

SHRIRAM CITY UNION FINANCE LIMITED

Regd. office: 123, Angappa Naicken Street, Chennai 600 001.

Telephone : 044 - 43925300 ; Website : www.shriramcity.in



NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting (AGM) of the members of Shriram City Union Finance Limited (the Company) will be held on Friday, July 27, 2012 at 10.00 AM at Narada Gana Sabha ('Mini Hall'), No.314, TTK Road, Alwarpet, Chennai 600 018, Tamil Nadu to transact the following business:

ORDINARY BUSINESS :

Item No 1 : Adoption of accounts :

To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.

Item No 2 : Declaration of dividend :

To declare final dividend on equity shares of the Company for the financial year ended March 31, 2012

Item No 3 : Re-appointment of Sri S Venkatakrisnan :

To appoint a director in the place of Sri S Venkatakrisnan who retires by rotation and being eligible, offers himself for re-appointment.

Item No 4 : Re-appointment of Sri G S Sundararajan :

To appoint a director in the place of Sri G S Sundararajan, who retires by rotation and being eligible, offers himself for re-appointment.

Item No 5 : Re-appointment of Sri Sunil Varma :

To appoint a director in the place of Sri Sunil Varma, who retires by rotation and being eligible, offers himself for re-appointment.

Item No 6 : Appointment of Auditors :

To appoint Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Pijush Gupta & Co., Chartered Accountants, Firm Registration Number 309015E, the retiring Auditors are eligible for re-appointment. To consider and if thought fit to pass the following resolution as an ordinary resolution with or without modification.

SPECIAL BUSINESS :

Item No 7 : Appointment of Sri V Murali as a director:

To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution.

RESOLVED THAT Sri V Murali, who was appointed as an Additional Director of the Company with effect from December 1, 2011 and who in terms of Sec 260 of the Companies Act, 1956 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Sri V Murali for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation.

Item No 8 : Appointment of Sri R Duruvasan as a director:

To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution.

RESOLVED THAT Sri R Duruvasan, who was appointed as an Additional Director with effect from June 6, 2012 and who in terms of Section 260 of the Companies Act, 1956 holds office upto the date of this Annual General Meeting and

in respect of whom the Company has received notice in writing from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Sri R Durvasan for the office of the Director be and is hereby appointed as a Director of the Company .

Item No.9 Appointment of Sri R Durvasan as the Managing Director of the Company:

To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution.

RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and any statutory modification (s) or re-enactments thereof, the approval of the Company, be and is hereby accorded to the appointment of Sri R Durvasan as the Managing Director, designated as Managing Director and Chief Executive Officer of the Company for a period of 5 years with effect from June 6, 2012 and shall perform such duties and exercise such powers as may from time to time be lawfully entrusted to and conferred upon him by the Board and shall be paid remuneration set out below with a liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration within the guidelines specified under Schedule XIII of the Companies Act, 1956 or any statutory modification (s) or re-enactment thereof.

A. REMUNERATION :

- i) Salary : ₹ 3,00,000/- per month with annual increment of not less than 10% per annum with effect from April 1 every year.

B. PERQUISITES :

- i) Housing - Rent free accommodation owned/ leased/ rented by the Company, or Housing Allowance in lieu thereof as per the rules of the Company.
- ii) Club Fees - Subscription limited to a maximum of two clubs. No life membership or admission fees shall be paid by the Company. All expenses at club for official purpose shall be reimbursed or paid to the club.
- iii) Expenditure on entertainment for official purpose shall be on the Company's account.
- iv) Contribution to Provident Fund, Superannuation Fund, Annuity Fund - As per the rules of the Company. These will not be considered or included for the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- v) Gratuity - As per the rules of the Company .
- vi) Encashment of leave - As per the rules of the Company.
- vii) Leave - As per the Company's rules.
- viii) Company's car with driver for use on Company's business and maintenance expenses thereon. Use of car for personal use shall be charged to the Managing Director.
- ix) Telephone : Telephone charges at residence shall be borne by the Company. Mobile telephone bills shall be paid by the Company. Personal long distance calls shall be charged to the Managing Director.
- x) Newspaper and periodicals - As per the company's rules.
- xi) Employee Stock Option - As may be decided by the Remuneration Committee/ Board of Directors from time to time according to the Employees Stock Option Scheme of the Company.
- xii) Other Terms - As per the Company's rules and as may be agreed to by the Board from time to time.

