SHRIRAM CITY UNION FINANCE LIMITED
CIN: L65191TN1986PLC012840
Regd. office: 123, Angappa Naicken Street, Chennai 600 001,
Tamil Nadu. Telephone No + 91 44 2534 1431
Secretarial Office: 144, Santhome High Road, Mylapore, Chennai-600 004,
Telephone No +91 44 4392 5300
Website: www.shriramcity. in ; Email: sect@shriramcity.in

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

POSTAL BALLOT NOTICE

Dear Member (s),

Notice is hereby given pursuant to section 110 of the Companies Act 2013 ('the Act') read with Rule 20 and 22 of Companies (Management and Administration) Rules 2014 (including any statutory enactments thereof for the time being in force), Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations as amended from time to time that the following resolution is proposed to be passed as Special Resolution by the members of Shriram City Union Finance Limited, Corporate Identification Number ("CIN") - L65191TN1986PLC012840 ("Company") by way of postal ballot ("PB") / electronic voting ("e-voting").

To consider and, if thought fit, to pass the following resolution as SPECIAL RESOLUTION through Postal Ballot.

"**RESOLVED THAT** the Memorandum & Articles of Association of the Company ("MAAA") in Objects Clause [Clause III (A) of the Memorandum of Association] be and is hereby amended by inserting after clause 12, the undermentioned paragraph to be numbered as sub clause 12A.

12A. "To carry out Life or General or any other insurance business operations as intermediary, Broker, Corporate Broker, Agent, Corporate Agent, Marketing Agent, Advisor and Solicitor by soliciting and servicing of insurance business for any of the insurance products whether issued by government, semi government, local authorities, public sector undertakings, companies, corporations, co-operative societies and other similar organisations directly or through Brokers, Sub-brokers, Agents at national and international levels to any person/Company/Authority including customers of the Company, Group Companies and Related Parties without participation in the risk involved in the concerned Insurance.

AND the members of Company approve and adopt MAAA containing sub clause 12A aforesaid to be binding on the members and others dealing with Company with effect from August 1, 2018 **AND** the Board of Directors of the Company be and is hereby authorised to take all such steps and actions in connection with all such filings and registrations as may be required in relation to the aforesaid amendments to the MAAA as may be deemed necessary to give to this resolution."

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : June 12, 2018

C R Dash
Company Secretary

EXPLANATORY STATEMENT

The Company is a company limited by shares incorporated under the provisions of Companies Act, 1956 on March 27, 1986.The Company is listed on National Stock Exchange of India Ltd and BSE Ltd. The Company is a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ("RBI") with Registration Number 07-00458.

The customers of the Company are majorly in tier-1 and tier-2 towns of India, where penetration of both life and general insurance products are very less. The Company has branches/offices/good customer base in those locations. The Company provides loans to borrowers, which is known as financial products. The life and general insurance products are related to financial products. The Company can sell either life or general or any other insurance products or all insurance products (hereinafter referred as "Insurance Products") as an agent/broker/adviser/marketer/solicitor to either existing or new customers or any other person / company/authority/firm/association/body of individuals/organisations including group companies, related parties. In order to sell/service/deal with the said Insurance Products, the Company is required to be authorised by members to do so. The Company being a corporate, it needs to act as Corporate Insurance Agent/Broker/Marketer etc. The Board of Directors of the Company propose the Company to carry on the business of Insurance Products as Corporate agent / broker/adviser/marketer/solicitor for Insurance Products including it's Group Companies / Associate / Related Parties. In order to carry on such corporate broking / agency activities, the Memorandum and Articles of Association of the Company ("MAAA") need to enable the Company in the Objects Clause.

The MAAA need to state these activities to be carried on by the Company in its main objects so as to include specific object in line with IRDAI (Registration of Corporate Agents) Regulations, 2015 & Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 including all types of Insurance Products the Company could deal with.

The RBI vide its Circular DNBS (PD)CC No.13/02.01/99-2000 dated June 30, 2000 which contained the guidelines for entry of NBFCs into insurance business which, inter alia, permitted NBFCs registered with the Reserve Bank to set up insurance joint ventures for undertaking insurance business with risk participation and also to undertake insurance business as agents of insurance companies on fee basis, without any risk participation. RBI vide its Circular DNBS (PD) C.C. No. 35 / 10.24 / 2003-04 dated February 10, 2004 decided that NBFCs registered with RBI may take up insurance agency business on fee basis and without risk participation, without the approval of RBI subject to the conditions as and when prescribed. Therefore any NBFC registered with Reserve Bank of India may take up insurance agency business subject to the fulfilment of the following conditions:

(i) The NBFCs should obtain requisite permission from IRDA and comply with the IRDA regulations for acting as 'composite corporate agent' with insurance companies.

