

# Mahindra FINANCE

## MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Our Company was incorporated at Mumbai as Maxi Motors Financial Services Limited on January 1, 1991 as a public limited company under the Companies Act, 1956, as amended with registration no. 11-059642 and was granted a certificate of incorporation by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). The name of our Company was changed to Mahindra & Mahindra Financial Services Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on November 3, 1992. Our Company is registered as a deposit accepting non-banking financial company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934. For further details, see the section titled "History, Main Objects and Key Agreements" on page 108 of the Shelf Prospectus. The Corporate Identification Number of our Company is L65921MH1991PLC059642.

**Registered Office:** Gateway Building, Apollo Bunder, Mumbai 400001, Maharashtra  
Tel: +91 22 2289 5500; Fax: +91 22 2287 5485  
**Corporate Office:** 4<sup>th</sup> Floor, Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Cowk, Worli, Mumbai 400018, Maharashtra  
Tel: +91 22 6652 6000; Fax: +91 22 2495 3608  
**Company Secretary and Compliance Officer:** Ms. Arnava M. Pardiwalla; Tel: +91 22 6652 6017; Fax: +91 22 2495 3608  
E-mail: investorhelpline\_mmfs@mahindra.com; Website: www.mahindrafinance.com

**PUBLIC ISSUE BY MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED ("COMPANY") OR THE "ISSUER" OF UNSECURED SUBORDINATED REDEEMABLE NON CONVERTIBLE DEBENTURES ("NCDs") OF FACE VALUE OF ₹ 1,000 EACH FOR AN AMOUNT OF ₹ 25,000 LAKHS ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 1,75,000 LAKHS AGGREGATING UP TO ₹ 2,00,000 LAKHS ("TRANCHE 1 ISSUE") AND IS BEING OFFERED BY WAY OF THIS TRANCHE 1 PROSPECTUS DATED JUNE 29, 2017 CONTAINING, INTER ALIA, THE TERMS AND CONDITIONS OF THE TRANCHE 1 ISSUE ("TRANCHE 1 PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED JUNE 29, 2017 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, MAHARASHTRA, MUMBAI ("ROC"), DESIGNATED STOCK EXCHANGE AND SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). THE SHELF PROSPECTUS AND TRANCHE 1 PROSPECTUS CONSTITUTE THE PROSPECTUS ("PROSPECTUS"). THE NCDs WILL BE ELIGIBLE FOR TIER II CAPITAL. THE TRANCHE 1 ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.**

### PROMOTER

Our promoter is Mahindra & Mahindra Limited. For further details refer to the chapter "Our Promoter" on page 140 of the Shelf Prospectus.

### GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Tranche 1 Issue, including the risks involved. Specific attention of the Investors is invited to the section titled "Risk Factors" on page 12 of the Shelf Prospectus and "Material Developments" on page 22 of this Tranche 1 Prospectus. This Tranche 1 Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), any registrar of companies or any stock exchange in India.

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Tranche 1 Prospectus read together with Shelf Prospectus contains all information with regard to the Issuer. The information contained in this Tranche 1 Prospectus together with Shelf Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Tranche 1 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the Bonds, see section titled "Terms of the Issue" on page 40 of this Tranche 1 Prospectus. For details relating to eligible investors please see "Issue Procedure" on page 61 of this Tranche 1 Prospectus.

### CREDIT RATING

The NCDs proposed to be issued under this Tranche 1 Issue have been rated 'ND AAA' / Outlook Stable' for an amount of ₹ 2,00,000 lakhs, by India Ratings & Research Private Limited ("India Rating") vide their letters dated June 6, 2017 and June 27, 2017 and 'BWR AAA, Outlook: Stable' for an amount of ₹ 2,00,000 lakhs, by Brickwork Ratings India Private Limited ("BWR") vide their letters dated June 7, 2017 and June 27, 2017. The rating of NCDs by India Ratings and BWR indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rationale for these ratings, see Annexure A and B of the Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

### LISTING

The NCDs offered through this Tranche 1 Prospectus are proposed to be listed on the BSE Limited ("BSE"). Our Company has received an 'in-principle' approval from the BSE vide their letter no. DCM/BM/PI-BOND/1/17-18 dated June 28, 2017. For the purposes of the Tranche 1 Issue BSE shall be the Designated Stock Exchange.

### PUBLIC COMMENTS

The Draft Shelf Prospectus dated June 19, 2017 was filed with BSE, the Designated Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations and was open for public comments for a period of seven Working Days from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange.

### LEAD MANAGERS TO THE TRANCHE 1 ISSUE



**EDELWEISS FINANCIAL SERVICES LIMITED**  
Edelweiss House  
Off CST Road, Kalina, Mumbai 400 098  
Maharashtra, India  
Tel: +91 22 4086 3535  
Fax: +91 22 4086 3610  
Email: mmfs@edelweissfin.com  
Investor Grievance Email: customerservice.mb@edelweissfin.com  
Website: www.edelweissfin.com  
Contact Person: Mr. Lokesh Singhi / Mr. Mandeeep Singh  
SEBI Registration No.: INM0000010650



**AXIS BANK LIMITED**  
Axis House, 8th Floor, C-2, Wadia International Centre,  
P.B. Marg, Worli, Mumbai – 400 025,  
Maharashtra, India  
Tel: +91 22 6604 3293  
Fax: +91 22 2425 3800  
Email: mmfs12017@axisbank.com  
Investor Grievance Email: sharaad.sawant@axisbank.com  
Website: www.axisbank.com  
Contact Person: Mr. Vikas Shinde  
SEBI Registration No.: INM000006104



**A. K. CAPITAL SERVICES LIMITED**  
30-39 Free Press House, 3<sup>rd</sup> Floor,  
Free Press Journal Marg, 215, Nariman Point,  
Mumbai 400021  
Tel: +91 22 6754 6500  
Fax: +91 22 6610 0594  
Email: mmfsncd2017@akgroup.co.in  
Investor Grievance Email: investor.grievance@akgroup.co.in  
Website: www.akcapindia.com  
Contact Person: Mr. Malay Shah/ Mr. Krish Sanghvi  
SEBI Registration No.: INM000010411



**TRUST INVESTMENT ADVISORS PRIVATE LIMITED**  
109/110, Balarama, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051  
Tel: +91 22 4084 5000  
Fax: +91 22 4084 5007  
Email: mbd.trust@trustgroup.in  
Investor Grievance: customercare@trustgroup.in  
Website: www.trustgroup.in  
Contact Person: Mr. Ankur Jain  
SEBI Registration No.: INM000011120



**YES SECURITIES (INDIA) LIMITED**  
IFC, Tower 1 & 2, Unit no. 602 A, 6th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013, India  
Tel: +91 22 3347 7364  
Fax: 91 22 2421 4508  
E-mail: mahindrafinanceNCD@yesscuritiesltd.in  
Investor Grievance Email: ige@yesscuritiesltd.in  
Website: www.yesinvest.in  
Contact Person: Mr. Mukesh Garg  
SEBI Registration No.: MB/INM000012227

### DEBENTURE TRUSTEE THE TRANCHE 1 ISSUE



**Axis Trustee Services Limited\***  
Axis House, Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Mumbai 400 025  
Tel: +91-22- 6226 0074/75  
Fax: +91- 22- 4325 3000  
Email: debenturetrustee@axistrustee.com  
Investor Grievance Email: debenturetrustee@axistrustee.com  
Website: www.axistrustee.com  
Contact Person: Mr. Devraj Rao  
SEBI Registration Number: IND000000494  
CIN: U74999MH2008PLC18226

### REGISTRAR TO THE TRANCHE 1 ISSUE



**Karvy Computershare Private Limited**  
Karvy Selenium Tower B, Plot 31-32,  
Financial District, Nanakramguda, Gachibowli,  
Hyderabad – 500 032  
Tel: 040-67162222  
Fax: 040-23001153  
Email: einward.ris@karvy.com  
Investor Grievance Email: mahindrafinance.ncdipo2@karvy.com  
Website: www.karisma.karvy.com  
Contact Person: Mr. M Murali Krishna  
SEBI Registration Number: INR000000221  
CIN: U74140TG2003PTC041636

### ISSUE PROGRAMME\*\*

ISSUE OPENS ON: JULY 10, 2017

ISSUE CLOSES ON: JULY 28, 2017

\*Axis Trustee Services Limited under regulation 4(4) of SEBI Debt Regulations has by its letter dated June 12, 2017 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Tranche 1 Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.

A copy of the Shelf Prospectus and Tranche 1 Prospectus has been filed with the Registrar of Companies, Maharashtra, Mumbai in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled "Material Contracts and Documents for Inspection" on page 97 of this Tranche 1 Prospectus.

\*\* The Tranche 1 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Tranche 1 Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("Board") or Bond Issue Committee. In the event of an early closure or extension of the Tranche 1 Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper with wide circulation on or before such earlier or extended date of Tranche 1 Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the BSE.

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## SECTION I-GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche 1 Prospectus to “the Issuer”, “our Company”, “the Company” or “M&MFSL” or “MMFSL” or “Mahindra Finance” are to Mahindra & Mahindra Financial Services Limited, a public limited company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001, Maharashtra. Unless the context otherwise indicates, all references in this Tranche 1 Prospectus to “we” or “us” or “our” are to our Company and its Subsidiaries and its Joint Venture, on a consolidated basis.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Tranche 1 Prospectus, and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

#### Company related terms

Term	Description
Articles/ Articles of Association/AoA	Articles of Association of our Company, as amended.
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof.
Bond Issue Committee	The committee constituted by our Board of Directors by a board resolution dated October 26, 2016.
Consortium (each individually, a member of the Consortium)	The Lead Managers and Consortium Members
Consortium Agreement	Consortium Agreement dated June 28, 2017 among our Company and the Consortium
Consortium Members	Edelweiss Securities Limited, Axis Capital Limited, A. K. Stockmart Private Limited, Trust Financial Consultancy Services Private Limited and Yes Securities India Limited
Corporate Office	The corporate office of our Company, situated at 4 <sup>th</sup> Floor, Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Cowk, Worli, Mumbai 400018, Maharashtra
Director	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 2 each.
Joint Venture	The joint venture of our Company, Mahindra Finance USA LLC.
MAMCPL	Our subsidiary, Mahindra Asset Management Company Private Limited
MIBL	Our subsidiary, Mahindra Insurance Brokers Limited
MRHFL	Our subsidiary, Mahindra Rural Housing Finance Limited
MTCPL	Our subsidiary, Mahindra Trustee Company Private Limited
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended.
Preference Shares	Preference shares of our Company of face value of ₹ 100 each.
Reformatted Consolidated Financial Statements	<p>The statement of reformatted consolidated assets and liabilities as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related statement of reformatted consolidated statement of profit and loss for the Fiscals 2017, 2016, 2015, 2014 and 2013 and the related statement of reformatted consolidated cash flow for the Fiscals 2017, 2016, 2015, 2014 and 2013 as examined by our Company’s Statutory Auditors, M/s. B K Khare &amp; Co., Chartered Accountants.</p> <p>Our audited consolidated financial statements as at and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 form the basis for such Reformatted Financial Statements.</p>
Reformatted Standalone Financial Statements	The statement of reformatted standalone assets and liabilities of our Company as at March 31, 2017, March 31, 2016, March 31, 2015, March

<b>Term</b>	<b>Description</b>
	31, 2014 and March 31, 2013 and the related statement of reformatted standalone statement of profit and loss for the Fiscals 2017, 2016, 2015, 2014 and 2013 and the related statement of reformatted standalone cash flow for the Fiscals 2017, 2016, 2015, 2014 and 2013 as examined by our Company's Statutory Auditors, M/s. B K Khare & Co., Chartered Accountants.  Our audited standalone financial statements as at and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 form the basis for such Reformatted Financial Statements.
Reformatted Financial Statements	Reformatted Consolidated Financial Statements and Reformatted Standalone Financial Statements
Registered Office	The registered office is Gateway Building, Apollo Bunder, Mumbai 400001, Maharashtra.
RoC	Registrar of Companies, Maharashtra, Mumbai.
Statutory Auditors/Auditors	The statutory auditors of our Company being B. K. Khare & Co., Chartered Accountants.
Subsidiaries	The subsidiaries of our Company, as mentioned in the section titled " <b>Our Subsidiaries</b> " on page 110 of the Shelf Prospectus.

#### Issue related terms

<b>Term</b>	<b>Description</b>
Allotment/ Allot/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Tranche 1 Issue.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Tranche 1 Issue
Applicant/ Investor	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of the Shelf Prospectus, Tranche 1 Prospectus, Abridged Prospectus and the Application Form for Tranche 1 Issue.
Application	An application to subscribe to the NCDs offered pursuant to the Tranche 1 Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under this Tranche 1 Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA or non-ASBA process, in terms of the Shelf Prospectus and Tranche 1 Prospectus.
"ASBA" or "Application Supported by Blocked Amount" or "ASBA Application"	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process.
Banker(s) to the Issue/ Escrow Collection Bank(s)	IndusInd Bank Limited, Axis Bank Limited, ICICI Bank Limited and HDFC Bank Limited
Base Issue Size	₹ 25,000 lakhs
Basis of Allotment	Please refer to the section titled "Issue Procedure" on page 82 of this Tranche 1 Prospectus.
BWR	Brickwork Ratings India Pvt. Ltd.
BSE	BSE Limited.
CARE	Credit Analysis & Research Limited.
Category I Investor	<ul style="list-style-type: none"> <li>Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are</li> </ul>

Term	Description
	<p>authorized to invest in the NCDs;</p> <ul style="list-style-type: none"> <li>• Provident funds, pension funds with a minimum corpus of Rs. 2,500 lakhs, superannuation funds and gratuity funds, which are authorized to invest in the NCDs;</li> <li>• Venture Capital Funds/ Alternative Investment Fund registered with SEBI;</li> <li>• Insurance Companies registered with IRDA;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>• Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements;</li> <li>• 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; and</li> <li>• Mutual Funds registered with SEBI.</li> </ul>
Category II Investor	<ul style="list-style-type: none"> <li>• 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 authorized to invest in the NCDs;</li> <li>• Co-operative banks and Regional Rural Banks;</li> <li>• Public/private charitable/religious trusts which are authorized to invest in the NCDs;</li> <li>• Scientific and/or industrial research organisations, which are authorized to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners;</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>• Association of Persons; and</li> <li>• Any other incorporated and/ or unincorporated body of persons.</li> </ul>
Category III Investor	<ul style="list-style-type: none"> <li>• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10.00 lakhs across all Series of NCDs in Tranche 1 Issue.</li> </ul>
Category IV Investor	<ul style="list-style-type: none"> <li>• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10.00 lakhs across all Series of NCDs in Tranche 1 Issue.</li> </ul>
Credit Rating Agencies	For the present Issue, the credit rating agencies, being BWR and India Ratings.
CRISIL	CRISIL Limited.
Debenture Trustee Agreement	The agreement dated June 13, 2017 entered into between the Debenture Trustee and our Company.
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company.
Debenture Trustee/ Trustee	Debenture Trustee for the Debenture holders, in this Issue being Axis Trustee Services Limited.
Debt Application Circular	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012.
Deemed Date of Allotment	The date on which the Board of Directors or the Bond Issue Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date

Term	Description
	of Allotment.
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (“NSDL”) and /or Central Depository Services (India) Limited (“CDSL”).
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which Application Amounts are transferred from the Escrow Accounts to the Public Issue Accounts or the Refund Account, as appropriate and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) following which the Board or the duly constituted committee shall Allot the NCDs to the successful Applicants, provided that the sums received in respect of the Tranche 1 Issue will be kept in the Escrow Accounts.
Designated Stock Exchange	BSE
Direct Online Application	The application made using an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility through a recognized stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Tranche 1 Issue in dematerialized form. Please note that the Applicants will not have the option to apply for NCDs under the Tranche 1 Issue, through the direct online applications mechanism of the Stock Exchange
Draft Shelf Prospectus	The Draft Shelf Prospectus dated June 19, 2017 filed by our Company with the Designated Stock Exchange for receiving public comments, in accordance with the provisions of the SEBI Debt Regulations.
Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) into which the Consortium and the Trading Members, as the case may be, will deposit Application Amounts from resident non-ASBA Applicants, in terms of the Shelf Prospectus, Tranche 1 Prospectus and the Escrow Agreement.
Escrow Agreement	Agreement dated June 28, 2017 entered into amongst our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Banks for collection of the Application Amounts from non-ASBA Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
India Ratings	India Ratings and Research Private Limited
Interest Payment Date	For Series I, Series II and Series III NCDs, where the interest is to be paid on an annual basis, interest will be computed upto March 31 <sup>st</sup> every year and paid on April 1 <sup>st</sup> every year for the amount outstanding. The first interest payment will be made on April 1, 2018 for the period commencing from the Deemed Date of Allotment till March 31, 2018. 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 1 <sup>st</sup> to the date of redemption. If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately next Working Day. See the section titled “ <i>Terms of the Issue – Interest and Payment of Interest on NCDs</i> ” on page 45 of this Tranche 1 Prospectus.
Issue / Tranche 1 Issue	Public issue by our Company of NCDs of face value of ₹1,000 each for an amount of ₹25,000 lakhs with an option to retain oversubscription up to ₹ 1,75,000 lakhs aggregating upto ₹ 2,00,000 lakhs.
Issue Closing Date	Monday, July 28, 2017

