

19th March, 2019

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.

Terms

Issuer	Mahindra & Mahindra Financial Services Limited
Mode of Offering	Private Placement
Nature of the Instrument	Secured Redeemable Non-Convertible Debentures
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 date of Interest / principal payment.
Security	Debentures are secured by way of pari passu charge in terms of the debenture trust deed dated 13 th November 2018 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	The proceeds of the Debentures shall be utilised by the Company for the purpose of financing, repayment of dues of other financial institutions / Banks or for long term working capital.
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)
Listing	To be listed in The Stock Exchange, Mumbai within 20 days. In case of FII/FPI investors to be listed in The Stock Exchange, Mumbai within 15 working days from the deemed date of allotment failing which it shall buy back the bonds from investor. In-principal approval received on 05/12/2018.

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Holiday Convention	<p>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.</p> <p>Working days shall be all days on which money market is functioning in Mumbai excluding non- working Saturdays or Sundays or a holiday of commercial banks in Mumbai or a public holiday in India. In case of failure of RBI's system for RTGS / NEFT payment, the same will be made on the next business day. The Company will not be liable to pay any additional interest on account of same. The Coupon payment convention will be as per SEBI Circular - CIR/IMD/DF-1/122/2016 dated November 11, 2016</p>
Documents	<p>Copy of Board Resolution for NCD.</p> <p>Certified True Copy of resolution passed by Committee of Directors will be given within 5 working days from the deemed date of allotment.</p>
Letters of Allotment	<p>The Issuer will issue the Letters of Allotment in dematerialized form within 2 (Two) working days from the Deemed Date of Allotment of Debentures.</p>
Trustees	Axis Trustee Services Ltd.
Minimum Application & in multiples of Debt securities thereafter	10 Debenture and in multiples of 1 thereafter
Compliance	<p>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.</p> <p>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</p>
Validity	<p>The offer is valid till 20th March, 2019. However the Company reserves the right to change / modify the terms at any time without any notice during the period of this offer.</p>



Terms – AD2019

Issue	Rs.500 Crores
Arrangers	Axis Bank Limited
Investors	Axis Bank Limited
Issue Open Date	20 th March, 2019
Issue Close Date	20 th March, 2019
Face Value	Rs.10,00,000/- per debenture
Deemed Date of Allotment	The deemed date of Allotment shall be date of receipt of funds towards subscription in EBP or 20 th March, 2019 whichever is later or any other day as the company may decide.
Tenor	1 year & 364 days from Deemed date of Allotment
Date of Maturity	19 th March, 2021
Coupon Rate	8.65% p.a.
Interest Payable	Annually
Interest Payment Dates	20 th March 2020 & on maturity 19 th March 2021
Redemption	Redemption at par at the end of 1 year & 364 days from the deemed date of allotment
Rating	"IND AAA / Stable" rating by India Ratings & Research

Illustration of Bond Cash Flows for Series AD2019

Cash Flows	Date	No. of days in Coupon period	Amount per Debenture (Rs.)
1st Coupon	Friday, 20 March 2020	366	86,500.00
2nd Coupon	Friday, 19 March 2021	364	86,263.01
Principal	Friday, 19 March 2021		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



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