

19th September, 2016

Reliance Capital Asset Management Co Ltd.

Reliance Centre, 5th Floor North Wing, Off
Western Express Highway, Santacruz (East),
Mumbai – 400055

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.125,00,00,000/-
Investor	Reliance Capital Asset Management Co Ltd.
Nature of the Instrument	Secured Redeemable Non-Convertible Debentures
Mode of Offering	Private Placement
Face Value	Rs. 10,00,000/-
Issue Open Date	20 th September, 2016
Issue Close Date	20 th September, 2016
Tenor	3 years & 175 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 20 th September, 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 & 175 days from the deemed date of allotment.
Date of Maturity	13 th March, 2020
Coupon Rate	7.9803% p.a. annualised, compounded annually, payable on maturity
Yield To Maturity (YTM)	8.00% on XIRR basis
Interest Payment	Interest of Rs.38,38,29,415/- payable on maturity
Interest Payment Dates	The interest payment dates is 13/03/2020 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 calender days before the due date.

Page 1 of 3



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 18 th August, 2016 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. 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 20 th September, 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 BU2016

Cash Flows	Date	No. of days in Coupon period	Amount (in Rupees)
1st Coupon	Friday, 13 March 2020	1270	38,38,29,415.00
Principal	Friday, 13 March 2020	1270	125,00,00,000.00

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

Page 3 of 3