

Birla Sun Life Mutual Fund,
One India Bulls Centre, Tower 1,
17th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai- 400 013

Mr. Kaustubh Gupta

Dear Sir,

Sub: Issue of Secured, Redeemable Non-Convertible Debentures (NCDs) on private placement basis.

Pursuant to the discussions we have had with your corporation, please find the terms of the issue of the NCD, the details of which are set out in the issue details ("Issue Details") annexed hereto and marked at Annex 1.

We are enclosing herewith the Offer Document (Shelf Disclosure Document and the Private Placement Offer Letter dated **February 27, 2017**.) Please note that in the event of any inconsistency and/or repugnancy between the terms of this Issue Details and the Offer Document, the terms and conditions set out in the Issue Details shall prevail over the terms and conditions set out in the Offer Document.

The said debentures are proposed to be listed on BSE. Letter of allotment/Certificate shall be issued in the electronic form within 2 working days from the date of allotment. Annexure 1 & Annexure A attached herewith forms an integral part of this offer.

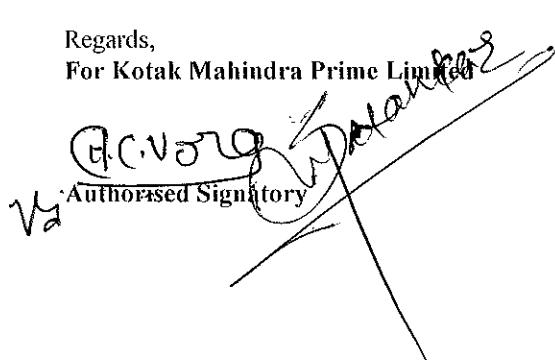
As discussed, request you to kindly RTGS the subscription proceeds of Rs.150,00,00,000/- Kotak Mahindra Prime Ltd Account #8811423896, (IFSC Code- KKBK0000958) with Kotak Mahindra Bank, Mittal Court Branch, Nariman Point for value date February 27, 2017

Receipt of the subscription proceeds mentioned herein shall be considered as acceptance by the parties of the underlying documents and these presents.

Please note that this term sheet is directed to and for the use of the addressee only.

Regards,

For Kotak Mahindra Prime Limited


T. C. V. Rao
Authorised Signatory

Kotak Mahindra Prime Limited

CIN U67200MH1996PLC097730 T +91 22 66056825
Kotak Infinity, 6th Floor F +91 22 67259086
Building No 21, Infinity park service.carfinance@kotak.com
Off Western Express Highway www.kotak.com
General A K Vaidya Marg
Malad (E), Mumbai 400 097, India

Registered Office :
27BKC, C 27, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
India.

ISSUE DETAILS
Annexure – Series IV

| S.No | Particulars | |
|------|---|---|
| 1. | Security Name | Kotak Mahindra Prime Ltd 7.6783% NCD 26 Dec 2018 |
| 2. | Issuer | Kotak Mahindra Prime Ltd. |
| 3. | Type of Instrument | Secured, Redeemable, Non Convertible Debentures |
| 4. | Nature of Instrument | Secured |
| 5. | Seniority | Senior |
| 6. | Mode of Issue | Private Placement |
| 7. | Eligible Investors | For details kindly refer section “Other Details - point q (iv)” of Offer Document |
| 8. | Listing | Proposed to be listed on Bombay Stock Exchange Ltd. within 20 days from the date of allotment. |
| 9. | Rating of The instrument | CRISIL AAA /Stable |
| 10. | Total Issue Size (Amount Rs. crs) | For details kindly refer section “Issue Details” of Offer Document. |
| 11. | Option to retain oversubscription (Amount) | For details kindly refer section “Issue Details” of Offer Document. |
| 12. | Objects of the Issue | For details kindly refer section “Other Details - point q (v)” of Offer Document |
| 13. | Details of the utilization of the Proceeds | The proceeds of the issue after meeting the expenditures of and related to the issue of such Debentures / Instruments if any, will be used for various financing activities of the Company, to repay existing debts of the Company and for business operations of the Company including capital expenditure, short term/long term working capital requirements and general corporate purposes of the Company. Further, the issue proceeds may be utilized / invested (as approved by the Board of the Company) in fixed deposits with banks, mutual funds units, etc. |
| 14. | Coupon Rate payable on the nominal value of the issue | 7.6783% p.a. |
| 15. | Step Up/Step Down Coupon Rate | N.A. |
| 16. | Coupon Payment Frequency | Coupon payable annually and at maturity.. |
| 17. | First Interest Payment Date | 27 Feb 2018 |
| | Final Interest Payment Date | 26 Dec 2018 |
| 18. | Coupon Type | Fixed |
| 19. | Coupon Reset Process (incl rates, spread, effective date, interest rate cap and floor etc) | N.A. |
| 20. | Day Count Basis | Actual/Actual (Refer Note 2) |
| 21. | Interest on Application Money | Not Applicable |
| 22. | Default Interest Rate | 2% p.a. over the coupon rate for the defaulting period. |
| 23. | Face Value (Nominal Value) per Debenture | Rs.10,00,000/- |
| 24. | Paid up value of security (per security as of date) | Rs.10,00,000/- |
| 25. | Units Subscribed | 1500 Nos |
| 26. | Total nominal value of units subscribed | Rs 150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) |
| 27. | Total paid up value of units subscribed | Rs.150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) |
| 28. | Issue Price per Debenture | Rs.10,00,000/- |
| 29. | Discount at which security is issued and the | N.A |

