

31st October 2022

To

BSE Limited (Security Code: 532720)

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Ltd. (Symbol: M&MFIN)

Exchange Plaza, 5th Floor, Plot No. C/1, "G" Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai – 400 051

Dear Sirs/Madam,

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')

Pursuant to the provisions of Regulation 30(2) read with Para A of Part A of Schedule III of the SEBI Listing Regulations, we hereby inform you that a meeting of the Committee of Directors, as authorized by the Board of Directors of the Company, was held today, i.e. on Monday, 31st October 2022 from 12:45 p.m. to 1:00 p.m., wherein the Committee has approved the allotment of 2,750 Secured Redeemable Principal Protected Non-Convertible Market Linked Debentures ("NCDs") (Series AH2022) of the face value of Rs. 10,00,000 each, aggregating to Rs. 275 Crores, through private placement.

Details of the said allotment furnished in Annexure 'I' and the extract of the term sheet in Annexure 'II' are enclosed herewith.

This intimation is also being uploaded on the Company's website at <http://www.mahindrafinance.com>.

Kindly take the same on record.

Thanking you,

For Mahindra & Mahindra Financial Services Limited

Brijbala Batwal

Company Secretary and Compliance Officer

Encl: As above

Annexure '1'

Issuance of Debt Securities		
Sr. No.	Requirements of disclosure	Details
(i)	Size of the issue	: Series AH2022 - Rs. 275 Crores issued at a face value of Rs. 10,00,000/- per debenture
	Whether proposed to be listed? If yes, name of the stock exchange(s)	: Yes Wholesale Debt Market Segment of BSE Limited.
	Tenure of the instrument	: 780 Days
	Date of allotment and	: 31 st October 2022
	Date of maturity	: 19 th December 2024
	Pay -in-amount	: Rs. 10,00,000/- per debenture
	Coupon/interest offered	: Coupon linked to performance of Underlying / Reference Index. <u>Underlying/Reference Index:</u> 10 Year Government security: 7.26 G-Sec 2032 having ISIN: IN0020220060 and Maturity on 22 nd August 2032 as published by Financial Benchmarks India Private Limited (FBIL) on its website viz. www.fbil.org.in
	Schedule of payment of Coupon/interest and principal	: Redemption is linked to performance of Underlying / Reference Index
	Charge/Security, if any, created over the assets	: Debentures shall be secured by way of exclusive charge in favour of the Debenture Trustee on present and/or future receivables under Loan contracts/Hire Purchase/Lease, owned Assets and Book debts to the extent of 100% of Debenture outstanding. The security shall be created on assets which are free from any encumbrances. The Company will create appropriate security in favour of the debenture trustee within the time frame prescribed as per applicable law. While the NCDs are secured to the tune of 100% of the principal and interest amount or as per the terms of information Memorandum in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. Further, the NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc.as applicable or is independently verifiable by the debenture trustee.

	Special rights/interest/privileges attached to the instruments and changes thereof	:	Not Applicable								
	Delay in payment of interest/principal amount for a period of more than three months from the due date or default in payment of interest/principal	:	In case of default in payment of Coupon and/or principal redemption on the due dates, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.								
	Details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and/or the assets along with its comments thereon, if any.	:	N.A.								
	Details of redemption of Debentures	:	<p>Redemption Date: 19th December 2024 Redemption /Maturity Value:</p> <table border="1" data-bbox="695 1200 1445 1529"> <thead> <tr> <th data-bbox="695 1200 1158 1312">Scenario</th> <th data-bbox="1158 1200 1445 1312">Redemption / Maturity Value (Rs. Per Debenture)</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1312 1158 1384">If Underlying Performance >=75% of the Initial Fixing level</td> <td data-bbox="1158 1312 1445 1384">11,71,776</td> </tr> <tr> <td data-bbox="695 1384 1158 1456">If Underlying Performance < 75% but >= 25% of the Initial Fixing level</td> <td data-bbox="1158 1384 1445 1456">11,70,614</td> </tr> <tr> <td data-bbox="695 1456 1158 1529">If Underlying Performance < 25% of the Initial Fixing level</td> <td data-bbox="1158 1456 1445 1529">10,00,000</td> </tr> </tbody> </table>	Scenario	Redemption / Maturity Value (Rs. Per Debenture)	If Underlying Performance >=75% of the Initial Fixing level	11,71,776	If Underlying Performance < 75% but >= 25% of the Initial Fixing level	11,70,614	If Underlying Performance < 25% of the Initial Fixing level	10,00,000
Scenario	Redemption / Maturity Value (Rs. Per Debenture)										
If Underlying Performance >=75% of the Initial Fixing level	11,71,776										
If Underlying Performance < 75% but >= 25% of the Initial Fixing level	11,70,614										
If Underlying Performance < 25% of the Initial Fixing level	10,00,000										
	Any cancellation or termination of proposal for issuance of securities including reasons thereof	:	N.A.								

