

mahindra FINANCE

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Mahindra & Mahindra Financial Services Limited (“Company” or “Issuer”) was originally incorporated at Mumbai, as “*Maxi Motors Financial Services Limited*” on January 1, 1991 as a public limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Maharashtra at Mumbai (“RoC”). Thereafter, our Company received its certificate of commencement of business from RoC on February 19, 1991. Subsequently, 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 to our Company by RoC on November 3, 1992. For details in relation to the changes in name and registered office of our Company, see “*General Information*” beginning on page 34.

Registered Office: Gateway Building, Apollo Bunder, Mumbai, Maharashtra, 400 001

Corporate Office: 3rd Floor, Mahindra Towers, ‘A’ Wing, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018, Maharashtra

Tel: +91 22 6652 6000; **Contact Person:** Brijbala Batwal, Company Secretary and Compliance Officer **E-mail:** company.secretary@mahindrafinance.com;

Website: www.mahindrafinance.com

Corporate Identity Number: L65921MH1991PLC059642

PROMOTER OF OUR COMPANY: MAHINDRA & MAHINDRA LIMITED

FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY

ISSUE OF UP TO [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹2 EACH OF OUR COMPANY (THE “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹[●] PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER RIGHTS EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING UP TO ₹ 3,000 CRORES* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] ([●]) RIGHTS EQUITY SHARE FOR EVERY [●] ([●]) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (“RECORD DATE”) (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 58.

**Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.*

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of investors is invited to the section “*Risk Factors*” beginning on page 17.

COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects 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 Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”, and together with BSE, the “**Stock Exchanges**”). Our Company has received “in-principle” approvals from NSE and BSE for listing the Rights Equity Shares through their letters dated [●] and [●], respectively. Our Company will also make applications to NSE and BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purposes of the Issue, the Designated Stock Exchange is NSE.

REGISTRAR TO THE ISSUE



KFin Technologies Limited

Selenium Tower-B, Plot no. 31 and 32
Financial District, Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032, Telangana, India

Telephone: +91 40 6716 2222

E-mail: Mahindrafinance.rights@kfintech.com

Investor grievance e-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M Murali Krishna

SEBI registration no.: INR000000221

ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS*	[●]
ISSUE CLOSING DATE**	[●]
FINALISATION OF BASIS OF ALLOTMENT	[●]
DATE OF ALLOTMENT	[●]
DATE OF CREDIT OF RIGHTS EQUITY SHARES	[●]
DATE OF LISTING	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date.*

***Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates, or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, regulation, rule, guideline, clarification or policy shall be to such legislation, act, regulation, rule, guideline or policy as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

The following list of capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive. However, terms used in the sections entitled “Summary of this Draft Letter of Offer”, “Risk Factors”, “Financial Statements”, “Statement of Special Tax Benefits”, “Terms of the Issue” on pages 13, 17, 51, 44, and 58 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer” or “MMFSL”	Mahindra & Mahindra Financial Services Limited, a public limited company, incorporated under the Companies Act, 1956, and having its registered office at Gateway Building, Apollo Bunder, Mumbai, Maharashtra, 400 001
“We”, “Our” or “Us”	Unless the context otherwise indicates or implies or unless otherwise specified, refers to our Company along with our Subsidiaries, Joint Ventures, and Associates, as applicable, on a consolidated basis

Company Related Terms

Term	Description
“Articles of Association” or “Articles”	Articles of association of our Company, as amended from time to time
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, Brijbala Batwal, appointed to perform the functions of a “company secretary” under Section 203 of the Companies Act, 2013. For details, see “General Information – Company Secretary and Compliance Officer” on page 34
Associate	An entity which meets the definition of “associate” as per Ind AS 28, in this case being Mahindra Finance USA, LLC.
Audit Committee	Audit committee of our Board
“Auditors” or “Statutory Auditors” or “Joint Statutory Auditors”	The current joint statutory auditors of our Company, being M. M Nissim & Co. LLP and M.P. Chitale & Co.
“Board of Directors” or “Board” or “our Board”	The board of directors of our Company. For details, see “Our Management – Board of Directors” on page 48.
Chairperson	The chairperson of the Board of our Company, Anish Dilip Shah. For details, see “Our Management – Board of Directors” on page 48.
“Chief Executive Officer” or “CEO” or “Managing Director” or “MD”	The chief executive officer and managing director of our Company, Raul Ignatius Rebello. For details, see “Our Management – Board of Directors” on page 48.
“Chief Financial Officer” or “CFO”	The chief financial officer of our Company, Pradeep Kumar Agrawal. For details, see “Other Regulatory and Statutory Disclosures – Mechanism for Redressal of Investor Grievances – Chief Financial Officer” on page 56.
Corporate Office	The corporate office of our Company is located at 3rd Floor, Mahindra Towers, ‘A’ Wing, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018, Maharashtra
Directors	The directors on our Board, as may be appointed from time to time. For details, see “Our Management – Board of Directors” on page 48.
Equity Shares	Equity shares of face value of ₹2 each of our Company
ESOS 2010	shall mean the Mahindra & Mahindra Financial Services Limited-Employees Stock Option Scheme 2010.
“ESOS” or “ESOS Schemes”	shall mean collectively the ESOS 2010 and the RSU PLAN 2023
“ESOS Trust”	shall mean the Mahindra & Mahindra Financial Services Limited Employees’ Stock Option Trust.
Executive Director	The executive Director of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Executive Director, see “Our Management – Board of Directors” on page 48.
“Fiscal 2025 Audited Consolidated Financial Statements” or “Audited Consolidated Financial Statements”	The audited consolidated financial statements of our Company and its subsidiaries (our Company, its subsidiaries together referred to as the “Group”) which includes the Group’s share of profit and loss of joint venture and associate, as at and for Fiscal 2025, have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act read with

