

03rd November, 2017

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Aditya Birla Finance Limited

R Tech Park, Nirlon Complex
10th Floor, Off Western Express Highway,
Near The Hub Mall, Goregaon East
Mumbai – 400063

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.25,00,00,000/-
Security Name	7.39% - Mahindra & Mahindra Financial Services Ltd – Series BG2017- 22 Dec 2020
Original Date of Allotment	14 th August, 2017
ISIN	INE774D07RO8
Past Issue Size in same ISIN	Rs.150,00,00,000/-
Investors	Aditya Birla Finance Limited
Arranger	Trust Investment Advisors Private Ltd
Nature of the Instrument	Secured Redeemable Non-Convertible Debentures
Mode of Offering	Private Placement
Face Value	Rs.10,00,000/-
Additional Issuance Pay in Date	06 th November, 2017
Residual Tenor	3 years & 46 days from the pay in date of additional issuance.
Accrued Interest till Pay in date	The investor shall pay the interest to the issuer from the original date of allotment till one day prior to pay in date i.e. from 14 th August, 2017 to 05 th November, 2017 – Rs.42,51,781/-
Interest on Application	Not Applicable
Redemption	Bullet redemption at par at the end of 3 years & 130 days from the original date of allotment i.e. from 14 th August, 2017
Date of Maturity	22 nd December, 2020
Coupon Rate	7.39% p.a.
Issue price	Clean Price : Rs.99.5921 per Rs.100 i.e. Rs.9,95,921/- per Bond and accrued interest till pay in date
Premium / Discount at which additional security is issued under existing ISIN	Issued at discount of Rs.0.4079 per Rs.100, effective yield is 7.54%
Interest Payable	On date & Annually
Interest Payment Dates	The interest payment dates are 22/12/2017, 22/12/2018, 22/12/2019, & on maturity i.e. 22/12/2020.
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. In case of leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days for a whole one year period. (SEBI Circular - CIR/IMD/DF-1/122/2016 dated November 11, 2016)

Page 1 of 3

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CIN - L65921MH1991PLC059642



Rating	"IND AAA / Stable" rating by India Ratings & Research
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.
Put / Call Option	Not Applicable
Holiday Convention	If any interest payment date falls on a holiday, the payment may be made on the following working day. If any principal payment date falls on a holiday, principal will be payable on the previous working day. The interest/ redemption payments shall be made only on the days when the money market is functioning in Mumbai. The Coupon payment convention will be as per SEBI Circular - CIR/IMD/DF-1/122/2016 dated November 11, 2016
Security	Debentures are secured by way of pari passu charge in terms of the registered debenture trust deed dated 12 th December, 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.
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 09/12/2016.
Minimum Application & in multiples of Debt securities thereafter	10 Debenture and in multiples of 1 thereafter
Compliance	Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated 30th June 2017. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated 30th June 2017
Validity	The offer is valid till 06 th November, 2017. 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 - Original - Illustration of Bond Cash Flows for Series BG2017

Cash Flows	Date	No. of days in Coupon period	Amount per debenture (in Rupees)
1st Coupon	Friday, 22 December 2017	130	26,320.55
2nd Coupon	Saturday, 22 December 2018	365	73,900.00
3rd Coupon	Sunday, 22 December 2019	365	73,900.00
4th Coupon	Tuesday, 22 December 2020	366	73,900.00
Principal	Tuesday, 22 December 2020		10,00,000.00

Note : If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. 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. The Coupon payment convention will be as per SEBI Circular - CIR/IMD/DF-1/122/2016 dated November 11, 2016

Thanking you,
Yours faithfully,
For **MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD.,**



Authorised Signatory