For Mahindra & Mahindra Financial Services Limited

Brijbala Batwal
Company Secretary and Compliance Officer

Annexure “II”

Dear Sir/ Madam,

With reference to our discussion, we hereby propose below mentioned terms & conditions for private placement of NCD facilities, subject to approval of our Committee of Directors.

COMMON TERMS & CONDITIONS OF NCD	
Issuer	Mahindra & Mahindra Financial Services Ltd
Mode of Offering	Private Placement
Nature of Instrument	Senior, Secured, Redeemable, Rated, Listed, Principal Protected Non-Convertible Market Linked Debentures
Principal Protection	Principal is protected at Maturity
Eligible Investors	Please refer paragraph “Who can apply” of the Shelf Placement Memorandum dated October 27, 2022
Face Value	Rs. 10,00,000/- per debenture
Minimum Application Size	10 debentures and in multiples of 1 debenture thereafter
Issue Price	Rs. 10,00,000/- per debenture
Purpose and objects of the Issue	The proceeds of the Debentures shall be utilised by the Company for the purpose of financing, repayment of dues of other financial institutions / Banks or for long term working capital.
in case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a ‘group company’ then disclosures shall be made in the following format:	Not Applicable
Issue Opening Date	31 st October, 2022
Issue Closing Date	31 st October, 2022
Underlying/ Reference Index	10 Year Government security: 7.26 G-Sec 2032 having ISIN: IN0020220060 and Maturity on 22 nd August, 2032 as published by FBIL on www.fbil.org.in
Initial Fixing Date	21 st October 2022
Initial Fixing Level	Last Traded (Closing) Price of 7.26 G-Sec 2032 (IN0020220060) as on Initial Fixing Date, as published by FBIL on www.fbil.org.in i.e. Rs. 98.255
Final Fixing Date	19 th September, 2024
Final Fixing Level	Last Traded (Closing) Price of 7.26 G-Sec 2032 as on Final Fixing Date, as published by FBIL on www.fbil.org.in
Last Traded (Closing) Price (“LTP”)	In case NO LTP is available on the Final Fixing Date then, LTP on previous business day will be considered, If such business day is not 14 days before the Final Fixing Date. In the absence of LTP, Clean Price will be derived using Yields of Liquid Securities of similar tenure and credit risk.
Pay-in-Date	31 st October, 2022
Deemed Date of Allotment	31 st October, 2022
Underlying Performance (%)	(Final Fixing Level / Initial Fixing Level) *100
Details of the utilization of the Proceeds	The funds raised through this issue will be utilized for various financing activities, onward lending, to repay our existing indebtedness, working capital and general corporate purposes (such as investments for liquidity and statutory requirements, capital expenditure, revenue expenditure etc.) of the Company
Step up/Step down coupon rate	Not Applicable
Coupon payment frequency	Not Applicable
Coupon payment dates	Not Applicable
Coupon type	Coupon linked to performance of Underlying / Reference Index.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable

