SHRIRAM CITY UNION FINANCE LIMITED
Regd Office : 123 Angappa Naicken Street,
Chennai 600001. Ph No 25341431
CIN : L65191TN1986PLC012840;
Email: sect@shiramcity.in;
Website : www.shriramcity.in

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS

Notice is hereby given that an Extraordinary General Meeting of the shareholders of the Company will be held on ***Friday*, May 30, 2014** at Narada Gana Sabha (`Mini Hall'), No.314 (Old No 254), T T K Road, Alwarpet, Chennai 600 018 at 10.00 A M to transact the following business:

SPECIAL BUSINESS

TO ALLOT EQUITY SHARES OF THE COMPANY ON PREFERENTIAL BASIS

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION.**

RESOLVED THAT in accordance with

1. the provisions of Section 62 and all other applicable provisions , if any, of the Companies Act, 2013 (the Act) read with Companies (Share Capital and Debentures)Rules 2014 including any statutory modifications or re-enactments thereof for the time being in force,
2. the provisions of the Memorandum and Articles of Association of the Company,
3. the provisions of any rules/regulations/guidelines framed/issued by the Securities and Exchange Board of India ("**SEBI**") (including any amendments thereto or any re-enactment thereof for the time being in force),
4. the provisions of the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed.

and subject to

5. the applicable statutes, guidelines, regulations, approvals, consents, permissions, sanctions of the Central Government, the Reserve Bank of India ("**RBI**"), SEBI, Stock Exchanges and any other appropriate and / or concerned authorities, institutions or bodies (the "Approvals") ; and

6. such conditions or modifications as may be prescribed by any of them while granting any such Approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter called "**the Board**" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) ;

consent of the Company be and is hereby accorded to the Board to offer, issue and allot upto 65,79,840 Equity Shares of Rs.10/- each to M/s Piramal Enterprises Limited for cash at a price of Rs. 1,200.00 (Rupees One thousand two hundred only) per Equity Share (including a premium of Rs 1,190.00 per Equity Share) on preferential basis considering the date 30 days prior to the date of this meeting as the Relevant Date in accordance

with the provisions of Regulation 71(a) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and such other terms and conditions as may be approved by the Board of Directors.

RESOLVED FURTHER THAT

i). The Equity Shares as may be issued and allotted in accordance with the terms of the relevant offering, shall rank pari passu with the then existing Equity Shares in the Company in all respects, including in respect of dividend;

ii). For the purpose of giving effect to the foregoing and without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, the Board be and is hereby authorized for and on behalf of the Company:

a. to enter into and execute all such agreements/arrangements as the case may be with any authorities / agencies, listing of the shares / securities on Exchange (s);
b. to settle any questions, difficulties, doubts that may arise in regard to the offer, issue and allotment of securities and utilisation of the issue proceeds as it may in its absolute discretion deem fit,
c. to do all such acts, deeds, matters and things as the Board may at its sole discretion deem fit, necessary, desirable for such purpose, including without limitation the drafting, finalization, entering into and execution of any arrangements or agreements with the allottees including but not limited to the shareholders' agreement/s;
d. to delegate from time to time, all or any of the powers conferred herein upon the Board to any Committee of the Board or the Managing Director or any other Director or any other Officer or Officers of the Company.

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : April 30,2014

G S SUNDARARAJAN
Managing Director

NOTES :

1) The explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of item is annexed hereto.
2) The Notice is being sent to all the Members, whose names appear in the Register of Members as on May 2, 2014.The Notice of the Meeting is also posted on the website of the Company i.e. www.shriramcity.in

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE ON HIS BEHALF, A PROXY NEED NOT BE A MEMBER.

3) A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is

proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4) A blank proxy form is enclosed. The proxy form duly stamped and executed should be deposited at the office of the Share Transfer Agent (RTA) at Integrated Enterprises (India) Ltd, 2nd Floor, Kences Towers, No.1 Ramakrishna Street, Off. North Usman Road, T.Nagar, Chennai – 600 017 at least forty-eight hours before the time fixed for the commencement of the meeting.

5) Members are requested to notify change in address, 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 RTA quoting their folio numbers.