Term	Description
	rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.
Fiscal 2025 Audited Standalone Financial Statements	The audited standalone financial statements of our Company which includes the Company's share of profit and loss, as at and for Fiscal 2025, have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act read with rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.
Independent Chartered Accountant	P G BHAGWAT LLP, Chartered Accountants
Independent Director(s)	The non-executive, independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Independent Directors, see " <i>Our Management – Board of Directors</i> " on page 48.
Joint Ventures	Joint ventures of our Company, as per Ind AS being: 1. Mahindra Manulife Investment Management Private Limited (erstwhile Mahindra Asset Management Company Private Limited); and 2. Mahindra Manulife Trustee Private Limited (erstwhile Mahindra Trustee Company Private Limited).
Key Managerial Personnel	Key managerial personnel of our Company determined in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations.
Materiality Threshold	An amount equivalent to 5% of the average absolute value of profit or loss after tax for Fiscals 2023, 2024 and 2025, which is determined to be ₹ 104.59 crores, being the lower of (i) 2% of turnover as per the Fiscal 2025 Audited Consolidated Financial Statements, (ii) 2% of net worth as per the Fiscal 2025 Audited Consolidated Financial Statements, and (3) 5% of the average absolute value of profit or loss after tax, as per the audited consolidated financial statements of our Company for Fiscals 2023, 2024 and 2025, adopted by our Board vide their resolution dated May 2, 2025 for the purposes of disclosures in this Draft Letter of Offer, where applicable, in conformity with the 'Policy for Determination of Materiality of Disclosures' framed in accordance with Regulation 30 of the SEBI LODR Regulations and adopted by our Board.
'Memorandum of Association' or "Memorandum"	Memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	Nomination and remuneration committee of our Board of Directors
Non-Executive Director(s)	The non-executive Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Non-Executive Directors, see " <i>Our Management – Board of Directors</i> " on page 48.
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
"Promoter" or "M&M"	The promoter of our Company being, Mahindra and Mahindra Limited
Registered Office	The registered office of our Company is located at Gateway Building, Apollo Bunder, Mumbai, Maharashtra, 400 001
Rights Issue 2020	Allotment of 61,77,64,960 equity shares of face value ₹2 each pursuant to rights issue dated August 18, 2020
Rights Issue Committee	The rights issue committee, being the sub-committee of our Board of Directors, consisting of Milind Shripad Sarwate (Independent Director, chairperson of the rights issue committee), Raul Ignatius Rebello (Managing Director and Chief Executive Director, member of the rights issue committee), and Amarjyoti Barua (Non-Executive Director, member of the rights issue committee)
RSU Plan 2023	Shall mean the Mahindra and Mahindra Financial Services Limited – Restricted Stock Units Plan 2023.
Senior Management	Senior management personnel of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board of Directors
Subsidiaries	Subsidiaries of our Company as per Ind AS, being: 1. Mahindra Insurance Brokers Limited; 2. Mahindra Rural Housing Finance Limited; 3. Mahindra & Mahindra Financial Services Limited – Employees' Stock Option Trust; 4. Mahindra Finance CSR Foundation; 5. Mahindra Rural Housing Finance Limited Employee Welfare Trust; and 6. Mahindra Ideal Finance Limited.
Whole-time Directors	The whole-time directors of our Company. For details, please see " <i>Our Management – Board of Directors</i> " on page 48.

Issue Related Terms

Term	Description
Additional Rights Equity Shares	The Rights Equity Shares applied for or allotted under this Issue in addition to the Rights Entitlement
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Kotak Mahindra Bank Limited

Term	Description
Allotment Account(s)	The account(s) opened with the Banker(s) to the Issue, into which the Application Money, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to the Issue
“Allotment” or “Allot” or “Allotted”	Allotment of Rights Equity Shares pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
“Applicant(s)” or “Investor(s)”	Eligible Equity Shareholder(s) and/or Renouncee(s), to the extent applicable under the applicable law, who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer
Application	Application made through submission of the Application Form or plain paper application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in the Issue
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI ICDR Master Circular (to the extent it pertains to the rights issue process) and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
Banker to the Issue	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, which is Kotak Mahindra Bank Limited
Banker to the Issue Agreement	Agreement dated May 2, 2025, entered into by and among our Company, the Registrar to the Issue, and the Banker to the Issue for among other things, collection of the Application Money from Applicants/Investors and transfer of funds to the Allotment Account, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in “Terms of the Issue” beginning on page 58
“Controlling Branches” or “Controlling Branches of the SCSBs”	Such branches of the SCSBs the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI’s website, updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time
Demographic Details	Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	National Stock Exchange of India Limited
Eligible Equity Shareholder(s)	Equity Shareholders as on the Record Date. Please note that only those Equity Shareholders who have provided an Indian address to our Company are eligible to participate in the Issue. For further details, see “Notice to Investors” and “Restrictions on Purchases and Resales” beginning on pages 8 and 85, respectively
“Equity Shareholder(s)” or “Shareholders”	Holder(s) of the Equity Shares of our Company
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations
Gross Proceeds	The gross proceeds raised through the Issue
Issue	This issue of up to [●]* Rights Equity Shares for cash at a price of ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹3,000* crores on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders on the Record Date
	* Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.