C. OTHER TERMS :

1. The Managing Director shall not be paid any sitting fees for attending General Meetings and Meetings of the Board or Committee thereof.
2. In the event of absence or inadequacy of profits in any financial year the Managing Director will be paid the above remuneration as minimum remuneration subject to the overall ceilings laid down in Section II of Part II of Schedule XIII.
3. The Board may revise the existing or allow any other facilities/perquisites, from time to time, within the overall ceiling.
4. The Managing Director shall not retire by rotation.

Item No 10 : Increase in borrowing power :

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

RESOLVED THAT in supersession of the resolution passed by the members of the Company under Sec 293 (1) (d) of the Companies Act, 1956 at the Annual General Meeting held on July 28, 2011, the consent of the Company be and is hereby granted pursuant to Sec 293 (1) (d) and other applicable provisions if any of the Companies Act, 1956 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) (hereinafter referred to as the "Act"), to the Board of directors of the Company /Committee of directors as may be authorised by the Board of Directors of the Company to borrow for the purpose of the business of the Company from time to time on such terms and conditions as the Board / Committee of directors as may be authorised by the Board of directors, may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, so that the total amounts upto which the monies may be borrowed by the Board / Committee of directors as may be authorised by the Board of directors shall not at any time exceed ₹ 20,000 crores (Rupees twenty thousand crores).

RESOLVED FURTHER THAT the Board or Committee of directors or such other person as may be authorised by the Board of directors be and is hereby authorised to finalise the form, extent and manner of and the documents and deeds, whichever applicable, for creating the appropriate mortgages and/or charges on such immovable and/or movable properties of the Company on such terms and conditions as may be decided by the Board/Committee of directors as may be authorised by the Board of directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution.

Item No 11 :Increase in borrowing power (creation of charge)

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

RESOLVED THAT in supersession of the resolution passed by the members under Sec 293 (1) (a) of the Companies Act, 1956, at the Annual General Meeting held on July 28, 2011, the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as the "Act") to the Board of Directors/Committee of directors as may be authorised by the Board of directors for mortgaging and/or charging all or any of the present and/or future movable and/or immovable properties and assets and the whole or substantially the whole of the undertaking (s) of the Company , whether presently belonging to the Company or not, in such form and manner and on such terms and conditions and at such time(s) as the Board/Committee of directors as may be authorised by the Board of directors, may deem fit, in favour of any person including financial/investment institution(s), bank(s), insurance Company(ies), corporate body (ies), trustees for the purpose of securing the debentures, loan, hire purchase and/or Lease Portfolio Management transactions for finance and other credit facilities upto a sum not exceeding ₹ 25,000 Crores (Rupees twenty five thousand crores).

RESOLVED FURTHER THAT the Board of Directors or such Committee or person/(s) as authorised by the Board of directors be and is hereby authorised to finalise the form, extent and manner of, and the documents and deeds, whichever applicable, for creating the appropriate mortgages and/or charges on such immovable and/or movable properties of the Company on such terms and conditions as may be decided by the Board/Committee of directors as may be authorised by the Board of directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution.

Item No 12:Employee Stock Option Scheme 2008 of the Company to apply to subsidiary Company :

To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution.

RESOLVED THAT in addition to the special resolution passed at the Extraordinary General Meeting held on May 3, 2008 approving Employees Stock Option Scheme, 2008 of the Company (the 'Scheme') and pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and subject to the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (including any statutory modifications or re-enactment of the Act or the SEBI guidelines, for the time being in force) ('SEBI guidelines') and subject to the provisions contained in the Articles of Association of the Company and subject to other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee including the Remuneration and Compensation Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), consent and approval of the Company be and is hereby accorded to the Board to grant, issue, offer and allot options under the scheme at any time or from time to time to the present and future employees of the subsidiary company(ies) of the company.

