : Allowance for credit loss	-	-	-	-	-	-	-
Total	7,544.98	(518.77)	64.81	(0.04)	-	-	7,090.98

Trade Receivables ageing as at 31st March, 2025 :

(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	5,889.24	939.49	74.50	22.88	-	-	6,926.11
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	340.62	340.62
Total	5,889.24	939.49	74.50	22.88	-	340.62	7,266.73
Less : Allowance for credit loss	-	-	-	-	-	-340.62	-340.62
Total	5,889.24	939.49	74.50	22.88	-	-	6,926.11

9 Cash and Cash Equivalents

(Rs. In Lakhs)

Particulars	As at	As at
	31st March, 2026	31st March, 2025
Cash balance	12.89	9.28
Bank balances	3,860.95	1,917.92
Fixed deposit account (lien-marked on margin account)	134.28	67.97
Fixed deposit account	20.29	23.62
Total	4,028.41	2,018.79

10 Bank Balances Other Than Cash and Cash Equivalents Above

(Rs. In Lakhs)

Particulars	As at	As at
	31st March, 2026	31st March, 2025
Other bank balance		
Unclaimed dividends	10.45	29.83
Total	10.45	29.83

11 Other Financial Assets

(Rs. In Lakhs)

Particulars	As at	As at
	31st March, 2026	31st March, 2025
Considered good, Unsecured		
Insurance Claim Receivable	5.41	-
Total	5.41	-

12 Other current assets

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2026	As at 31st March, 2025
i) Advances to related parties			
Unsecured, Considered doubtful			
a) Transstadia Technology Private Limited		299.97	299.97
Less : Impairment Loss Allowance		299.97	299.97
Sub total		-	-
b) SE Transstadia Private Limited**	(b)	-	426.49
Less : Impairment Loss Allowance		-	426.49
Sub total		-	-
ii) Pre-payments			
Prepaid expenses		342.58	466.82
Capital advances		121.32	82.13
Advances to suppliers		356.52	1,099.18
Less : Impairment Loss Allowance		18.53	906.68
Sub total		801.89	741.45
iii) Balance with Statutory / Government Authorities			
Balance with Income Tax		-	-
Appeal fees paid to GST	37(B)(iii)	14.73	10.43
Statutory dues receivable - Income Tax		437.83	422.68
Advance Paid to Gratuity Fund		32.92	-
GST/VAT refund receivables	(a)	487.36	465.18
Less : Impairment Loss Allowance		414.09	414.09
Sub total		558.75	484.20
iv) Other Loans And Advances			
Other advances		11.58	54.70
Deposit		6.09	-
Assets Held for Sale (Part of Land Area)		-	117.03
Sub total		17.67	171.73
Total		1,378.31	1,397.38

(a) Recognition of income of refund of IGST/CGST, share of state for uttrakhand pending notification by state government.

(b) *** Assignment of Certain Advances/Loans

The Company also accepted assignment of certain advances/loan balances aggregating to ₹ 4.26 crore from SASPL. These balances had been outstanding for more than four years and did not carry recoverable value in the books of SASPL. Accordingly, the said balances were assigned to the Company for a nominal consideration of ₹1 (Rupee One only).

13 Equity

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2026	As at 31st March, 2025
(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
Share Warrants			
163,218 (Nil) partly paid-up convertible Share warrants of face value of INR 10/- each	(d)	4.08	4.08
Less : Lapsed during the financial year		(4.08)	(4.08)
Total		-	-

- 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 31-03-2026		As on 31-03-2025	
	Number	(Rs. In Lakhs)	Number	(Rs. In Lakhs)
Equity shares				
As at the beginning of the year	13,37,67,275	2,675.35	13,37,67,275	2,675.35
Add : Shares issued on exercise of employee stock options	-	-	-	-
	13,37,67,275	2,675.35	13,37,67,275	2,675.35
Less : Changes, if any during the year	-	-	-	-
Outstanding at the end of the year	13,37,67,275	2,675.35	13,37,67,275	2,675.35

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

Name of Shareholders	As on 31-03-2026		As on 31-03-2025	
	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 31-03-2026		As on 31-03-2025	
	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
Transstadia Enterprises Private Limited	16,50,000	1.23	16,50,000	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 31-03-2025		As on 31-03-2024	
	Number	% Holding	Number	% Holding
Equity shares of Rs. 2/- each fully paid				
Setco Engineering Private Limited	64,063,845	47.89	6,40,63,845	47.89
Transstadia Enterprises Private Limited	16,50,000	1.23	16,50,000	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