Term	Description
Issue Opening Date	Friday, July 10, 2017 **The Tranche 1 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Tranche 1 Issue may close on such earlier date or extended date as may be decided by the Board or Bond Issue Committee thereof. In the event of an early closure or extension of the Tranche 1 Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date, Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Lead Managers/ LMs	Edelweiss Financial Services Limited, Axis Bank Limited, A. K. Capital Services Limited, Trust Investment Advisors Private Limited and Yes Securities (India) Limited.
Market Lot	1 NCD
NCDs	Unsecured subordinated redeemable non-convertible debentures of face value of ₹1,000 each issued pursuant to this Tranche 1 Issue.
Offer Documents	The Draft Shelf Prospectus, Shelf Prospectus, Tranche 1 Prospectus, abridged prospectus and Application Form.
Public Issue Account	An account opened with the Banker(s) to the Tranche 1 Issue to receive monies from the Escrow Accounts for the Tranche 1 Issue and/ or the SCsBs on the Designated Date.
Record Date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the Redemption Date. In the event the Record Date falls on a Sunday or holidays of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date.
Redemption Amount	The Amount repayable on the NCDs, as specified in the section titled “ <b>Terms and Conditions in connection with the NCDs</b> ” on page 35 of this Tranche 1 Prospectus.
Redemption Date	Shall mean 7 years from Deemed Date of Allotment for Series I NCDs, 10 years from Deemed Date of Allotment for Series II NCDs and 15 years from Deemed Date of Allotment for Series III NCDs. In the event of call option being exercised for Series III NCDs, the Redemption Date for Series III NCDs shall be 10 years from Deemed Date of Allotment or such date for exercising the call option as intimated by our Company. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. For details refer to section titled “ <b>Terms and Conditions in connection with the NCDs</b> ” on page 35 of this Tranche 1 Prospectus.
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount shall be made (excluding all Application Amounts received from ASBA Applicants).
Refund Bank	HDFC Bank Limited
Register of Debenture holders	The Register of Debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and as more particularly detailed in the section titled “ <b>Terms of the Issue – Register of NCD Holders</b> ” on page 42 of this Tranche 1 Prospectus.
Registrar to the Issue/ Registrar	Karvy Computershare Private Limited
Registrar Agreement	Agreement dated June 12, 2017 entered into between our Company and

Term	Description
	the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time.
Series of NCDs	Collectively the Series I, Series II and Series III NCDs being offered to the Applicants as stated in the section titled “ <i>Terms and Conditions in connection with the NCDs</i> ” on page 35 of this Tranche 1 Prospectus.
Shelf Limit	The aggregate limit of the Issue, being ₹ 2,00,000 lakhs to be issued under the Draft Shelf Prospectus, Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus dated June 29, 2017 shall be filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Simplified Listing Agreement	The Listing Agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt and equity securities of our Company.
Stock Exchange	BSE Limited
Subordinated Debt	<p>Subordinated Debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument shall be subjected to discounting as provided hereunder:</p> <p>Remaining maturity of the instruments and rate of discount</p> <p>(a) up to one year 100%</p> <p>(b) more than one year but up to two years 80%</p> <p>(c) more than two years but up to three years 60%</p> <p>(d) more than three years but up to four years 40%</p> <p>(e) more than four years but up to five years 20%</p> <p>to the extent such discounted value does not exceed fifty per cent of Tier I capital.</p>
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange only in the Specified Cities.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time.
Tier I capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II capital	<p>Tier-II capital includes the following:</p> <p>(a) preference shares other than those which are compulsorily convertible into equity;</p>



<b>Term</b>	<b>Description</b>
	<ul style="list-style-type: none"> <li>(b) revaluation reserves at discounted rate of 55%;</li> <li>(c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets;</li> <li>(d) hybrid debt capital instruments;</li> <li>(e) subordinated debt; and</li> <li>(f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital,</li> </ul> <p>to the extent the aggregate does not exceed Tier-I capital.</p>
Tenor	Please see the section titled “ <i>Terms and Conditions in connection with the NCDs</i> ” on page 35 of this Tranche 1 Prospectus.
Transaction Registration Slip or TRS	The acknowledgement slip or document issued by any of the Members of the Consortium, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs.
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange
Tranche 1 Issue	Issue of the NCDs pursuant to this Tranche 1 Prospectus.
Tranche 1 Prospectus	This tranche prospectus containing the details of NCDs including interest, other terms and conditions, material developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Tripartite Agreements	Tripartite agreement dated December 5, 2005 among our Company, the Registrar and CDSL and tripartite agreement dated December 16, 2005 among our Company, the Registrar and NSDL.
Working Day(s)	Working Day(s) shall mean all days excluding Saturdays, Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the securities, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.

#### Conventional and general terms or abbreviation

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
₹ or Rupees or ₹ or Indian Rupees or INR	The lawful currency of India.
ACH	Automated Clearing House.
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
ASBA	Application Supported by Blocked Amount.
CDSL	Central Depository Services (India) Limited.
CEIC	Census Economic Information Centre.
Companies Act/ Act	Companies Act, 1956, as amended.
Companies Act, 2013	The Companies Act, 2013 (18 of 2013), to the extent notified by the MCA and in force as on the date of this Tranche 1 Prospectus.
CRAR	Capital to Risk-Weighted Assets Ratio.

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
CSR	Corporate Social Responsibility.
ECS	Electronic Clearing Scheme.
ESOP	Employee Stock Option Scheme
Depositories Act	Depositories Act, 1996.
Depository(ies)	CDSL and NSDL.
DIN	Director Identification Number.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996.
DRR	Debenture Redemption Reserve.
FDI	Foreign Direct Investment.
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year.
FIR	First Information Report.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
GST	Goods and Services Tax.
HNI	High Networth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
IMF	International Monetary Fund.
Income Tax Act	Income Tax Act, 1961.
India	Republic of India.
Indian GAAP	Generally Accepted Accounting Principles followed in India.
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology.
LIBOR	London Inter-Bank Offered Rate.
MCA	Ministry of Corporate Affairs, GoI.
MoF	Ministry of Finance, GoI.
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines.
NACH	National Automated Clearing House.
NEFT	National Electronic Fund Transfer.
N.I. Act	Negotiable Instruments Act, 1881.
NRI or Non-Resident	A person resident outside India, as defined under the FEMA.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934 as amended.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

## Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
ALCO	Asset Liability Management Committee.
AT&C	Aggregated Technical and Commercial.
ECBs	External Commercial Borrowing.
FCNR	Foreign Currency Non-Resident.
HFC	Housing Financing Company.
IFC	Infrastructure Finance Company.
IRDA	Insurance Regulatory and Development Authority.
ISO	International Organization for Standardization.
LIC	Life Insurance Corporation of India.
MICR	Magnetic Ink Character Recognition.
MoU	Memorandum of Understanding.
NHB	National Housing Board.
NPAs	Non-Performing Assets.
RBI	Reserve Bank of India.
UTI	Unit Trust of India.
WC DL	Working Capital Demand Loan.
XIRR	Internal rate of return for irregular cash flows.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled “*Capital Structure*”, “*Regulations and Policies*”, “*History, Main Objects and Key Agreements*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Financial Indebtedness*”, “*Outstanding Litigation and Defaults*” and “*Issue Procedure*” on pages 50, 114, 108, 60, 122, 158, 180 and 204 respectively will have the meanings ascribed to them in such sections of the Shelf Prospectus.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

All references in this Tranche 1 Prospectus to “**India**” are to the Republic of India and its territories and possessions.

### **Presentation of Financial Information**

Our Company publishes its financial statements in Rupees. Our Company’s financial statements for the year ended March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 8/2014 dated April 4, 2014 and for the year ended March 31, 2013 is prepared in accordance with Indian GAAP including the Accounting Standards referred in section 133 of the Companies Act, 2013.

Unless stated otherwise, the financial data in this Tranche 1 Prospectus is derived from the Reformatted Standalone Financial Statements and the Reformatted Consolidated Financial Statements and collectively referred to hereinafter as the (“**Reformatted Financial Statements**”).

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, macroeconomic and industry data used throughout this Tranche 1 Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Tranche 1 Prospectus is reliable, it has not been independently verified by us and Lead Managers. Further, the extent to which the market and industry data presented in this Tranche 1 Prospectus is meaningful depends on the readers’ familiarity with and understanding of methodologies used in compiling such data.

### **Currency and Unit of Presentation**

In this Tranche 1 Prospectus, references to “₹”, “Indian Rupees”, “INR”, “₹” and “Rupees” are to the legal currency of India, references to “US\$”, “USD”, and “U.S. dollars” are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Tranche 1 Prospectus, data will be given in ₹ in lakhs.

### **Industry and Market Data**

Any industry and market data used in this Tranche 1 Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including Society of Indian Auto Manufacturers, India Ratings and Research Reports, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us and Lead Managers, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this Tranche 1 Prospectus is reliable, it has not been independently verified by us and the Lead Managers. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Tranche 1 Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

### **Disclaimer of CRISIL:**

*CRISIL Research, a division of CRISIL Limited ("CRISIL") has taken due care and caution in preparing this report ("Report") based on the information obtained by CRISIL from sources which it considers reliable ("Data"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not*

responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non- compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd ("CRIS"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.

## Exchange Rates

The exchange rates (in ₹) of the USD as for last 5 years are provided below:

Currency	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
USD	64.84	66.33	62.59	60.10	54.39

*In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.*

*Further, in case of specific provision in the loan agreement for a rate other than the RBI rate, the rate has been taken as prescribed as in the respective loan agreement.*

In this Tranche 1 Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Tranche 1 Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Tranche 1 Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in the Shelf Prospectus, including under the section titled “*Risk Factors*” on page 12 of the Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “*Our Business*” and “*Outstanding Litigations and Defaults*” on pages 88 and 180 respectively of the Shelf Prospectus. The forward-looking statements contained in this Tranche 1 Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Tranche 1 Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, its Directors and its officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Debt Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus and Tranche 1 Prospectus with the ROC and the date of the Allotment.

## SECTION II-INTRODUCTION

### GENERAL INFORMATION

Our Company was incorporated on January 1, 1991, as Maxi Motors Financial Services Limited as a public limited company under the provisions of the Companies Act, as amended and was granted a certificate of incorporation by the RoC. The name of our Company was changed to Mahindra & Mahindra Financial Services Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on November 3, 1992.

#### **Registered Office:**

Gateway Building, Apollo Bunder, Mumbai, – 400 001, Maharashtra, India.  
Tel: +91 22 2289 5500; Fax: +91 22 2287 5485  
E-mail: investorhelpline\_mmfs@ mahindra.com;  
Website: www.mahindrafinance.com

#### **Corporate Office:**

Mahindra Towers, 4<sup>th</sup> Floor,  
Dr. G M. Bhosale Marg,  
P K. Kurne Chowk, Worli,  
Mumbai - 400 018, Maharashtra, India.  
Tel: +91 22 6652 6017; Fax: +91 22 2495 3608  
E-mail: investorhelpline\_mmfs@ mahindra.com;  
Website: www.mahindrafinance.com

#### **Registration:**

Corporate Identification Number: L65921MH1991PLC059642 issued by the RoC.

Our Company holds a certificate of registration dated September 4, 1998 bearing number 13.00996 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934 which has been renewed on March 21, 2007.

#### **Chief Financial Officer:**

Mr. Ravi Venkatraman (V Ravi)  
Mahindra & Mahindra Financial Services Limited  
Mahindra Towers, 4<sup>th</sup> Floor, Dr. G M. Bhosale Marg,  
P K. Kurne Chowk, Worli, Mumbai –400 018  
Tel: +91 22 66526000  
Fax: +91 22 24984170/71  
Email: ravi.v@mahindra.com

#### **Compliance Officer and Company Secretary:**

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Ms. Arnavaz M. Pardiwalla  
*Company Secretary*  
Mahindra & Mahindra Financial Services Limited  
Mahindra Towers, 4<sup>th</sup> Floor, Dr. G M. Bhosale Marg,  
P K. Kurne Chowk, Worli, Mumbai –400 018  
Tel: +91 22 6652 6000 (Board) / 6652 6017  
Fax: +91 22 24984170/71  
Email: investorhelpline\_mmfs@mahindra.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application money etc.

All grievances relating to the Tranche 1 Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Consortium where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members may be addressed directly to the Designated Stock Exchange.

**Lead Managers:**

**Edelweiss Financial Services Limited**

Edelweiss House  
Off CST Road, Kalina  
Mumbai 400 098  
Tel: +91 22 4086 3535  
Fax: +91 22 -4086 3610  
Email: mmfslncd@edelweissfin.com  
Investor Grievance Email: customerservice.mb@edelweissfin.com  
Website: www.edelweissfin.com  
Contact Person: Mr. Lokesh Singhi / Mr. Mandeep Singh  
Compliance Officer: Mr B. Renganathan  
Email (Compliance Officer): customerservice.mb@edelweissfin.com  
Tel (Compliance Officer): +91 22 4086 3535  
SEBI Registration No.: INM0000010650  
CIN: L99999MH1995PLC094641

**Axis Bank Limited**

Axis House, 8th Floor, C-2,  
Wadia International Centre,  
P.B. Marg, Worli, Mumbai – 400 025,  
Maharashtra, India  
Tel: +91 22 6604 3293  
Fax: +91 22 2425 3800  
Email: mmfsl2017@axisbank.com  
Investor Grievance Email: sharad.sawant@axisbank.com  
Website: www.axisbank.com  
Contact Person: Mr. Vikas Shinde  
Compliance Officer: Mr. Sharad Sawant  
Email (Compliance Officer): sharad.sawant@axisbank.com  
Tel (Compliance Officer): +91 22 2425 2869  
SEBI Registration No.: INM000006104  
CIN: L65110GJ1993PLC020769

**A. K. Capital Services Limited**

30-39, Free Press House, 3<sup>rd</sup> Floor,  
Free Press Journal Marg,  
215, Nariman Point,  
Mumbai – 400 021  
Tel: +91 22 6754 6500/ 6634 9300  
Fax: + 91 22 6610 0594  
Email: mmfslncd2017@akgroup.co.in



Investor Grievance Email: investor.grievance@akgroup.co.in  
Website: www.akcapindia.com  
Contact Person: Mr. Malay Shah / Mr. Krish Sanghvi  
Compliance Officer: Mr. Tejas Davda  
Email (Compliance Officer): investor.grievance@akgroup.co.in  
Tel (Compliance Officer): +91 22 6754 6500/ 6634 9300  
SEBI Registration No.: INM000010411  
CIN: L74899MH1993PLC274881

**Trust Investment Advisors Private Ltd.**

109/110, Balarama, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051  
Tel: +91 22 4084 5000  
Fax: +91 22 4084 5007  
Email: mbd.trust@trustgroup.in  
Investor Grievance: customercare@trustgroup.in  
Website: www.trustgroup.in  
Contact Person: Mr. Ankur Jain  
Compliance Officer: Mr. Ankur Jain  
Email (Compliance Officer): ankur.jain@trustgroup.in  
Tel (Compliance Officer): +91 22 42245037  
SEBI Registration No: INM000011120  
CIN: U67190MH2006PTC162464