6) Members/Proxy holders are requested to produce at the entrance, the attached admission slip for admission to the meeting hall. Duplicate admission slips will not be provided at the hall.

7) The Members who hold shares in physical form are requested to intimate/update the email address to the Company/RTA while Members holding shares in demat form can intimate/ update their e-mail address with their respective Depository Participants.

8) The Board of Directors has appointed Ms. B.Chandra ,Practising Company Secretary ,Chennai as the Scrutiniser for conducting the electronic voting (e-voting) process in accordance with the law and in a fair and transparent manner and she has consented to act as such.

9) The business set out in this Notice shall be conducted through e-voting. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014,the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional. For this purpose, the Company has entered into an agreement with Central Depository Services India Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically.

10) The procedure and instructions for the voting through electronic means are as follows:

i. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com

ii. Now click on "Shareholders" to cast your votes

iii. Now, select the Electronic Voting Sequence Number - "EVSN" along with "SHRIRAM CITY UNION FINANCE LIMITED" from the drop down menu and click on "SUBMIT"

iv. Now, fill up the following details in the user ID field:
In User-ID field

a) For NSDL demat account holders will enter 8 characters DP ID followed by 8 Digits Client ID

b) For CDSL demat account holders will enter their 16 digits beneficiary ID

c) Physical security holders will enter their folio number.

In Password field :- Please refer to the cover email enclosing this Notice. Please enter the password provided to you by the Company/RTA. In case you have already voted for an earlier instance of e-voting on CDSL e-voting platform and you have not received a password then you may login using your existing login details

In PAN field: Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.Members who have not updated their PAN with the Company are requested to use default number 'ABCDE12345' in the PAN field. Physical security holders will enter the dummy PAN provided by the Company/RTA for

this voting.

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

If your are an investor holding securities in the physical form you will be taken directly to the voting screen .Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

vii. For members holding shares in Demat form, who had logged on to www.evotingindia.com and cast their vote earlier for EVSN of any company, your existing login id and password are to be used.

viii. On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.

ix. Click on the Resolution File Link if you wish to view the entire Notice.You can either vote on all the resolutions in one login or vote partially on certain resolutions.

x. 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.

xi. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

xii. Institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at scrutiniserbc@ gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

xiii. In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.

xiv. Members have an option to vote either through e-voting or casting a vote at the Meeting. If a Member has opted for e-voting, then he/she should not cast his/her vote at the Meeting also and vice-a-versa. However, in case, Members have cast their vote at a Meeting and also by e-voting, then voting done at the Meeting shall prevail and voting done by e-voting shall be treated as invalid.

11) The e-voting period shall commence from May 19, 2014 at 10.00 am and shall end on the close of May 21, 2014 at 6 pm. The 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 (May 21, 2014 at 6 pm)

12) The Scrutiniser will submit his/her report to the Chairman after completion of the scrutiny. The result of the voting on the Resolution at the Meeting shall be announced by the Chairman or any other person authorised by him on May 30, 2014. The results declared along with the Scrutiniser's report, will be posted on the Company's website (www.shriramcity.in) and on RTA's or CDSL's website on May 31 , 2014.

13)The Contact details of the person responsible to address the grievances connected with the electronic voting are as under :

C .R .Dash
Company Secretary,
Shriram City Union Finance Limited
144,Santhome High Road , Mylapore,
Chennai-600004
Telephone Number : +91 44 43925300, E mail Id : sect@shriramcity.in

14)The Scrutiniser shall unblock the votes on May 24, 2014 at 6 pm in the presence of at least two witnesses, who are not in employment of the Company and submit the scrutiniser's report to the Chairman of the Company after completion of scrutiny of votes cast in favour or against on May 24,2014.

15)The results along with scrutiniser's report will be announced by any one of the Directors of the Company on May 31, 2014 at the Registered Office of the Company at 123, Angappa Naicken Street, Chennai - 600 001. The result will be displayed on the Company's website i.e. www.shriramcity.in besides being notified to BSE Ltd., National Stock Exchange of India Limited and Madras Stock Exchange Limited.

16)The resolution mentioned above shall be declared as passed if the number of votes cast in its favour are not less than three times the number of votes cast, if any, against the said resolutions.