14 Other Equity

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2026	As at 31st March, 2025
(i) Capital Reserve			
As per Last Balance Sheet		953.89	953.89
Add - Additions during the Year		-	
Total		953.89	953.89
(ii) Securities Premium			
As per Last Balance Sheet		5,201.06	5,201.06
Add : Received during the year on issue of Shares Warrants		-	320.72
Less : Transferred to Interest Accrued on Unlisted NCD [Refer Note 12(i)(d)]		-	-320.72
Total		5,201.06	5,201.06
(iii) General Reserve			
As per Last Balance Sheet		1,912.56	1,956.52
Less : Transfer from Profit & Loss		-0.22	43.96
Total		1,912.78	1,912.56
(iv) Retained Earnings			
As per Last Balance Sheet		-68,919.30	-58,371.44
Less : Unrealised Profit Margin on Stock		-	-15.72
Add : Profit for the year		26.26	-10,576.32
Less : Transfer to General Reserve		-	44.18
Less : Prior Period Adjustment		-1,055.16	
Total		-69,948.20	-68,919.30
(v) Currency Translation reserve			
As per Last Balance Sheet		505.21	514.98
Add : Currency Translation Reserve for the year		-1.13	-9.77
Total		504.08	505.21
(vi) Non-Controlling Interest			
		-12,115.96	(11,710.90)
Total		-12,115.96	-11,710.90
Total (i to vi)		-73,492.36	-72,057.48

15 Borrowings (At amortized cost)

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
i) Term loans		
From banks		
Secured	7,088.01	6,661.28
Unsecured	-	-
From others		
Secured	16.76	79.17
Unsecured	-	-
Total (i)	7,104.77	6,740.45
ii) Other loans		
From banks		
Secured	4.72	8.52
From others		
Secured	-	-
Unsecured	-	-
Total (ii)	4.72	8.52
iii) Debentures		
From banks		
0.01% Secured Optionally Convertible Debentures (SOCD) (3,20,800 Debenture issued at face value of Rs. 1000)	3,206.08	3,207.04
Less: Deferred Gain	2,050.70	2,248.24
Total (iii)	1,155.38	958.80
iv) Non Convertible Debentures		
From others		
Secured		
Listed - 2150 Nos. of Rs. 10,00,000 each	-	21,500.00
Listed - 975 Nos. of Rs. 1,00,000 each	-	975.00
Unlisted - 3500 Nos. of Rs. 10,00,000 each	-	35,000.00
	-	57,475.00
Interest accrued on NCD	-	42,032.14
Total (iv)	-	99,507.14
v) Compulsorily Convertible Debentures		
From others		
Unsecured		
0.0001% Compulsorily Convertible Debentures - 2,18,462 Nos. of Rs. 10 each	-	21.85
Total (v)	-	21.85
Total (i) to (v)	8,264.87	1,07,236.75
The above amount includes		
Secured borrowings	8,264.87	1,07,214.90
Unsecured borrowings	-	21.85
vi) Lease liability		
From others		
Secured	1.24	8.39
Total (vi)	1.24	8.39

Refer Note no. 19 for Current maturities of long term borrowing.

16 Other financial liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deposits	3.50	-
Total	3.50	-

17 Provisions

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits		
Provision for gratuity	-	98.14
Provision for compensated absences	311.78	298.86
Total	311.78	397.00

18 Other non - current liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred Gain on Financial Liability (OCDs)	2,051.28	2,248.82
Total	2,051.28	2,248.82

19 Borrowings (At amortized cost)

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
i) Loans repayable on demand from banks		
Secured	1,080.44	968.05
Unsecured	0.41	0.20
Total (i)	1,080.85	968.25
ii) Non Convertible Debentures		
From others		
Secured		
Listed - 2150 Nos. of Rs. 10,00,000 each	21,500.00	-
Listed - 975 Nos. of Rs. 1,00,000 each	975.00	-
Unlisted - 3500 Nos. of Rs. 10,00,000 each	35,000.00	-
	57,475.00	-
Interest accrued on NCD	40,025.00	-
Total (v)	97,500.00	-
iii) Compulsorily Convertible Debentures		
From others		
Unsecured		
0.0001% Compulsorily Convertible Debentures - 2,18,462 Nos. of Rs. 10 each	21.85	-
Total (vi)	21.85	-
iv) From other parties		
Unsecured	0.00	2,598.56
Total (ii)	0.00	2,598.56

(Rs. In Lakhs)

Particulars		As at 31st March, 2026	As at 31st March, 2025
Loan from Related parties			
Unsecured		0.80	0.80
		0.80	0.80
v) Current maturities of long term loans		172.42	751.59
Total (v)		172.42	751.59
Total (i) to (v)		98,775.92	4,319.21
vi) Lease liability			
From others			
Secured		8.09	7.27
Total (vi)		8.09	7.27

- 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.

20 Trade payable

(Rs. In Lakhs)

Particulars		As at 31st March, 2026	As at 31st March, 2025
Undisputed			
Dues of Micro, small and medium enterprises		3,793.24	3,499.45
Dues other than of Micro, small and medium enterprises		7,923.62	6,195.68
Total		11,716.86	9,695.13

- (a) The Company also accepted assignment of certain balances of ₹ 8.89 crore from SASPL. These balances had been outstanding for more than four years and did not carry recoverable value in the books of SASPL. Accordingly, the said balances were assigned to the Company for a nominal consideration of ₹1 (Rupee One only).