**YES Securities (India) Limited**

IFC, Tower 1 & 2  
Unit no. 602 A, 6th Floor  
Senapati Bapat Marg, Elphinstone Road  
Mumbai 400 013, India  
Tel.: +91 22 22 3347 7364  
Fax: 91 22 2421 4508  
E-mail: mahindrafinanceNCD@yesscuritiesltd.in  
Investor Grievance Email: igc@yesscuritiesltd.in  
Website: www.yesinvest.in  
Contact Person: Mr. Mukesh Garg  
Compliance Officer: Dr. Dhanraj Uchil  
Email (Compliance Officer): dhanraj.uchil@yesscuritiesltd.in  
Tel (Compliance Officer): +91 22 3347 7364  
SEBI Registration No.: MB/INM000012227  
CIN: U74992MH2013PLC240971

**Consortium Members**

**Edelweiss Securities Limited**

2nd Floor, M. B. Towers,  
Plot No. 5, Road No. 2,  
Banjara Hills,  
Hyderabad – 500 034,  
Telangana, India.  
Tel: +91 22 4063 5569  
Fax: +91 22 6747 1347  
E-mail: Prakash.boricha@edelweissfin.com  
Investor Grievance Email: Customercare@edelweissfin.com  
Website: www.edelweissfin.com  
Contact Person: Mr. Prakash Boricha  
SEBI Regn. No.: INBO11193332 (BSE)/ INB231193310 (NSE)/ INB261193396 (MSEI)  
CIN No: U67110AP1993PLC052266

**A.K. Stockmart Private Limited,**

30-39 Free Press House, 3rd Floor,  
Free Press Journal Marg,  
215, Nariman Point, Mumbai - 400 021  
Tel: +91 22 6754 6500  
Fax: +91 22 6754 4666  
E-mail: ankit@akgroup.co.in / ranjit.dutta@akgroup.co.in  
Investor Grievance Email: investorgreivance@akgroup.co.in  
Contact person: Mr. Ankit Gupta, Mr. Ranjit Dutta  
SEBI Regn. No.: INB231269532 / INB011269538  
CIN No: U67120MH2006PTC158932

**Axis Capital Limited**

Axis House, Level 1, C-2 Wadia International Centre, P.B. Marg,  
Worli, Mumbai – 400 025. India  
Tel: +91 22 4325 3110  
Fax: +91 22 4325 3000  
E-mail: vinayak.ketkar@axiscap.in / ajay.sheth@axiscap.in  
Investor Grievance Email: Nil  
Contact Person: Mr. Vinayak Ketkar / Mr. Ajay Sheth  
SEBI Regn. No.: INM000012029  
CIN No: U51900MH2005PLC157853

**Trust Financial Consultancy Services Private Limited**

1101, Naman Centre, G Block C-31,  
Bandra Kurla Complex, Bandra (E),  
Mumbai -400 051, Maharashtra  
Tel: 022 4084 5000  
Fax: 022 4084 5007  
Email: pranav.inamdar@trustgroup.in  
Investor Grievance: grievances@trustgroup.in  
Contact Person: Mr Pranav Inamdar  
SEBI Regn No.: INB231198731 (NSE), INB011198737 (BSE)  
CIN No.: U67120MH2002PTC135942

**YES Securities (India) Limited**

IFC, Tower 1 & 2  
Unit no. 602 A, 6th Floor  
Senapati Bapat Marg, Elphinstone Road  
Mumbai 400 013, India  
Tel.: +91 22 22 3347 7364  
Fax: 91 22 2421 4508  
E-mail: mahindrafinanceNCD@yesscuritiesltd.in  
Investor Grievance Email: igc@yesscuritiesltd.in  
Website: www.yesinvest.in  
Contact Person: Mr. Mukesh Garg  
Compliance Officer: Dr. Dhanraj Uchil  
Email (Compliance Officer): dhanraj.uchil@yesscuritiesltd.in  
Tel (Compliance Officer): +91 22 3347 7364  
SEBI Registration No.: MB/INM000012227  
CIN: U74992MH2013PLC240971

**Debenture Trustee:****Axis Trustee Services Limited**

Axis House, Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli Mumbai 400 025  
Tel:+91-22- 6226 0074 / 75  
Fax:+91- 22- 4325 3000

Email: debenturetrustee@axitrustee.com  
Investor Grievance Email: debenturetrustee@axitrustee.com  
Website: www.axitrustee.com  
Contact Person: Mr. Devraj Rao  
SEBI Registration Number: IND000000494  
CIN: U74999MH2008PLC182264

**Registrar:**

**Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot 31-32,  
Financial District, Nanakramguda, Gachibowli,  
Hyderabad – 500 032  
Tel: 040-67162222  
Fax: 040-23001153  
Email: einward.ris@karvy.com  
Investor Grievance Email: mahindrafinance.ncdipo2@karvy.com  
Website: www.karisma.karvy.com  
Contact Person: Mr. M Murali Krishna  
SEBI Registration Number: INR000000221  
CIN: U74140TG2003PTC041636

**Statutory Auditor\***

**B K Khare & Co.**

Chartered Accountants  
706-708, Sharda Chambers,  
New Marine Lines,  
Mumbai – 400 020.  
Tel: +91 22 22006360/7318, +91 22 66315835  
Email: info@bkkhareco.com  
Firm registration number: 105102W

**Date of appointment as Statutory Auditor:** 22 July 2016

\*Subject to approval of the Shareholders at forthcoming annual general meeting, the Board of Directors at its meeting held on April 25, 2017 approved the appointment of M/s. BSR & Co. LLP, Chartered Accounts as statutory auditors of our Company from a period of 5 years, from the conclusion of the 27<sup>th</sup> annual general meeting to be held on 24<sup>th</sup> July 2017 upto conclusion of 32<sup>rd</sup> annual general meeting to be held in the year 2022.

**Refund Bank**

**HDFC Bank Limited**

FIG - OPS Department, - Lodha, I Think Techno Campus,  
O-3, Level, Next to Kanjurmarg Railway Station,  
Kanjurmarg (East), Mumbai – 400 042, Maharashtra, India  
Attn: Mr. Vincent D'Souza  
Tel: +91 22 3075 2928  
Fax: +91 22 2579 9801  
Email: vincent.dsouza@hdfcbank.com  
Website: www.hdfcbank.com  
SEBI Regn. No.: INBI00000063  
CIN No: L65920MH1994PLC080618

## Credit Rating Agencies

<b>Brickwork Ratings India Pvt. Ltd.</b> C-502, Business Square, 151, Andheri Kurla Road, Chakala, Andheri East, Mumbai – 400 093 Tel: +91 22 2831 1439 Fax: +91 22 2838 9144 Email: kn.suvarna@brickworkratings.com Website: www.brickworkratings.com Contact Person: Mr. KN Suvarna SEBI Registration No.: IN/CRA/005/2008	<b>India Ratings &amp; Research Private Limited</b> Workhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E ), Mumbai 400 051, Maharashtra, India Tel: +91 22 4000 1700 Fax: +91 22 4000 1701 Email: shrikant.dev@indiaratings.co.in Website: www.indiaratings.com Contact Person: Mr. Srikant Dev SEBI Registration No.: IN/CRA/002/1999
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### Legal Advisor to the Issue:

#### **Khaitan & Co**

One Indiabulls Centre,  
13<sup>th</sup> Floor, Tower 1,  
841 Senapati Bapat Marg  
Mumbai- 400 013  
Tel: +91 22 6636 5000  
Fax: +91 22 6636 5050

### Bankers to the Issue:

#### **Axis Bank Limited**

Jeevan Prakash Building, Sir P M Road,  
Fort, Mumbai – 400 001  
Tel: +91 22 4086 7336/7474  
Fax: +91 22 6636 7327/7378  
Email: fort.operationshead@axisbank.com  
Website: www.axisbank.com  
Contact Person: Mr. Anil Kanekar  
SEBI Registration No: INBI00000017  
CIN No: L65110GJ1993PLC020769

#### **HDFC Bank Limited**

FIG - OPS Department, - Lodha, I Think Techno Campus,  
O-3, Level, Next to Kanjurmarg Railway Station,  
Kanjurmarg (East), Mumbai – 400 042, Maharashtra, India  
Attn: Mr. Vincent D'Souza  
Tel: +91 22 3075 2928  
Fax: +91 22 2579 9801  
Email: vincent.dsouza@hdfcbank.com  
Website: www.hdfcbank.com  
SEBI Regn. No.: INBI00000063  
CIN No: L65920MH1994PLC080618

#### **ICICI Bank Limited**

Capital Markets Division 1st floor, 122, Mistry Bhavan,  
Dinshaw Vachha Road, Backbay Reclamation, Churchgate,  
Mumbai – 400 020, Maharashtra, India  
Attn: Mr. Rishav Bagrecha  
Tel: +91 22 2285 9907/24  
Fax: +91 22 2261 1138  
Email: rishav.bagrecha@icicibank.com  
Website: www.icicibank.com  
SEBI Regn. No.: INBI00000004  
CIN No: L65190GJ1994PLC021012

**IndusInd Bank Limited**

IndusInd Bank, PNA House, 4th Floor, Plot No. 57 and 57/1,  
Road No. 17, MIDC, Andheri (East), Mumbai – 400 093,  
Maharashtra, India

Attn: Mr. Suresh Esaki

Tel: +91 22 61069234

Fax: +91 22 6623 8021

Email: suresh.esaki@indusindbank.com

Website: www.indusind.com

SEBI Regn. No.: INBI00000002

CIN No: L65191PN1994PLC076333

**Self Certified Syndicate Banks**

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on <http://www.sebi.gov.in> or at such other website as may be prescribed by SEBI from time to time.

**Syndicate SCSB Branches**

In relation to ASBA Applications submitted to the Lead Managers or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Lead Managers or the Trading Members of the Stock Exchange is provided on <http://www.sebi.gov.in/> or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Lead Managers or the Trading Members of the Stock Exchange only in the Specified Cities, see the above mentioned web-link.

**Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who - (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”.

**Minimum Subscription**

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75 % of the Base Issue Size, prior to the Issue Closing Date the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by our Company in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its Debt Application Circular.

## Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated “IND AAA’/ Outlook Stable” for an amount of ₹ 2,000,000 lakhs, by India Ratings and “BWR AAA, Outlook: Stable” for an amount of ₹ 2,00,000 lakhs, by BWR. The rating of NCDs by India Ratings indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

**Comfortable Liquidity and Resource Profile:** *Asset liability tenors are well matched, although this has to be seen in the light of a significant part of loan portfolio being in overdue buckets. The company’s borrowings are well-diversified among capital markets and banks, and it maintains reasonable amount of unutilised bank lines.*

**Asset Quality Under Pressure:** *The current delinquencies, although marginally improved continues to remain under pressure, partly on account of two consecutive droughts in FY15 and FY16. Loan portfolio grew 16% in FY17 higher than the growth exhibited in the past two years; however, the complete recovery in the environment is yet to be seen. Lack of economic revival in few states may continue to exert pressure on MMFSL’s asset quality. The demonetisation event in 3QFY17 had an impact on cash collections. In 4QFY17, gross non-performing assets (120+ days past due) stood at 9.9% (FY16: 8.9%), credit cost remained at elevated levels of 3.3% (3.0%) and operating profit buffers were subdued at 1.4x (1.9x). With a focus on growing its used assets portfolio, yields are expected to improve; however, the ability to control credit cost would determine the profitability.*

*Although, an improvement in the cash levels and expected revival in rural economic activities, both on account of normal monsoon and increased government spend on rural activities (government has budgeted 24% increase in rural spending for FY18), should help in containing incremental delinquencies in FY18. However, the headline number is likely to remain elevated on account of a buildup of a large stock of stressed assets over the past few years, which will resolve gradually. In addition, the migration to 90 days past due non-performing asset recognition norms could add in about 300bp.*

**Weakened Capitalisation:** *MMFSL’s capitalisation has weakened, as net non-performing loan-to-equity stood at 28% at end-March 2017 from 22% at end-March 2016 (Tier 1: 13.2% at end-March 2017). With a targeted growth of around 1215% in FY18, capital infusion would be required to maintain the current level of cushion above the regulatory capital requirement.*

### Rating sensitivities

*A negative rating action could result from any substantial decline in the proportion of M&M’s revenue from MMFSL due to M&M’s fast expansion in urban products and highend products and/or with sharply increased participation from other financiers in M&M’s sales, making it less dependent on MMFSL. The ratings would also be affected if MMFSL’s operational linkages with M&M dilute significantly. Any weakening of M&M’s credit profile or its ability to support MMFSL’s increasing debt levels will also be negative for MMFSL’s ratings.*

The rationale for the aforementioned rating issued by BWR is as follows:

*BWR has principally relied upon the audited financial results of the Company upto FY17, projections, publicly available information, and information / clarifications provided by the Company’s management.*

*The rating has factored, inter alia, the strength and support of MMFSL’s parent Mahindra & Mahindra (M&M) Limited to the company, its experienced & professional management, growing business profile, comfortable capital adequacy with diversified source of funding and adequate provision coverage for assets. The rating is however, constraint by the stressed asset quality, cyclical nature of the sectors catered to by MMFSL and the competitive landscape for NBFCs.*

### Rating outlook: Stable

*BWR believes MMFSL’s business risk profile will be maintained over the medium term. The “Stable” outlook indicates a low likelihood of rating change over the medium term. Any major volatility in profitability or further deterioration in assets quality with impact on capitalization may lead to revision in the rating or the outlook.*

## Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see “*Objects of this Tranche 1 Issue*” on page 23 of this Tranche 1 Prospectus.

## Issue Programme

<b>ISSUE PROGRAMME*</b>	
<b>ISSUE OPENS ON</b>	<b>Monday, July 10, 2017</b>
<b>ISSUE CLOSES ON</b>	<b>Friday, July 28, 2017</b>

*\*The Tranche 1 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Tranche 1 Issue may close on such earlier date or extended date as may be decided by the Board or Bond Issue Committee thereof. In the event of an early closure or extension of the Tranche 1 Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Tranche 1 Issue Closing Date, Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE.*

Applications Forms for the Tranche 1 Issue will be accepted only between 10 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Tranche 1 Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Lead Managers, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, at the centres mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Lead Managers, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange, as the case may be, only at the selected cities. On the Tranche 1 Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Tranche 1 Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche 1 Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche 1 Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche 1 Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche 1 Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Tranche 1 Issue will be on a date priority basis.

## MATERIAL DEVELOPMENT

There are no material developments in relation to our Company as disclosed in the sections titled “**Risk Factors**”, “**Selected Financial Information**”, “**Capital Structure**”, “**Summary of Business**”, “**Our Business**”, “**Regulations and Policies**”, “**Our Management**”, “**History, Main Objects and Key Agreements**”, “**Financial Indebtedness**”, “**Outstanding Litigations and Material Developments**” and “**Main Provisions of the Articles of Association of the Company**” in the Shelf Prospectus which would make them misleading in any material respect.

All disclosures made in this Tranche 1 Prospectus, read together with the Shelf Prospectus as the “Prospectus” with respect to Tranche 1 Issue are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed Issue. The Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes the Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.



## OBJECTS OF THIS TRANCHE 1 ISSUE

Our Company proposes to utilise the funds which are being raised through this Tranche 1 Issue, after deducting the Tranche 1 Issue related expenses to the extent payable by our Company (“**Net Proceeds**”), estimated to be approximately ₹1,98,306.20 lakhs, towards funding the following objects (collectively, referred to herein as the “**Objects**”):

1. For the purpose of onward lending, financing, refinancing the existing indebtedness of our Company, long-term working capital; and
2. General corporate purposes;

The Main Objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

The details of the Proceeds of the Tranche 1 Issue are set forth in the following table:

<i>(₹ in lakhs)</i>		
<b>Sr. No.</b>	<b>Description</b>	<b>Amount</b>
1.	Gross Proceeds of the Tranche 1 Issue	2,00,000.00
2.	Issue Related Expenses	1,693.80
3.	Net Proceeds	1,98,306.20

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 1 Issue, the number of allottees, market conditions and other relevant factors.

### Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Tranche 1 Issue and the amount proposed to be financed from the Net Proceeds:

<b>Sr. No.</b>	<b>Objects of the Fresh Issue</b>	<b>Percentage of amount proposed to be financed from Issue Proceeds</b>
1.	Onward lending, financing, refinancing the existing indebtedness of our Company, long-term working capital	At least 75%
2.	General Corporate Purposes*	up to 25%
<b>Total</b>		<b>100%</b>

*\*The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Tranche 1 Issue, in compliance with the SEBI Debt Regulations.*

The NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II capital and accordingly will be utilised in accordance with statutory and regulatory requirements including requirements of RBI.