17)All documents (including the certificate of Chartered Accountants, the statutory auditors of the Company, the Memorandum and Articles of Association of the Company referred to in the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on any working days between 10.00 a.m and 2.00 p.m up to the date of the Extra-Ordinary General Meeting.

EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") sets out all material facts relating to the business to be transacted at the meeting as mentioned in the accompanying Notice dated April 30, 2014.

Your Company's business is growing and growth requires capital . Further funds are required to augment its working capital, capital expenditure and for other corporate purposes and for meeting Capital Reserve and Adequacy requirements of Reserve Bank of India.

It is, therefore, proposed to raise further capital by way of a preferential issue of Equity Shares as per Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and as per Section 62 and other applicable provisions of the Companies Act 2013.

Section 62 of the Companies Act, 2013, provides, inter alia, that such further shares may be offered to any persons whether or not such persons are existing holders of equity shares of the Company as on the date of offer by way of a Special Resolution passed to that effect by the Company in General Meeting.

The Listing Agreements executed by the Company with the various Stock Exchanges provide that the Company shall issue or offer in the first instance all Securities to the existing equity shareholders of the Company unless the Shareholders decide otherwise.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013, Regulation 74(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereof, and in terms of the provisions of the Listing Agreements, and such other approvals as may be necessary, to issue and allot securities as stated in the Special Resolution.

The proposed Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue in accordance with the normal practice, (b) powers to issue and market any securities; and (c) for utilization of the issue proceeds as the Board may deem fit, without being required to seek any further consent or approvals of the Members or otherwise, with the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Your Board at its meeting held on April 30, 2014 subject to approval by the Company in General Meeting and requisite statutory approvals, has proposed to offer for subscription by way of preferential allotment upto 65,79,840 Equity Shares of Rs.10/- each to M/s Piramal Enterprises Limited for cash at a price of Rs.1,200.00 (Rupees One thousand two hundred only) per Equity Share (including a premium of Rs 1,190.00 per Equity Share) being a price higher than the price determined as per Regulation 76(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

As per Regulation 76(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, an issue of equity shares on a preferential basis can be made only at a price, which is not less than the higher of the following :-

(i) The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognised stock exchange during the ~~six months~~ twenty six weeks preceding the relevant date; or

(ii) The average of the weekly high and low of the closing prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

The "**Relevant Date**" in accordance with the provisions of Regulation 71(a) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the preferential offer means the date as thirty days prior to the date on which this Extra Ordinary General Meeting of the Company is held, to consider , the proposed preferential offer under Section 62 of the Act. Accordingly the "Relevant Date" for this preferential offer is April 30, 2014. For this purpose , stock exchange means National Stock Exchange of India Limited in which the highest trading volume in the company's shares has been recorded during the two weeks immediately preceding the relevant date.

The average price as computed on the above basis during the ~~six months~~ twenty six weeks preceding the Relevant Date is Rs 1,055.24 per equity share where as during the two weeks preceding the Relevant Date is Rs 1,194.74 per equity share. The higher of these two prices calculated is Rs 1,194.74 and the issue price is Rs 1,200.00,which is higher than the highest of these two calculated prices.

The Equity Shares of the Company to be allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of the issue.

The consummation of the proposed subscription of equity Shares by M/s Piramal Enterprises Limited is subject to approval from any governmental / or regulatory authorities etc., if required and / or as applicable.

The Board believes that the preferential offer to M/s Piramal Enterprises Limited will be in the best interest of the Company and its Members.

As required under Rule 13 (2) (d) of the (Share Capital and Debentures) Rules ,2014 of Companies Act 2013 and regulation 73(1) & (2) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the other required details are furnished as under.

Objects of the preferential issue

Your Company's business is growing and growth requires capital. Further funds are required to augment its working capital,capital expenditure and for other corporate purposes and for meeting Capital Reserve and Adequacy requirements of Reserve Bank of India.

It is, therefore, proposed to raise further capital by way of a preferential issue of Equity Shares as per Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and as per Companies Act 2013.

Intention of the Promoters / Directors / Key management persons to subscribe to the offer

Shriram Capital Limited is the Promoter of the Company and does not intend to subscribe to this Preferential issue authorised by the resolution.

None of the Directors / Key management persons of the Company intend to subscribe to this preferential issue authorised by the resolution. None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this Resolution.