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, 2026	As at 31st March, 2025
Principal amount remaining unpaid to any supplier at the end of each accounting year	3,793.24	3,499.45
Interest accrued & remaining unpaid	2.68	19.11

Trade Payables ageing as at 31st March, 2026 :

(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	3,137.98	634.47	0.33	-	20.45	3,793.24
Total	3,137.98	634.47	0.33	-	20.45	3,793.24
Outstanding dues other than of Micro, small and medium enterprises						
Disputed dues	-	-	-	-	-	-
Undisputed dues	2,284.78	3,926.72	1,685.57	0.79	25.76	7,923.62
Total	2,284.78	3,926.72	1,685.57	0.79	25.76	7,923.62
Balance as at 31st March, 2026	5,422.76	4,561.19	1,685.90	0.79	46.21	11,716.86

Trade Payables ageing as at 31st March, 2025 :

(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	2,326.66	1,170.97	1.82	-	-	3,499.45
Total	2,326.66	1,170.97	1.82	-	-	3,499.45
Outstanding dues other than of Micro, small and medium enterprises						
Disputed dues	-	-	-	-	-	-
Undisputed dues	4,825.06	1,291.87	38.37	31.80	8.58	6,195.68
Total	4,825.06	1,291.87	38.37	31.80	8.58	6,195.68
Balance as at 31st March, 2025	7,151.72	2,462.84	40.19	31.80	8.58	9,695.13

21 Other financial liabilities

(Rs. In Lakhs)

Particulars	Refer Note No.	As at 31st March, 2026	As at 31st March, 2025
Unpaid/unclaimed dividend	(a)	10.45	29.83
Creditors for Capital Expenditure		28.68	-
Other Payable		0.00	0.01
Total		39.13	29.84

(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.

22 Other current liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Payable towards statutory liabilities	599.61	1,382.81
Payable to employees	1,016.97	931.30
Advance received from Sale of Land	-	159.19
Advance received from Customer	3.39	46.55
Other Payables	437.59	237.64
Total	2,057.56	2,757.49

23 Provisions

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for gratuity	-	131.56
Provision for compensated absences	26.58	28.53
Other Provision	6.91	11.27
Total	33.49	171.36

24 Current tax liabilities (net)

(Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for taxation	-	0.03
Total	-	0.03

25 Revenue from operations

(Rs. In Lakhs)

Particulars	Period ended 31st March 2026	Period ended 31st March 2025
Sales of products	80,492.66	71,862.76
Total	80,492.66	71,862.76

26 Other income

(Rs. In Lakhs)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Interest Income	32.85	108.53
Other non-operating income	-	-
Profit on sale of property, plant and equipment (net)	0.27	64.77
Miscellaneous Income	438.75	40.46
Sundry balances written back	-	169.42
Reversal of deferred gain on financial liability	197.54	181.45
Exchange gain (net)	475.08	67.35
Government Grants - Duty drawback	35.80	41.77
Others	0.72	496.95
Total	1,181.34	1,170.70

27 Cost of material consumed

(Rs. In Lakhs)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Opening stock	7,040.17	5,976.90
Add : Purchases (net)	38,628.15	34,248.34
Less : Closing Stock	5,147.36	7,040.17
Less : Sales of manufacturing scrap	1,849.35	1,990.17
Total	38,671.61	31,194.90

28 Cost of material consumed

(Rs. In Lakhs)

Particulars	Period ended 31st March 2026	Period ended 31st March 2025
Opening stock	282.25	137.19
Add : Purchases (net)	2,019.34	2,372.48
Less : Closing Stock	234.71	282.25
Total	2,066.88	2,227.42

29 Changes in inventories of finished goods and work in progress

(Rs. In Lakhs)

Particulars	Period ended 31st March 2026	Period ended 31st March 2025
(Increase) /decrease in inventories	(86.85)	370.74
Total	(86.85)	370.74

30 Employee benefit expenses

(Rs. In Lakhs)

Particulars	Refer Note No.	Period ended 31st March 2026	Period ended 31st March 2025
Salaries, wages and bonus	(a)	10,539.21	9,949.12
Contribution to employees welfare funds		587.98	566.47
Staff welfare expenses		182.67	163.04
Total		11,309.86	10,678.63

(a) Ex-gratia payment to Chairman of Rs. Nil (Rs. 393.39 lakhs) by parent company.

31 Finance cost

(Rs. In Lakhs)

Particulars	Period ended 31st March 2026	Period ended 31st March 2025
Interest expense	5,258.44	21,429.59
Other financial charges	120.55	130.04
Finance expenses	200.40	181.45
Total	5,579.39	21,741.08

32 Other expenses

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	31st March 2026	31st March 2025
Stores and Tools Consumed	1,726.47	1,638.33
Carriage Inward	857.22	645.93
Power and fuel	2,702.02	2,658.65
Job work charge	609.45	616.61
Factory expenses	193.57	134.84
Repairs and maintenance to machineries	227.59	202.36
Repairs to building	60.34	65.75
Computer expenses	328.04	292.32
Printing and stationary	67.34	43.42
Rent	407.63	310.83
Rates and taxes	90.26	77.29
Insurance	552.29	519.42
Travelling & conveyance expenses	799.02	862.32
Legal and professional charges	1,210.41	933.02
Communication expenses	62.49	61.50
Books, subscription and membership	3.58	3.73
Security Expenses	175.48	173.89
Recruitment Expenses	3.28	9.41
Motor Car Expenses	15.46	14.52
General expenses	173.54	117.55
Marketing and sales promotion	712.21	698.90
Discount, commission and other expenses on sales	3,941.34	2,798.11
Packing and forwarding expenses	3,478.45	3,310.95
Advertisement expenses	3.51	18.71
Directors' sitting fees	35.67	37.45
Corporate social responsibility expenses	114.41	129.00
Donation	0.52	5.56
Office expenses	32.90	24.86
Auditors remuneration	66.50	67.85
Loss on sale of property ,plant & equipment (net)	113.96	-
Total	18,764.95	16,473.08