(ii) The NBFCs should not adopt any restrictive practice of forcing its customers to go in only for a particular insurance company in respect of assets financed by the NBFC. The customers should be allowed to exercise their own choice.

(iii) As the participation by a NBFC's customer in insurance products is purely on a voluntary basis, it should be stated in all publicity material distributed by the NBFC in a prominent way. There should be no `linkage' either direct or indirect between the provision of financial services offered by the NBFC to its customers and use of the insurance products.

(iv) The premium should be paid by the insured directly to the insurance company without routing through the NBFC.

(v) The risks, if any, involved in insurance agency should not get transferred to the business of the NBFC.

In case, NBFCs satisfying the eligibility criteria laid down in the guidelines dated June 9, 2000 contained in the circular No. DNBS (PD) CC .No. 13/02.01/99-2000 dated June 30, 2000 referred to above and intending to set up insurance joint ventures with equity contribution on risk participation basis or making investments in the insurance companies, would continue to obtain the prior approval of the RBI.

In view of the above, the Company can without specific approval of the RBI, engage in the business of dealing with Insurance Products subject to the fulfilment of the conditions mentioned herein above. However, as a part of requirement & compliance under Regulation 4 (4) of IRDAI (Registration of Corporate Agents) Regulations, 2015, a No Objection Certificate from RBI will be required Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 (updated up to May 31, 2018) of RBI provides that NBFCs shall take up insurance agency business on fee basis and without risk participation without the approval of the Bank subject to the eligibility conditions as stipulated above.

However, the Company shall ensure that it is predominantly engaged in the financial activity and the financial assets constitute more than 50% of total assets and income from financial assets constitute more than 50% of gross income at all time. The Company will only sell/service/advise /deal with Insurance Products as agent/broker/adviser/marketer/solicitor without participation in the risks involved.

Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states about the disclosure of events or information which, in the opinion of the board of directors of the listed Company, is material. The Company may be required to intimate the Stock Exchanges about the proposal of undertaking Insurance broking / agency business. After commencement of Insurance broking/agency business, it may require intimation to stock exchange. Necessary compliance with applicable provisions of accounting standards may also be required.

As per the provisions of Section 3 of the Insurance Act 1938 - No person shall, after commencement of this Act, being to carry on any class of insurance business in India and no insurer carrying on any class of insurance business in India shall, after the expiry of three months from the commencement of this Act, continue to carry on any such business, unless he has obtained from the Authority a certificate of registration for the particular class of insurance business.

The Insurance Act, 1938 and Insurance Regulatory and Development Authority Act, 1999 do not restrict a NBFC from carrying on Insurance business. However the Company is required to obtain the Certificate of Registration under IRDAI (Registration of Corporate Agents) Regulations, 2015. It is to be noted that the Company at the time of making application for Registration for Corporate Agent, and if the said Company is regulated by any other regulatory body in the financial sector, shall obtain NOC from the respective bodies and file along with the application for such registration. The Company is regulated by RBI .The regulation of RBI states no such approval is required, if specified criteria are fulfilled.

The Board recommends the passing of the resolution set out in this Notice as a Special Resolution by the shareholders of the Company. None of the Directors, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the resolution set out in this Notice except to the extent of their holding in securities of the Company.

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : June 12, 2018

C R Dash
Company Secretary

NOTES:

1. The explanatory statement as required under Section 102 of the Companies Act, 2013 setting out the material facts in respect of the item of the business mentioned in the notice is annexed thereto.

2. Please carefully read and follow the instructions on PB and e-voting described in this Notice and on the Postal Ballot Form **("PBF")** for respective mode of voting.

3. The Notice is being sent to all the Members, whose name appear in the Register of Members/Register of beneficial owners as received from NSDL and CDSL on specified date for the purpose, being June 15, 2018 by modes as prescribed under Companies (Management and Administration) Rules, 2014. The Notice of the Meeting is also posted on the website of the Company, which can be accessed at the web link http://www.nseprimeir.com/ir_download/PPN_Corp_Announcements/SCUF_POSTAL_BALLOT_NOTICE_JULY2018.ZIP

4. Members are requested to notify change in address and email id if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No and in case of physical shares to the Registrar and Transfer Agent of the Company, M/s Integrated Registry Management Services Private Ltd, 2nd floor, Kences Towers, No 1, Ramakrishna Street, Off North Usman Road, T-Nagar, Chennai-600 017, email ID: csdstd@integratedindia.in ("RTA") quoting their folio numbers.