### Funding plan

NA

### Summary of the project appraisal report

NA

### Schedule of implementation of the project

NA

### Interim Use of Proceeds

Our Management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Tranche 1 Issue. Pending utilization of the proceeds out of the Tranche

1 Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

### Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board shall monitor the utilization of the proceeds of the Tranche 1 Issue. For the relevant Financial Years commencing from Financial Year 2017-18, our Company will disclose in our financial statements, the utilization of the net proceeds of the Tranche 1 Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche 1 Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche 1 Issue.

### Tranche 1 Issue expenses

A portion of this Tranche 1 Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses, which shall be specified in at this Tranche 1 Prospectus:

Particulars	Amount (Rs in lakhs)	As percentage of Issue proceeds (in %)	As percentage of total expenses of the Tranche 1 Issue (in %)
Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustees	59.08	0.03	3.49
Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee	1,504.50	0.75	88.82
Advertising and Marketing, Printing and Stationery Costs	76.48	0.04	4.51
Other Miscellaneous Expenses	53.75	0.03	3.17
<b>Grand Total</b>	<b>1,693.80</b>	<b>0.85</b>	<b>100.00</b>

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 1 Issue and the number of Allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Consortium Members/ Sub-Consortium Members/Brokers / Sub brokers/Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 10 per Application Form procured (inclusive of service tax and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee.

### Other Confirmation

In accordance with the SEBI Debt Regulations, our Company will not utilize the proceeds of this Tranche 1 Issue for providing loans to or for acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management of our Company and our subsidiaries.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter.

The Tranche 1 Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds of the Tranche 1 Issue directly or indirectly for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become

entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

**Variation in terms of contract or objects in Tranche 1 Prospectus**

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of a contract referred to in this Tranche 1 Prospectus or objects for which this Tranche 1 Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

**Benefit / interest accruing to Promoter/Directors out of the object of the Tranche 1 Issue**

Neither the Promoter nor the Directors of our Company are interested in the Objects of this Tranche 1 Issue.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

At the meeting of the Board of Directors of our Company, held on October 25, 2016, the Directors approved the issue of NCDs to the public in one or more tranches, upto an amount not exceeding ₹ 2,00,000 lakhs. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' *vide* their resolution dated June 15, 2017.

### Prohibition by SEBI

Our Company, persons in control of our Company and/or our Directors and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Neither our Company nor any of our Promoter or Directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

### Eligibility to make the Tranche 1 Issue

Our Company or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

### Disclaimer Clause of SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, AXIS BANK LIMITED, A. K. CAPITAL SERVICES LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND YES SECURITIES (INDIA) LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, AXIS BANK LIMITED, A. K. CAPITAL SERVICES LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND YES SECURITIES (INDIA) LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 29, 2017 WHICH READS AS FOLLOWS:**

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED JUNE 19, 2017 FILED WITH BSE LIMITED, ALSO BEING THE DESIGNATED STOCK EXCHANGE.

**Disclaimer Clause of the BSE**

BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED JUNE 28, 2017, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY.

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

**Disclaimer Clause of the RBI**

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED SEPTEMBER 4, 1998 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

## Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
Edelweiss Financial Services Limited	<a href="http://www.edelweissfin.com">www.edelweissfin.com</a>
Axis Bank Limited	<a href="http://www.axisbank.com">www.axisbank.com</a>
A.K. Capital Services Limited	<a href="http://www.akcapindia.com">www.akcapindia.com</a>
Trust Investment Advisors Private Limited	<a href="http://www.trustgroup.in">www.trustgroup.in</a>
YES Securities (India) Limited	<a href="http://yesinvest.in/YES/aboutus.jsp">http://yesinvest.in/YES/aboutus.jsp</a>

## Listing

The NCDs offered through this Tranche 1 Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated June 28, 2017. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 12 Working Days of the Tranche 1 Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription to any one or more of the series, such series of NCDs shall not be listed.

## Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer (c) Consortium Members (d) Lead Managers; (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee (i) Chief Financial Officer (j) Bankers to the Issue, (k) CRISIL to act in their respective capacities, have been obtained and the same will be filed along with a copy of the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche 1 Prospectus with the ROC.

The consent of the Statutory Auditors of our Company, namely B.K. Khare & Co. for (a) inclusion of their name as the Statutory Auditors, (b) examination reports on Reformatted Financial Statements in the form and context in which they appear in this Tranche 1 Prospectus have been obtained and has not withdrawn such consent and the same will be filed with the BSE and the RoC, along with a copy of the Shelf Prospectus and Tranche Prospectus.

## Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Tranche 1 Prospectus:

1. Our Company has received consent from its Statutory Auditors namely, B. K. Khare & Co., Chartered Accountants to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 and as "Expert" as defined under Section 2(38) of the Companies Act, 2013 in this Tranche 1 Prospectus in respect of the examination reports of the Auditor dated June 19, 2017 and statement of tax benefits dated June 19, 2017 included in this Tranche 1 Prospectus and such consent has not been withdrawn as on the date of this Tranche 1 Prospectus. However, the term "expert" shall not be construed to mean an "Expert" as defined under the U.S Securities Act, 1933.
2. Our Company has received consent from BWR to act as the credit rating agency to the Issue and an expert as defined under Section 2(38) of the Companies Act, 2013 *vide* its letter dated June 12, 2017.
3. Our Company has received consent from India Ratings to act as the credit rating agency to the Issue and an expert as defined under Section 2(38) of the Companies Act, 2013 *vide* its letter dated June 7, 2017.

## **Common form of Transfer**

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

## **Minimum Subscription**

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date, the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Tranche 1 Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by the Issuer in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

## **Filing of the Draft Shelf Prospectus**

A copy of the Draft Self Prospectus has been filed with the BSE in terms of Regulation 7 of the SEBI Debt Regulations for dissemination on their website.

## **Filing of the Shelf Prospectus and Tranche 1 Prospectus with the RoC**

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus and Tranche 1 Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

## **Debenture Redemption Reserve**

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-1A of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The above mentioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of that year.

## **Reservation**

No portion of this Issue has been reserved.

## Public / Rights Issues

### Public / Rights Issues by our Company during last 5 (five) years from the date of the Shelf Prospectus

Our Company undertook a public issue of unsecured, redeemable, subordinated non-convertible debentures of face value of ₹1,000 each in Fiscal 2017. The particulars of which have been set forth below:

<b>Date of Opening</b>	May 25, 2016
<b>Date of Closing</b>	May 26, 2016
<b>Total Issue Size</b>	₹1,00,000 lakhs
<b>Date of Allotment</b>	June 6, 2016
<b>Date of Refunds</b>	June 6, 2016
<b>Date of Listing</b>	June 9, 2016

**Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, which made any capital issue during the last three years**

NIL

### Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on March 31, 2017 our Company has listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details see “*Financial Indebtedness*” on page 158 of the Shelf Prospectus.

### Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The following table details the dividend declared by our Company on the Equity Shares for the Fiscals 2017, 2016, 2015, 2014 and 2013.

Particulars	For the year ended March 31				
	2017*	2016	2015	2014	2013
<b>Interim Dividend</b>	-	-	-	-	-
Rate of Dividend	-	-	-	-	-
Dividend per share (in ₹)	-	-	-	-	-
Amount of Interim Dividend (excluding dividend distribution tax)	-	-	-	-	-
<b>Final Dividend for the previous year</b>	-	-	-	-	-
Rate of Dividend	120%	200%	200%	190%	180%
Dividend per share (in ₹)	2.40	4.00	4.00	3.80	3.60
Amount of Dividend (excluding dividend distribution tax) (₹ in lakhs)	13,650.36	22,750.60	22,750.60	21,613.07	20,475.54
Dividend Distribution Tax	2,446.94	4,376.27	4,424.02	3,544.75	3,411.84

\*Recommended by Board of Directors on April 25, 2017, subject to approval of shareholders.

### Revaluation of assets

Our Company has not revalued its assets in the last five years.



## **Mechanism for redressal of investor grievances**

The Registrar Agreement dated June 12, 2017 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

### **Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot 31-32,  
Financial District, Nanakramguda, Gachibowli,  
Hyderabad – 500 032  
Tel: 91 40-6716 2222  
Fax: 91 40-2300 1153  
Email: einward.ris@karvy.com  
Investor Grievance Email: mahindrafinance.ncdipo2@karvy.com  
Website: www.karisma.karvy.com  
Contact Person: Mr. M Murali Krishna  
SEBI Registration Number: INR000000221  
CIN: U74140TG2003PTC041636

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Ms. Arnavaz M. Pardiwalla  
Company Secretary and Compliance Officer  
Mahindra and Mahindra Financial Services Limited  
Mahindra Towers, 4<sup>th</sup> Floor, Dr. G M. Bhosale Marg,  
P K. Kurne Chowk, Worli, Mumbai –400 018  
Tel: +91 22 22 6652 6000 (Board) / 6652 6017  
Fax: +91 22 24984170/71  
Email: investorhelpline\_mmfs@mahindra.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application amount etc.

## **Change in Auditors of our Company during the last three years**

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) Fiscals preceding the date of this Tranche 1 Prospectus.

## **Auditor Remarks**

There are no reservations or qualifications or adverse remarks of auditors in respect of our Financial Statements in the last five financial years from the date of this Tranche 1 Prospectus.

Details of overall lending as of March 31, 2017

1. Classification of loans/advances

a. Type of loans			(₹ in lakhs)
Sr. No.	Type of loans	Amount	(%)
1.	Secured	40,23,745.88	95.55%
2.	Unsecured	1,87,344.21	4.45%
<b>Total asset under management (AUM)</b>		<b>42,11,090.09</b>	<b>100%</b>

b. Sectoral Exposure

Sr. No.	Segment	Percentage of AUM
1	Agriculture & allied activities/Auto	89.7%
2	MSME/Corporate borrowers	10.2%
3	Unsecured personal loans	0.0%
4	Other loans	0.0%
<b>Total</b>		<b>100%</b>

b. Denomination of loans outstanding by ticket size :

b. Denomination of loans outstanding by ticket size :			(₹ in lakhs)
Sr. No.	Ticket Size	Percentage of AUM (%)	
1.	Up to ₹ 2 Lakhs	8%	
2.	₹ 2 to ₹ 5 Lakhs	46%	
3.	₹ 5 to ₹ 10 Lakhs	30%	
4.	₹10 to ₹ 25 Lakhs	9%	
5.	₹ 25 to ₹ 50 Lakhs	2%	
6.	Above 50 Lakhs	5%	
<b>Total</b>		<b>100%</b>	

d. Denomination of loan outstanding by LTV\*:

d. Denomination of loan outstanding by LTV*:			(₹ in lakhs)
Sr. No.	LTV	Percentage of AUM (%)	
1.	Up to 40%	1%	
2.	40%-50%	2%	
3.	50%-60%	5%	
4.	60%-70%	11%	
5.	70%-80%	26%	
6.	80%-90%	38%	
7.	Above 90%	17%	
<b>Total</b>		<b>100%</b>	

\*LTV at the time of sanctioning

e. Geographical classification of borrowers

S. No	Top 5 states	Percentage of AUM
1.	Maharashtra	15%
2.	Uttar Pradesh	10%
3.	Madhya Pradesh	7%
4.	Tamil Nadu	6%
5.	Karnataka	6%
<b>Total</b>		<b>44%</b>

**f. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines**

**(i) Movement of Gross NPAs**

Sr. No.	Particulars	Amount (in ₹ lakhs)
1.	Opening balance as of April 1, 2016	3,22,416.98
2.	Additions during the year	2,41,101.36
3.	Reductions during the year	1,45,251.93
4.	Closing balance as of March 31, 2017	<b>4,18,266.41</b>

**(ii) Movement of provisions for NPAs (excluding provisions on standard assets)**

Sr. No.	Particulars	Amount (in ₹ lakhs)
1.	Opening balance as of April 1, 2016	1,49,213.18
2.	Provisions made during the year	1,04,248.99
3.	Write-off / write back of excess provisions	60,015.54
4.	Closing balance as of March 31, 2017	<b>1,93,446.63</b>

**Segment-wise gross NPA**

Sr. No.	Sector	Percentage (%) of NPAs to Total Advances in that sector
1.	Agriculture & allied activities/Auto	10.4%
2.	MSME/Corporate borrowers	4.4%
3.	Unsecured personal loans	17.9%
4.	Other loans	0.0%

**2. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (As of March 31, 2017)**

Particulars	₹ in lakhs								
	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Deposits	17433.22	17319.05	21467.65	68664.62	90771.50	191168.19	31748.25	-	438572.48
Advances	299238.93	170423.06	164879.04	403218.09	675874.67	1751899.76	392398.33	1336.61	3859268.49
Reserves and surplus	-	-	-	-	-	-	-	636423.64	636423.64
Investments	27700.00	-	-	-	22500.00	4193.09	21001.32	113553.99	188948.40
Borrowings	76935.02	190000.00	63187.14	301157.14	313383.57	1412984.67	252182.45	342514.78	2952344.77
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	4863.75	14741.65	4863.75	-	27629.93	47460.87	-	-	99559.95

**3. Concentration of Exposure and NPA as of March 31, 2017**

Particulars	Amount (in ₹ lakhs)
<b>Concentration of Exposures</b>	
Total Exposure to twenty largest borrowers / customers	1,22,204.95
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	2.9%
<b>Concentration of NPAs</b>	
Total Exposure to top four NPA accounts	6122.71

**Others**

- a. Lending policy: For details on lending policy please see “Our Business – Our Operations” on page 95 of the Shelf Prospectus.
- b. Classification of loans/advances given to associates, entities/person relating to the board, senior management, Promoter: Nil
- c. Our Company has not provided any loans/advances to “Group” entities.
- d. There has been no change in Promoter’s holding in the Issuer in the last financial year beyond the threshold prescribed by RBI, which as on the date of this Tranche 1 Prospectus is 26%.

**SECTION III- ISSUE RELATED INFORMATION**  
**TERMS AND CONDITIONS IN CONNECTION WITH THE NCDS**

**Nature of the NCDs**

The following are the details of the principal terms and conditions of the Tranche 1 Issue. This section should be read in conjunction with, and is qualified in its entirety by, the further details in the sections titled “*Terms of the Issue*” on page 40 and “*Issue Procedure*” on page 61 of this Tranche 1 Prospectus.