Term	Description
Issue Closing Date	[●]
Issue Materials	Collectively, this Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹[●] per Rights Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to [●] Rights Equity Shares aggregating up to ₹3,000* crores * Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.
“Letter of Offer” or “LOF”	The final letter of offer to be filed with the Stock Exchanges
Listing Agreements	The uniform listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI LODR Regulations
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated May 2, 2025, between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds
Multiple Application Forms	More than one application form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However, additional applications in relation to Additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications
Net Proceeds	Issue Proceeds less the estimated Issue related expenses. For further details, see “Objects of the Issue” beginning on page 40.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring its Rights Entitlements through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading its Rights Entitlements over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●], 2025
“Qualified Institutional Buyers” or “QIBs”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders who would be eligible to apply for the Rights Equity Shares in the Issue subject to terms and conditions set out in the Issue Materials, to be decided prior to the filing of the Letter of Offer, being [●]
Refund Bank	The Banker to the Issue with whom the refund account will be opened, in this case being Kotak Mahindra Bank Limited
Registrar Agreement	Agreement dated May 2, 2025, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
“Registrar” or “Registrar to the Issue” or “Registrar or Share Transfer Agent”	KFin Technologies Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation in accordance with the SEBI ICDR Master Circular
Renunciation Period	The period during which the Eligible Equity Shareholders can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The details of Rights Entitlements are also accessible on the website of our Company
Rights Entitlement(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares held by an Eligible Equity Shareholder on the Record Date
Rights Equity Shareholders	Holder of the Rights Equity Shares pursuant to this Issue
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on a fully paid-up basis on Allotment
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , or such other website as updated from time to time

Term	Description
Specific Investor(s)	Regulation 77B of the SEBI ICDR Regulations defines specific investor(s) as any investor who is eligible to participate in the Issue (a) whose name has been disclosed by the Company in terms of regulation 84(1)(f)(i) of the SEBI ICDR Regulations; or (b) whose name has been disclosed by the Company in terms of sub-clause 84(1)(f)(ii) of the SEBI ICDR Regulations
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed <i>i.e.</i> BSE and NSE
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Days	All days on which commercial banks in Mumbai are open for business. Further, in respect of the Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, in respect of the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupee
Aadhaar	Aadhaar card
AGM	Annual general meeting of the Shareholders of our Company.
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Basic EPS	Net Profit for the year attributable to owners of the Company/ weighted average number of Equity Shares outstanding during the year
BSE	BSE Limited
Calendar Year	Calendar year ending December 31
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CIN	Corporate identity number
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013 along with the relevant rules made thereunder
CSR	Corporate social responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Diluted EPS	Net Profit for the year attributable to owners of the Company/weighted average number of Equity Shares outstanding during the year as adjusted for effective of dilutive equity shares
DIN	Director identification number
DP ID	Depository participant’s identification number
“DP” or “Depository Participant”	Depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion)
EGM	Extraordinary general meeting
EPS	Earnings per share
FCNR	Foreign Currency Non-Resident.
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020 issued by DPIIT, effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999
FEMA NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year” or “Fiscal Year” or “Fiscal” or “FY”	Period of 12 months ending March 31 of that particular year
FPI	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles in India
GOI	Government of India
Government	Central Government and/ or the State Government, as applicable

Term/Abbreviation	Description/ Full Form
GST	Goods and services tax
HFC	Housing Finance Companies
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
Income-Tax Act	Income-tax Act, 1961
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
“Ind AS” or “Accounting Standards”	Accounting standards issued by the ICAI
India	Republic of India
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International securities identification number
IST	Indian standard time
IT	Information technology
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition.
SME	Small and Medium Enterprise
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NBFC	Non-banking financial company
NEFT	National electronic fund transfer
Net Asset Value per Equity Share	Net Worth/ number of Equity Shares issued, subscribed and fully paid outstanding as at the end of the year
Net Worth	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth for our Company is paid up share capital and all reserves excluding capital reserve, amalgamation reserve, revaluation reserve and other comprehensive income
NHB	National Housing Bank
NPAs	Non-Performing Assets
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE	Non-resident external
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non-resident ordinary
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
“OCBs” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
OCI	Overseas citizen of India
PAN	Permanent account number
RBI	Reserve Bank of India
RBI Master Directions	Master Directions as applicable to Non-Banking Financial Company, as amended, and applicable from time to time
Regulation S	Regulation S under the U.S. Securities Act
“Return on Net Worth” or “RoNW”	Net Profit for the year attributable to owners of our Company/Average Net Worth
RoC	Registrar of Companies, Maharashtra, Mumbai
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Master Circular	SEBI master circular (SEBI/HO/CFD/PoD-1/P/CIR/2024/0154) dated November 11, 2024

Term/Abbreviation	Description/ Full Form
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
State Government	Government of a state of India
TPAP	Third party application provider
“U.S.” or “USA” or “United States”	United States of America, its territories or possessions, any state of the United States, and the District of Columbia
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
UPI	Unified Payment Interface
US GAAP	Generally accepted accounting principles in the U.S.
USD	United States Dollar
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, Application Form and Rights Entitlement Letter and any other offering material (collectively, the “**Issue Materials**”) and issue of Rights Entitlement as well as Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or Application Form may come or who receive Rights Entitlement and propose to renounce or apply for Rights Equity Shares in the Issue are required to inform themselves about and observe such restrictions. For more details, see “*Restrictions on Purchases and Resales*” beginning on page 85.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders, have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e- mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders, who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any of the Issue Materials.

The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see “*Restrictions on Purchases and Resales*” beginning on page 85.

Investors can also access this Draft Letter of Offer, the Letter of Offer, and the Application Form from the websites of our Company, the Registrar, and the Stock Exchanges.

Our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders, available with the Registrar in their records.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in whole or in part, in (i) the United States, or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person’s jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India). In addition, each purchaser or seller of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the “*Restrictions on Purchases and Resales*” section beginning on page 85.

Our Company, in consultation with the Registrar, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Draft Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information

or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information. The contents of this Draft Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”) AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS, LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS DRAFT LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders, and will dispatch this Draft Letter of Offer and Application Form only to Eligible Equity Shareholders, who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any U.S. federal or state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in IST. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a Calendar Year. Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer. In this Draft Letter of Offer, unless otherwise specified or if the context requires otherwise, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the Audited Consolidated Financial Statements. The Fiscal 2025 Audited Consolidated Financial Statements were audited by our Joint Statutory Auditors.

Our Company's Financial Year commences on April 1 of each Calendar Year and ends on March 31 of the following Calendar Year. Unless otherwise stated, references in this Draft Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31 of that year. For details of the financial statements, see "*Financial Statements*" beginning on page 51.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Rupees, in crores.