33 Exceptional Items

(Rs. In Lakhs)

Particulars	Refer Note No.	Year ended	Year ended
		31st March 2026	31st March 2025
Provision for advance	(a)	-	48.00
Impairment Loss	(b)	1,136.27	-
Provision for Inventory	(a)	-	8.70
Total		1,136.27	56.70

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.

- (a) The Indian Subsidiary company, Setco Auto Systems Pvt. Ltd. has provided :
- ECL on the amount of advance given to the vendor is Rs. Nil for the current year (PY: Rs. 48.00 lakhs).
 - Provision for stock lying with the sub-contractor is Rs. Nil for the current year (PY: Rs. 8.70 lakhs)."

- (b) During the year ended 31 March 2026, the Company obtained an independent valuation report for its investment in 1,30,77,550 (Previous Year: 1,30,77,550) 0.01% Non-Convertible Redeemable Cumulative Preference Shares of ₹10 each fully paid-up in Setco Engineering Private Limited.

Based on the valuation report and management's assessment of the recoverable value of the investment, the Company recognized an impairment loss of ₹1,136.27 lakh during the year ended 31 March 2026. Consequently, the carrying amount of the investment has been reduced from ₹1,307.76 lakh as at 31 March 2025 to ₹171.49 lakh as at 31 March 2026.

During the year, the Company acquired certain loans and receivables aggregating to ₹16.46 crores from its subsidiary, Setco Auto Systems Private Limited (SASPL), as part of an internal financial restructuring exercise within the Group. The receivables, which had been fully impaired in the books of SASPL, were acquired for a lump-sum consideration of ₹1 (Rupee One), representing their assessed recoverable value. The transaction was approved by the Audit Committee and Board of Directors and has been disclosed as a related party transaction in accordance with applicable regulatory requirements.

Particulars	Amount (₹ in crores)
SE TransStadia Private Limited	4.26
ANV Engineers	8.03
Atlas Network Private Limited	0.85
AMW Motors Limited	3.32
Total	16.46

34 Earning per share

Particulars	2025-2026	2024-2025
Profit available to Equity Shareholders after tax (Rs. In Lakhs)	-11.40	-10,509.36
Weighted average number of equity shares of Rs. 2/- each		
Basic - No. of Shares	13,37,67,275	13,37,67,275
Diluted - No. of Shares	13,37,67,275	13,37,67,275
Earnings per share in Rs. :		
Basic in Rs.	-0.01	-7.86
Diluted in Rs.	-0.01	-7.86

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

A. Names of Related Parties and Nature of Relationship :

S r . No.	Name of the Related Party	Relationship
1	Shilayan Automotive (UK) Limited (Formerly Setco Automotive (UK) Limited)	Wholly Owned Ultimate Foreign Subsidiary Companies
2	Shilayan Automotive N.A. Inc. (Formerly Setco Automotive N.A. Inc.)	
3	WEW Holdings Limited, Mauritius	Wholly Owned Foreign Subsidiary Companies
4	Setco MEA DMCC, UAE	
5	Setco Auto Systems Private Limited **	Indian Subsidiary Company
6	Lava Cast Private Limited	Indian Subsidiary Company
7	Key Managerial Personnel * Mr. Harish Sheth	Chairman and Managing Director

S r . No.	Name of the Related Party	Relationship
	Mr. Udit Sheth	Vice Chairman and Whole time Director
	Mrs. Urja Shah	Whole time Director
	Mr. Vijay Kalra	Independent Director
	Mr. Suresh Shanbhogue	Independent Director
	Mr. Alok Parashar	Independent Director
	Mr. Neeraj Singhal	Executive Director and Chief Executive Officer (Appointed on 01.01.2025) in Indian Subsidiary company
	Mr. Deepak Shrikrishna Diwan	Executive Director and Chief Executive Officer (w.e.f. 11.07.2024) in Indian Subsidiary company
	Mr. Kuldeep Singh	Chief Financial Officer (Resigned on 18.04.2025)
	Mr. Anurag Jain	Chief Financial Officer (Appointed on 27.05.2025)
	Mr. Hiren Vala	Company Secretary (Resigned on 27.05.2026)
	Ms. Aditi Pai	Company Secretary (Appointed on 13.07.2026)
8	Shilayan Global Private Limited (Formerly Setco Engineering Private Limited)	Enterprises over which key managerial personnel are able to exercise significant influence
9	Shilayan Auto Private Limited (Formerly Setco Holdings Private Limited)	
10	SE Transstadia Private Limited	
11	Transstadia Holdings Private Limited	
12	Transstadia Technologies Private Limited	
13	Transstadia Enterprises Private Limited	
14	Transstadia Boxing India Private Limited	
15	Pahadi Goodness Private Limited	
16	Transstadia Education and Research Foundation	
17	Transstadia Institute & Research Council	
18	SMERII Diving Foundation	
19	Hrehan Venture Advisors Pvt. Ltd.	
20	Wingspun Funds Advisors LLP	
21	Sportscom Industry Confederation	
22	YSL Yogasana Development Private Limited	
23	Autofridge India Private Limited	
24	Info Tech Corporation of Goa Limited	
25	Avasara Leadership Institute	
26	Urdit Exports (Proprietary concern)	
27	Western Engineering Works (Partnership)	
28	Tech-Savvy	
29	Harish K. Sheth (HUF)	
30	Setco Foundation (Trust)	
31	Mrs. Sneha Sheth	
32	Mr. Harshal Shah	
33	Mrs. Neethu Sheth	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.