Shareholding Pattern before and after the issue

The Figures in the following Table are as on March 31, 2014 and excludes subsequent transfers and allotments.

(As on March 31, 2014)

Particulars	Pre offer Shareholding	%	Preferential Offer	Post offer Shareholding	%
I. Promoter and Promoters Group					
Shriram Capital Limited	22268877	37.56		22268877	33.81
SUB TOTAL (I)	**22268877**	**37.56**		**22268877**	**33.81**
II. Non Promoters					
a. Mutual funds	1673494	2.82		1673494	2.54
b. Banks	97344	0.16		97344	0.15
c. Corporate Bodies	980385	1.66	6579840	7560225*	11.48
d. NRI	45108	0.08		45108	0.07
e. FII	15005358	25.31		15005358	22.78
f. Foreign companies	16587778	27.98		16587778	25.18
g. Public including Clearing Members, Limited Liability Partnership and Trust	2626088	4.43		2626088	3.99
SUB TOTAL (II)	**37015555**	**62.44**		**43595395**	**66.19**
TOTAL (I +II)	**59284432**	**100**	**6579840**	**65864272**	**100**

*includes shareholding of M/s Piramal Enterprises Limited to the extent of 65,79,840 equity shares ,which constitute 9.99% of the post issue capital of the Company

(I) The voting rights will change in tandem with the change in shareholding pattern.
(ii) The figures shown in the above table assumes the following:

a. The issue and allotment of all the Equity Shares of the issue is to M/s.Piramal Enterprises Limited as mentioned in the resolution.
b. The holdings of other shareholders do not change.

(iii) The share holding pattern do not take into consideration any securities that may be allotted to the employees of the Company on exercise by them of the options granted to them under the Company's Employee Stock Option Plan.

Proposed time within which the allotment shall be completed
The allotment of the Equity Shares are proposed to be completed within 15 days of the date of passing of the above resolutions at the general meeting, provided where the allotment is pending on account of pendency of any regulatory authority or Central Government approval(s), the allotment shall be completed within 15 days from the date of receipt of such approval(s).

Auditor's Certificate
A Certificate from M/s. Pijush Gupta & Co., Firm Registration No. 309015E Chartered Accountants, Statutory

Auditors of the Company, certifying that the issue of shares by way of the proposed preferential allotment is being made in accordance with the requirement of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be placed before the shareholders at the Extraordinary General Meeting.

Lock–in

The Shares to be allotted on preferential basis to the investors shall be subject to the Lock-in periods as applicable in accordance with Regulation 78(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Identity of the proposed allottee and the percentage of post preferential issue capital that may be held by it

(i)	**Name of the Proposed Allottee**	M/s Piramal Enterprises Limited
(ii)	**Details of the proposed allottee (Registered Office, CIN, email Id)**	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel,Mumbai-400013 CIN – L24110MH1947PLC005719 Email Id: corporate.secretarial@piramal.com
(iii)	**No. of shares and percentage held by the proposed allottee prior to preferential issue**	NIL
(iv)	**No. of shares and percentage of post preferential issue capital that may be held by the proposed allottee**	**65,79,840 equity shares, 9.99% of post issue capital of the Company**

(a) The voting rights will change in tandem with the change in shareholding pattern.

(b) The figures shown in the above table assumes the following:

a. The issue and allotment of all the Equity Shares of the issue is to Piramal Enterprises Limited as mentioned in the resolution.
b. The holdings of other shareholders do not change.

(iii) The share holding pattern do not take into consideration any securities that may be allotted to the employees of the Company on exercise by them of the options granted to them under the Company's Employee Stock Option Plan.

Undertaking

The Board of Directors of the Company undertake that

there is no need for the Company to re-compute the price of the specified securities in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 .

the proposed allotment of the Equity Shares on a preferential basis, if made, will not result in change in the management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

the Company is taking necessary steps to obtain the requisite approval/s from the regulatory authorities, as may be applicable, for the proposed investment.

there has not been any other preferential allotment of shares made during the year .

The proposed issue of securities is in the interest of the Company and your Directors recommend the passing of the resolution under this item as a Special Resolution.

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : April 30,2014

G S SUNDARARAJAN
Managing Director