June 4, 2019

To,

BSE Limited, **Dept. of Corporate Services,** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 **Company Code 505075**	**National Stock Exchange of India Ltd,** **Listing Department** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 **Scrip Symbol: SETCO**

Dear Sir,

Sub: Press Release

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Press Release titled **"Lava Cast set to Merge with Setco Automotive"** for the dissemination to the investor community at large.

The aforesaid information is also being uploaded on the website of the Company www.setcoauto.com

This is for your information and records.

Thanking you,

Yours faithfully,

For Setco Automotive Limited

SETCO AUTOMOTIVE LTD. MUMBAI

Authorised Signatory

Encl: a/a

Lava Cast set to merge with Setco Automotive

Mumbai, June 04, 2019: Lava Cast Pvt. Ltd., an integrated automated foundry and fully-machined casting company, is set to merge with its parent company Setco Automotive Ltd. (NSE: SETCO | BSE: 505075). Completion of this imminent merger is expected to take place on the back of Setco group purchasing all the stake owned by Lingotes Especiales S.A. (technology & JV partner) in Lava cast Pvt. Ltd.

The merger would facilitate an increase in business opportunities for Setco Automotive through OEMs, further enabling the purchase of all the supplies under one vendor code. This will also result in an increase of orders from OEM's MHCV and farm-tractor industries. Additionally, the merger would improve operational efficiency as it would result into efficient buying, economies of scale, reduction in overheads and administrative efficiencies, thereby estimating savings around INR 5 cr per annum.

Commenting on the merger, **Harish Sheth, CMD, Setco Automotive**, said**,** "This merger will bring operational efficiencies for our companies and also improve our financial strength, thus ensuring easy availability of finance at competitive rates while contributing to improved cash-flows. This merger would also help in achieving our target of reaching INR 1000 Crs revenue by FY21 seamlessly. An enhanced and integrated R&D program will further lead to efficient engineering."

"We believe the merger would be a valuable step and help us widen our horizon globally. We foresee huge opportunity in the casting business which is majorly consumed by industries like construction, mining, Earth-moving equipment, aerospace and defence. Additionally, we have forayed into the farm sector for the supply of clutches as well, also one of the biggest consumers of casting," **Mr. Sheth** added.

At Setco Automotive Ltd., castings constitute 30% of raw material consumption and Lava Cast Pvt. Ltd. ensures availability of quality machined castings on a Just-In-Time basis. At present, Lava Cast Pvt. Ltd. foundry production capacity is 30,000 MT P.A. out of which ~65% is expected to be consumed for in-house production by the FY20.

Setco Automative Ltd. been a dominant player in Indian MHCV segment has long-standing relationships with all the OEM's for clutch supplies. These OEMs with an annual demand of over 1 million tonnes of castings would prefer to buy from a state-of-art facility like Lava Cast Pvt. Ltd. The demand already includes a specified requirement of over 3.5 lakh tonnes of machined castings annually by Tata Motors, one of the major customers of Setco Automotive Ltd.

About Setco Automotive Ltd.:

Setco Automotive Ltd. is the largest manufacturer of Premium Quality "LIPE" brand clutches for commercial vehicles in India. Incorporated in May 1982, currently, the company employs more than 2000 people globally. It is a Tier I supplier of clutches to all the MHCV manufacturers in India such as Tata Motors, Bharat Benz, Ashok Leyland etc. Setco Automotive Ltd. has all the required global quality certifications such as IATF 16949, ISO 14001, OSHAS 18001 and VDA 6.3.

Setco Automotive Ltd. has a strategic global footprint with 4 manufacturing facilities; 2 in India, and 1 each in the UK and USA, with R&D centres in India and the UK. Setco Automotive Ltd. is the flagship company of the Setco group which also includes Lava Cast Pvt. Ltd. Its CSR wing, the Setco Foundation, is working on key rural projects in which it has achieved tremendous success. Visit us at www.setcoauto.com

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