The key common terms and conditions of the NCDs are as follows:

<b>Issuer</b>	Mahindra & Mahindra Financial Services Limited
<b>Type of instrument/ Name of the security/ Seniority</b>	Unsecured Subordinated Redeemable Non-Convertible Debentures
<b>Nature of the instrument</b>	Unsecured Subordinated Redeemable Non-Convertible Debenture
<b>Nature of Indebtedness and Ranking / Seniority</b>	Subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, the NCDs will be in the nature of subordinated debt and will be eligible for Tier II capital.
<b>Mode of the issue</b>	Public issue
<b>Lead Managers</b>	Edelweiss Financial Services Limited, Axis Bank Limited, A. K. Capital Services Limited, Trust Investment Advisors Private Limited and Yes Securities (India) Limited
<b>Debenture Trustee</b>	Axis Trustee Services Limited
<b>Depositories</b>	NSDL and CDSL
<b>Registrar to the Issue</b>	Karvy Computershare Private Limited
<b>Issue</b>	Public issue by our Company of NCDs of face value of ₹1,000 each for an amount of ₹25,000 lakhs with an option to retain oversubscription up to ₹ 1,75,000 lakhs aggregating upto ₹ 2,00,000 lakhs.
<b>Tranche 1 Issue Size</b>	Base Issue Size of ₹ 25,000 lakhs with an option to retain oversubscription up to ₹ 1,75,000 lakhs aggregating upto ₹ 2,00,000 lakhs
<b>Base Issue Size</b>	₹ 25,000 lakhs
<b>Option to retain Oversubscription Amount</b>	Upto the Shelf Limit, i.e. upto ₹ 2,00,000 lakhs
<b>Eligible investors</b>	See the section titled “ <i>Issue Procedure – Who are eligible to apply for NCDs?</i> ” on page 62 of this Tranche 1 Prospectus
<b>Objects of the Issue</b>	Please see “ <i>Objects of this Tranche 1 Issue</i> ” on page 23 of this Tranche 1 Prospectus
<b>Details of utilization of the proceeds</b>	See the section titled “ <i>Objects of this Tranche 1 Issue</i> ” on page 23 of this Tranche 1 Prospectus.
<b>Interest rate</b>	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 45 of this Tranche 1 Prospectus
<b>Step up/ Step down interest rates</b>	NA
<b>Interest type</b>	Fixed
<b>Interest reset process</b>	NA
<b>Issuance mode of the instrument*</b>	Demat
<b>Frequency of interest payment</b>	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 45 of this Tranche 1 Prospectus
<b>Interest payment date</b>	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 45 of this Tranche 1 Prospectus
<b>Day count basis</b>	Actual / Actual
<b>Interest on application money</b>	Please see “ <i>Interest on Application</i> ” on page 53 of this Tranche 1 Prospectus.
<b>Default interest rate</b>	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws

<b>Tenor</b>	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 45 of this Tranche 1 Prospectus
<b>Redemption Date</b>	Shall mean 7 years from Deemed Date of Allotment for Series I NCDs, 10 years from Deemed Date of Allotment for Series II NCDs and 15 years from Deemed Date of Allotment for Series III NCDs. In the event of call option being exercised for Series III NCDs, the Redemption Date for Series III NCDs shall be 10 years from Deemed Date of Allotment or such date for exercising the call option as intimated by our Company. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.
<b>Redemption Amount</b>	The principal amount of the NCDs along with interest accrued on them as on the Redemption Date. Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 45 of this Tranche 1 Prospectus
<b>Redemption premium/discount</b>	NA
<b>Issue Price (in ₹)</b>	₹ 1,000 per NCD
<b>Discount at which security is issued and the effective yield as a result of such discount.</b>	NA
<b>Put option</b>	NA
<b>Put date</b>	NA
<b>Put price</b>	NA
<b>Call option</b>	Subject to compliance with applicable laws, in case of Series III NCDs, call option may be exercised by our Company at the end of the 10 <sup>th</sup> year from the Deemed Date of Allotment. In the event of call option being exercised for Series III NCDs, the Redemption Date for Series III NCDs shall be 10 years from Deemed Date of Allotment or such date for exercising the call option as intimated by our Company.
<b>Call option date</b>	For Series III NCDs, call option may be exercised by our Company at the end of the 10 <sup>th</sup> year from the Deemed Date of Allotment, subject to compliance with applicable law.
<b>Call option price</b>	Face value of Series III NCDs along with interest, if any.
<b>Put notification time.</b>	NA
<b>Call notification time</b>	Written notice for exercise of Call option shall be issued by our Company atleast 21 days prior to the exercise date subject to compliance with applicable law.
<b>Face value</b>	₹ 1,000 per NCD
<b>Minimum Application size and in multiples of NCD thereafter</b>	₹ 10,000 (10 NCDs) collectively across all Series and in multiple of ₹1,000 (1 NCD) thereafter across all Series
<b>Market Lot/ Trading Lot</b>	One
<b>Pay-in date</b>	Application Date. The entire Application Amount is payable on Application.
<b>Credit ratings</b>	The NCDs proposed to be issued under this Tranche 1 Issue have been rated ‘IND AAA’/ Outlook Stable’ for an amount of ₹ 2,00,000 lakhs, by India Ratings & Research Private Limited (“ <b>India Rating</b> ”) vide their letters dated June 6, 2017 and June 27, 2017 and ‘BWR AAA, Outlook: Stable’ for an amount of ₹ 2,00,000 lakhs, by Brickwork Ratings India Private Limited (“ <b>BWR</b> ”) vide their letters dated June 7, 2017 and June 27, 2017. The rating of NCDs by India Ratings and BWR indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rationale for these ratings, see Annexure A and B of the Shelf Prospectus.
<b>Listing</b>	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure. For more information, see “ <i>Other Regulatory and Statutory Disclosures – Listing</i> ” on page 28 of this Tranche 1 Prospectus.

<b>Issue size</b>	Base Issue Size of ₹ 25,000 lakhs with an option to retain oversubscription up to ₹ 1,75,000 lakhs aggregating upto ₹ 2,00,000 lakhs
<b>Modes of payment</b>	Please see the section titled “ <i>Issue Procedure – Terms of Payment</i> ” on page 75 of this Tranche 1 Prospectus.
<b>Trading mode of the instrument</b>	In dematerialised form only
<b>Issue opening date</b>	July 10, 2017
<b>Issue closing date**</b>	July 28, 2017
<b>Record date</b>	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the Redemption Date. In the event the Record Date falls on a Sunday or holidays of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date.
<b>Issue documents</b>	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 1 Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, Application Form, Abridged Prospectus and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Escrow Agreement, the Registrar Agreement and the Consortium Agreement. For further details please refer to “ <i>Material Contracts and Documents for Inspection</i> ” on page 97 of this Tranche 1 Prospectus
<b>Conditions precedent to disbursement</b>	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.  See “ <i>General Information - Utilisation of Issue Proceeds</i> ” on page 20 of this Tranche 1 Prospectus.
<b>Conditions subsequent to disbursement</b>	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.  See “ <i>General Information - Utilisation of Issue Proceeds</i> ” on page 20 of this Tranche 1 Prospectus.
<b>Events of default / cross default</b>	See the section titled “ <i>Terms of the Issue – Events of Default</i> ” on page 41 of this Tranche 1 Prospectus.
<b>Deemed date of Allotment</b>	The date on which the Board of Directors/or Bond Issue Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or Bond Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.
<b>Roles and responsibilities of the Debenture Trustee</b>	See the section titled “ <i>Terms of the Issue –Trustee for NCD Holders</i> ” on page 40 of this Tranche 1 Prospectus.
<b>Governing law and jurisdiction</b>	The governing law and jurisdiction for the purpose of the Tranche 1 Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively
<b>Working day convention</b>	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day.  If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the

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Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

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*\* In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form.*

*\*\*The Tranche 1 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Tranche 1 Issue may close on such earlier date or extended date as may be decided by the Board or Bond Issue Committee thereof. In the event of an early closure or extension of the Tranche 1 Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date, Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE.*

#### *Terms of payment*

*The entire face value per NCDs is payable on application (except in case of ASBA Applicants). In case of ASBA Applicants, the entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall refund the amount paid on application to the Applicant, in accordance with this Tranche 1 Prospectus.*

*Participation by any of the above-mentioned Investor classes in this Tranche 1 Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Tranche 1 Issue.*

*The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Tranche 1 Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.*

*Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialized form) held in joint names. If the depository account is held in joint names, the Application Forms should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.*

*In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.*

*For further details, see the section titled "Issue Procedure" on page 61 of this Tranche 1 Prospectus.*

#### **SPECIFIC TERMS FOR EACH SERIES OF NCDs**

The terms of each series of NCDs are set out below:



Series	I	II	III
<b>Frequency of Interest Payment</b>	Annual	Annual	Annual
<b>Minimum Application</b>	₹ 10,000 (10 NCDs) across all Series collectively		
<b>In Multiples of thereafter</b>	₹ 1,000 (1 NCD)		
<b>Face Value of NCDs (₹/ NCD)</b>	₹ 1,000		
<b>Issue Price (₹/ NCD)</b>	₹ 1,000		
<b>Mode of Interest Payment</b>	Through various options available		
<b>Tenor</b>	7 years	10 years	15 years
<b>Coupon (%) for NCD Holders in Category I and Category II</b>	7.75	7.90	7.95
<b>Coupon (%) for NCD holders in Category III and Category IV</b>	7.85	8.00	8.05
<b>Effective Yield (per annum) for NCD holders in Category I &amp; II</b>	7.76	7.91	7.95
<b>Effective Yield (per annum) for NCD holders in Category III &amp; IV</b>	7.86	8.01	8.05
<b>Put Option</b>	NA	NA	NA
<b>Call Option</b>	NA	NA	Subject to compliance with applicable laws, in case of Series III NCDs, call option may be exercised by our Company at the end of the 10 <sup>th</sup> year from the Deemed Date of Allotment. In the event of call option being exercised for Series III NCDs, the Redemption Date for Series III NCDs shall be 10 years from Deemed Date of Allotment or such date for exercising the call option as intimated by our Company.
<b>Redemption Date</b>	7 years from the Deemed Date of Allotment	10 years from the Deemed Date of Allotment	15 years from the Deemed Date of Allotment. In the event of call option being exercised for Series III NCDs, the Redemption Date for Series III NCDs shall be 10 years from Deemed Date of Allotment or such date for exercising the call option as intimated by our Company.
<b>Redemption Amount (₹/NCD)</b>	₹ 1,000		

*\*Our Company shall allocate and allot Series I NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series.*

If the Deemed Date of Allotment undergoes a change, the coupon payment dates, redemption dates, redemption amounts and other cash flow workings shall be changed accordingly.

#### **Terms of payment**

The entire face value per NCDs is payable on application (except in case of ASBA Applicants). In case of ASBA Applicants, the entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall refund the amount paid on application to the Applicant, in accordance with the terms of this Tranche 1 Prospectus.

## TERMS OF THE ISSUE

### GENERAL TERMS OF THE ISSUE

#### Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on October 25, 2016. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' *vide* their resolution dated June 15, 2017.

#### Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 1 Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

#### Ranking of NCDs

The NCDs would constitute unsecured and subordinated obligations of our Company and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Issue and all earlier issues of unsecured debentures outstanding in the books of our Company, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the NCD holders shall be subordinated to those of the other creditors of our Company, subject to applicable statutory and/or regulatory requirements. Our Company may, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the NCDs as Tier II capital.

#### Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-1A of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the outstanding value of the NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

#### Face Value

The face value of each NCD shall be ₹ 1,000

#### Trustees for the NCD Holders

We have appointed Axis Trustee Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers,

authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

#### **Events of Default:**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Default is committed in payment of the principal amount of the NCDs on the due date(s); and Default is committed in payment of any interest on the NCDs on the due date(s).

#### **NCD Holder not a Shareholder**

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

#### **Rights of NCD Holders**

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory

requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. A register of NCD Holders holding NCDs in physical form (“**Register of NCD Holders**”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.
6. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 1 Prospectus and the Debenture Trust Deed.

#### **Nomination facility to NCD Holder**

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rule 19**”) and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Tranche 1 Issue is with the competent courts of jurisdiction in Mumbai, India.

### **Application in the Issue**

NCDs being issued through this Tranche 1 Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable.

### **Transfer/Transmission of NCD(s)**

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Companies Act, 2013 shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCD(s) as well. In respect of the NCDs held in physical form, a suitable instrument of transfer as may be prescribed by the Issuer may be used for the same. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

Please see “*Issue Procedure –Interest and Payment of Interest*” on page 45 of this Tranche 1 Prospectus for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

### ***For NCDs held in electronic form:***

The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant.

In case the transferee does not have a DP account, the seller can re-materialise the NCDs and thereby convert his dematerialized holding into physical holding. Thereafter, the NCDs can be transferred in the manner as stated above.

In case the buyer of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

### **Title**

In case of:

- a. the NCDs held in the dematerialized form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and
- b. the NCDs held in physical form, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCD s will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company’s shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

## Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

## Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

## Procedure for Re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time.  **Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.**

## Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any requirements of the RBI and/or as provided in our Articles of Association. Please refer to the section titled “*Main Provisions of the Articles of Association of our Company*” on page 241 of the Shelf Prospectus.

## Period of Subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	July 10, 2017
ISSUE CLOSES ON	July 28, 2017**

*\*\*The Tranche 1 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Tranche 1 Issue may close on such earlier date or extended date as may be decided by the Board or Bond Issue Committee thereof. In the event of an early closure or extension of the Tranche 1 Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date, Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE.*

Applications Forms for the Tranche 1 Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Tranche 1 Issue

Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Lead Managers or the Trading Members of the Stock Exchange, as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Lead Managers or the Trading Members of the Stock Exchange, as the case maybe, only at the Selected Cities. On the Issue Closing Date Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche 1 Issue Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Tranche 1 Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche 1 Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche 1 Issue. Application Forms will only be accepted on Working Days during the Tranche 1 Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Tranche 1 Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

### **Interest and Payment of Interest**

#### **Series I NCDs**

In case of Series I NCDs, interest would be paid annually on Actual/Actual basis at the following Coupon Rate in connection with the relevant categories of NCD holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCDs:

<b>Category of NCD holder</b>	<b>Coupon rate (%) per annum</b>
Category I Investor	7.75
Category II Investor	7.75
Category III Investor	7.85
Category IV Investor	7.85

Series I NCDs shall be redeemed at the Face Value along with the interest accrued thereon, if any, at the end of 7 years from the Deemed Date of Allotment.

#### **Series II NCDs**

In case of Series II NCDs, interest would be paid annually on Actual/Actual basis at the following Coupon Rate in connection with the relevant categories of NCD holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series II NCDs:

<b>Category of NCD holder</b>	<b>Coupon rate (%) per annum</b>
Category I Investor	7.90
Category II Investor	7.90
Category III Investor	8.00
Category IV Investor	8.00

Series II NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 10 years from the Deemed Date of Allotment.

#### **Series III NCDs**

In case of Series III NCDs, interest would be paid annually on Actual/Actual basis at the following Coupon Rate in connection with the relevant categories of NCD holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series III NCDs:

<b>Category of NCD holder</b>	<b>Coupon rate (%) per annum</b>
Category I Investor	7.95

Category II Investor	7.95
Category III Investor	8.05
Category IV Investor	8.05

Series III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 15 years from the Deemed Date of Allotment.

Subject to compliance with applicable laws, in case of Series III NCDs, call option may be exercised by our Company at the end of the 10<sup>th</sup> year from the Deemed Date of Allotment. In the event of call option being exercised for Series III NCDs, the Redemption Date for Series III NCDs shall be 10 years from Deemed Date of Allotment or such date for exercising the call option as intimated by our Company. For details please refer to “*Terms of the Issue*” on page 40 of this Tranche 1 Prospectus.

If the Deemed Date of Allotment undergoes a change, the coupon payment dates, redemption dates, redemption amounts and other cash flow workings shall be changed accordingly.

Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date of Allotment/interest payment date till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs.

If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be. For avoidance of doubt, in case of interest payment on effective Date, interest for period between actual interest payment date and the effective date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the maturity proceeds will be paid on the immediately previous Working Day along with the coupon/interest accrued on the NCDs until but excluding the date of such payment.

The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

### **Basis of payment of Interest**

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category Of NCD Holder on any record date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on “*Issue Procedure - Terms of Payment*” at page 75 in this Tranche 1 Prospectus.

