

10th August, 2017

Edelweiss Financial Services Limited,
Edelweiss House,
7th Floor, Off C.S.T. Road,
Kalina, Mumbai 400 098

**Mahindra Rural Housing
Finance Ltd.**

Sadhana House, 2nd Floor,
570, P.B. Marg, Worli,
Mumbai 400 018 India
Tel: +91 22 66523500
Fax: +91 22 24972741

Kind Attn: **Mr. Prakash Sharma**

Dear Sir/Ma'am

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 of Issue:

Particulars	Instrument Details
Nature of the Instrument	Secured, Redeemable, Listed, Non-Convertible Debentures
Issue Size	Rs.120 Crores (Rupees One Hundred and Twenty Crores Only)
Face Value	Rs.10,00,000/- per Debenture
Investor	Rural Postal Life Insurance Fund A/C SBIFMPL – 55 Crs Agriculture Insurance Company of India Limited – 50 Crs Postal Life Insurance Fund A/C SBIFMPL- 15 Crs
Eligible Investor	Mutual Funds / Banks / Financial Institutions / Insurance Companies / Pension Funds / Provident Fund/Corporates/Individuals/FIIs
Arranger	Edelweiss Financial Services Limited
Mode of Offering	Private Placement
Issue Open Date	11 th August, 2017
Issue Close Date	11 th August, 2017
Deemed Date of Allotment	The deemed date of Allotment shall be date of receipt of funds towards subscription or 11 th August 2017 whichever is later or any other day as the company may decide.
Interest on Application	Not applicable
Day Count Basis	Actual/ Actual i.e. In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times The Coupon payment /redemption date /Leap year convention will be as per SEBI Circular - CIR/IMD/DF-1/122/2016 dated November 11, 2016
Rating	"IND AA+/Stable" rating by India Ratings & Research Pvt Ltd "CRISIL AA+/ Stable" rating by CRISIL Ltd
Tenor	5 years 223 Days from Deemed date of Allotment
Redemption	At par at the end of 5 years 223 Days from the deemed date of allotment.
Redemption price per debenture	Rs.10,00,000/- per Debenture
Coupon rate	7.82% pa
Issue price per debenture	Rs.10,00,000/- per Debenture
Interest Payable	Annually

Regd. Office:

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Tel: +91 22 66526000 | Fax: +91 22 24984170/71 | www.mahindrahomefinance.com
CIN : U65922MH2007PLC169791

Interest Payment Dates	<div> <div>Saturday, August 11, 2018</div> <div>Sunday, August 11, 2019</div> <div>Tuesday, August 11, 2020</div> <div>Wednesday, August 11, 2021</div> <div>Thursday, August 11, 2022</div> <div>Wednesday, March 22, 2023</div> </div>
Put / Call Option	Not Applicable
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>The interest/ redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p> <p>The Coupon payment /redemption date convention will be as per SEBI Circular - CIR/IMD/DF-1/122/2016 dated November 11, 2016</p>
Security	<p>Debentures are secured by way of pari passu charge in terms of the registered debenture trust deed dated 18th March, 2016 on property situated at Office No. 101B carpet area admeasuring 205 Sq Ft on First Floor situated at C.S.T. No. 4534 & 4534/1 to 9, Chinchwad, in "Mayur Trade Center Phase-II" Pune - 19 in the state of Maharashtra along with other Debenture holders and exclusive charge on Books Debts and Future Receivables originating from loan contracts and owned Assets to the extent of 100% of Debenture outstanding</p>
Maturity Date	22 nd March, 2023
Custodian	NSDL
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.
Trustees	AXIS Trustee Services Ltd.
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/ for financing of Loan Assets/ General Corporate purposes of the Company.
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.
Listing	To be Listed in The Bombay Stock Exchange (BSE), Mumbai within 20 working days from the deemed date of Allotment. In-principle approval received on 23 rd June 2017.

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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.
Minimum Application & in multiples of Debt securities thereafter	10 Debenture and in multiples of 1 thereafter
Validity	The offer is valid till 11 th August, 2017. However the Company reserves the right to change / modify the terms at any time without any notice during the period of this offer.
Mandatory compliance clause	<ul style="list-style-type: none">a) Company reserves right to make multiple issuances under the same ISIN at terms and conditions, it deems fit with reference to SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated 30th June 2017.b) 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 at terms and conditions, it deems fit in line with SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated 30th June 2017



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Annexure -A**Illustration of Bond Cash Flows for Series MRHFL-FF2017**

Cash Flows	Date	No. of days in Period	Amount per Debenture (in Rupees)
1st Coupon	Saturday, August 11, 2018	365	78200
2nd Coupon	Sunday, August 11, 2019	365	78200
3rd Coupon	Tuesday, August 11, 2020	366	78200
4th Coupon	Wednesday, August 11, 2021	365	78200
5th Coupon	Thursday, August 11, 2022	365	78200
6th Coupon	Wednesday, March 22, 2023	223	47777
Principal	Wednesday, March 22, 2023	223	1000000

Note: The interest payment should be rounded to nearest rupee.

*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 /Redemption date convention will be as per SEBI Circular - CIR/IMD/DF-1/122/2016 dated November 11, 2016.

*In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times. The leap year convention will be as per SEBI Circular - CIR/IMD/DF-1/122/2016 dated November 11, 2016

Thanking You,

Yours faithfully,

For Mahindra Rural Housing Finance Limited.,


Authorised Signatory

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