Non-GAAP Measures

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (collectively "**Non-GAAP Financial Measures**", and each, a "**Non-GAAP Financial Measure**") in this Draft Letter of Offer, which are Net Worth, Return on Net Worth, Net Asset Value per Equity Share. These Non-GAAP Financial Measures are not required by or presented in accordance with Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of other companies in our industry. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, GAAP, IFRS or US GAAP. Other companies may calculate these Non-GAAP Financial Measures differently from us, limiting its usefulness as a comparative measure. However, these Non-GAAP Financial Measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, such Non-GAAP Financial Measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under GAAP.

Currency of Presentation

All references to:

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India;
- 'US\$', 'USD', '\$' and 'U.S. Dollars' are to the legal currency of the United States of America;

Please note:

- One crore is equal to 100 lakhs; and
- One lakh is equal to 100,000.

Conversion Rates for Foreign Currency:

The conversion rate for the following foreign currencies is as follows:

Sr. No.	Currency	As of March 31, 2025 (in ₹)	As of March 31, 2024 (in ₹)	As of March 31, 2023 (in ₹)
1.	1 USD	85.58	83.37	82.21

Source: www.fbil.org.in

Note: In the event that any of the abovementioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer 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', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company 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 Company's expectations include, among others:

- any disruption in our sources of funding could adversely affect our liquidity;
- any adverse developments in the industries we operate in, including the new and pre-owned vehicle financing industry could adversely affect our business and results of operations;
- inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share;
- risk of non-payment or default by borrowers;
- operations are technology-dependent, and any cyberattacks, failures, material weaknesses in internal controls, or security breaches in our IT systems could adversely affect our business;
- volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to decline and adversely affect our return on assets and profitability;
- inability to recover the full value of collateral or amounts outstanding under defaulted loans in a timely manner or at all; and
- regulated under the RBI guidelines on liquidity risk management and may face asset-liability mismatches which could affect our liquidity.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled "*Risk Factors*" beginning on page 17.

The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of our Company's management, as well as the assumptions made by, and information currently available to, the management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it 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. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI and Stock Exchange requirements, our Company will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchanges.

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, the sections entitled “*Risk Factors*”, “*Capital Structure*”, “*Objects of the Issue*”, and “*Financial Statements*” beginning on pages 17, 37, 40, and 51, respectively.

Summary of the Business

Our Company is a deposit taking, non-banking finance company in India categorized as an upper layer NBFC by the RBI. With a wide distribution network, we offer a comprehensive portfolio of financial services designed to meet the needs of a diverse customer base. Our offerings include financing solutions for individuals and businesses, covering primarily (i) passenger vehicles; (ii) commercial vehicles; (iii) construction equipment; (iv) pre-owned vehicles; (v) tractors; and (vi) three-wheelers. We also provide housing loans, personal loans, insurance distribution, mutual funds, fixed deposits, gold loan and leasing to existing customers and to micro, small, and medium enterprises.

Our Company’s estimated composition of assets financed in each of our vehicle financing businesses is set forth below:

(in ₹ crores)		
	Fiscal	
	2025	2024
Passenger vehicles	23,527.28	22,920.32
Commercial vehicles and construction equipment	12,290.12	12,511.67
Pre-owned vehicles	9,468.34	9,744.87
Tractors	5,871.41	5,443.29
Three wheelers	2,445.27	2,496.10
SME	3,009.52	2,029.03
Others	1,287.77	1,062.94
Total	57,899.71	56,208.22

To meet the diverse needs of our customer base, our Company has also obtained (i) a ‘corporate agency license’ from IRDAI; (ii) entered into a partnership with a private sector Indian bank to issue co-branded credit and debit cards; and (iii) received TPAP approval from NPCI. This will allow our company to build a suite of insurance products for cross-selling, provide payment products to our customer base and participate in the customers’ payment ecosystem, and launch our own UPI platform as an engagement tool to participate in the customers’ UPI and bill payments, and also offer them other lending and investment products

Our Company has established a pan-India presence, spanning 27 states and seven union territories through 1,365 offices, as of March 31, 2025. We benefit from our strong relationships with multiple OEMs, customers and channel partners developed from long-term in-person customer contact, local knowledge and our continued association with automotive, farm equipment and car dealers. Further, our online and mobile applications have bolstered customer support, built brand loyalty, and increased customer retention rates.

The following table sets forth certain key details, on a consolidated basis, for the periods indicated:

(₹ in crores)		
	As of / For the financial year ended March 31,	
	2025	2024
Total disbursements	60,741.17	58,647.21
Loan book (Net of Provisions)	1,23,513.56	1,06,343.96
Loan Book (Gross)	1,27,588.41	1,10,025.82
Total assets	1,44,105.26	1,23,715.79
Total Income	18,530.46	15,970.32
Interest Income	16,566.40	14,412.33
Profit after tax for the year	2,260.87	1,943.05
PAT growth y-o-y	16.36%	(6.19)%
Credit Ratings	AAA	AAA

We are a part of the Mahindra group, which has a global presence across diverse business verticals, including automotive, farm equipment, technology, financial services, real estate, hospitality, logistics, renewable energy, and aerospace and defence. The Mahindra group’s flagship entity, Mahindra and Mahindra Limited, is our Promoter and had a market capitalization of ₹3,315.68 billion as of March 31, 2025 (based on the closing price of the Equity shares as of March 28, 2025, on BSE).

Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s).

Our Promoter has confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue in accordance with the minimum public shareholding norms prescribed under the SEBI Listing Regulations, and (ii) subscribe to additional Equity Shares, if any, as well as to any unsubscribed portion in the Issue up to the total Issue Size subject to meeting requirements under the SEBI Takeover Regulations. Accordingly, our Promoter has no intention to renounce their Rights Entitlement in the Issue in favour of any Specific Investor(s).