** Setco Auto Systems Private Limited cease to be an Indian Subsidiary of the Company w.e.f 27.05.2026

B. Transactions with Related Parties :		(Rs. In Lakhs)	
Sr. No.	Nature of transaction	2025-2026	2024-2025
A)	Transactions with enterprises over which key managerial personnel are able to exercise significant influence :		
	Office Rent		
	- Western Engineering Works	60.00	60.00
	- Transstadia Technologies Private Limited	84.00	84.00
	- SE Transstadia Private Limited	-	0.69
	Expenditure including capital items (Net)/ Recovery		
	- Transstadia Technologies Private Limited	-	-
	Reimbursement of Expenses		
	- SE Transstadia Private Limited	-	0.13
	- Setco Foundation	-	-
	- Transstadia Education & Research	-	9.20
	- Pahadi Goodness Pvt Ltd	-	1.13
	Marketing commission paid		
	- Setco Engineering Private Limited	557.80	528.13
	- SE Transstadia Private Limited	-	3.14
	CSR Activity		
	- Setco Foundation	14.41	129.00
	Consultancy fees		
	- Tech-Savvy	31.75	12.25
	Outstanding at year end :		
	Investment		
	- Setco Engineering Private Limited	9,504.26	9,504.26
	Amount receivable		
	- SE Transstadia Private Limited	426.49	426.49
	- Transstadia Technologies Private Limited	299.97	299.97
	Amount payable		
	- Setco Engineering Private Limited	217.50	24.17
	- SE Transstadia Private Limited	-	-
	- Transstadia Technologies Private Limited	7.56	7.56
	- Setco Foundation	-	5.00
	- Western Engineering Works	6.77	6.41
B)	Transactions with key managerial personnel and their relatives :		
	Managerial remuneration (directors)		
	(Including provident fund and excluding commission to non-executive directors)		
	- Mr. Harish Sheth [Refer Note No. (a)]	-	393.39
	- Mr. Udit Sheth	150.00	150.00
	- Mrs. Urja Shah	66.48	66.48
	- Mr. Deepak Shrikrishna Diwan	42.30	48.71
	- Mr. Shrinivasan Sivasubrahmanyam Chief Financial Officer (upto 31.08.2023) [Refer Note (b)]	-	3.96
	Remuneration of other Key Managerial Personnel	281.52	293.01
	Outstanding at year end :		
	Amount receivable		
	- Mr. Harish Sheth	29.28	29.28

(a) In pursuance of the special resolutions passed by the members and in view of the inadequacy of profits, the Chairman & Managing Director was paid remuneration of Rs. Nil for the current year (PY: Rs. 393.39 lakhs) as ex-gratia, within the limits prescribed under Part II of Schedule V to the Companies Act, 2013.

(b) During the year, arrears of Rs. Nil were paid for the current year (PY: Rs. 3.96 lakhs).

36 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	Shilayan Automotive (UK) Limited (Formerly Setco Automotive (UK) Limited) – UK (SAUL)	32.19% by Setco Automotive Ltd. 67.81% by WEW Holding Ltd.	April to March
ii	Shilayan Automotive N.A. Inc. (Formerly Setco Automotive N.A. Inc. – U.S.A. (SANAI))	100%	April to March
	(Wholly owned Subsidiary of Shilayan Automotive (UK) Limited (Formerly Setco Automotive (UK) Limited).)		
iii	WEW Holding Limited Mauritius - (WEW)	100%	April to March
	(Wholly owned subsidiary of Setco Automotive Ltd. India)		
iv	Setco MEA DMCC	100%	April to March
	(Wholly owned subsidiary of Setco Automotive Ltd. India)		
v	Lava Cast Private Limited - (India)	100%	April to March
	(Wholly owned subsidiary of Setco Automotive Ltd. India)		
vi	Setco Auto Systems Private Limited**	81.25%	April to March
	(Partly owned subsidiary of Setco Automotive Ltd. India)		

** Setco Auto Systems Private Limited cease to be an Indian Subsidiary of the Company w.e.f 27.05.2026 also Refer Note No.54