**By Order of the Board
for SHRIRAM CITY UNION FINANCE LIMITED**

**Chennai
June 5,2012**

**C R DASH
Company Secretary**

NOTES :

- 1) The explanatory statement as required under Section 173 (2) of the Companies Act, 1956 in respect of item no.7,8,9,10,11 & 12 is annexed hereto.
- 2) A member entitled to attend and vote at the AGM is entitled to appoint one or more proxy/(ies) to attend and on a poll to vote instead of himself. The proxy need not be a member of the Company. A blank proxy form is enclosed. The proxy form duly stamped and executed, should be deposited at the office of the Registrar and share transfer agents not less than forty eight hours before the time fixed for the commencement of the AGM.
- 3) The Register of members / beneficial owners of the Company and share transfer book will remain closed from Friday, July 20, 2012 to Friday, July 27, 2012 (both days inclusive).
- 4) Subject to the provisions of Section 206A of the Companies Act ,1956 ,the payment of final dividend, upon declaration by the shareholders at the Annual General Meeting , will be made on or after July 31, 2012 as under :
 - a) To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL) as of the end of the day on July 19, 2012 and
 - b) To all those Members holding shares in physical form after giving effect to all the valid share transfers lodged with the Company before the closing hours on July 19, 2012.

- 5) Members holding shares in physical form are advised to furnish, on or before July 19, 2012 particulars of their bank account, if not done already to the Company to incorporate the same in the dividend warrants /payment instruments.

In respect of cases, where the payments to the shareholders holding shares in dematerialised form are made by dividend warrants/payment instruments, particulars of bank account registered with their depository participants will be considered by the Company for printing the same on the dividend warrants / payment instruments .

- 6) Brief profiles of the Directors who retire by rotation and are eligible for re-appointment as Directors at the ensuing AGM are furnished in the corporate governance Section, which forms part of annual report.
- 7) Members/Proxy holders should bring duly filled attendance slips sent herewith to attend the meeting.
- 8) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote .
- 9) Pursuant to the provisions of Section 205A of the Companies Act, 1956 unclaimed final dividend for the financial year 2002-2003 and thereafter which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial years specified above are requested to make their claim to the Company's Secretarial office at No 144, Santhome High Road, Mylapore, Chennai 600 004. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
- 10) The Company has already transferred, all unclaimed dividends declared upto and inclusive of the financial year ended 30th June 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid financial years may claim their dividend from the Registrar of Companies, Haddows Road, Shastri Bhavan, Chennai 600 006.

Further, pursuant to the provisions of Section 205A of the Companies Act, 1956 amounts relating to dividend for the financial years ended June 30, 1995 to June 30, 1997 and March 31, 2000, March 31, 2001, March 31, 2002 and March 31, 2003, March 31, 2004 and March 31, 2005 (interim) remaining unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Production Fund of the Central Government

- 11) As per the provisions of the Companies Act, 1956 facility for making nominations is available to the shareholders in respect of the shares held by them in physical form. Nomination forms can be obtained from the Registrar and share transfer agents of the Company by the members holding shares in physical Form. The shareholders holding shares in dematerialised form may approach their respective depository participants to avail and/ or effect any change to the nomination facility.
- 12) Shareholders seeking any information with regard to accounts are requested to write to the undersigned at Secretarial Office of the Company at No 144, Santhome High Road, Mylapore, Chennai 600 004 , at least 15 days in advance, so as to keep the information ready at the meeting.
- 13) Shareholders holding shares in physical form under multiple folios are requested to consolidate their holdings in a single folio so as to enable us to serve them in a better, most efficient and effective manner.
- 14) SEBI has made it mandatory for every participant in the securities /capital market to furnish the details of Income Tax Permanent Account Number (PAN) . Accordingly , all the shareholders holding shares in physical form are requested to submit their details of PAN along with a photocopy of both sides of the PAN card, duly attested , to the Registrar and share transfer agents of the Company, Integrated Enterprises (India) Limited, Chennai.

- 15) 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 Registrar and share transfer agents of the Company,
- 16) The Register of Directors' Shareholding, maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the AGM.
- 17) The Ministry of Corporate Affairs (MCA) by circular number 17/2011, 18/2011 dated April 21, 2011 and April 29, 2011 respectively permitted companies to send official documents to the share holders electronically as part of its green initiative in corporate governance. Recognising the spirit of the circular issued by MCA, we are sending documents including notice convening general meetings, annual reports in electronic form to the email address provided by you to your depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company/Registrar and share transfer agent. Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a member of the Company.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Item No 7:

Sri V Murali was appointed by the Board in accordance with the Articles of Association of the Company as an Additional Director with effect from December 1, 2011. As per the provisions of Section 260 of the Companies Act, 1956, Sri V Murali holds office upto the date of the twenty sixth AGM and is eligible for appointment. The Company has received notice under Section 257 of the Companies Act, 1956, in respect of Sri V Murali, proposing his appointment as Director of the Company, along with the requisite deposit.