As on the date of this Draft Letter of Offer, members of our Promoter Group do not hold any Equity Shares of our Company. The acquisition of Rights Equity Shares by our Promoter and other members of our Promoter Group, shall be eligible for exemption from open offer requirements, subject to our Company meeting the pricing criteria and other conditions, if any in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations.

Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Allotment of the under-subscribed portion of the Issue

Our Company does not intend to allot the under-subscribed portion of the Rights Equity Shares in this Issue to any Specific Investor(s).

Details of our Company, Promoter and Directors being Wilful Defaulters or a Fraudulent Borrower

Neither our Company, nor our Promoter or Directors have been identified as Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations.

Summary of outstanding litigation and defaults

As on the date of this Draft Letter of Offer, neither our Company nor our Promoter or Directors have been issued any show cause notice(s) by SEBI or the Adjudicating Officer in a proceeding for imposition of penalty, nor have any prosecution proceedings been initiated against them by SEBI.

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Draft Letter of Offer is set forth in the table below:

(amounts in ₹ crores, unless otherwise specified)

Sr. No.	Type of Proceedings	By the Company		Against the Company	
		Number of cases	Amount involved (to the extent quantifiable)	Number of cases	Amount involved (to the extent quantifiable)
I.	Litigation involving our Company				
A.	Criminal	6,067*	400.99	236**	Not quantifiable
B.	Proceedings involving material violations of statutory regulations by our Company	Not Applicable	Not Applicable	Nil	Nil
C.	Matters involving economic offences where proceedings have been initiated against our Company	Not Applicable	Not Applicable	Nil	Nil
D.	Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil	Nil	Nil
F.	Any other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company	Nil	Nil	Nil	Nil

* These include litigations in the nature of alleged fraud, cheating, criminal breach of trust, default in payments to be made by the borrowers filed by our Company against borrowers

** These include litigations in the nature of alleged fraud, misrepresentation, forgery filed by the borrowers/ customers of our Company against our Company and its employees.

Note: Other than the amounts disclosed as contingent liability, our Company is currently contesting demands raised under Direct and Indirect Tax laws, amounting to approximately ₹723 crores in aggregate as of March 31, 2025. These matters are pending before appropriate tax authorities and appellate forums and are at various stages. Based on internal assessments and expert legal and tax opinions, the management believes that our Company has a strong case on merits in each of these matters. Accordingly, these demands exposures have been classified as having remote chance of liability. Further, in compliance with procedural requirements, our Company has deposited an aggregate sum of ₹279 crores with the respective appellate authorities in respect of such matters as of March 31, 2025.

(amounts in ₹ crores, unless otherwise specified)

Sr. No.	Type of Proceedings	By the Subsidiaries		Against the Subsidiaries	
		Number of cases	Amount involved (to the extent quantifiable)	Number of cases	Amount involved (to the extent quantifiable)
I.	Litigation involving our Subsidiaries				
A.	Criminal	3	Not quantifiable	12	Not quantifiable
B.	Proceedings involving material violations of statutory regulations by our Subsidiaries	Not Applicable	Not Applicable	Nil	Nil
C.	Matters involving economic offences where proceedings have been initiated against our Subsidiaries	Not Applicable	Not Applicable	Nil	Nil
D.	Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil	Nil	Nil
F.	Any other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company	Nil	Nil	Nil	Nil

Other confirmations

Except as stated below, our Company has been in compliance with the equity listing agreement and the SEBI LODR Regulations, during the three years immediately preceding the date of this Draft Letter of Offer.

Sr. No.	ISIN No.	Stock Exchange	Amount of penalty (in ₹ including GST)	Reason for penalty imposition	Status
1.	INE774D08MH1, INE774D08MP4, INE774D08MO7, INE774D07SW9, INE774D07SV1, INE774D07SU3, INE774D07ST5, INE774D07SS7, INE774D07SR9, INE774D08MM1, INE774D08ML3, INE774D08MK5, INE774D08MJ7, INE774D08MI9	BSE Limited	1,65,200	BSE Limited levied a fine under Regulation 60 (2) of the SEBI LODR Regulations, with respect to delay of submission by one day of the intimation of record date for few ISINs during the month of March 2022.	Our Company has paid the penalty amount.
2.	INE774D08LT8, INE774D08LU6	BSE Limited	23,600	BSE had vide email dated December 30, 2024 levied a fine for delay of intimation of record date pertaining to payment of interest on NCDs.	Our Company has applied for a waiver and the matter is under consideration with BSE.

During the three years immediately preceding the date of this Draft Letter of Offer, following monetary penalties have been imposed by RBI for certain regulatory non-compliances:

Sr. No.	Date of order	Reason for penalty imposition	Amount of penalty (rounded off in ₹ crores)	Status
1.	April 5, 2023*	RBI imposed a monetary penalty of ₹ 6.77 crores on the Company for deficiencies in regulatory compliance with the RBI directions on fair practices in relation to the disclosure of annualised rate of interest charged on loans sanctioned to certain borrowers at the time of sanction and failure to give notice of change in the terms and conditions of loan to these borrowers.	6.77	Our Company has paid the penalty amount. Our Company has implemented remedial actions to modify its processes and documentation to ensure disclosures, as per regulatory requirements.
2.	April 25, 2025**	The RBI conducted their annual inspection for the period ended March 31, 2023 and made certain observations during the audit. Subsequently, RBI issued a show cause notice on April 30, 2024 (“Show Cause Notice”).	0.71	These observations made by RBI during their annual inspection were duly addressed by our Company. Our Company has made its submissions to the Show Cause Notice.

Sr. No.	Date of order	Reason for penalty imposition	Amount of penalty (rounded off in ₹ crores)	Status
		The RBI after due considerations has levied a monetary penalty on our Company for non-adherence to certain provision in relation to the fair practice code and KYC norms such as disclosure of processing fees in loan application form, furnishing copies of loan agreements and conveying details of the loans in the sanction letters to certain borrowers, ensuring a final chance to certain borrowers to repay the loans, before the sale/ auction of vehicles; and Allotting multiple customer identification codes to certain customers, instead of a Unique Customer Identification Code (UCIC) for each individual customer.		Our Company has taken necessary actions and also enabled controls to ensure stringent adherence to various compliance and regulatory requirements.