Day Count Basis	Actual/Actual i.e. The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days. In case of leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days for a whole one year period. (SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021)
Redemption Premium/Discount	Not Applicable
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Put / Call Option	None
Put / Call Option Date	Not Applicable
Put / Call Option Price	Not Applicable
Listing	To be listed on BSE Limited, as per the applicable timelines i.e. (T + 4 working days, T being issue closing date) as mentioned in the SEBI circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time. In case of delay in listing beyond the timelines specified above, the Issuer will pay penal interest of 1% p.a. over the coupon / dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing); and be permitted to utilize the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.
Issuance mode of Debenture	The Issuer will issue the debentures in dematerialized form.
Settlement mode of the Instrument	Through RTGS / NEFT / Fund Transfer.
Trading mode of the Debenture	DEMAT form only
Depository	NSDL and CDSL
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer document/ Information Memorandum.	<p>Debentures shall be secured by way of exclusive charge in favour of the Debenture Trustee on present and/or future receivables under Loan contracts/Hire Purchase/Lease, owned Assets and Book debts to the extent of 100% of Debenture outstanding. The security shall be created on assets which are free from any encumbrances. The Company will create appropriate security in favour of the debenture trustee within the time frame prescribed as per applicable law.</p> <p>While the NCDs are secured to the tune of 100% of the principal and interest amount or as per the terms of information Memorandum in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. Further, the NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc.as applicable or is independently verifiable by the debenture trustee.</p>
Rating	IND PP-MLD AAA emr / Stable rating by India Ratings & Research Private Limited
Business Day Convention	If any interest payment date falls on a holiday, the payment may be made on the following working day. If any principal payment date falls on a holiday, principal will be payable on the previous working day. Working days shall be all days on which money market is functioning in Mumbai excluding non-working Saturdays or Sundays or a holiday of commercial banks in Mumbai or a public holiday in India. In case of failure of RBI's system for RTGS / NEFT payment, the same will be made on the next business day. The Company will not be liable to pay any additional interest on account of same. The Coupon payment convention will be as per SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.
Record Date	The record date for the purpose of determination of the persons entitled to receive interest / Principal in respect of the debentures shall be 14 calendar days before the date of Interest / principal payment.

Interest on Application Money	Not applicable
Transaction Documents	Shelf Placement Memorandum, Term Sheet, Trust Deed, Board Resolution, Rating Rationale/ Rating Letter, Trustee Consent Letter, BSE In-principal Approval & Application Form
Conditions Precedent to Disbursement	1. The Issuer shall obtain the in-principle approval for listing on the WDM segment of the Stock Exchange; 2. The Issuer shall obtain the required due diligence certificate from the trustee.
Condition Subsequent to Disbursement	1. Demat credit in the account(s) of the allottees 2. Execution of Debenture trust Deed 3. Filing of the return of allotment within the timelines specified under the Act and the rules made there under; 4. Completion of listing of the debentures on the WDM segment of the Stock Exchange;
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Please refer paragraph "Events of Default" of the Shelf Placement Memorandum dated October 27, 2022 Manner of Voting/ conditions of joining Inter Creditor Agreement – Manner of Voting shall be as detailed in the Inter Creditor Agreement which shall be executed in terms of SEBI (Debenture Trustee) Regulations 1993, Regulation 15, Sub Regulation 7, Subject to the approval of Debenture holders and conditions as may be specified by SEBI from time to time, the debenture trustee, on behalf of debenture holder, may enter into inter creditor agreements provided under the framework specified by RBI.
Creation of recovery expense fund	The company has created a recovery expense fund in the manner as specified by the Securities and Exchange Board of India as on 26th February 2021 in favour of BSE limited and the same has been informed to the Debenture Trustee. The recovery expense fund shall be utilized for the purposes and in the manner as may be required under the applicable circulars / directions / notices / guidelines / regulations issued by SEBI from time to time.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Conditions for breach of covenants shall be mentioned in the Trust Deed which will be executed within the time frame prescribed as per applicable law.
Provisions related to Cross Default Clause	Not Applicable
Roles and Responsibilities of Debenture Trustee	As per Debenture Trust Deed
Risk factors pertaining to the issue	Please refer paragraph "Risk factors" of the Shelf Placement Memorandum dated October 27, 2022
Governing Law and Jurisdiction	Please refer paragraph "Governing Law and Jurisdiction" of the Shelf Placement Memorandum dated October 27, 2022
All covenants of the issue (including side letters, accelerated payment clause, etc.)	The covenants mentioned in the Trust Deed will be executed within the time frame prescribed as per applicable law. Default in Payment: In case of default in payment of Coupon and/or principal redemption on the due dates, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period. Delay in Listing: In case of delay in listing, the Company will pay penal interest @ 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing).
Valuation Agency Fees	Fees paid to Valuation Agent by the Issuer shall be in the range of upto 4 bps p.a. on the face value of the outstanding Debentures.
Valuation Agency	Name of Agency: CARE Risk Solutions Private Limited (Wholly Owned Subsidiary of CARE Ratings Ltd.) Address: Office No.62, 6 th Floor, Rustomjee Aspire, Off Eastern Express Highway, Sion East, Mumbai – 400 022.
Publication of Valuation Report	The latest and historical valuations for these Debentures will be published on the website of the Issuer and the website of the Valuation Agency at CARE Risk Solutions Pvt Ltd.

