

The Chief General Manager  
Corporation Finance Department  
Securities and Exchange Board of India  
SEBI Bhavan, Plot C-4-A, 'G' Block,  
Bandra Kurla Complex,  
Mumbai – 400051

June 04, 2019

Dear Sir,

**Sub: Request for Informal Guidance by way of interpretative letter under the provisions of SEBI (Informal Guidance) Scheme, 2003**

**Ref.: Regulation 33(3)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We submit this letter for seeking an informal guidance in the form of an interpretative letter under the provisions of the SEBI (Informal Guidance) Scheme, 2003 ("Scheme"), in connection with the compliance of the provisions of Regulation 33(3)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

**1. Background of the Company and its associate**

1.1 Shriram Transport Finance Company Limited ("STFC" or "Company") is a public limited company incorporated under the provisions of the erstwhile Companies Act, 1956. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. STFC is registered with Reserve Bank of India ("RBI") as a non-banking financial company ("NBFC") and is engaged in business of asset financing and allied businesses.

1.2 As on date, STFC does not have any subsidiary.

1.3 Shriram Automall India Limited ("SAMIL"), an unlisted public limited company engaged in the business of providing facilitation services for auction of used vehicles and equipment, ceased to be subsidiary of STFC and became 'associate' of STFC from February 7, 2018.

**Shriram Transport Finance Company Limited**

Corporate Office: Wockhardt Towers, Level – 3, West Wing, C-2, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051. Tel: +91 22 4095 9595 | Fax: +91 22 4095 9597.  
Registered Office: Mookambika Complex, 3<sup>rd</sup> Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu, India. Tel: +91 44 2499 0356 | Fax: +91 44 2499 3272.  
Website: www.stfc.in | Corporate Identity Number (CIN) – L65191TN1979PLC007874.



1.4 The total revenue of SAMIL as per the audited consolidated financial statements for the financial year ended March 31, 2019 was 1.06% of total income of STFC as per the audited financial statements of STFC for the financial year ended March 31, 2019.

The consolidated total assets and consolidated profits of SAMIL as on March 31, 2019 were 0.16% and 1.02% of STFC's assets and profit, respectively as on March 31, 2019.

The audited financial statements of SAMIL and STFC for the financial year ended March 31, 2019 as referred above are enclosed and marked as Annexure A and B.

Particulars	(Rs. in Lacs)	
	STFC	SAMIL
Total income/ revenue	1,554,570.12	16,411.95
Total assets	10,529,248.13	16,320.44
Profits	256,398.67	2,623.47

**2. Applicability of provisions of regulation 33(3)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ( Listing Regulations)**

2.1 As per our understanding, STFC is not required to prepare and submit to the stock exchanges the unaudited/audited consolidated financial results for the quarters ending June 30, 2019, September 30, 2019 and December 31, 2019 as our Company does not have any subsidiary. Regulation 33(3)(1)(b) of the Listing Regulations is applicable to a listed entity having subsidiary.

2.2 Our understanding is also supported by the provisions of Regulation 33(3)(h) of the Listing Regulations which states that the listed entity shall ensure that for the purposes of quarterly consolidated financial results, at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit or in case of unaudited results, subjected to limited review. The regulation 33(3)(h) of the Listing Regulations permits a listed entity not to consider for preparation of the consolidated financial results, the financial of one or more subsidiaries whose aggregate revenue, profits and assets are less than or equal to 20

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per cent of consolidated revenue, assets and profits of the listed entity and its subsidiaries.

In case of STFC, which does not have any subsidiary, the revenue, assets and profit of its only associate is far less than 20 per cent of the consolidated revenue, assets and profits of STFC and SAMIL.

**3. Justification for exemption to STFC from applicability of regulation 33(3)(b) of the Listing Regulations**

3.1 Apart from the question of applicability of regulation 33(3)(b) of the Listing Regulations to STFC, even otherwise, practically, it is difficult for STFC to prepare and submit to stock exchanges the consolidated financial results for first three quarters of the Financial year 2019-20 i.e. June 30,2019, September 30,2019 and December 31,2019 for the following reasons:

- (i) SAMIL is an unlisted Company and it is not required to prepare financial results on quarterly/ half yearly basis.
- (ii) In case SAMIL prepares the quarterly financial results, it may not prepare the same within the period of 45 days from end of the respective quarter and before the date(s) of the Board meeting(s) of STFC convened to consider and approve the quarterly financial results. Further, STFC is not in a position to cause SAMIL to prepare and complete quarterly/half-yearly/nine month's ended financial results within 45 days' time frame given under Regulation 33 of the Listing Regulations, to align with the Board Meetings of STFC.
- (iii) The auditors of STFC and SAMIL are different. The Joint auditors of STFC may find it difficult to carry out the limited review of the financial results of SAMIL on quarterly/half-yearly for the reasons mentioned above.

3.2 As per Indian Accounting Standard, STFC is not Parent of SAMIL

3.3 As per Section 129(3) read with Section 129(2) of the Companies Act, 2013 (the Act), STFC is required to prepare consolidated financial statement on annual basis.

**Shriram Transport Finance Company Limited**



There is no requirement under the Act for preparation and submission of consolidated financial results on quarterly/half-yearly.

#### **4. Action proposed by the Company**

4.1 STFC feels that it is not required to consolidate with its financial results, the financial results of SAMIL on quarterly/half-yearly basis in so far as the SAMIL continues to be associate of STFC and its revenue, assets and profit do not account for 20 percent or more of the consolidated financial results of STFC and SAMIL. In case the preparation and submission of consolidated financial results are not mandatory under the Listing Regulations, STFC would prefer to submit the unaudited standalone financial results for the quarters ending June 30, 2019, September 30, 2019 and December 31, 2019.

#### **5. Request for Guidance**

5.1 In terms of clause 5(ii) of the Scheme, we hereby request you to kindly issue an interpretative letter with your guidance as to whether STFC is required to prepare and submit to stock exchange unaudited consolidated financial results for the first three quarters for the financial year 2019-20 i.e. June 30, 2019, September 30, 2019 and December 31, 2019 and for each such quarters for subsequent financial years under the Listing Regulations.

5.2 The submission of unaudited standalone financial results for the first three quarters of the financial year 2019-20 i.e. June 30, 2019, September 30, 2019 and December 31, 2019 and for each such quarters for subsequent financial years would ensure due compliance of regulation 33(3)(b) of the Listing Regulations.

#### **6. Compliance with the Scheme**

6.1 In accordance with para 6 of the Scheme, we have enclosed along with application, a Demand Draft no. 093331 dated June 03, 2019 drawn on Axis Bank for INR 25,000/- (Rupees Twenty-five Thousand Only) in favour of Securities and Exchange Board of India payable at Mumbai, towards the fees specified in the Scheme.



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We would be pleased to furnish any additional information as may be required in support of this letter for seeking your informal guidance.

Thanking you.

Yours faithfully,

For **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**



**VIVEK ACHWAL**  
**COMPANY SECRETARY**

*Encl.a/a*

Email-id - vivekmadhukar.a@stfc.in

Contact no.: 022 40959508

**Corporate Office Address:**

**Wockhardt Towers, Level – 3,**

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