37 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 2026		As at 31st March 2026	
		As % of consolidated net assets	Rs. in lakhs	As % of consolidated profit or loss	Rs. in lakhs
I	Parent				
	Setco Automotive Limited	-5.84%	4,136.31	-1303.33%	5,567.88
II	Subsidiaries				
	a. Indian				
	Lava Cast Private Limited	19.30%	-13,670.76	806.83%	-3,446.80
	Less : Non-controlling interest	-0.37%	-264.53	-15.58%	-66.55
	Setco Auto Systems Private Limited	100.80%	-71,382.08	432.41%	-1,847.27
	Less : Non-controlling interest	-18.90%	-13,384.14	-79.24%	-338.51
		100.83%	-71,404.17	1,144.42%	-4,889.01
	b. Foreign				
	1. Shilayan Automotive (UK) Limited (Formerly Setco Automotive (UK) Limited)	4.37%	-3,095.99	130.52%	-557.60
	2. ShilayanAutomotive N.A. Inc. (Formerly Setco Automotive N.A. Inc.)	-0.06%	42.37	135.02%	-576.81
	3. WEW Holdings Limited	0.02%	-13.97	-0.50%	2.14
	4. SETCO MEA DMCC	0.68%	-481.57	-6.13%	26.20
	Total	100.00%	-70,817.01	100.00%	-427.20

S r . No.	Name of the Entity	Share of other comprehensive income		Share of total comprehensive income	
		31st March 2026		31st March 2026	
		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%	-	-1464.39%	5,562.77
II	Subsidiaries				
	a. Indian				
	Lava Cast Private Limited	10.42%	6.58	905.63%	-3,440.22
	Less : Non-controlling interest	0.00%	-	-17.52%	-66.55
	Setco Auto Systems Private Limited	89.58%	56.59	471.40%	-1,790.68
	Less : Non-controlling interest	-17.00%	10.74	-86.29%	-327.77
		83.00%	52.44	1273.22%	-4,836.58
	b. Foreign				
	1. Shilayan Automotive (UK) Limited (Formerly Setco Automotive (UK) Limited)	-	-	146.79%	-557.60
	2. Shilayan Automotive N.A. Inc. (Formerly Setco Automotive N.A. Inc.)	-	-	151.84%	-576.81
	3. WEW Holdings Limited	-	-	-0.56%	2.14
	4. SETCO MEA DMCC	-	-	-6.90%	26.20
	Total	100.00%	63.17	100.00%	-379.87

38 Contingent Liabilities and Commitments

A. Contingent liabilities:

- Guarantee given for maximum Rs. 16,678.00 lakhs (Rs. 16,678.00 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. 695.56 lakhs as at 31.03.2026 (Rs. 653.45 lakhs).
- Guarantees given by the bank on behalf of the Indian subsidiary company Setco Auto Systems Pvt Ltd Rs. 113.94 lakhs (Rs. 53.64lakhs).

B. Note on Pending Litigation:

- 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.
- The parent company has received Assessment Orders under section 143(3) read with section 144C (3) for A.Y. 2017-18 & A.Y.2018-19 in which certain additions are made resulting in demand of Rs. 0.35 lakhs and Rs. Nil 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 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 company it is expected that such proceedings will be dropped.

- iii) The parent company received order from GST Authorities raising a demand of Rs. 208 lakhs along with interest and penalties amount of Rs. 104 lakhs. The Company has contested the matter before GST CIT (Appeals) and made part payment of Rs. 10.43 lakhs against the demand raised as prescribed. The matter is pending for final adjudication.
- iv) The Indian Subsidiary Setco Auto Systems Private Limited has received an order from the GST authorities on 6 June 2026 to conduct a GST audit for the five-year period from 2019 to 2024. Subsequently, the Company received the audit closure order from the GST authorities on 2 July 2026.
- vi) The Indian Subsidiary Setco Auto Systems Private Limited has contested certain disallowances made in the Assessment Year 2022-2023 before CIT (Appeals). There is no tax liability in such contested matters. Subsequently, during the year, the Company has filed an application for withdrawal of the appeal pending before CIT(A).
- v) "During the year under review, pursuant to the Show Cause Notice dated 14th October, 2024 issued by SEBI, the parent Company submitted its representation in response thereto and denied all the allegations made in the said Show Cause Notice. The matter was heard by the SEBI Quasi Judicial Authority ("QJA"), before whom the Company contested all allegations referred to in the said Show Cause Notice.

The said Quasi Judicial Authority passed an order dated 5th Feb 2026 and held, inter alia, as under:

- i) Restrained the Promoter Directors from dealing in the securities market for a period of 2 years 18 months from the date of the said order dated 5th Feb 2026.
- ii) Levied monetary penalties on the Promoter Directors and the then CEO of the Company.
- iii) Directed the Promoter Directors to redeem/refund the proceeds of cumulative redeemable preference shares subscribed by the Company in Setco Engineering Pvt. Ltd., a promoter-owned company, and to refund the one-time compensatory marketing commission paid by the Company's subsidiary, Setco Auto Systems Pvt. Ltd. ("SASPL"), to the said promoter-owned company.