Risk Factors associated with Market Linked Debentures	The securities are created based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The principal amount is subject to the credit risk of the issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer. For further details on risk factors, please refer paragraph "Risk factors" of the Shelf Placement Memorandum dated October 27, 2022
Arranger / Distribution Fee	The fees payable for marketing and distribution of debentures shall not exceed 20 bps p.a.
Letters of Allotment	The Issuer will issue the Debentures in dematerialized form within 2 (Two) working days from the Deemed Date of Allotment of Debentures.
Trustees	Axis Trustee Services Ltd.
Consolidation of ISINs	Company reserves right to make multiple issuances under the same ISIN. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.
Validity	The offer is valid till 31 st October, 2022. However, the Company reserves the right to change / modify the terms at any time without any notice during the period of this offer.

Terms – Series AH2022

Issue Size (Rs.)	Rs.275 Crores	
Issue Price	Rs. 10,00,000 /- per debenture.	
Tenor in Days	780 Days	
Redemption Date	19 th December, 2024	
Final Fixing Date	19 th September 2024	
Redemption / Maturity Value	Scenario	Redemption / Maturity Value (Rs. Per Debenture)
	If Underlying Performance >=75% of the Initial Fixing level	11,71,776
	If Underlying Performance < 75% but >= 25% of the Initial Fixing level	11,70,614
	If Underlying Performance < 25% of the Initial Fixing level	10,00,000

Illustration of Cash Flows for Series AH2022 :

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
Redemption / Maturity Value on Redemption / Maturity Date	19 th December, 2024	780 days	Redemption Value linked to performance of Underlying / Reference Index as per table below

Scenario Analysis

The following table shows the value of the Debenture at maturity under different market conditions

Underlying Performance	Issue Price	Annualized Pre-Tax Return	Maturity Value
120.00%	10,00,000	7.70%	11,71,776
100.00%	10,00,000	7.70%	11,71,776
80.00%	10,00,000	7.70%	11,71,776
75.00%	10,00,000	7.70%	11,71,776
70.00%	10,00,000	7.65%	11,70,614
50.00%	10,00,000	7.65%	11,70,614
30.00%	10,00,000	7.65%	11,70,614
25.00%	10,00,000	7.65%	11,70,614
20.00%	10,00,000	0.00%	10,00,000
10.00%	10,00,000	0.00%	10,00,000
0.00%	10,00,000	0.00%	10,00,000