* An intimation was made to the Stock Exchanges on April 6, 2023 and there was no delay in making the intimation to the Stock Exchanges.

** An intimation was made to the Stock Exchanges on April 25, 2025 and there was no delay in making the intimation to the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. This section should be read together with our Fiscal 2025 Audited Consolidated Financial Statements.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment.

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In this section, unless the context otherwise indicates or implies, “we”, “us” and “our” refer to our Company together with our Subsidiaries and Joint Venture.

1. Any disruption in our sources of funding could adversely affect our liquidity and financial condition.

The liquidity and profitability of our business depend, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from various sources, including equity funding, secured and unsecured loans, including rupee-denominated term loans and cash credit facilities from banks and financial institutions, external commercial borrowings, securitization and assignment of receivables, secured and unsecured non-convertible debentures, subordinated bonds, commercial paper, fixed deposits and inter-corporate deposits. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Our ability to raise funds on acceptable terms and at competitive rates depends on various factors including global and local macroeconomic conditions, our current and future results of operations and financial condition, our risk management policies, the shareholding of our Promoter in our Company, our credit ratings, India’s sovereign credit rating, our brand equity and the regulatory environment and policy initiatives in India. Changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition.

2. Any adverse developments in the industries we operate in, including the new and pre-owned vehicle financing industry could adversely affect our business and results of operations.

We are primarily engaged in providing financing for new auto and utility vehicles (including three wheelers), tractors, cars, commercial vehicles, construction equipment and pre-owned vehicles to customers in rural and semi-urban markets. The following table sets forth certain key details of our Company, on a consolidated basis, for the periods indicated:

(₹ in crores)

	As of / For Fiscals ended March 31,	
	2025	2024
Total assets*	1,44,105.26	1,23,715.79
Revenue from operations	18,463.10	15,796.85
Profit after tax for the year	2,260.87	1,943.05

* Total assets comprise financial assets (including loan receivables, net of impairment provisions) and non-financial assets.

Our subsidiaries, Mahindra Rural Housing Finance Limited and Mahindra Insurance Brokers Limited, operate in the housing finance and insurance distribution industries, respectively. Our asset portfolios include, and will likely continue to include, a significant share of financing arrangements for vehicles in rural and semi-urban markets (including Tier I and Tier II cities in India). The success of our business thus depends on various factors that affect demand for such vehicles, including the demand for transportation services in India, agricultural and SME activities, the housing and the insurance market in India, changes in Indian regulations and policies affecting utility vehicles, tractors, commercial vehicles and cars, natural disasters, calamities, pandemics, fuel prices and other macroeconomic conditions in India and globally. Further, Mahindra Ideal Finance Limited, our NBFC in Sri Lanka and subsidiary of our Company, provides leases, loans, gold loans, and fixed deposits; while our associate and subsidiary, Mahindra Finance USA, LLC, provides wholesale inventory-financing to dealers and retail-financing to customers in the United States for purchase of Mahindra tractors. The success of these businesses also depends on the socio economic conditions prevailing in Sri Lanka and USA and the local regulations and policies.

Moreover, demand for such vehicles from our customers who are individuals or small enterprises, that typically have less financial wherewithal than corporate borrowers or fleet owners, or demand for rural housing, is more likely to be adversely affected by these factors. This may result in a decline in the sales or value of new and pre-owned vehicles. Any decline in sales

of, or in demand for financing for, utility vehicles, tractors, cars or commercial vehicles or non-performance of the existing financing agreements could adversely affect our business and results of operations.

3. *Our inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share.*

We provide loans primarily to customers residing in rural and semi-urban markets. Our primary competitors have been private unorganized lenders who typically operate in rural and semi-urban markets. However, as banks, other NBFCs and housing finance companies continue to expand their operations in rural and semi-urban markets, we face competition from such entities, some of which may have superior technology platforms, more resources, access to cheaper funding, expanded reach in rural and semi-urban markets and may have a better understanding of and relationships with customers in these markets. This may make it easier for competitors to expand and to achieve economies of scale to a greater extent. In addition, our competitors may be able to rely on the reach of the retail presence of their affiliated group companies or banks. Competition has also increased as a result of interest rate deregulation and other liberalization measures affecting the vehicle financing and housing finance sectors and we expect competition to intensify in the future. We also face increasing competition in our insurance broking, mutual fund and SME financing businesses.

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost capital and charge optimum interest rates at which we lend to our customers. Consequently, our ability to maintain or increase our margins will be dependent on our ability to pass on increases in the interest rates on our interest-bearing liabilities to our customers. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business.

We believe that the strong recognition of the “Mahindra” brand provides a significant competitive advantage to us and ensures a steady inflow of business. In the event Mahindra group is unable to maintain the quality of its services or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive industry. Increasing competition may adversely affect our net interest margins, income and market share.

4. *The risk of non-payment or default by borrowers may adversely affect our financial condition and results of operations.*

A significant pool of our customers are primarily in the rural and semi-urban markets of India and without formal credit histories. Such customers typically have less financial wherewithal and may be particularly susceptible to adverse macro-economic conditions. As of March 31, 2025, our Company’s total gross loans and advances were ₹1,19,673.02 crores and we expect that the size of our gross loans and advances will grow as a result of our expansion strategy in existing as well as new products, which will expose us to an increased risk of defaults. This, as well as any deterioration in the financial condition of our borrowers, may result in an increase in our NPAs. Any such increase may adversely affect our credit ratings and increase our borrowing costs, which in turn may affect our interest margins, business and results of operations. Further, from time to time, we also extend credit to SME clients and in the past, there have been certain instances where the clients have defaulted due to their business conditions.

