



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

General Manager  
Compliance and Monitoring Division-II  
Corporation Finance Department

SEBI/HO/CFD/CMD/OW/P/2019/19757/1  
August 02, 2019

Shri Vivek Achwal  
Company Secretary  
Shriram Transport Finance Company Limited  
Wockhardt Towers, Level -3,  
West Wing, C-2, G Block,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400 051

Dear Sir,

**Sub: Request for Informal Guidance by way of Interpretative letter under the provisions of SEBI (Informal Guidance) Scheme, 2003 with respect to Regulation 33(3)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

1. This has reference to your letter dated June 04, 2019 requesting for an informal guidance in the form of an interpretative letter under the provision 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").
2. In your letter under reference, you have, *inter-alia*, represented as under:
  - a. Shriram Transport Finance Company Limited ("STFC" or "Company") is a public limited company engaged in the business of asset financing and allied businesses. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The company is registered with RBI as a non-banking finance company (NBFC).
  - b. The Company does not have any subsidiary. Shriram Automall India Limited ("SAMIL"), unlisted public company, ceased to be subsidiary of the Company effect from February 7, 2018 and has become 'associates' of the Company.

*T. Chatterjee*

1 | Page



अनुवर्ती:  
Continuation :

भारतीय प्रतिभूति  
और विनियम बोर्ड  
**Securities and Exchange  
Board of India**

c. The total revenue, assets and profit of the Company and SAMIL are as follows:

Particulars	STFC (Rs. In Lacs)	SAMIL (Rs. In Lacs)	% of SAMIL to STFC
Total income / revenue	1554570.12	16411.95	1.06
Profits	256398.67	2623.47	0.16
Total assets	10529248.13	16320.44	1.02

d. You have mentioned following for not submitting consolidated financial results on quarterly basis:

- Regulation 33(3)(b) of Listing Regulations is applicable to a listed entity having subsidiary. The Company is not required to prepare and submit the unaudited/audited consolidated financial results, as it does not have any subsidiary.
- The revenue, assets and profits of its only associate is less than 20% of consolidated revenue, assets and profits of the Company and SAMIL.
- SAMIL is an unlisted company and not required to prepare financial results on quarterly basis. In case SAMIL prepares quarterly financial results, it may not prepare within 45 days of quarter end and before the STFC Board Meeting, to consider and approve the quarterly financial results. Further, the Company is not in a position to cause SAMIL to prepare quarterly financial statement in terms of Regulation 33 of Listing Regulations. Auditors of the Company and SAMIL are different and Auditor of the Company may find it difficult to carry out limited review of financial results of SAMIL on quarterly basis.
- The Company is not parent company of SAMIL, as per Accounting Standard.
- As per section 129(3) read with section 129(2) of the Companies Act, 2013, The Company is required to prepare consolidated financial statement on annual basis and no requirements for quarterly basis.
- The Company is not required to consolidate financial results of associate (SAMIL) on quarterly basis. You mentioned that in case consolidation of financial results are non-mandatory under Listing Regulations, The Company would prefer to submit the unaudited standalone financial results for the quarters ended June 30, 2019, September 30, 2019 and December 31, 2019.



अनुवर्ती:  
Continuation :

**भारतीय प्रतिभूति  
और विनियम बोर्ड  
Securities and Exchange  
Board of India**

3. In view of the above, you have sought informal guidance by way of an interpretative letter on the following:
- whether the Company is required to prepare and submit to stock exchange unaudited consolidated 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 under the Listing Regulations.
  - Whether 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.
4. In this regard, it may be noted that we have considered the submissions made by you in your letter reference and without necessarily agreeing with your analysis, our view on the queries raised by you is as under:
- Regulation 33 (3) (b) of the LODR Regulations as it stood before the amendment stipulates that in case the listed entity has subsidiaries, in addition to the standalone results, the entity may submit quarterly/ year-to-date consolidated financial results. Para 2.6.4 of SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 states that in case the listed entity has subsidiaries/ Joint Ventures/ Associates, the entity may exercise the option under regulation 33 (3) (b) of the listing Regulations to submit quarterly/year to date consolidated financial results. The option to file quarterly consolidated financial statements, as specified in the SEBI circular was in conformity with regulation 33(3)(b) which also provided for the said option, as it stood prior to amendment w.e.f April 1 ,2019
  - On amendment of regulation 33(3)(b), it has become mandatory for listed companies to file consolidated financial results quarterly /year-to-date, in accordance with the format as specified in the aforementioned SEBI Circular, which specifies consolidation of financial statements of Subsidiary/Associates/joint venture
  - Further Para 2.1 of the SEBI Circular specifies that for the period ending on or after March 31,2017, the format of quarterly financial results shall be as per the formats prescribed in Schedule III of The Companies Act. It is observed that Schedule III of the Companies Act clearly stipulates that all subsidiaries, associates and joint venture will be covered under consolidated financial statements. Accordingly, the



अनुवर्ती:  
Continuation :

भारतीय प्रतिभूति  
और विनियम बोर्ड  
**Securities and Exchange  
Board of India**

obligation of a listed company to submit quarterly/year-to-date consolidated financial results by including its associates, stand established.

5.

i. With respect to your query at para 3(a), for the purpose of compliance with Regulation 33 (3) (b) of Listing Regulations, if listed entity has subsidiaries or associate, the listed entity shall submit quarterly / year-to-date consolidated financial results, in addition to standalone financial results as mentioned at clause (a) of the sub-regulation (3) of Regulation 33 of Listing Regulations and limited review report as mentioned in clause (c) (i) of the sub-regulation (3) of Regulation 33 of Listing Regulations.

ii. Further, with respect to query at para 3(b), non-submission of financial results as mentioned in para 5(i) above would become non-compliance of Listing Regulations.

6. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the questions referred.

7. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to Listing Regulations and does not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or the laws administered by any other authority,

Yours faithfully,

**TVVPS Chakravarti T**