### **Taxation**

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company’s books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any



security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

However in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident Individuals and HUFs), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted to our Company quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

*Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated on page 5 of this Tranche 1 Prospectus, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche 1 Prospectus read with the provisions of the Articles of Association of our 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.*

#### **Day Count Convention:**

Interest shall be computed on an actual / actual basis on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

#### **Effect of holidays on payments:**

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

#### **Illustration for guidance in respect of the day count convention and effect of holidays on payments.**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 is as follows:

**ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS**

**Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue**

**Series I Tranche 1 Issue**

Face Value per NCD (in ₹)	1000
Issue Date/Date of allotment (assumed)	Thursday, August 03, 2017
Tenor	7 Years
Option 1: Coupon Rate for Category I Investors and Category II Investors	7.75% p.a.
Option 2: Coupon Rate for Category III Investors and Category IV Investors	7.85% p.a.
Redemption Date/Maturity Date (assumed)	August 3, 2024
Frequency of interest payment	Annual
Option 1: Effective Yield for Category I Investors and Category II Investors	7.76%
Option 2: Effective Yield for Category III Investors and Category IV Investors	7.86%
Day Count Convention	actual/actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (₹)	Option 2: For Category III Investors and Category IV Investors (₹)
Deemed Date of Allotment	Thursday, August 03, 2017	Thursday, August 03, 2017		-1000	-1000
Coupon 1	Sunday, April 01, 2018	Monday, April 02, 2018	241	51.17	51.83
Coupon 2	Monday, April 01, 2019	Monday, April 01, 2019	365	77.50	78.50
Coupon 3	Wednesday, April 01, 2020	Wednesday, April 01, 2020	366	77.50	78.50
Coupon 4	Thursday, April 01, 2021	Thursday, April 01, 2021	365	77.50	78.50

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (₹)	Option 2: For Category III Investors and Category IV Investors (₹)
Coupon 5	Friday, April 01, 2022	Friday, April 01, 2022	365	77.50	78.50
Coupon 6	Saturday, April 01, 2023	Monday, April 03, 2023	365	77.50	78.50
Coupon 7	Monday, April 01, 2024	Monday, April 01, 2024	366	77.50	78.50
Coupon 8	Saturday, August 03, 2024	Friday, August 02, 2024	124	26.33	26.67
Principal	Saturday, August 03, 2024	Friday, August 02, 2024		1,000.00	1000.00

#### Series II Tranche 1 Issue

Face Value per NCD (in ₹)	1000
Issue Date/Date of allotment (assumed)	Thursday, August 03, 2017
Tenor	10 Years
Option 1: Coupon Rate for Category I Investors and Category II Investors	7.90% p.a.
Option 2: Coupon Rate for Category III Investors and Category IV Investors	8.00% p.a.
Redemption Date/Maturity Date (assumed)	August 3, 2027
Frequency of interest payment	Annual
Option 1: Effective Yield for Category I Investors and Category II Investors	7.91%
Option 2: Effective Yield for Category III Investors and Category IV Investors	8.01%
Day Count Convention	actual/actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (₹)	Option 2: For Category III Investors and Category IV Investors (₹)
Deemed Date of Allotment	Thursday, August 03, 2017	Thursday, August 03, 2017		-1000	-1000
Coupon 1	Sunday, April 01, 2018	Monday, April 02, 2018	241	52.16	52.82
Coupon 2	Monday, April 01, 2019	Monday, April 01, 2019	365	79.00	80.00
Coupon 3	Wednesday, April 01, 2020	Wednesday, April 01, 2020	366	79.00	80.22
Coupon 4	Thursday, April 01, 2021	Thursday, April 01, 2021	365	79.00	80.00
Coupon 5	Friday, April 01, 2022	Friday, April 01, 2022	365	79.00	80.00
Coupon 6	Saturday, April 01, 2023	Monday, April 03, 2023	365	79.00	80.00
Coupon 7	Monday, April 01, 2024	Monday, April 01, 2024	366	79.00	80.00
Coupon 8	Tuesday, April 01, 2025	Tuesday, April 01, 2025	365	79.00	80.00
Coupon 9	Wednesday, April 01, 2026	Wednesday, April 01, 2026	365	79.00	80.00
Coupon 10	Thursday, April 01, 2027	Thursday, April 01, 2027	365	79.00	80.00
Coupon 11	Tuesday, August 03, 2027	Tuesday, August 03, 2027	124	26.84	27.18
Principal	Tuesday, August 03, 2027	Tuesday, August 03, 2027		1,000.00	1,000.00

### Series III Tranche 1 Issue

Face Value per NCD (in ₹)	1000
Issue Date/Date of allotment (assumed)	Thursday, August 03, 2017
Tenor	15 Years
Option 1: Coupon Rate for Category I Investors and Category II Investors	7.95% p.a.
Option 2: Coupon Rate for Category III Investors and Category IV Investors	8.05% p.a.
Redemption Date/Maturity Date (assumed)	August 3, 2032
Frequency of interest payment	Annual

Option 1: Effective Yield for Category I Investors and Category II Investors	7.95%
Option 2: Effective Yield for Category III Investors and Category IV Investors	8.05%
Day Count Convention	actual/actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (₹)	Option 2: For Category III Investors and Category IV Investors (₹)
Deemed Date of Allotment	Thursday, August 03, 2017	Thursday, August 03, 2017		-1000	-1000
Coupon 1	Sunday, April 01, 2018	Monday, April 02, 2018	241	52.49	53.15
Coupon 2	Monday, April 01, 2019	Monday, April 01, 2019	365	79.50	80.50
Coupon 3	Wednesday, April 01, 2020	Wednesday, April 01, 2020	366	79.50	80.50
Coupon 4	Thursday, April 01, 2021	Thursday, April 01, 2021	365	79.50	80.50
Coupon 5	Friday, April 01, 2022	Friday, April 01, 2022	365	79.50	80.50
Coupon 6	Saturday, April 01, 2023	Monday, April 03, 2023	365	79.50	80.50
Coupon 7	Monday, April 01, 2024	Monday, April 01, 2024	366	79.50	80.50
Coupon 8	Tuesday, April 01, 2025	Tuesday, April 01, 2025	365	79.50	80.50
Coupon 9	Wednesday, April 01, 2026	Wednesday, April 01, 2026	365	79.50	80.50
Coupon 10	Thursday, April 01, 2027	Thursday, April 01, 2027	365	79.50	80.50
Coupon 11	Saturday, April 01, 2028	Monday, April 03, 2028	366	79.50	80.50
Coupon 12	Sunday, April 01, 2029	Monday, April 02, 2029	365	79.50	80.50
Coupon 13	Monday, April 01, 2030	Monday, April 01, 2030	365	79.50	80.50
Coupon 14	Tuesday, April 01, 2031	Tuesday, April 01, 2031	365	79.50	80.50
Coupon 15	Thursday, April 01, 2032	Thursday, April 01, 2032	366	79.50	80.50
Coupon 16	Tuesday, August 03, 2032	Tuesday, August 03, 2032	124	27.01	27.35

<b>Cash Flows</b>	<b>Due Date</b>	<b>Date of Payment</b>	<b>No. of days in Coupon Period</b>	<b>Option 1: For Category I Investors and Category II Investors (₹)</b>	<b>Option 2: For Category III Investors and Category IV Investors (₹)</b>
Principal	Tuesday, August 03, 2032	Tuesday, August 03, 2032		1,000.00	1,000.00

Assumptions:

1. For the purpose of above illustrations, it is assumed that Saturdays and Sundays are non-Working Day.
2. For the purpose of above illustrations, the Deemed Date of Allotment has been assumed as August 3, 2017. If the Deemed Date of Allotment undergoes a change, the coupon payment dates, redemption dates, redemption amounts and other cash flow workings shall be changed accordingly.
3. Interest payable for quarters ending in Fiscal 2020, Fiscal 2024, Fiscal 2028 and Fiscal 2032 being leap years, has been calculated for 366 days.

## **Interest on Application Amount**

### **Interest on application amounts received which are used towards allotment of NCDs:**

Our Company shall pay interest on application amount at the rate of 7.50% per annum on the amount allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to the Applicants to whom full amount of NCDs applied for are allotted pursuant to the Tranche 1 Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of the BSE upto one day prior to the Deemed Date of Allotment.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment/ NCD Certificates at the sole risk of the Applicant, to the sole/first Applicant.

### **Interest on application amounts received which are liable to be refunded:**

Our Company shall pay interest on application amount at the rate of 5.00% per annum on the amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to the Applicants whose Valid Applications receive (i) partial allotment due to oversubscription or (ii) no allotment due to oversubscription pursuant to the Tranche 1 Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts which are liable to be refunded from three Working Days from the date of upload of each Application on the electronic Application platform of the BSE upto one day prior to the Deemed Date of Allotment. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Allotment/ Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant.

In the event our Company does not receive Minimum Subscription, our Company shall pay interest on application amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the Debt Regulations and/or the Companies Act, 2013. In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75 % of the Base Issue Size, prior to the Issue Closing Date the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by our Company in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Interest warrant will be dispatched / credited (in case of electronic payment) to the account of the Applicants, other than ASBA Applicants, as mentioned in the depository records along with the Letter(s) of Allotment/ Letter(s) of Refund at the sole risk of the applicant, to the sole/first applicant.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please refer to “*Issue Procedure - Rejection of Application*” at page 80 of this Tranche 1 Prospectus.

## **Maturity and Redemption**

The NCDs pursuant to this Tranche 1 Prospectus have a fixed maturity date. The date of maturity of the NCDs is as follows:

<b>Series of NCDs</b>	<b>At the end of maturity period</b>
I	7 years from the Deemed Date of Allotment

<b>Series of NCDs</b>	<b>At the end of maturity period</b>
II	10 years from the Deemed Date of Allotment
III	15 years from the Deemed Date of Allotment (subject to Call Option as described below)

### **Put Option**

There is no put option available to any NCD Holders.

### **Call Option**

For Series III NCDs, our Company may exercise a call option, subject to applicable laws and following conditions:

- i. Series III NCDs have completed for at least ten years from the Deemed Date of Allotment;
- ii. Our Company having sent a notice to all the eligible Series III NCD Holders i.e. Series III NCD Holders holding NCDs as on the Record Date (defined below), on a date after the Record Date and at least 21 days before the date on which the call option is exercised; and
- iii. A copy of aforementioned notice has been sent to the Stock Exchanges for wider dissemination and our Company has made an advertisement in the national daily having wide circulation indicating the details of the call option being exercised, including the Record Date;

Record Date for the purpose of exercise of the call option is the tenth anniversary of the Deemed Date of Allotment, or such other date as may be intimated to the Stock Exchanges by the Company (subject to receipt of regulatory approvals), atleast one day prior to such date. There shall be no trading in Series III NCDs from the Record Date till the date of exercise of call option.

In the event regulatory approvals necessary for the purpose of exercising the call option have not met one day prior to the tenth anniversary of the Deemed Date of Allotment, our Company undertakes to intimate the stock exchanges, about the change in the Record Date.

In the event of call option being exercised for Series III NCDs, the Redemption Date for Series III NCDs shall be 10 years from Deemed Date of Allotment or such date for exercising the call option as intimated by our Company.

#### *Illustrative example:*

In the event the deemed date of allotment is August 1, 2017 and subject to compliance with applicable laws, the Record Date for the purpose of identification of eligible Series III NCD Holders would be August 1, 2027. Our Company shall intimate the stock exchanges atleast a day prior to the Record Date the details of the Record Date fixed for identification of eligible Series III NCD Holders. Once, the eligible Series III NCD Holders have been identified, our Company shall issue a notice of not less than 21 days intimating them of the date of exercise of call option.

Further, in the event the Deemed Date of Allotment is after August 1, 2017 and the requisite regulatory for exercising the call option has not been received atleast one day prior to the tenth anniversary of such date i.e. August 1, 2027, our Company shall inform the Stock Exchanges about the same, atleast one day prior to such date. Subsequently, upon receipt of the requisite approvals, our Company shall inform the Stock Exchanges of such revised Record Date, atleast one day prior to the revised Record Date. Once, the eligible Series III NCD Holders have been identified, our Company shall issue a notice of not less than 21 days intimating them of the date of exercise of call option.

Our Company undertakes to pay the redemption proceeds to the investors along with the interest due to the investors within fifteen days from date of exercise of such call option, subject to compliance with applicable law. In case there is a delay in payment of redemption proceeds as mentioned above our Company shall be liable to pay interest at the rate of 15% per annum for the period of delay, if any.

### **Step up/ Step down interest rates**

No Step up/ Step down option available for NCDs.



## Application Size

Each application should be for a minimum of 10 NCDs and multiples of 1 NCD thereof. The minimum application size for each application would be ₹ 10,000 (for all kinds of Series I, II and III NCDs either taken individually or collectively) and in multiples of ₹ 1,000 thereafter.

Applicants can apply for any or all Series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

## Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the Applicant in accordance with the terms of this Tranche 1 Prospectus. For further details please refer to the paragraph on “*Terms of Issue - Interest on Application Amount*” on page 53 of this Tranche 1 Prospectus.

## Manner of Payment of Interest / Refund

The manner of payment of interest / refund in connection with the NCDs is set out below:

### *For NCDs applied / held in electronic form:*

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant’s sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

- 1. Direct Credit:** Investors having their bank account with the Refund Banks, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.
- 2. NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- 3. RTGS:** Applicants having a bank account with a participating bank and whose interest payment / refund / redemption amount exceeds ₹ 2 lakhs, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / refund / redemption shall be made through NECS subject to availability of complete bank account details for the same as stated above.
- 4. NEFT:** Payment of interest / refund / redemption shall be undertaken through NEFT wherever the Applicants’ bank has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to

a Magnetic Ink Character Recognition (“MICR”), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/refund/redemption will be made to the Applicants through this method.

5. **Registered Post/Speed Post:** For all other Applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India. Refunds may be made by cheques, pay orders, or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. All cheques, pay orders, or demand drafts as the case may be, shall be sent by registered/speed post at the Investor’s sole risk. Bank charges, if any, for cashing such cheques, pay orders, or demand drafts at other centres will be payable by the Applicant.

### **Refunds for Applicants other than ASBA Applicants**

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of NCDs. Applicants who have applied for Allotment of NCDs in dematerialized form, the Registrar to the Issue will obtain from the Depositories the Applicant’s bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds. For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving refunds through these modes, giving details of the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per Demographic Details received from the Depositories. The Demographic Details would be used for mailing of the physical refund orders. Investors who have applied for NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of refund to the investors at their sole risk and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for such delays on part of the investors.

### **Printing of Bank Particulars on Interest Warrants**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant’s bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

### **Loan against NCDs**

Pursuant to the RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

### **Buy Back of NCDs**

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

### **Procedure for Redemption by NCD Holders**

The procedure for redemption is set out below:

***NCDs held in physical form:***

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the para “*Payment on Redemption*” given below.

***NCDs held in electronic form:***

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

**Payment on Redemption**

The manner of payment of redemption is set out below:

***NCDs held in physical form:***

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the Register of NCD Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 7 (seven) days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

***NCDs held in electronic form:***

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories’ records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

#### **Issue of Duplicate NCD Certificate(s)**

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

#### **Right to Reissue NCD(s)**

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

#### **Sharing of Information**

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

#### **Notices**

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

#### **Future Borrowings**

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

#### **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”

#### **Pre-closure**

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche 1 Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Tranche

1 Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Tranche 1 Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche 1 Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Tranche 1 Issue have been given.

### **Minimum Subscription**

In terms of the SEBI circular dated June 17, 2014, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, prior to the Issue Closing Date, the entire subscription amount shall be refunded to the Applicants within 12 Days from the date of closure of the Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by the Issuer in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

### **Utilisation of Application Amount**

The sum received in respect of the Tranche 1 Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

### **Utilisation of Issue Proceeds**

- a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- d) We shall utilize the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; and (iii) receipt of listing and trading approval from BSE.
- e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

### **Events of Default**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the

respective Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s)

### **Filing of the Shelf Prospectus and Tranche 1 Prospectus with the RoC**

A copy of the Shelf Prospectus and Tranche 1 Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the relevant Tranche Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and the Tranche I Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

### **Listing**

The NCDs offered through this Tranche 1 Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated June 28, 2017. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 12 Working Days of the Tranche 1 Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

## ISSUE PROCEDURE

*This section applies to all Applicants. ASBA Applicants should note that the ASBA process involves application procedures which may be different from the procedures applicable to Applicants who apply for NCDs through any of the other channels, and accordingly should carefully read the provisions applicable to ASBA Applications hereunder. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the Designated Branches of the SCSBs.*

*ASBA Applicants should note that they may submit their ASBA Applications to the Lead Managers, or Trading Members of the Stock Exchange only in the Specified Cities or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Lead Manager, or Trading Members of the Stock Exchange at the centres mentioned in the Application Form. For further information, please refer to “Issue Procedure - Submission of Completed Application Forms” on page 77 of this Tranche 1 Prospectus.*

*Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche 1 Prospectus.*

*Please note that this section has been prepared based on the Circular No. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI. The following Issue procedure is subject to the functioning and operations of the necessary systems and infrastructure put in place by the Stock Exchange for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Direct Online Applications through the online platform and online payment facility to be offered by the Stock Exchange and is also subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI. Please note that the Applicants will not have the option to apply for NCDs under the Tranche 1 Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.*

*Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.*

**PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS TRANCHE 1 ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE.**

**THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.**

*For purposes of the Tranche 1 Issue, the term “Working Day” shall mean all days excluding Saturdays, Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the securities, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.*

The information below is given for the benefit of the investors. Our Company and the Lead Managers are not

liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche 1 Prospectus.

## PROCEDURE FOR APPLICATION

### Availability of the Abridged Prospectus and Application Forms

**Please note that there is a single Application Form for ASBA Applicants as well as Non-ASBA Applicants who are Persons Resident in India.**

Physical copies of the abridged prospectus containing the salient features of the Shelf Prospectus, this Tranche 1 Prospectus together with Application Forms may be obtained from:

- (a) Our Company's Corporate Office;
- (b) Offices of the Lead Managers and Consortium Members;
- (c) Trading Members; and
- (d) Designated Branches of the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Shelf Prospectus, this Tranche 1 Prospectus and Application Form can be obtained from our Company's Corporate Office, as well as offices of the Lead Managers. Electronic copies of the Shelf Prospectus and Tranche 1 Prospectus will be available on the websites of the Lead Managers, the Stock Exchange, SEBI and the SCSBs.