The aforesaid order of the Quasi Judicial Authority has been challenged by the Promoter Directors before the Securities Appellate Tribunal ("SAT"). SAT, vide its interim order dated 8th May, 2026, subject to payment of the monetary penalties, has stayed the operation of the order dated 5th Feb 2026 passed by the Quasi Judicial Authority.

The Company has consistently maintained before the Quasi Judicial Authority and SAT that the allegations are without merit and has asserted, inter alia, that the transactions in question were undertaken in compliance with applicable laws and regulatory requirements.

The Company, based on its current assessment and legal advice, believes that the matter, upon final adjudication, is not expected to have a material adverse impact on the Company's operations, financial position or results. Accordingly, no material accounting adjustment has been considered necessary in the accompanying financial statements, except for disclosures made where applicable and subject to the final outcome of the proceedings.

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 Indian subsidiary company)

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 121.32 lakhs (Rs. 82.13 lakhs).

39 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 the opinion of the management, current and non-current assets are recoverable in the normal course of business.

- ii) In the opinion of the management, current and non-current assets are recoverable in the normal course of business.

40 Fair Value Measurements :

(i) Financial instruments by category :

The carrying amounts of financial instruments by class are as follows :

Particulars	(Rs. In Lakhs)	
	Year ended 31st March 2026	Year ended 31st March 2025
A. Financial assets		
I. Measured at amortised cost		
Trade Receivables	7,090.98	6,926.11
Cash and Cash Equivalents	4,028.41	2,018.79
Other Financial Assets	138.87	144.33
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
III. Measured at fair value through other comprehensive income (FVOCI)		
Investment in Equity Instruments of Related Entity	-	-
	18,261.05	16,092.27
B. Financial liabilities		
I. Measured at amortised cost		
Borrowings	8,437.29	107,988.35
Lease Liability	9.33	15.66
Unclaimed Dividend	10.45	29.83
Trade Payables	11,716.86	9,695.13
II. Measured at fair value through profit and loss (FVTPL)		
Finance lease obligation	-	-
	20,173.93	117,728.97

(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 2026			
Other Financial Assets	-	-	-
As at 31st March 2025			
Other Financial Assets	-	-	0.25
Particulars	Level 1	Level 2	Level 3
Measured at fair value through other comprehensive income (FVOCI)			
As at 31st March 2026			
Investment in Equity Instruments of Related Entity	-	-	-
	-	-	-
As at 31st March 2025			
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.

41 Disclosure of ratios :

	Ratios	Year ended 31st March 2026	Year ended 31st March 2025	Change	Reason for Change
a)	Current ratio [Current Assets / (Current Liabilities - Current Maturities of Long Term Borrowings - Interest Accrued)]	0.22	1.48	-85%	Due to increase in profit before interest and tax for the year
b)	Debt-Equity ratio [(Long Term Borrowings + Short Term Borrowings + Interest Accrued) / Equity]	-1.51	-1.61	-6%	Note (i)
c)	Debt service coverage ratio [Profit/(loss) before exceptional items and tax + Finance Costs / (Finance Costs + Principal payment of borrowings)]	1.32	0.38	244%	Due to increase in profit for the year
d)	Return on equity ratio [Net Profit/(loss) after tax / Average Shareholder's equity]	0.01	0.20	-97%	Due to increase in profit for the year
e)	Inventory turnover ratio [Cost of Materials consumed + Changes in inventories of finished goods and work-in-progress / Average Inventory]	3.02	2.39	26%	Due to increase in profit for the year
f)	Trade receivables turnover ratio [Revenue from operations / Average Trade Receivables]	11.48	12.99	-12%	Note (i)
g)	Trade payables turnover ratio [Net Purchase / Average Trade Payables]	3.61	3.54	2%	Note (i)
h)	Net capital turnover ratio [Revenue from operations / Average Working Capital]	-2.01	12.43	-116%	Due to higher revenue
i)	Net profit ratio [Net Profit(Loss) after Tax / Revenue from operations]	0%	-17%	-97%	Note (i)
j)	Return on capital employed [Profit before interest and taxes / Capital Employed]	0.22	0.21	5%	Note (i)
k)	Return on investment [Net Income / Cost of Investment]	0%	0%	0%	Note (i)

- (i) In respect of aforesaid mentioned ratios, there is no significant change (25% or more) in FY 2025-26 in comparison to FY 2024-25.

42 Going Concern :

The company has prepared the financial statements on a going concern basis, reflecting management's confidence in the Company's ability to continue its operations and meet financial obligations in the foreseeable future, despite a negative net worth resulting from accumulated losses.

To support this assumption, management has undertaken a comprehensive revival strategy, which includes advanced discussions with potential investors for additional fund raising, significant EBITDA growth (from INR 14 crores in FY 2021-22 to over INR 108 crores in FY 2025-26) and market share recovery across key OEMs. The Company's expansion into the farm tractor clutch segment and successful tender wins worth INR 17 crores further strengthening revenue visibility. Operational performance has shown consistent year-over-year improvement, with steady growth in revenue and EBITDA, reinforcing the Company's financial stability and liquidity position. Additionally, proactive steps such as structured financial planning, debt optimization, and product diversification continue to support long-term sustainability.

