

# Setco Automotive poised to grow faster than industry: *Harish Sheth*

**S**etco Automotive, the largest manufacturer of clutches for medium and heavy commercial vehicles in India under the Lipe brand, has put up a fine show during the quarter ended March 2018. The company reported profit of Rs. 15.7 crores in the quarter ending March 2018, up 48% against Rs. 10.6 crores in the corresponding quarter ended March 2017. The reported profit in the quarter is sequentially higher by 39.7%. The EBITDA margin of 16.4% is the highest in the last four years. The Board of Directors has recommended a dividend of Rs. 0.80 per share of face value of Rs. 2 for 2017-18 as against Rs. 0.65 per share in 2016-17.

There is a strategic focus on new products in the domestic market for farm equipment business; appointment of new distributors for better channel coverage and strengthening of international markets for new growth opportunities. Lava Cast, the state-of-the-art casting business of Setco, has remained captive consumption for the last two years. Recently, Lava Cast foundry has added external customers, other than Setco, and is looking to enhance capacity utilization considerably.

Speaking on the results, Mr. Harish Sheth, Chairman & Managing Director at Setco Automotive, said: "Q4 has been the 3rd straight quarter where we have performed better on a YOY and on sequential basis. With the travails of BS4 migration and GST implementation in Q1 well behind us and strong demand fundamentals in place we expect to continue to keep this momentum going forward."

Mr. Harish added: "The year has also seen a step change for our overseas subsidiary operations, and this is reflected in our consolidated numbers. The Foundry subsidiary has stabilized operations and gained non-captive cus-



Mr. Harish Sheth, Chairman & Managing Director, Setco Automotive

tomers business. With a firm demand outlook it is poised to double capacity utilization in the coming year. With our strong growth drivers in place including exports and the farm tractor segment, the company is poised to grow faster than the industry in the next few years."