Our Company classifies NPAs in accordance with applicable Ind AS rules. Defaults by our customers for a period of more than 90 days result in such loans being classified as ‘non-performing’. Our Company’s Gross NPAs (Stage 3 assets) were ₹4,413.94 crores, or 3.69% of our gross business assets as of March 31, 2025. Our Company’s provision for NPA (Stage-3 assets) was ₹2,258.04 crores as of March 31, 2025.

Further, as an NBFC, we are regulated by the RBI and are required to adhere to the prudential norms on income recognition, asset classification and provisioning (“IRACP”) notified by the RBI from time to time, in addition to the Ind AS accounting and provisioning requirements applicable to our Company in the ordinary course and any changes thereof may impact our provisioning and profitability. For instance, the RBI issued circulars dated November 12, 2021 and February 15, 2022 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications (“IRACP Circulars”) with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. As per this circular RBI has mandated that accounts classified as NPAs may be upgraded to ‘standard’ only if the entire arrears of interest and principal are paid by the borrower, as opposed to such upgradation being undertaken upon payment of only interest overdue. A change in methodology of NPA classification aligning to the RBI directives may result in increase in NPA count and provision for credit impaired assets. Our Company’s provision for NPA (Stage-3 assets) as per IRACP was ₹ 1,506.10 crores as of March 31, 2025.

If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans, or if future regulations require us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.

The borrowers and their guarantors under our loan agreements may default in their repayment obligations due to various reasons including insolvency, lack of liquidity, increase in operating costs, business failure or poor agricultural production. Besides macroeconomic conditions, we face risks specific to each line of business, which may also result in increased defaults. In addition, a significant pool of our customers being self-employed and non-professional individuals, and customers with informal income sources who often do not have credit histories supported by tax returns and other documents that would enable us to assess their creditworthiness, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees. This segment of customers also has limited access to other financing sources and is located in the rural and semi-urban markets. It may therefore be difficult to carry out precise credit risk analyses on all of our customers.

Although we follow certain procedures to evaluate the credit profiles of our customers at the time of sanctioning a loan, we typically rely on a system of referrals from the local community and the value of the vehicle provided as underlying collateral rather than focusing solely on the credit profile of our customers. Certain product segments such as personal loans, are susceptible to higher levels of credit risks. We rely on customer-provided information for credit assessments, following RBI's KYC guidelines, and verify employment, residence, and collateral through registrars, credit bureaus, and independent valuers. However, inaccurate or misleading information can impair our assessment of creditworthiness, affect collateral valuation, and impact our business and financial position. This risk is heightened by the manual nature of property verification in India and the lack of proper documentation among small businesses. Limited access to reliable credit data and delayed updates on customers' financial conditions further increase our exposure to credit risk, potentially leading to higher NPAs and vulnerability to fraud.

Additionally, although our vehicle financing arrangements, housing finance business verticals involve certain collaterals, we may still be exposed to defaults in payment, which we may not be able to recover fully or in part, or the recovery of which may require us to incur costs and expend additional resources. Further, our Company had unsecured loans outstanding aggregating to ₹6,161.54 crores, as of March 31, 2025. Consequently, non-payment or default by borrowers could adversely affect our business, results of operations and financial condition.

5. *Our operations are technology-dependent, and any cyberattacks, failures, material weaknesses in internal controls, or security breaches in our IT systems could adversely affect our business.*

Our operations depend on our ability to process a large number of transactions on a daily basis across our network of offices, most of which are connected through computer systems and servers to our head office. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond our control, including a disruption of electrical or communications services, particularly in the rural and semi-urban markets in which we primarily operate. Our business is particularly susceptible to such disruptions because of our reliance on technology platforms and tools and the higher cost of installation and implementation of technology in the rural and semi-urban markets. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Further, any technology failure or slowdown could result in data loss or operational delays, which, in turn, could have a substantial impact on our business and financial statements.

We have implemented internal control systems and processes for our audit team to regularly review, test, and update all areas of our operations as needed. However, we remain exposed to risks from potential inadequacies or failures in these systems, and any measures we take to mitigate these risks may not be enough to ensure an effective internal control environment. In the normal course of business, we control, process, store and transmit personal and confidential information of our own employees and customers. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, employee data and propriety business data, for which we could potentially be liable.

In addition, there has been an increase in electronic transactions as well as instances of people working from home which increases the risk of cyber-attacks. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our business. For instance, on March 16, 2024, our Company experienced a cybersecurity incident that disrupted certain applications and systems for four days. While core systems remained unaffected, and investigation confirming no unauthorized access or data exfiltration from financial data servers, we cannot assure you if any

such incidents in the future would not lead to serious data breaches and connected costs. Our Company continues to actively monitor the situation.

We may also be subjected to domestic and international laws relating to the collection, use, retention, security, disclosure and/or transfer of personally identifiable information (“PI”) and sensitive personal data or information (“SPDI”). For example, we are required to comply with the Information Technology Act, 2000 (“IT Act”) and the rules notified thereunder. The Parliament passed the Digital Personal Data Protection Act, 2023 (“DPDP Act”) on August 9, 2023 and was notified on August 11, 2023. The DPDP Act provides for the processing of digital personal data in a manner that recognises both the rights of individuals to protect their personal data and the need to process personal data for lawful purposes and matters incidental thereto. As the DPDP Act has recently been notified, the long-term impact of the same on our business and operations remains uncertain.

6. *We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to decline and adversely affect our return on assets and profitability.*

A significant component of our total income is the interest and fee income we receive from the secured and unsecured loans we disburse, which comprised 86.31% and 85.98% of our total income for Fiscals 2025 and 2024, respectively. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Moreover, if there is an increase in the interest rates we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to low-cost funds. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate during rising rate scenario than competitors that borrow only at fixed interest rates.