5. The proposed special resolution together with the statement setting out the material facts, the reasons for the resolution and a PBF are being sent to the members for their consideration and voting. Members are requested to send the PBF duly completed in all respects and signed in the attached self addressed postage pre-paid business reply envelope so as to reach the scrutiniser before 5.00 p.m. on Tuesday, July 24, 2018. Envelopes containing PBF, if deposited in person or sent by courier at the expenses of the Member(s) will also be accepted. Any **PBF** received from any members beyond 5.00 p.m. on Tuesday, July 24, 2018 shall not be valid and the voting shall be treated as invalid.

6. Voting rights of the members shall be in proportion to the equity shares held by them of the paid up equity share capital of the Company as on the specified date.

7. The resolution mentioned in this Notice shall be declared as passed if the number of votes cast in its favour (assent) are not less than three times the number of votes cast, if any, against (dissent) the said resolution by means of postal ballot and e-voting and passing of the resolutions shall be deemed to have been duly passed at the general meeting of the Company convened in that behalf.

8. As consented by Sri P Sriram (Membership No.FCS 4862) a practicing Company Secretary, Chennai, the Company has appointed him as the Scrutiniser for conducting the PB and **e-voting** process thereto in accordance with the provisions of the law and rules made thereunder in a fair and transparent manner.

9. Members can contact Sri C R Dash, Company Secretary at the Secretarial Office address of the Company for addressing any grievances with respect to voting by postal ballot and e-voting.

10. The Company is pleased to offer its e-voting facility through CDSL as an alternate to all its members to enable them to cast their votes electronically instead of casting their vote through **PBF.** If a member has opted for e-voting then he/she should not cast his/her vote through physical **PBF**

and vice-a- versa. In case, a Member cast his/her votes through e-voting and also through **PBF,** then voting done through e-voting shall prevail and voting received through **PBF** shall be treated as invalid. Members who have received the Postal Ballot Notice by e-mail and who wish to vote through **PBF** can download **PBF** from the Company's website, which can be accessed at the web link-http://www.nseprimeir.com/ir_download/PPN_Corp_Announcements/SCUF_POSTAL_BALLOT_NOTICE_JULY2018.ZIP

11. The procedure and instructions for voting through electronic means are as follows:

The remote e-voting period shall commence from Monday, June 25, 2018 at 10.00 a.m. and shall close of Tuesday, July 24, 2018 at 5 p.m. During this period of remote-voting, the Members of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically. The remote e-voting module will be disabled for voting thereafter and the Members will not be able to cast their vote electronically beyond the date and time mentioned above (July 24, 2018 at 5 p.m.). In order to e-vote, you need to Log in and then vote. The followings state the login process.

i. Log on to the e-voting website : www.evotingindia.com

ii. Click on "Shareholders / Member" tab.

iii. Enter log in credentials (User ID and displayed capcha). User ID details are as under

NSDL Demat account holders	8 Character DP ID followed by 8 Digits Client ID
CDSL Demat account holders	16 digits beneficiary ID
Shares held in physical form	EVSN followed by Registered folio number with the Company

iv. Enter Password

If you are already registered for e-voting - Existing password can be used.

If you are using e-voting for the first time, you need to enter your PAN and Bank Account Number or Date of Birth. Then enter password of your choice in the new password field.

(v) After entering these details appropriately, click on "SUBMIT" tab.

vi) Click on the number below EVSN for Shriram City Union Finance Limited.

(vii) It will take you to voting page. You will see Resolution Description, Choice etc. Against each resolution both the choices "YES/NO" would be there 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.

(viii) Click on the "Resolutions File Link" if you wish to view the entire resolution details.

(ix) 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.

(x) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xi) You can also take a print of the voting done by you by clicking on "Click here to print" option on the voting page.

(xii) If 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.

(xiii) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xiv) Institutional Members (i.e. other than individuals, HUF, NRI etc.) who wish to cast their votes through remote e-voting should send a scanned copy of the Registration form bearing the stamp and signature of the authorized person of the entity, the list of accounts and scanned copy (PDF format) of the relevant Board Resolution and Power of Attorney (POA) etc to helpdesk.evoting@cdslindia.com.

(xv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call on 18002005533 or contact the Company Secretary of the Company at the contacts mentioned on the top of this notice.

(xvi) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.

