

30th March, 2016

Enterprise India Fund
IFS Court, Bank Street
Twenty-eight Cyber city
Ebène 72207
Republic of Mauritius

Dear Sir / Madam,

With reference to our discussion, we hereby propose our Letter of Offer for private placement of NCD facilities on following terms & conditions, subject to approval of our Committee of Directors.

Issue	Rs.150,00,00,000/-
Investor	Enterprise India Fund
Nature of the Instrument	Secured Redeemable Non-Convertible Debentures
Mode of Offering	Private Placement
Face Value	Rs. 10,00,000/-
Issue Open Date	31 st March, 2016
Issue Close Date	31 st March, 2016
Tenor	3 years & 66 days from Deemed date of Allotment
Deemed Date of Allotment	The deemed date of Allotment shall be date of receipt of funds towards subscription or 31 st March, 2016 whichever is later or any other day as the company may decide.
Interest on Application	Not Applicable
Redemption	Bullet redemption at par at the end of 3 years & 66 days from the deemed date of allotment.
Date of Maturity	05 th June, 2019
Coupon Rate	8.8315% p.a. annualised, compounded annually, payable on maturity
Yield To Maturity (YTM)	8.85% on XIRR basis
Interest Payment	Interest of Rs.46,44,26,046/- payable on maturity
Interest Payment Dates	The interest payment dates is 05/06/2019 i.e. on maturity
Put / Call Option	Not Applicable
Record Date	The record date for the purpose of determination of the persons entitled to receive interest / Principal in respect of the debentures, shall be 14 calendar days before the due date.

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Day Count Basis	Actual/Actual i.e. The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days. Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days- a-year basis
Rating	"IND AAA / Stable" rating by India Ratings & Research
Holiday Convention	If any interest payment date is not a Business Day in Mumbai, interest will be payable on the next Business Day in Mumbai which shall be the interest payment date. If any principal payment date is not a Business Day in Mumbai, principal will be payable on the previous Business Day in Mumbai which shall be the principal payment date. Business Day means a day which is not a Saturday, Sunday or a public holiday and on a day when there is RTGS/ NEFT/ ECS clearing facility in Mumbai.
Security	Debentures are secured by way of pari passu charge in terms of the registered debenture trust deed dated 14 th October, 2015 on Aurangabad Branch office along with other Debenture holders and exclusive charge on receivables under Hire Purchase/Lease/ Loan contracts, owned Assets and Book debts to the extent of 100% of Debenture outstanding.
Letters of Allotment	The Issuer will issue the Letters of Allotment in dematerialized form within 2 (Two) working days from the Deemed Date of Allotment of Debentures.
Purpose	For long Term working capital
Documents	Copy of Board Resolution for NCD. Certified True Copy of resolution passed by Committee of Directors will be given within 5 working days from the deemed date of allotment.
Trustees	Axis Trustee Services Ltd.
Listing	To be Listed in The Stock Exchange, Mumbai within 15 days from the deemed date of allotment failing which it shall buy back the bonds from investor. In-principal approval received on 14/12/2015.
Minimum Application & in multiples of Debt securities thereafter	10 Debenture and in multiples of 1 thereafter
Validity	The offer is valid till 31 st March, 2016. However the Company reserves the right to change / modify the terms at any time without any notice during the period of this offer.



Annexure -A

Illustration of Bond Cash Flows for Series AQ2016

Cash Flows	Date	No. of days in Coupon period	Amount (in Rupees)
1st Coupon	Wednesday, 05 June 2019	1161	46,44,26,046.00
Principal	Wednesday, 05 June 2019	1161	150,00,00,000.00

Note : The interest amount may change after taking into consideration the holiday convention. The interest payment should be rounded to nearest rupee. If the maturity date falls on a holiday, redemption and accrued interest are payable on the immediately previous business day.

Thanking you,
Yours faithfully,

For **MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD.,**



Authorised Signatory

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