### Who are eligible to apply for NCDs?

The following categories of persons are eligible to apply in the Tranche 1 Issue:

Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Net-worth Individual, ("HNIs"), Investors	Retail Individual Investors
<ul style="list-style-type: none"> <li>• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs;</li> <li>• Provident funds, pension funds with a minimum corpus of ₹ 2,500 lakhs, superannuation funds and gratuity funds, which are</li> </ul>	<ul style="list-style-type: none"> <li>• 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;</li> <li>• Co-operative banks and Regional Rural Banks;</li> <li>• Public/private charitable/religious trusts which are</li> </ul>	<ul style="list-style-type: none"> <li>• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10.00 lakhs across all series of NCDs in Issue</li> </ul>	<ul style="list-style-type: none"> <li>• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10.00 lakhs across all series of NCDs in Issue</li> </ul>



Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Net-worth Individual, (“HNIs”), Investors	Retail Individual Investors
<p>authorised to invest in the NCDs;</p> <ul style="list-style-type: none"> <li>• Venture Capital Funds/ Alternative Investment Fund registered with SEBI;</li> <li>• Insurance Companies registered with IRDA;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>• Systemically Important Non-Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements;</li> <li>• 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; and</li> <li>• Mutual Funds registered with SEBI.</li> </ul>	<p>authorised to invest in the NCDs;</p> <ul style="list-style-type: none"> <li>• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners;</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>• Association of Persons; and</li> <li>• Any other incorporated and/ or unincorporated body of persons</li> </ul>		

**Note:** All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNIs and Retail Individual Investors who are eligible under applicable laws to hold the NCDs are collectively referred to as “Individuals”.

All categories of entities, associations, organizations, societies, trusts, funds, partnership firms, Limited Liability

Partnerships, bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT individuals or natural persons and are eligible under applicable laws to hold the NCDs including without limitation Institutional Investors and Non Institutional Investors are collectively referred to as “Non Individuals”.

**Please note that it is clarified that Persons Resident Outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.**

**Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.**

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

#### **Who are not eligible to apply for NCDs?**

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- a) 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);
- b) 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;
- c) Persons resident outside India and other foreign entities;
- d) Foreign Institutional Investors;
- e) Foreign Portfolio Investors;
- f) Foreign Venture Capital Investors;
- g) Qualified Foreign Investors;
- h) Overseas Corporate Bodies; and
- i) Persons ineligible to contract under applicable statutory/regulatory requirements.

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

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

No offer to the public (as defined under Directive 2003/71/EC, together with any amendments and implementing measures thereto, the “**Prospectus Directive**”) has been or will be made in respect of the Issue or otherwise in respect of the NCDs, in any Member State of the European Economic Area which has implemented the Prospectus Directive (a “**Relevant Member State**”) except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the NCDs.

Please refer to “**Issue Procedure - Rejection of Applications**” on page 80 of this Tranche 1 Prospectus for information on rejection of Applications.

## Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

- (a) ASBA Applications through the Consortium or Lead Managers, or the Trading Members of the Stock Exchange only in the Specified Cities (namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) (“**Syndicate ASBA**”). For further details please refer to “*Issue Procedure - Submission of ASBA Applications*” on page 68 of this Tranche 1 Prospectus;
- (b) ASBA Applications through the Designated Branches of the SCSBs. For further details please refer to “*Issue Procedure - Submission of ASBA Applications*” on page 68 of this Tranche 1 Prospectus; and
- (c) Non-ASBA Applications through the Consortium or Lead Managers or the Trading Members of the Stock Exchange at the centres mentioned in Application Form. For further details please refer to “*Issue Procedure - Submission of Non-ASBA Applications (other than Direct Online Applications)*” on page 69 of this Tranche 1 Prospectus.

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by both Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.*

## APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

### Applications by Mutual Funds

Pursuant to the SEBI Circular 2016, mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10.0% of net assets value to 5.0% of net assets value and single issuer limit is reduced to 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduces group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMC or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

### Application by Systemically Important Non- Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

### Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**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 by Insurance Companies**

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

#### **Application by Indian Alternative Investment Funds**

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment**

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under

applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorized person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by National Investment Fund**

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

#### **Companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)**

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions; (iv) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must

be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as non-ASBA Applications) online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

## **APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM**

### ***Submission of ASBA Applications***

Applicants can also apply for NCDs using the ASBA facility. ASBA Applications can be submitted through either of the following modes:

- a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.
- b) Physically through the Consortium, Lead Managers, or Trading Members of the Stock Exchange only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium, Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Upon receipt of the Application Form by the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until

approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Tranche Prospectus is made available on their websites.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to “**General Information – Issue Programme**” on page 20 of this Tranche 1 Prospectus.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. **Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.**

**Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialized form only.**

#### ***Submission of Non-ASBA Applications (Other than Direct Online Applications)***

Applicants must use the specified Application Form, which will be serially numbered, bearing the stamp of the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, at the centers mentioned in the Application Form along with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.** The Stock Exchange may also provide Application Forms for being downloaded and filled. Accordingly the investors may download Application Forms and submit the completed Application Forms together with cheques/ demand drafts to the Lead Managers, Consortium Members or Trading Member of the Stock Exchange at the centers mentioned in the Application Form. On submission of the complete Application Form, the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, will upload the Application Form on the electronic system provided by the Stock Exchange, and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft shall be forwarded to the Escrow Collection Banks for realization and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with:

- (a) any cancellation/ withdrawal of their Application;
- (b) queries in connection with allotment and/ or refund(s) of NCDs; and/or
- (c) all investor grievances/ complaints in connection with the Issue.

#### **Submission of Direct Online Applications**

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.*

In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated UAN and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

**As per Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.**

## **INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM**

### **General Instructions**

#### **A. General instructions for completing the Application Form**

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, the Shelf Prospectus this Tranche 1 Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms



by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.

- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- All Applicants are required to tick the relevant box of the “Mode of Application” in the Application Form choosing either ASBA or Non-ASBA mechanism.
- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

**Applicants should note that neither the Lead Managers, Trading Member of the Stock Exchange, Escrow Collection Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.**

**Our Company would allot the series of NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.**

#### **B. Applicant’s Beneficiary Account and Bank Account Details**

Applicants applying for Allotment in dematerialized form must mention their DP ID and Client ID in the Application Form, and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant’s name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition (“MICR”) Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants’ sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Escrow Collection Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. **Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead**

**Managers, Trading Members of the Stock Exchange, Escrow Collection Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.** In case of refunds through electronic modes as detailed in the Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

#### **C. Permanent Account Number (PAN)**

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

#### **D. Joint Applications**

If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

#### **E. Additional/ Multiple Applications**

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size of ₹ 10,000 and in multiples of ₹ 1,000 thereafter as specified in the relevant Tranche Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 10 lakhs shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications

shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

### **Do's and Don'ts**

Applicants are advised to take note of the following while filling and submitting the Application Form:

#### **Do's**

1. Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 1 Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
5. Ensure that the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of a Lead Manager or Trading Members of the Stock Exchange, as the case may be, for Applications other than ASBA Applications.
6. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
7. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
8. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
9. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
10. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
11. Ensure that the Applications are submitted to the Lead Managers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please refer to "**General Information – Issue Programme**" on page 20 of this Tranche 1 Prospectus.
12. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
13. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
14. **Permanent Account Number:** Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
15. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
16. Applicants (other than ASBA Applicants) are requested to write their names and Application serial number on the reverse of the instruments by which the payments are made;

17. All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form; and
18. Tick the series of NCDs in the Application Form that you wish to apply for.

**The RBI has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and non-CTS 2010 instruments in the three CTS grid locations.**

**SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 stipulating the time between closure of the Issue and listing at 12 Working Days. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use ASBA facility to make payment. Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected.**

**Don'ts:**

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest;
3. Do not send Application Forms by post; instead submit the same to the Consortium, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
7. Do not submit the Application Forms without the full Application Amount;
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
12. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including 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);
13. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases; and
14. Do not make an application of the NCD on multiple copies taken of a single form.

**Additional Instructions Specific to ASBA Applicants**

**Do's:**

1. Check if you are eligible to Apply under ASBA;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that you tick the ASBA option in the Application Form and give the correct details of your ASBA Account including bank account number/ bank name and branch;
4. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities, and not directly to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
5. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Trading Members of the Stock Exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>);
6. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account utilised

solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.

7. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
8. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;
9. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
10. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Manager or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.

#### **Don'ts:**

1. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
2. Do not submit the Application Form to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
3. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
4. Do not submit more than five Application Forms per ASBA Account.

**Kindly note that ASBA Applications submitted to the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).**

**Please refer to “Issue Procedure - Rejection of Applications” on page 80 of this Tranche 1 Prospectus for information on rejection of Applications.**

#### **TERMS OF PAYMENT**

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

#### **Payment mechanism for ASBA Applicants**

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically

enabled mechanism for application and blocking of funds in the ASBA Account.

**ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allocable to the successful ASBA Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12 (twelve) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **Escrow Mechanism for Applicants other than ASBA Applicants**

Our Company shall open an Escrow Account with each of the Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall draw the cheque or demand draft in respect of his or her Application. Cheques or demand drafts received for the full Application Amount from Applicants would be deposited in the Escrow Account(s). All cheques/ bank drafts accompanying the Application should be crossed "A/c Payee only" for eligible Applicants must be made payable to the account details as specified in the relevant Tranche Prospectus. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.**

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement and the Shelf Prospectus.

The Escrow Collection Banks will act in terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 1 Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Applicants, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account(s) provided that our Company will have access to such funds only after receipt of minimum subscription as described in relevant Tranche Prospectus, receipt of final listing and trading approval from the Stock Exchange and execution of the Debenture Trust Deed.

The balance amount after transfer to the Public Issue Account(s) shall be transferred to the Refund Account. Payments of refund to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement, the Shelf Prospectus and this Tranche 1 Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Applicants.

Each Applicant shall draw a cheque or demand draft mechanism for the entire Application Amount as per the following terms:

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.
2. The Applicants shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Accounts and submit the same along with their Application.

If the payment is not made favouring the Escrow Accounts along with the Application Form, the Application is liable to be rejected by the Escrow Collection Banks. Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in the name of **“MMFSL NCD II Public Issue - Escrow Account”**.
4. The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants (other than ASBA Applicants) till the Designated Date.
5. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account(s) with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.
6. Payments should be made by cheque or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Application Form is submitted. Outstation cheques, post dated cheques and cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/ money orders/ postal orders will not be accepted. Please note that cheques without the nine digit Magnetic Ink Character Recognition (“MICR”) code are liable to be rejected.
7. Applicants are advised to provide the Application Form number on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.
8. Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.

**Payment by cash/ stockinvest/ money order**

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

**Payment mechanism for Direct Online Applicants**

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.*

**SUBMISSION OF COMPLETED APPLICATION FORMS**

Mode of Submission of Application Forms		To whom the Application Form has to be submitted
ASBA Applications	(i)	If using <u>physical Application Form</u> , (a) to the Lead Managers or Trading Members of the Stock Exchange only at the Specified Cities (“ <b>Syndicate ASBA</b> ”), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or
	(ii)	If using <u>electronic Application Form</u> , to the SCSBs, electronically through internet banking facility, if available.
Non-ASBA Applications		The Lead Managers or Trading Members of the Stock Exchange at the centres mentioned in the Application Form.

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.*

**No separate receipts will be issued for the Application Amount payable on submission of Application Form.**

However, the Consortium / Trading Members of Stock Exchange will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as a duplicate Application Form for the records of the Applicant.

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Consortium or Trading Members of the Stock Exchange only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that ASBA Applications submitted to the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

For information on the Issue programme and timings for submission of Application Forms, please refer to “*General Information – Issue Programme*” on page 20 of this Tranche 1 Prospectus.

**Applicants other than ASBA Applicants are advised not to submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.**

#### **Electronic Registration of Applications**

- (a) The Consortium, Trading Members of the Stock Exchange and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange. **The Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

In case of apparent data entry error by the Consortium, Trading Members of the Stock Exchange, Escrow Collection Banks or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Consortium, Trading Members of the Stock Exchange and the SCSBs during the Issue Period. The Lead Managers and Trading Members of the Stock Exchange can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to “*General Information – Issue Programme*” on page 20 of this Tranche 1 Prospectus.
- (c) At the time of registering each Application, other than ASBA Applications and Direct Online Applications, the Consortium, or Trading Members of the Stock Exchange shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)



- Investor category and sub-category
  - DP ID
  - Client ID
  - Series of NCDs applied for
  - Number of NCDs Applied for in each series of NCD
  - Price per NCD
  - Application amount
  - Cheque number
- (d) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - Series of NCDs applied for
  - Number of NCDs Applied for in each series of NCD
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained
  - Bank account number
  - Application amount
- (e) With respect to ASBA Applications submitted to the Consortium, or Trading Members of the Stock Exchange only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - Series of NCDs applied for
  - Number of NCDs Applied for in each series of NCD
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained
  - Location of Specified City
  - Application amount
- (f) A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- (g) Applications can be rejected on the technical grounds listed on page 80 of this Tranche 1 Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (h) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other

soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

- (i) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment. The Consortium, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Consortium, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

## **REJECTION OF APPLICATIONS**

Applications would be liable to be rejected on the technical grounds listed on page 80 of this Tranche 1 Prospectus below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- i. Applications submitted without payment of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- ii. Applications submitted without payment of the Application Amount;
- iii. Number of NCDs applied for being less than the minimum Application size;
- iv. Application Amount paid being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- v. Applications where a registered address in India is not provided for the Applicant;
- vi. In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a Limited Liability Partnership firm can apply in its own name;
- vii. Investor Category in the Application Form not being ticked;
- viii. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants;
- ix. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- x. PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- xi. DP ID and Client ID not mentioned in the Application Form;
- xii. GIR number furnished in the Application Form instead of PAN;
- xiii. Applications by OCBs;
- xiv. Applications for an amount below the minimum application size;
- xv. Submission of more than five ASBA Forms per ASBA Account;
- xvi. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- xvii. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- xviii. Applications accompanied by Stockinvest/ money order/ postal order/ cash;
- xix. Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- xx. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- xxi. Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.

- xxii. ASBA Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- xxiii. Application Forms submitted to the Lead Managers, or Trading Members of the Stock Exchange does not bear the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case may be. ASBA Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Lead Managers, or Trading Members of the Stock Exchange, as the case may be;
- xxiv. ASBA Applications not having details of the ASBA Account to be blocked;
- xxv. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- xxvi. For Applications for Allotment in dematerialised form, DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;
- xxvii. With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- xxviii. SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- xxix. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- xxx. Applications where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- xxxi. Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- xxxii. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- xxxiii. Applications by any person outside India;
- xxxiv. Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- xxxv. Applications not uploaded on the online platform of the Stock Exchange;
- xxxvi. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- xxxvii. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and Tranche 1 Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and this Tranche 1 Prospectus;
- xxxviii. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- xxxix. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- xl. ASBA Applications submitted to the Consortium, or Trading Members of the Stock Exchange at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- xli. Applications for Allotment of NCDs in dematerialized form providing an inoperative demat account number;
- xlii. Applications tendered to the Trading Members of the Stock Exchange at centers other than the centers mentioned in the Application Form;
- xliii. Investor Category not ticked; and/or
- xliv. Application Form accompanied with more than one cheque.
- xlv. In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
- xlvi. Forms not uploaded on the electronic software of the Stock Exchange.
- xlvii. ASBA Application submitted directly to escrow banks who aren't SCSBs.
- xlviii. Payment made through non CTS cheques may be liable to be rejected due to any clearing delays to avoid any delay in the timelines in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011.
- xlix. Applications for the allotment of NCDs in dematerialized form providing an inoperative demat account number.

- I. Non-ASBA Applications accompanied by more than one payment instrument.

**Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).**

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please refer to “*Issue Procedure - Information for Applicants*” on page 82 of this Tranche 1 Prospectus.

### **Information for Applicants**

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs, and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Lead Managers, and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar’s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

In case of non-ASBA Applications, the basis of allotment will be based on the Registrar’s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

### **BASIS OF ALLOTMENT**

The Registrar will aggregate the applications based on the applications received through an electronic book from the stock exchanges and determine the valid applications for the purpose of drawing the basis of allocation.

### **Grouping of Applications and Allocation Ratio**

For the purpose of the Basis of Allotment of NCDs

- A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together (“**QIB Portion**”);
- B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together (“**Corporate Portion**”);

- C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together (“**High Net Worth Individual Portion**”); and
- D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together (“**Retail Individual Investor Portion**”).