(xvii) The Scrutiniser would be able to view the names and number of shareholders who have casted the vote by way of e-voting on Tuesday July 24, 2018 after 5 p.m. in the presence of at least two witnesses, who are not in employment of the Company and can unblock the voting pattern on July 25, 2018 and report on the results of voting.

12. The Scrutiniser after his scrutiny will submit his report to the Chairman or Managing Director of the Company and the results of the voting along with the report of the Scrutiniser shall be declared by displaying it on the website of the Company on or before July 27, 2018.

SHRIRAM CITY UNION FINANCE LIMITED

CIN : L65191TN1986PLC012840
Regd. Office : 123, Angappa Naicken Street, Chennai - 600 001, Tamil Nadu.
Ph. No : +91 44 2534 1431 Website : www.shriramcity.in, Email : sect@shriramcity.in

SHRIRAM

S No.

POSTAL BALLOT FORM

1. Name(s) of Member(s) (in block letters) (including joint holder, if any) :

2. Registered Address of the Sole / First Named member :

3. Folio No. / DP ID No. / Client ID No. :

4. Number of Shares held :

I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through postal ballot for the business as stated in the Notice of the Company dated June 12, 2018 by conveying my/our assent or dissent to the said Resolution by mentioning the number of votes in the columns specified in the table below against the item:

Sl. No.	Description	Type of Resolution	No. of. Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Alteration of Memorandum and Articles of Association	Special Resolution			

Place :

Date :

Signature of the member

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	Sequence No.

Note : Please refer to the Notice dated June 12, 2018 and read the instructions provided on the reverse side of this form before voting.

Instructions for filling up Postal Ballot Form

1. Fill up and sign this Postal Ballot Form ("PBF") using pen completely and correctly. Incomplete, unsigned, incorrectly filled or any other symbols mentioned in the PBF will render it invalid.
2. Cast votes either in favour of (Assent) or against (Dissent) the Resolution by mentioning the no. of votes in the column provided for assent or dissent. A member need not use all the votes nor needs to cast all the votes in the same way.
3. Put the duly completed and signed PBF in the enclosed self-addressed postage prepaid Business Reply envelope and send it to the scrutinizer so as to reach him/her before 5 pm on Tuesday, July 24, 2018. Any PBF received from any members beyond 5 pm on Tuesday, July 24, 2018 will not be valid and the voting shall be treated as invalid. Postage will be borne and paid by the Company on the above said business reply envelope. Envelopes containing PBF, if deposited in person or sent by courier at the expense of the member(s) will also be accepted.
4. The self-addressed Business Reply Envelope bears the name of Scrutinizer appointed by the Company and the address to which the PBF has to be sent by the member.
5. The PBF should be completed and signed by the sole/first named member. In the absence of first named member, in case of joint holding, the form may be completed and signed by the next named member. The signature of the member on this PBF should match with the specimen signature registered with the Company/RTA (Integrated Registry Management Services P Limited) or furnished by National Securities Depository Limited/Central Depository Services (India) Limited to the Company, in respect of shares held in physical form or dematerialised form respectively.
6. In case of shares held by non-individuals, the duly completed PBF should be accompanied by a certified true copy of the Board Resolution/letter of authority together with attested specimen signature of the duly authorized signatory(ies). PBF signed by the holder of power of attorney for and on behalf of a member of the Company must be accompanied by the attested true copy of Power of Attorney. If the same is already registered with the Company or the Registrar, please quote the Registration No. beneath the signature.
7. No other papers should accompany the PBF in the self-addressed postage prepaid Business reply envelopes as all such envelope will reach the Scrutiniser directly and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutiniser.
8. The right of voting by Postal Ballot shall be exercised only by the member(s) of the Company.
9. There will be only one PBF for every Folio/DP ID & Client ID irrespective of the number of joint member(s). The photocopy of the PBF will not be considered valid.
10. Voting rights of the members shall be in proportion to the equity shares held by them of the paid equity share capital of the Company as on the **specified date**.
11. Few grounds on which votes will be considered invalid:
    i. Mismatch of signature of the member on the PBF with the signature available with the Company/RTA/Depository(ies) as the case may be.
    ii. Voting total number of votes/shares of the member both in favour and also against the resolutions.
    iii. Unsigned PBF.
    iv. Incomplete or improperly filled PBF.
    v. PBF received in torn out, defaced, unreadable, illegible form or condition.
    vi. PBF received after the cut off time mentioned above.
12. The Scrutinizer's decision on the validity of the PBF will be final.