

## MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

### Public Issue of Secured and Unsecured Subordinated Redeemable Non-Convertible Debentures

<b>Issuer</b>	<b>Mahindra &amp; Mahindra Financial Services Limited</b>
<b>Instrument</b>	<b>Secured Redeemable and Unsecured Subordinated Redeemable Non-Convertible Debentures ("NCDs")</b> The Unsecured NCDs will be in the nature of subordinated debt and will be eligible for Tier II capital.
<b>Issuance Schedule*</b>	The Tranche - I Issue shall be <b>open from Friday, 4<sup>th</sup> January 2019 to Friday, 25<sup>th</sup> January 2019</b>

*\*The Issue shall remain open for subscription on Working Days from 10 am to 5 pm (IST) during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board/ Bond Issue Committee, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, the company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper with wide circulation on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be.*

<b>Tranche-I Issue Size</b>	<b>Base Issue size Rs.500 Crore with an option to retain oversubscription up to Rs.3,000 Crore aggregating upto Rs.3,500 Crore (Tranche-I issue Limit).</b> (The Secured NCDs shall be allotted for a value of up to Rs.2,500 crore and the Unsecured NCDs shall be allotted for a value of up to Rs.1,000 Crore within the overall limit of Rs.3,500 Crore)			
<b>Face Value</b>	Rs.1,000/-			
<b>Minimum Application Size</b>	Rs.10,000/- ( 10 NCDs) collectively across all Series and in multiple of Rs.1,000 (1 NCD) thereafter across all Series.			
<b>Credit Rating</b>	<b>"AAA" (Stable) by CARE and India Ratings</b> (Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk).			
<b>Issuance &amp; Trading of NCDs</b>	NCDs will be issued and trade in <b>Dematerialised form only.</b>			
<b>Allotment</b>	on First Come First Served basis			
<b>Category</b>	<b>I – Institutional ("QIB")</b>	<b>II – Non Institutional ("Corporate")</b>	<b>III – High Networth Individual ("HNI") amount aggregating to above Rs.10 lakh</b>	<b>IV – Retail Individual ("Retail") amount aggregating up to and including Rs.10 lakh</b>
<b>Category Allocation</b>	<b>20%</b> of the overall Issue Size.	<b>20%</b> of the overall Issue Size.	<b>30%</b> of the overall Issue Size.	<b>30%</b> of the overall Issue Size.
<b>Bucket Size (Rs.) assuming Issue size of Rs.3,500 Cr</b>	<b>Rs.700 Crores</b>	<b>Rs.700 Crores</b>	<b>Rs.1,050 Crores</b>	<b>Rs.1,050 Crores</b>
<b>Put/Call Option</b>	There is <b>no put/call</b> option for the NCDs			
<b>Interest Payment Date</b>	For Series I, II, III and IV NCDs, where the interest is to be paid on an annual basis, interest will be computed upto March 31st every year and paid on April 1st every year for the amount outstanding. The first interest payment will be made on April 1, 2019 for the period commencing from the Deemed Date of Allotment till March 31, 2019. The last interest payment will be made at the time of maturity of the NCD on a pro rata basis for the days from April 1st to the date of redemption.			
<b>Nature of Indebtedness and Ranking / Seniority</b>	Secured and/ or Unsecured Subordinated, Redeemable, Non-Convertible Debentures subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions. The Unsecured NCDs will be in the nature of subordinated debt and will be eligible for Tier II capital.			
<b>Security</b>	The principal amount of the Secured NCDs to be issued in terms of this Issue together with all interest due on the Secured NCDs in respect thereof shall be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of the company, as may be decided mutually by the company and the Debenture Trustee. The company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% asset cover for the Secured NCDs (along with the interest due thereon).			
<b>Lead Manager</b>	Axis Bank, Edelweiss Financial Services, A. K. Capital Services, ICICI Securities, SBI Capital Markets, Trust Investment Advisors and Yes Securities			
<b>Registrar</b>	Karvy Computershare Pvt Ltd			
<b>Listing</b>	Proposed to be listed on <b>BSE.</b>			

**MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED****Who can apply?****Category I (Institutional Buyers) ("QIB")**

- Public financial institutions scheduled commercial banks<sup>^</sup>, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs;
- Provident funds, pension funds with a minimum corpus of Rs.25 crore, superannuation funds and gratuity funds, which are authorized to invest in the NCDs;
- Mutual Funds registered with SEBI;
- Resident Venture Capital Funds/ Alternative Investment Fund registered with SEBI, subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Insurance Companies registered with IRDA;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than Rs.500 crore as per the last audited financial statements; and
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.

**Category II (Non Institutional Investors) ("Corporates"):**

- Companies within the meaning of section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks<sup>^</sup>;
- Public/private charitable/ religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

**Category III ("High Net-worth Individual) ("HNIs"),****Applying for an amount aggregating to above Rs.10 lakh across all Series of NCDs in Issue**

- Resident Indian individuals and
- Hindu Undivided Families through the Karta

**Category IV (Retail Individual Investors) ("RIIs")****Applying for an amount aggregating up to and including Rs.10 lakh across all Series of NCDs in Issue**

- Resident Indian individuals and
- Hindu Undivided Families through the Karta

*Note: <sup>^</sup>Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.*

**Application cannot be made by :**

**1.** Minors without a guardian name\* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian); **2.** Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA; **3.** Persons resident outside India and other foreign entities; **4.** Foreign Institutional Investors; **5.** Foreign Portfolio Investors; **6.** Qualified Foreign Investors; **7.** Overseas Corporate Bodies; and **8.** Persons ineligible to contract under applicable statutory/regulatory requirements.

*\*Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

## MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

ISSUE STRUCTURE				
Option/Series	I	II	III	IV
Nature of NCDs	Secured NCDs			Unsecured NCDs
Who can Apply	<u>All categories of investors (Category I, II, III and IV)</u>			
Issue Price per NCD	Rs.1,000/-	Rs.1,000/-	Rs.1,000/-	Rs.1,000/-
Frequency of Interest	Annual	Annual	Annual	Annual
Tenor	39 Months	60 Months	96 Months	120 Months
Put/Call Option	N.A.	N.A.	N.A.	N.A.
<b>Coupon Rate (% p.a.) for :</b>				
Category I & II ("QIB" & "Corporate")	9.00%	9.10%	9.20%	9.35%
Category III & IV ("HNI" & "Retail")	9.05%	9.15%	9.30%	9.50%
<b>Effective Yield (% p.a.) for :</b>				
Category I & II ("QIB" & "Corporate")	9.02%	9.12%	9.21%	9.35%
Category III & IV ("HNI" & "Retail")	9.07%	9.17%	9.31%	9.50%
Redemption Price per NCD	Rs.1,000/-	Rs.1,000/-	Rs.1,000/-	Rs.1,000/-
Step up/ Step down interest rates	No Step up/ Step down option available for NCDs.			

*Note : Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche I Prospectus read with the provisions of the Articles of Association of the company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.*

**Note:** In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

**Note:** Application will be rejected if banked without uploading in the electronic system of the recognised stock exchanges.  
For additional information & risk factors please refer to the Prospectus