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| | | |
|-----|---|---|
| | effective yield as a result of such discount | |
| 30. | Tenure from the deemed date of allotment | 667 days |
| 31. | Redemption Date | 26 Dec 2018 |
| 32. | Redemption Amount (Principal) per Debenture | Rs.10,00,000.00 (Rupees Ten Lakh Only) |
| 33. | Redemption Premium/Discount | N.A. |
| 34. | Put Option & Call Option Date | N.A. |
| 35. | Put / Call option Time | N.A. |
| 36. | Put /Call option Price | N.A. |
| 37. | Minimum Application and in multiples of Debt Securities thereafter | 10 debentures and 1 debenture thereafter |
| 38. | Issue Opening | 27 Feb 2017 |
| 39. | Bid Opening | 27 Feb 2017 |
| 40. | Bid Closing | 27 Feb 2017 |
| 41. | Issue Closing | 27 Feb 2017 |
| 42. | Subscription Date | 27 Feb 2017 (Refer Note 1) |
| 43. | Date of allotment | 27 Feb 2017 |
| 44. | Issuance mode of the Instrument | Demat only |
| 45. | Trading mode of The Instrument | Demat only |
| 46. | Settlement mode of the Instrument | Refer Section 'B' of Summary Term sheet of Shelf Disclosure Document to be listed on BSE |
| 47. | Depository | NSDL / CDSL |
| 48. | Payment Convention | Refer Note 3 |
| 49. | Security | Refer Note 4 |
| 50. | Asset Cover Ratio | The Company shall maintain the asset cover of 1.00 times during the tenure of the Debentures ("Asset Cover Ratio"). |
| 51. | Events of Default | Refer Section 'B' of Summary Term sheet of Offer Document. |
| 52. | Provisions related to Cross Default Clause | N.A. |
| 53. | Transaction Documents | Refer Section 'B' of Summary Term sheet of Offer Document. |
| 54. | Condition Precedent to Disbursements | Refer Section 'B' of Summary Term sheet of Offer Document. |
| 55. | Condition subsequent to Disbursements | Refer Section 'B' of Summary Term sheet of Offer Document. |
| 56. | Record Date | Refer Note 5 and Section 'B' of Summary Term sheet of Offer Document. |
| 57. | Role and responsibility of Debenture Trustee | Refer Section 'B' of Summary Term sheet of Offer Document. |
| 58. | Governing Law and Jurisdiction | Refer Section 'B' of Summary Term sheet of Offer Document. |
| 59. | Trustee | IDBI Trusteeship Services Limited vide consent dated July 20 , 2015 |
| 60. | Arranger | N.A. |
| 61. | Latest Audited financial information as on September 30, 2016 | For details kindly refer of Offer Document. |