* The return on debenture (annualized) is calculated on the basis of **Issue price** of the debenture

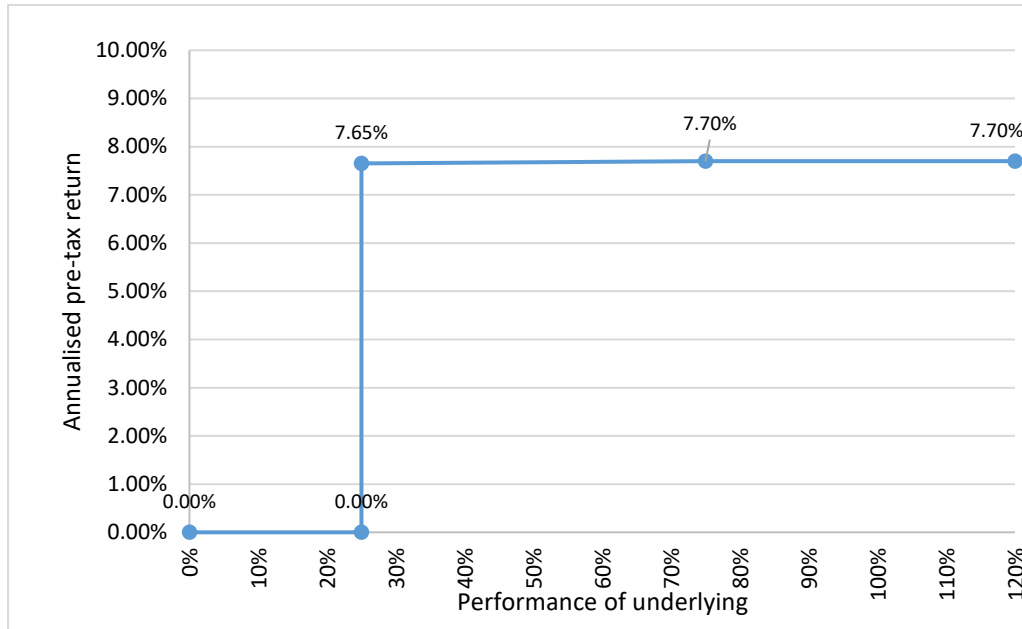
Note : Principal amount = (Face value per debenture) * (No. of debentures subscribed)

Scenario	Particulars	Price of 10 year G-Sec at Initial Level	Semi Annual YTM at Initial Level	Assumed price of 10 year G-Sec at final fixing date	Indicative Semi Annual YTM range at final fixing price	Effective Yield (on XIRR basis)	Investment (Rs.)	Maturity (Rs.)
Moderately falling to rising	If Underlying Performance \geq 75% of the Initial Fixing level	98.2550	7.5123%	\geq 73.6913	\leq 12.6015%	7.70%	10,00,000	11,71,776
Substantially falling	If Underlying Performance $<$ 75% but \geq 25% of the Initial Fixing level	98.2550	7.5123%	$<$ 73.6913 but \geq 24.5638	$>$ 12.6015% but \leq 37.5588%	7.65%	10,00,000	11,70,614
Extreme falling	If Underlying Performance $<$ 25% of the Initial Fixing level	98.2550	7.5123%	$<$ 24.5638	$>$ 37.5588%	0.00%	10,00,000	10,00,000

Note : Principal amount = (Face value per debenture) * (No. of debentures subscribed)

Effective yield is calculated on the basis of Issue Price of the debenture.

Graphical Representation



* Effective yield is calculated on the basis of Issue Price of the debenture (on XIRR basis)

This scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment.

Settlement details

Name of the Company : Mahindra & Mahindra Financial Services Ltd.
 Name of Bank : HDFC Bank,
 Bank Address : Novartis House, Dr Annie Besant Road, Worli, Mumbai -400018
 Account Number : 02400310005952
 IFSC Code : HDFC0000240