

Term Sheet

28th June, 2018

Dear Sir/Ma'am

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. 300 Crores (Rupees Three Hundred Crores Only)
Face Value	Rs.10,00,000/- per Debenture
Investor	IDFC Bank Limited
Arranger	Not Applicable
Eligible Investor	Mutual Funds / Banks / Financial Institutions / Insurance Companies / Pension Funds / Provident Fund/Corporates/Individuals/FIIs
Mode of Offering	Private Placement
Issue Open Date	29 th June, 2018
Issue Close Date	29 th June, 2018
Deemed Date of Allotment	The deemed date of Allotment shall be date of receipt of funds towards subscription in EBP or 29 th June, 2018 whichever is later or any other day as the company may decide.
Interest on Application	Not applicable
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)
Rating	"IND AA+/ Stable" rating by India Ratings & Research Private Limited
Tenor	3 years 30 days from Deemed date of Allotment
Redemption	At par at the end of 3 years 30 days from the deemed date of allotment
Coupon rate	IDFC Bank 3m MCLR plus Spread of 60 bps. Interest Rate (Coupon Rate) is per annum, payable annually For the purpose of interest calculation IDFC Bank 3 month MCLR as published on the website of IDFC bank i.e. www.idfcbank.com shall be considered For first three interest payments, interest rate for the year shall be simple average of the IDFC Bank 3m MCLR as existing on the Interest Rate Determination Date(s) + spread of 60 bps (Refer Annexure A for clarity) For the last (fourth) interest payment, IDFC Bank 3 month MCLR as existing on 29th June 2021 + spread of 60 bps shall be applicable (Refer Annexure A for clarity)
Interest Rate Determination Date(s)	Quarterly on 29th June, September, December and March every year (Refer Annexure A for clarity)



Regd. Office:

Mahindra Towers, 4th Floor, Dr. G.M. Bhosale Marg, Worli, Mumbai 400 018 India
Tel: +91 22 66526000 | Fax: +91 22 24984170/71 | www.mahindrahomefinance.com
CIN : U65922MH2007PLC169791

Interest Payable	Annually For first three interest payments, interest rate for the year shall be simple average of the IDFC Bank 3m MCLR as existing on the Interest Rate Determination Date(s) + spread of 60 bps (Refer Annexure A for clarity) For the last (fourth) interest payment, IDFC Bank 3 month MCLR as existing on 29th June 2021 + spread of 60 bps shall be applicable (Refer Annexure A for clarity)				
Interest Payment Dates	<table border="1"> <tr> <td>Saturday, June 29, 2019</td> </tr> <tr> <td>Monday, June 29, 2020</td> </tr> <tr> <td>Tuesday, June 29, 2021</td> </tr> <tr> <td>Thursday, July 29, 2021</td> </tr> </table>	Saturday, June 29, 2019	Monday, June 29, 2020	Tuesday, June 29, 2021	Thursday, July 29, 2021
Saturday, June 29, 2019					
Monday, June 29, 2020					
Tuesday, June 29, 2021					
Thursday, July 29, 2021					
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. 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				
Security	Debentures are secured by way of First pari passu charge in terms of the debenture trust deed dated 27 th June, 2018 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				
Maturity Date	29 th July 2021				
Custodian	NSDL only				
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.				



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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.
Purpose	<p>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.</p> <p>To the extent of subscription received from Banks in the said issue, the proceeds will not be utilised for:</p> <ul style="list-style-type: none"> • Bills discounted / rediscounted by NBFCs • Investments of NBFCs in any company / entity by way of shares, debentures, etc. • Unsecured loans / inter-corporate deposits by NBFCs to / in any company • Loans and advances by NBFCs to their subsidiaries, group companies / entities. • Initial Public Offerings (IPOs) and for purchase of shares from secondary market <p>Any other activity for which bank finance to NBFC is not permitted</p>
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 29th December 2017.
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 29 th June, 2018.
Mandatory compliance clause	<p>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.</p> <p>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</p>



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Annexure -A

Illustration of Bond Cash Flows for Series MRHFL-DD2018 on debenture of Rs 10 lacs

The interest rate applied for interest payment / coupon payment shall be simple average of 3M IDFC BANK MCLR (hereinafter called MCLR) as existing on 29th June, 29th September, 29th December and 29th March + spread of 60 bps as given in below example.

Example

- 1) First Interest Payment:** The 3m MCLR on 29th June 2018, 29th September 2018, 29th December 2018 and 29th March 2019 is 8.5000%, 8.6500%, 8.4500% and 8.3000%, then the first interest payment per debenture shall be $[(8.5000+8.6500+8.4500+8.3000)/4 + .60]\% * 10 \text{ lac} * 365/365$, i.e., $9.0750\% * 10 \text{ lac} * 365/365 = 90750$.
- 2) Second Interest Payment:** The 3m MCLR on 29th June 2019, 29th September 2019, 29th December 2019 and 29th March 2020 is 8.5000%, 8.6000%, 8.5000% and 8.5000%, then the second interest payment per debenture shall be $[(8.5000+8.6000+8.5000+8.5000)/4 + .60]\% * 10 \text{ lac} * 366/366$, i.e., $9.1250\% * 10 \text{ lac} * 366/366 = 91250$.
- 3) Third Interest Payment:** The 3m MCLR on 29th June 2020, 29th September 2020, 29th December 2020 and 29th March 2021 is 8.4000%, 8.4000%, 8.4500% and 8.4500%, then the third interest payment per debenture shall be $[(8.4000+8.4000+8.4500+8.4500)/4 + .60]\% * 10 \text{ lac} * 365/365$, i.e., $9.0250\% * 10 \text{ lac} * 365/365 = 90250$.
- 4) Fourth Interest Payment:** The 3m MCLR on 29th June 2021 is 8.4000%, then the Fourth interest payment per debenture shall be $[8.4000 + .60]\% * 10 \text{ lac} * 30/365$, i.e., $9.0000\% * 10 \text{ lac} * 30/365 = 7397$.

Cash Flows	Date	No. of days in Period	Amount per debenture (in Rupees)
1 st Coupon	Saturday, June 29, 2019	365	90750
2 nd Coupon	Monday, June 29, 2020	366	91250
3 rd Coupon	Tuesday, June 29, 2021	365	90250
4 th Coupon	Thursday, July 29, 2021	30	7397
Principal	Thursday, July 29, 2021	30	1000000

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

*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

*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.,



 **Authorized Signatory**

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