Sri V Murali, aged 52 yrs, is a bachelor of Commerce from the reputed Vivekananda College, Chennai. He is a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Cost & Works Accountants of India.

Sri V Murali is the Senior Partner of M/s Victor Grace & Co., Chartered Accountants, Chennai. He has to his credit more than three decades of experience in the areas of Finance, Accounts & Consultancy. He is elected as a Central Council Member of ICAI for three terms in succession for the periods 2004-2013. He is at present the Chairman of the Board of Studies, Committee on Banking, Insurance and Pension, Vice Chairman of the Ethical Standards Board and a member of various committees constituted by the ICAI. He was nominated as a 'Technical Expert' by the Comptroller and Auditor General of India, New Delhi on the Audit Board of Power Finance Corporation Limited and Rural Electrification Corporation Limited.

Since 2006-07, he has been an Executive Committee Member of The Madras Chamber of Commerce & Industry, Andhra Chamber of Commerce, The Tamil Chamber of Commerce and Hindustan Chamber of Commerce. He is the elected Vice President of The Hindustan Chamber of Commerce.

Sri V Murali is a prominent social worker dedicated to public causes and connected with various Professional, Cultural, Social, Voluntary, Non-Profit Organisations, Public Charitable and Welfare Organisations.

He serves on the Board of Neyveli Lignite Corporation Ltd and is the Chairman of its Audit Committee. He also serves as Director on the Board of Witzmann (India) Pvt Ltd. He was a director on the Board of State Bank of Hyderabad and was the Chairman of its Audit Committee.

None of the Directors, except Sri V Murali, is interested or concerned in the proposed resolution as it relates to his appointment.

The Board of Directors commend passing of the resolution set out in Item No. 7 of the accompanying notice.

ITEM NO.8

Sri R Duruvasan was appointed by the Board in accordance with the Articles of Association as an Additional Director of the Company with effect from June 6, 2012 to strengthen the Board and to have the benefit of his experience and expertise. Sri R Duruvasan has been contributing greatly to the betterment and prosperity of the Company for the past several years. He would be of immense value to the Company.

Under the provisions of Section 260 of the Companies Act, 1956, Sri R Duruvasan holds office upto the date of the twenty sixth AGM. Notice under Section 257 of the Companies Act, 1956, has been received along with the necessary deposit from a member intending to propose his name for appointment as a Director of the Company at the twenty sixth AGM.

Sri Duruvasan, aged 50 yrs, a Commerce Graduate, has been serving the Shriram Group for more than three decades. He started his career with Shriram Chits at Chennai in the collection department and has worked his way up to being CEO and Executive Director of Shriram Chits P Ltd, (SCPL), Hyderabad. He was instrumental in the growth of SCPL during his stint at Hyderabad and has expanded SCPL from 16 branches to 202 branches. During his tenure, SCPL flourished as the largest Chit Fund company in the country in terms of Auction Turnover, No of Branches, Manpower and Customer base. His contribution has paved way for the Shriram Group to expand its retail deposit and NCD portfolio.

Sri R Duruvasan is interested and concerned in this resolution as it relate to his appointment.

No other Director, except Sri R Duruvasan, is concerned or interested in the resolution.

The Board of directors commend passing of the resolution set out in Item No.8 of the accompanying Notice.

ITEM NO.9

Consequent to the resignation of Sri R Kannan as the Managing Director of the Company with effect from June 5,2012, the position of Managing Director becomes vacant. Considering the proven ability of Sri R Duruvasan the Board of Directors appointed him as the Managing Director of the Company subject to the approval of the shareholders for a period of five years with effect from June 6,2012 on a remuneration payable to him which is within the guidelines set out under Schedule XIII of the Companies Act, 1956 and the same is approved by the Remuneration Committee of the Board of Directors of the Company.

Prior to his appoint as Managing Director, Sri Duruvasan was the Managing Director and Principal Officer of Shriram Life Insurance Co. Ltd with a monthly salary of ₹ 1.85 lacs per month plus other perquisites. He also serves on the Board of Serve All Enterprise Solutions Ltd.