Based on these positive indicators, the Company is confident that the going concern assumption remains appropriate.

43 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.

44 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.

45 Shilayan Automotive (UK) Limited (Formerly Setco Automotive (UK) Limited) holds a 100% equity interest in Shilayan Automotive (NA) Inc. (Formerly Setco Automotive (NA) Inc) , USA, engaged in the manufacturing and distribution of clutches, compressors, hydraulic pressure converters and miscellaneous parts. The carrying value of the investment was revalued to £3.0 million in 2018 based on a financial appraisal of the subsidiary. The revaluation resulted in a gain of £1.33 million, increasing the carrying value from the original cost of £1.67 million. No deferred tax liability was recognised on the revaluation gain due to the availability of indexation allowances and tax losses.

During 2025, buy-back and cancellation of certain shares at par value, resulting in a reduction in the carrying value of the investment from £3.0 million to £2.5 million. The carrying value of the investment as at 31 March 2026 is £2.5 million.

46 Other Notes specific to parent company have been mentioned in the Notes of Parent company's Standalone Financial Statement.

47 Audit Trail :

The company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. There are two exceptions noted by the Company's management

- a) Table schema level changes carried out from the application are not tracked; and
- b) The company uses SAP application, which is operated by a third-party software service provider, for maintaining its books of account and said party has not provided either SOC2 report or Independent auditor's report. However, these exceptions do not impact the internal control environment of the Company.

48 The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- 49** The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 50** The Company has not traded or invested in Crypto currency or Virtual Currency.
- 51** No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 52** The Company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- 53** The Company has not made any contribution to the political parties.
- 54** The Company had invested Rs. 70 lakhs in 700000 equity shares of its subsidiary, Setco Auto Systems Private Limited ("SASPL"), in September 2021, thereby acquiring a 65% stake in the said company

During the year, the Company entered into definitive agreements/arrangements with RSB Transmission (India) Limited ("RSBTransmission") in connection with the proposed sale of its entire stake in SASPL to RSB Transmission. The transaction has been approved by the shareholders and is proposed to be implemented in two stages.

The first stage involves the sale of 4,47,847 equity shares in SASPL, representing approximately 41% of its fully diluted paid-up capital, for an initial consideration of approximately Rs. 185 crore. The second stage envisages transfer of the remaining shares under a separate agreement, for a maximum consideration of Rs. 255 crore, contingent upon achievement of EBITDA-linked performance milestones. In addition, Setco Automotive Limited may receive deferred consideration of up to Rs. 71 crore linked to SASPL's EBITDA performance for the period ending 31st May, 2026. The transaction also includes the exit of India Resurgence Fund (Schemes 1 and 2), which holds 35% of SASPL's paid-up capital, on the closing date.

The agreements set out the respective rights and obligations of the parties and are intended to support the Company's operational and strategic business objectives. The management has evaluated the accounting and disclosure implications of the said arrangements in accordance with the applicable provisions of Ind AS and the Companies Act, 2013.

Based on the assessment carried out by the management, the impact of the aforesaid agreements and arrangements has been appropriately accounted for and/or disclosed in the accompanying financial statements, wherever applicable.

- 55** Interim Dividend - Board of Directors, at its meeting held on 26 May 2026, declared an interim dividend of ₹13 per equity share for the financial year 2026-27. The dividend shall be paid to those equity shareholders whose names appear in the Register of Members / beneficial owners as on the record date, 2 June 2026, in accordance with the applicable provisions of the Companies Act, 2013 and other applicable regulations.
- 56** The Board of Directors of the Company have approved a Scheme of Amalgamation ("the Scheme") under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, for the amalgamation of Lava Cast Private Limited ("Transferor Company") with Setco Automotive Limited ("Transferee Company"). The proposed Scheme is intended to be effected subject to the receipt of necessary approvals, including but not limited to approval of the Hon'ble National Company Law Tribunal (NCLT), shareholders, creditors of the respective companies, from relevant statutory and regulatory authorities, as may be required

Accordingly, it was proposed to implement a Scheme of Amalgamation for the merger of Lava Cast Pvt. Ltd., a wholly owned subsidiary, with the Company. The Scheme is finalised By the board at its meeting held on 23/03/2026

and is subject to the approval of the concerned regulatory and statutory authorities. Scheme envisages merger of all assets & liabilities which in effect transfers the whole undertaking as per the scheme of merger by absorption. The accounting treatment and consequential adjustments arising upon the Scheme becoming effective shall be carried out in accordance with the applicable provisions of the Companies Act, 2013 and the relevant Indian Accounting Standards (Ind AS)

57 Figures in brackets represent previous year's figures.

58 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: Mumbai

Date : 31st August, 2026

For and on behalf of the Board

HARISH SHETH

[DIN: 01434459]

Chairman & Managing Director

UDIT SHETH

[DIN: 00187221]

Vice Chairman and Whole time Director

Place: Mumbai

Date : 31st August, 2026

Anurag Jain

Chief Financial Officer

Aditi Pai

Company Secretary





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