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1. Application money, if any, once received by the company cannot be withdrawn by the Applicant.
2. Computation of Interest - Day count convention for calculation of interest shall be - (Actual /Actual) – The denominator for the calculation shall be either 365 (if the calculation period does not contain 29th February) or 366 (if the calculation period includes 29th February), where the calculation period is upto one year. Where a calculation period of longer than one year is involved, two or more calculations are made: interest is calculated for each full year, counting forwards from the beginning of the calculation period. 366 days shall be used as the denominator, where the calculation period includes 29th February. The numerator will be equal to the actual number of days from and including the last interest / coupon payment date, to one day prior to the next interest / coupon payment date (i.e. excluding the value date of the interest / coupon payment).
3. Payment convention:
 - a. **Coupon payment falling on a scheduled / unscheduled holiday** – Coupon Payment to be “Following Business Day” – i.e. any interest payment (excluding any payment of interest due on maturity date) falling on a Saturday (non-business day) / Sunday or on a bank holiday or on a day when there is no RTGS / NEFT / ECS clearing, shall be paid on the next working day however the calculation of the of the said coupon payment would be as per the schedule originally stipulated at the time of issuing the security. Thus, the subsequent coupon schedule would not be disturbed.
 - b. **Redemption proceeds falling on a scheduled holiday** – Payment to be “Preceding Business Day” – i.e. If the maturity date of the debt securities, falls on a Saturday (non-business day) / Sunday or on a bank holiday or on a day when there is no RTGS / NEFT / ECS clearing, the redemption proceeds (interest + principal) shall be paid on the preceding / previous working day.
 - c. **Redemption proceeds falling on a unscheduled holiday** – Payment to be “Following Business Day” – i.e. If the maturity date of the debt securities, falls on a unscheduled holiday (non-business day) when there is no RTGS / NEFT / ECS clearing, the redemption proceeds (interest + principal) shall be paid on the next working day.
4. The Debenture shall be secured by way of first pari-passu charge in terms of the registered Debenture Trust Deed dated August 28, 2015 and any supplemental/modified deed executed from time to time on:
 - (a) Mortgage of Flat bearing No.35-D. at Mahindra Park constructed on land bearing C.T.S. no.175 situated at Lal Bahadur Shastri Marg, Ghatkopar (West), Mumbai 400 086 of Village Kirol, Taluka, Kurla BSD. Cost at which property was purchased - Rs.18,07,472/- (Rupees Eighteen Lakhs Seven Thousand Four Hundred and Seventy Two Only) and
 - (b) The Debenture shall be secured by way of first pari-passu charge in the nature of hypothecation in terms of the Deed of Hypothecation dated August 28, 2015 and any supplemental/modified deed executed from time to time on Movable Properties :

“Moveable Properties” shall mean, present and future:

- (i) Receivables;
- (ii) other book debts of the Company (except the ones excluded from the definition of Receivables);
- (iii) other currents assets of the Company (except the ones excluded from the definition of Receivables); and
- (iv) other long term and current investment

5. Record Date: The record date for determining eligibility for interest / principal payments shall be seven working days (both dates exclusive) before the relevant interest / principal payment date. Interest / Principal will be paid to the person whose name appears in the Register of Debenture holders as sole / first Debenture holder as per the list of beneficiaries provided by the Depository as on the record date.
6. Security Creation: In case of delay in creation of Trust Deed and Charge documents, the Company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.
7. Delay in Listing: In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of at least 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.
8. Redemption/Interest proceeds shall be paid to the beneficial owner who is holder of the security as per the records of the Depository seven working days prior to the due date for redemption or put/call date (if applicable), whichever is earlier.
9. Redemption / interest proceeds shall be payable at par at Mumbai on due date.
10. Tax exemption certificates, if applicable, in respect of non-deduction of tax at source on interest on application money must be submitted along with the application form.
11. Tax exemption certificate / document / form under section 193 of the Income Tax Act, 1961, if any, must be lodged at the Corporate / Registered Office, at least three working days before the relevant interest payment becoming due.

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Annexure A: Illustration of Bond Cash Flows per Debenture for Series IV:

| Cash flows | Date | No of days in coupon period / principal period | Denominator (No. of days) for Coupon calculation | Amount (in Rupees) |
|--------------|-------------------|--|--|---------------------|
| First Coupon | Tue, 27 Feb, 2018 | 365 | 365 | 76,783.00 |
| Final Coupon | Wed, 26 Dec, 2018 | 302 | 365 | 63,530.04 |
| Principal | Wed, 26 Dec, 2018 | 667 | | 10,00,000.00 |
| Total | | | | 11,40,313.04 |

Note: Interest payments would be rounded off to the nearest rupee

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