The details of remuneration and perquisites payable to Sri R Duruvasan are set out in the resolution no . 9. This may be considered as an abstract of the terms of appointment of the Managing Director and a memorandum as to the nature of the concern or interest of the Director in the said appointment as required under Section 302 of the Companies Act,1956. The appointment and remuneration are within the guidelines laid down in Schedule XIII of the Companies Act, 1956 and require the approval of the shareholders .

None of the Directors , except Sri R Duruvasan, is interested or concerned in the proposed resolution as it relates to his appointment and remuneration.

The Board of directors commend passing of the resolution set out in Item No.9 of the accompanying Notice.

ITEM NO.10

At the Annual General Meeting held on July 28,2011 the Board of Directors were authorised under Section 293 (1) (d) of the Companies Act, 1956, to borrow upto a limit of ₹ 15,000 Crores apart from temporary loans obtained/to be obtained from the bankers (by way of cash credit limits and working capital demand loans) in the ordinary course of business.

Your Directors are of the view that there will be steady growth in business. The growth in business would require additional funds. Hence, the mobilisation of funds by the Company will substantially increase. Therefore it is considered desirable to increase the limit of borrowings to ₹ 20,000 Crores apart from the temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business.

None of the Directors of the Company is in any way, concerned or interested in the proposed resolution.

The Board of directors commend passing of the resolution set out in Item No.10 of the accompanying Notice.

ITEM NO.11 :

Section 293 (1) (a) of the Companies Act, 1956 provides that the Board of directors / Committee of directors of a Public Company shall not, except with the consent of the Company in the General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. The Company would be borrowing from time to time for the purpose of its business by way of loans, Debentures, Bonds, Hypothecation Loans, Term loans and/other financial assistance from various financial/investment institution(s), bank(s), insurance Company(ies), Corporate Body(ies) and other persons / investors apart from working Capital facilities from Banks in the ordinary course of business. This in turn would necessitate further creation of securities by suitable mortgages and/or charges on all or some of the movable and/or immovable properties of the Company, both present and future in favour of the lenders/ trustees. At the twenty fifth Annual General Meeting held on July 28,2011, the Board of Directors/ Committee was authorised under Section 293 (1) (a) of the Companies Act, 1956 to sell, lease, or otherwise dispose off the properties of the Company upto ₹ 20,000 crores. The proposed resolution seeks to empower the Board/Committee of directors to mortgage and/or charge the movable or immovable properties of the Company to secure loans, Debentures, Bonds, Loans financial assistance , credit facilities and such transactions for finance and other credit facilities obtained / to be obtained by the Company from the lenders upto ₹ 25,000 crores (Rupees twenty five thousand crores).

None of the Directors of the Company is in any way, concerned or interested in the proposed resolution.

The Board of directors commend passing of the resolution set out in Item No.11 of the accompanying Notice.

ITEM NO.12

The company obtained the approval of the shareholders for the employees stock option Scheme known as SCUF Employees Stock Option Scheme, 2008 (hereinafter known as '**Scheme**') in the Extraordinary General Meeting held on May 3, 2008.

In order to issue options to the present and future employees of the subsidiary company(ies) the Scheme included in the definition of EMPLOYEES the permanent employees of the company or any of its subsidiaries. Since the scheme covered the employees of the subsidiary company(ies) a specific resolution, in addition to the resolution passed at the Extraordinary General Meeting held on May 3, 2008, as required under Clause 6.3 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter known as '**SEBI guidelines**') which was mandatory to be passed for granting of options to the employees of subsidiary company(ies) was not specifically placed at the time of approval of the scheme.

The approval of the shareholders approving the scheme was sent to the stock exchange for in-principle approval as required under clause 22.1 of the SEBI guidelines. Since the scheme covered the employees of the subsidiary company(ies), the stock exchange asked the company for the specific resolution of the shareholders for granting of options to the employees of the subsidiary company(ies) as required under clause 6.3 of the SEBI guidelines. The same need to be approved by the shareholders by way of a separate resolution at the general meeting of the company. This is one of the mandatory requirement to be complied with by the Company for obtaining in-principle approval from the stock exchange.

None of the Directors of the company is in any way, concerned or interested in the proposed resolution.

The Board of directors commend passing of the resolution set out in Item No.12 of the accompanying Notice.

**By Order of the Board
for SHRIRAM CITY UNION FINANCE LIMITED**

**Chennai
June 5 ,2012**

**C R DASH
Company Secretary**