SHRIRAM City
MONEY WHEN YOU NEED IT MOST

October 31, 2012

BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra East
Mumbai – 400 051

Madras Stock Exchange
Exchange Building, IV Floor,
30, Second Line Beach,
Chennai – 600 001

Ref: Scrip Code : BSE - 532498, NSE - SHRIRAMCIT, MSE - SRIRACITUN

Sub: Compliance with Clause 36 and other applicable Clauses of the Listing Agreement -

Proposed amalgamation of Shriram Retail Holdings Private Limited and Shriram Enterprise Holdings Private Limited with the Company

Dear Sirs,

In furtherance of intimation dated October 30, 2012, we would like to inform you, that the Board of Directors of the Company has approved the composite Scheme of Arrangement ("Scheme") among Shriram Retail Holdings Private Limited ("SRHPL") and Shriram Enterprise Holdings Private Limited ("SEHPL") with the Company, subject to the approval of the Hon'ble Madras High Court, and consents and sanctions of other regulatory authorities, shareholders, bankers, creditors and such other parties as may be necessary.

Pursuant to the Scheme, SEHPL, a wholly owned subsidiary of SRHPL, would first amalgamate with SRHPL. This would be followed by amalgamation of consolidated SRHPL with the Company.

On the basis of the Valuation Report issued by Grant Thornton and Fairness Opinion issued by Kotak Mahindra Capital Company Limited, the Board of Directors of the Company has granted its approval to the share swap ratio of 413:69 i.e. 413 equity shares of Rupees 10 (ten) each fully paid of the Company to be issued for every 69 equity shares of Rupees 10 (ten) each fully paid up of SRHPL, pursuant to the Scheme.

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Pursuant to the Scheme, based on the current shareholding position and net assets, SRHPL's existing investment (i.e. 2,66,10,571 shares) in the Company would be cancelled, and based on the above share swap ratio approved by the Board, it is currently envisaged that 27,063,962 equity shares of the Company would be issued to the shareholders of SRHPL. Accordingly, this would imply additional equity issuance of 453,391 equity shares (approximately 0.86% of currently envisaged post issue capital) by the Company, in consideration for additional net assets of consolidated SRHPL.

Yours faithfully,

For SHRIRAM CITY UNION FINANCE LIMITED

C R DASH 31/10/2012
Company Secretary