For removal of doubt, the terms “**QIB Portion**”, “**Corporate Portion**”, “**High Net Worth Individual Portion**” and “**Retail Individual Investor Portion**” are individually referred to as a “**Portion**” and collectively referred to as “**Portions**”.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche 1 Issue upto the Shelf Limit i.e. aggregating upto ₹ 2,00,000 lakhs for NCDs. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size (in case our Company opts to retain any oversubscription in the Tranche 1 Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the “**Overall Issue Size**”.

Allocation Ratio:

<b>QIB Portion</b>	<b>Corporate Portion</b>	<b>High Net Worth Individual Portion</b>	<b>Retail Individual Investor Portion</b>
20%	10%	35%	35%

(a) Allotments in the first instance:

- i. Applicants belonging to the QIB Portion, in the first instance, will be allocated NCDs upto 20% of the Overall Issue Size on first come first serve basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange;
- ii. Applicants belonging to the Corporate Portion, in the first instance, will be allocated NCDs upto 10% of Overall Issue Size on first come first serve basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange;
- iii. Applicants belonging to the High Net Worth Individual Portion, in the first instance, will be allocated NCDs upto 35% of Overall Issue Size on first come first serve basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange; and
- iv. Applicants belonging to the Retail Individual Investor Portion, in the first instance, will be allocated NCDs upto 35% of Overall Issue Size on first come first serve basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange.

(b) Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the allotments would be made to the applicants on proportionate basis.

**Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of circular (No. CIR./IMD/DF-1/20/2012) dated July 27, 2012 to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.**

(c) Under Subscription:

In case of under subscription, if any, in any Portion, priority in allotments will be given in the following order:

- i. Retail Individual Investor Portion
- ii. High Net worth Individual Portion
- iii. Corporate Portion
- iv. QIB Portion

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchange.

- (d) For each Portion, all Applications uploaded in to the Electronic Book with Stock Exchanges would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the Platform of the Stock Exchanges on a particular date exceeds NCDs to be allotted for each Portion respectively.
- (e) Minimum allotment of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.
- (f) Allotments in case of oversubscription: In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription (based on the date of upload of each Application into the Electronic Book with Stock Exchange, in each Portion).
- (g) Proportionate Allotments: For each Portion, on the date of oversubscription:
  - (i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer,
  - (ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche 1 Issue size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose allotment size, prior to rounding off, had the highest decimal point would be given preference,
  - (iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the Basis of Allotment is finalized by draw of lots in a fair and equitable manner.
- (h) Applicant applying for more than one Series of NCDs: If an Applicant has applied for more than one Series of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Managers and Designated Stock Exchange.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Tranche 1 Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchanges and in compliance with the aforementioned provisions of this Tranche 1 Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

### **Retention of oversubscription**

Our Company shall have an option to retain over-subscription upto the Shelf Limit i.e. aggregating upto ₹ 2,00,000 lakhs for NCDs.

### **PAYMENT OF REFUNDS**

#### ***Refunds for Applicants other than ASBA Applicants***

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/ give instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than

ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/ Allotment of NCDs.

The Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds.

For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be dispatched to the Applicants receiving refunds through these modes, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses of Applicants, as per the Demographic Details received from the Depositories.

The Demographic Details would be used for mailing of the physical refund orders, as applicable.

#### *Mode of making refunds for Applicants other than ASBA Applicants*

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the following modes:

1. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
2. NACH – Payment of refund would be done through NACH for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2 lakhs, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code (IFSC). Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post or Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

#### *Mode of making refunds for ASBA Applicants*

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

## **ISSUANCE OF ALLOTMENT ADVICE**

With respect to Applicants other than ASBA Applicants, our Company shall (i) ensure dispatch of Allotment Advice/ intimation within 12 Working Days of the Issue Closing Date, and (ii) give instructions for credit of NCDs to the beneficiary account with Depository Participants, for successful Applicants who have been allotted NCDs in dematerialized form, within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful Applicants who have been allotted NCDs in dematerialized form will be mailed to their addresses as per the Demographic Details received from the Depositories.

With respect to the ASBA Applicants, our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful ASBA Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 12 Working Days from the Issue Closing Date.

Allotment Advices shall be issued or Application Amount shall be refunded within fifteen days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period

Our Company will provide adequate funds required for dispatch of refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

## **OTHER INFORMATION**

### **Withdrawal of Applications during the Issue Period**

#### *Withdrawal of ASBA Applications*

ASBA Applicants can withdraw their ASBA Applications during the Issue Period by submitting a request for the same to the Consortium, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Lead Manager, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the ASBA Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

#### *Withdrawal of Non-ASBA Applications (other than Direct Online Applications)*

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Consortium, or Trading Member of the Stock Exchange, as the case may be, through whom the Application had been placed. Upon receipt of the request for withdrawal from the Applicant, the relevant Lead Manager, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn Non-ASBA Application Form from the electronic system of the Stock Exchange.

### **Withdrawal of Applications after the Issue Period**

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

### **Revision of Applications**



As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Lead Managers/ Trading Members of the Stock Exchange/ the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

### **Depository Arrangements**

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

- i. Agreement dated December 16, 2005 between us, the Registrar to the Issue and NSDL, and dated December 5, 2005, between us, the Registrar to the Issue and CDSL, respectively for offering depository option to the investors.
- ii. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- v. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- vi. It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.
- vii. Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- viii. The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form only.

Please also refer to "*Instructions for filling-up the Application Form - Applicant's Beneficiary Account and Bank Account Details*" on page 70 of this Tranche 1 Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

**PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.**

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the

Companies Act, 2013 and the Depositories Act.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of the Stock Exchange or Designated Branch, as the case may be, where the Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on application amount or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

### **Interest in case of Delay**

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

### **Undertaking by the Issuer**

*Statement by the Board:*

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilized.
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Tranche 1 Prospectus and on receipt of the minimum subscription of 75% of the Base Issue Size and receipt of listing and trading approval from the Stock Exchange.
- (f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (g) Undertaking by our Company for execution of Debenture Trust Deed.

*Other Undertakings by our Company*

Our Company undertakes that:

- (a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- (c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 12 Working Days of the Issue Closing Date;
- (d) Funds required for dispatch of refund orders/Allotment Advice/NCD Certificates will be made available by our Company to the Registrar to the Issue;
- (e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;
- (f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in the Shelf Prospectus and this Tranche 1 Prospectus; and
- (g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

## STATEMENT OF TAX BENEFITS

**To**  
**The Board of Directors**  
Mahindra & Mahindra Financial Services Limited

Dear Sirs,

### **Statement of Possible Tax Benefits available to the debenture holders of Mahindra & Mahindra Financial Services Limited**

We, B. K. Khare & Co., Chartered Accountants, hereby report that the enclosed statement states the possible tax benefits available to the debenture holders of Mahindra & Mahindra Financial Services Limited ('the Company') under the Income-tax Act, 1961 (amended by The Finance Act, 2017), presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives it faces in the future, it may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We do not express any opinion or provide any assurance as to whether:

- i) the debenture holders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

**Yours faithfully**

**For B. K. Khare & Co.**  
**Chartered Accountants**  
ICAI Firm Registration Number: 105102W

**Padmini Khare Kaicker**  
Partner  
Membership Number: 044784  
Mumbai  
June 19, 2017

## STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

Under the current tax laws, the following tax benefits, inter-alia, will be available to the Debenture Holders. The tax benefits are given as per the prevailing tax laws applicable to Financial Year 2017-18 (Assessment Year 2018-19) and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider in his own case the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

### A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

*The implications have been prepared in the context of proposed issue of Non-Convertible Debentures ('NCDs' or 'securities') by Mahindra & Mahindra Financial Services Limited ('the Company' or 'MMFSL')*

#### I. To the Resident Debenture Holder

1. Interest on NCD received by resident Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

- a. In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF') Debenture Holder does not or is not likely to exceed Rs. 5,000 in the aggregate during the financial year and the interest is paid by an account payee cheque.
- b. In case of payment of interest on any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- c. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest, then the income-tax is deductible as per Assessment Officer's directions per the Certificate (supra).
- d. (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income-tax.

To illustrate, the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs. 2,50,000; in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is Rs. 3,00,000; and in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is Rs. 5,00,000 for Financial Year 2017-18. Further, section 87A provides a rebate of 100 percent of income-tax or an amount of Rs. 5,000 whichever is less to a resident individual whose total income does not exceed Rs. 500,000.

- (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any/lower tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.
3. Under section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Under section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the debentures from the sale consideration. However as per the third proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gains arising on transfer of listed debentures would be subject to tax at the rate of 10 % computed without indexation.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

4. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 3 above would also apply to such short term capital gains.
5. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at assessment level) may seek to challenge the said characterization as business income and hold such income as interest income in the hands of such Debenture Holder(s).

## **II. *To the Non Resident Debenture Holder***

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:
  - a. Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
  - b. Under section 115F of the I.T. Act, if long term capital gains arise to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange and if the net consideration from such transfer is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act, then the long-term capital gains arising from transfer of such debentures will be exempt from capital gain tax in accordance with and subject to the provisions contained therein.

However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the new assets are transferred or

converted into money.

- c. Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his/her total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
  - d. Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from specified foreign exchange assets (other than on shares in an Indian Company) in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
2. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act and if he does so, the provisions of Chapter XII-A shall not apply to him for that assessment year. In that case -
    - a. Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation; and
    - b. Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
  3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source for non-resident Indians is 20% on investment income and 10% on any long-term capital gains as per section 115E, and at 30% for Short Term Capital Gains if the payee Debenture Holder is a Non Resident in India.
  4. The income-tax deducted shall be increased by a surcharge as under:
    - (i) In the case of non- resident Indians surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs.50,00,000/- but does not exceed Rs. 1,00,00,000/-; 15% in other cases.
    - (ii) In the case of non-domestic companies, at the rate of 2% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs.1,00,00,000/- but does not exceed Rs.10,00,00,000/-; 5% in other cases.2% education cess and 1% secondary & higher education cess on the total income tax (including surcharge) is also required to be deducted at source under section 195 of the I.T. Act (as above).
  5. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate, is a mandatory condition for availing benefits under any DTAA. Particulars per Rule 37BC may be provided. If the tax residency certificate does not contain the prescribed particulars, a self-declaration in Form 10F would need to be provided by the assessee.
  6. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at assessment level) may seek to challenge the said characterization as business income and hold such income as interest income in the hands of such Debenture Holder(s)

### **III. *To the Foreign Institutional Investors (FIIs)***

1. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and education and secondary and higher education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and education and secondary and higher education cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
2. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions of Section 115AD.
3. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.
4. The provisions at para II (4 and 5) above would also apply to FIIs.

### **IV. *To the Other Eligible Institutions***

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the RBI are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act, subject to and in accordance with the provisions contained therein.

### **V. *Exemption under Sections 54EC and 54F of the I.T. Act***

1. Under section 54EC of the I.T. Act, long term capital gains arising to the resident debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of Rs 50 Lakhs during any financial year in the notified bonds. Where the benefit of section 54EC of the Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.
2. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

This exemption is available, subject to the condition that the Debenture Holder does not own more than one residential house (other than the new residential house) at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional



residential house is acquired.

#### **VI. Requirement to furnish PAN under the I.T. Act**

1. Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.
2. a. Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB ('deductee') to furnish his/her PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
  - (i) at the rate specified in the relevant provision of the I.T. Act; or
  - (ii) at the rate or rates in force; or
  - (iii) at the rate of twenty per cent.
- b. A declaration under Section 197A(1) or 197A(1A) 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.
- c. No certificate under section 197 would be granted unless the application made under that section contains the PAN of the applicant.
- d. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply

#### **VII. Taxability of Gifts received for nil or inadequate consideration**

As per provisions of Section 56(2)(x) of the Act and subject to exception specified in proviso therein, where any person receives securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such securities over the said consideration is chargeable to tax under the head 'Income from other sources'. However, the said section is not applicable in case the securities are received under instances specified under the proviso thereon.

#### **B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957**

The Finance Act, 2015 has abolished Wealth Tax Act, 1957 with effect from 1 April 2015 which shall then apply in relation to FY 2015-16 and subsequent years.

#### **Notes**

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
2. The above statement covers only certain relevant direct tax law benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
3. The above statement of possible tax benefits are as per the direct tax laws as in force as on date. Investors are advised to keep in touch with changes, if any, made in tax laws. Several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
5. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the nonresident has fiscal domicile.

7. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty & local tax laws, subject to fulfilment of stipulated conditions.
8. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 / 195 of the I.T. Act
9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## SECTION IV- MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Tranche 1 Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Corporate Office of our Company situated at 4<sup>th</sup> Floor, Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400018, Maharashtra between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under the respective Tranche Prospectus.

### MATERIAL CONTRACTS

1. Issue Agreement dated June 19, 2017 between our Company and the Lead Managers.
2. Registrar Agreement dated June 12, 2017 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated June 13, 2017 executed between our Company and the Debenture Trustee.
4. Escrow Agreement dated June 28, 2017 between our Company, the Registrar, the Escrow Collection Bank(s), and the Lead Managers.
5. Undertaking by our Company dated June 19, 2017 for execution of Debenture Trust Deed.
6. Consortium Agreement dated June 28, 2017 between our Company, the Consortium Members and the Lead Managers.
7. Tripartite agreement dated December 5, 2005 among our Company, the Registrar and CDSL.
8. Tripartite agreement dated December 16, 2005 among our Company, the Registrar and NSDL.

### MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated January 1, 1991, issued by Registrar of Companies, Mumbai.
3. Certificate of Registration as an NBFC from the RBI dated September 4, 1998 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934.
4. Copy of shareholders resolution dated June 15, 2017, under section 180 (1) (c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated October 25, 2016, approving the issue of NCDs.
6. Copy of the resolution passed by Bond Issue Committee at its meeting held on dated June 19, 2017 approving the Draft Shelf Prospectus.
7. Copy of the resolution passed by Bond Issue Committee at its meeting held on dated June 29, 2017 approving the Shelf Prospectus and Tranche 1 Prospectus
8. Letters dated June 7, 2017 and June 27, 2017 by BWR assigning a rating of 'BWR AAA, Outlook: Stable' to the long term borrowing programme of our Company.
9. Letters dated June 6, 2017 and June 27, 2017 by India Ratings assigning a rating of 'IND AAA'/ Stable Outlook to the long term borrowing of our Company.
10. Consents of the Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, Lead Managers, Consortium, Legal Advisor to the Issue, Bankers to the Issue, Registrar to the Issue, the Debenture Trustee for the NCDs, CRISIL and Credit Rating Agencies to include their names in this Tranche 1 Prospectus, in their respective capacities.
11. Consent of the Statutory Auditors of our Company, for inclusion of their name and the report on the Reformatted Financial Statements in the form and context in which they appear in this Tranche 1 Prospectus and their statement on tax benefits mentioned herein.
12. The examination report dated June 19, 2017 in relation to the Reformatted Financial Statements included therein.
13. Statement of tax benefits dated June 19, 2017 issued by our Statutory Auditors.
14. Annual Report of our Company for the last five Fiscals.
15. In-principle listing approval from BSE by its letter no. DCM/BM/PI-BOND/1/17-18 dated June 28, 2017.
16. Due Diligence Certificate dated June 29, 2017 filed by the Lead Managers with SEBI.
17. ESOP Schemes.


**Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debentureholders, in the interest of our Company in compliance with applicable laws.**

## DECLARATION


We, the Directors of the Company, hereby certify & declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 1956 as amended, relevant provisions of Companies Act, 2013, as amended and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Tranche I Issue have been complied with and no statement made in this Tranche I Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Tranche I Prospectus.

We further certify that all the disclosures and statements in this Tranche I Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche I Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

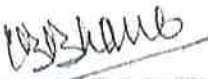
  
Mr. Dhananjay Narendra Mungale, Chairman & Independent Director

  
Mr. Ramesh Iyer, Vice-Chairman & Managing Director


  
Mr. Manohar Gopal Bhide, Independent Director

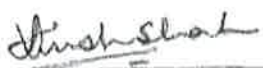
  
Mr. Piyush Gunwantrao Mankad, Independent Director

  
Ms. Rama Bijapurkar, Independent Director

  
Mr. Chandrashekhar Bhawe, Independent Director

  
Mr. V S Parthasarathy, Non-Executive Director

  
Mr. Ravi Venkatraman, Executive Director & Chief Financial Officer

  
Dr. Anish Shah, Non-Executive Director

ANNEXURE D

SHELF PROSPECTUS DATED JUNE 29, 2017