Fluctuations in interest rates may also adversely affect our treasury operations. In a rising interest rate environment, especially if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities. In addition, the value of any interest rate hedging instruments we may enter into in the future would be affected by changes in interest rates, which could adversely affect our ability to hedge against interest rate volatility. We cannot assure that we will continue to enter into such interest rate hedging instruments or that we will be able to enter into the correct amount of such instruments to adequately hedge against interest rate volatility in the future.

Further, pursuant to our loan agreements with customers, we primarily lend money on fixed and floating interest rate basis our Company’s interest rate policy. As per our loan agreement, all changes in interest shall be prospective other than changes caused by the regulatory requirement which shall be as per the effective date of such regulatory requirement, typically without including a provision that interest rates due under our loan agreements will increase if interest rates in the market increase. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

7. *Our inability to recover the full value of collateral or amounts outstanding under defaulted loans in a timely manner or at all could adversely affect our results of operations.*

For each vehicle financing arrangement, we sanction an amount of credit that is less than the value of the vehicle which we take as collateral. We regulate this amount through our restrictions on the loan to value (“LTV”) ratio of each financing. We take other collateral such as houses as collateral against the credit that we extend in our housing finance business. The value of the collateral, however, may decline during the term of the loan for a variety of reasons, including depreciation and deterioration or damage to the collateral due to natural calamities such as floods, landslides, earthquakes, etc. In addition, an overall deterioration in the economy may also lead to a reduction in the value of collateral provided for our loans, leading to higher than anticipated losses on default. As a result, if our customers default, we may receive less money from liquidating collateral than is owed under the relevant financing facility, and, in turn, incur losses, even where we successfully repossess and liquidate the collateral. While we require borrowers to secure a guarantee on the basis of their profile, we may not be able to enforce or collect the amount owed under such guarantee, if at all. Further, as our unsecured loan portfolio is not supported by any collateral, in the event of non-payment by borrowers under these loans, we may be unable to collect the outstanding amount.

We may also encounter difficulties in repossessing and liquidating a collateral. When a customer defaults under a financing facility, we typically re-possess and then sell the collateral through an auction. There is no assurance, however, that we will be able to successfully repossess the collateral in the event of a default under a loan agreement. We may also not be able to sell the collateral at a price sufficient to cover the amount owed under the financing facility, or at all. We may face additional delay and expense in conducting an auction to sell the collateral and may face significant delay in repossessing collateral, as litigation against defaulting customers, even if governed by an arbitration clause, can be slow and expensive in India. In the event of any inability or delay in the repossession and liquidation of the collateral securing loans in default, we may incur losses, which could adversely affect our results of operations and financial condition.

8. We are regulated under the RBI guidelines on liquidity risk management and may face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations, profitability and/ or cash flows

On November 4, 2019, the RBI introduced the ‘Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies’ (the “**LRM Guidelines**”) to enhance and standardize the Asset-Liability Management (ALM) practices of NBFCs.

The LRM Guidelines are applicable to all non-deposit taking NBFCs with asset size of ₹100 crores and above, all systemically important Core Investment Companies, and all deposit-taking NBFCs regardless of asset size. In addition, non-deposit taking NBFCs with assets of ₹10,000 crores or more, and all deposit-taking NBFCs, are required to maintain a liquidity buffer through a Liquidity Coverage Ratio (“**LCR**”). This requires them to hold sufficient High-Quality Liquid Assets (“**HQLA**”) to withstand a severe liquidity stress scenario for 30 calendar days. The LCR must be at least 100% of total net cash outflows over the next 30 days. This requirement became effective from December 1, 2020, starting with a minimum HQLA holding equal to 50% of the required LCR, gradually increasing to 100% by December 1, 2024. Similarly, non-deposit taking NBFCs with assets between ₹5,000 crores and ₹10,000 crores must also comply with the LCR requirement from December 1, 2020, starting at 30% and scaling up to 100% by December 1, 2024.

As on March 31, 2025, we did not have a negative cumulative asset liability mismatch for over one year and up to three years maturity, and for over three years and up to five years maturity, respectively.

Our inability to secure or renew credit facilities in a timely and cost-effective manner could exacerbate asset-liability mismatches, thereby adversely affecting our operational and financial performance. Furthermore, early repayments by customers can compound these mismatches, posing additional challenges to our liquidity management. These factors could negatively influence our results of operations, cash flows, and overall financial condition.

9. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets and could also affect our interest margins, business, results of operations and financial condition.

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may relate to the nature of our business and may be outside of our control. For example, our credit ratings may depend on the financial performance and business prospects of M&M and its majority shareholding in our Company. Our present credit ratings are set forth below:

Agency	Instrument	Rating	Outlook
India Ratings and Research Private Limited	Long term issuer rating, non-convertible debentures, retail non-convertible debentures, subordinated debt, retail sub debt and fixed deposits	IND AAA	Stable
	Bank Loans	IND AAA	Stable
	Principal protected market linked debentures (PP-MLD)	IND PP-MLD AAA/Stable	Stable
	Commercial papers and short term bank loan	IND A1+	-
CARE Ratings Limited	Long term, non convertible debentures (secured and unsecured) and long term subordinated debt	CARE AAA	Stable
Brickwork Ratings Limited	Long term subordinated debt	BWR AAA	Stable
CRISIL Ratings Limited	Non-convertible debentures, subordinated debt, long term bank loan and fixed deposits	CRISIL AAA	Stable
	Commercial paper and short term bank loan	CRISIL A1+	-

Any downgrade in our credit ratings or the credit ratings of India, could increase our borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, business and results of operations. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations, financial condition.

10. Majority of our vehicle financing business depends on the automotive sector including the demand for M&M vehicles, any decline in the automotive sector or failure to maintain relationships with automotive dealers and motor vehicle OEMs could adversely affect our business and results of operations.

Our vehicle financing business, which contributes significantly to our revenue from operations, is reliant on the growth of the automotive sector. Further, for Fiscal 2025 and 2024, 43.82 % and 43.08% of our estimated total value of assets financed were provided to purchasers of M&M vehicles (including tractors), respectively and for Fiscal 2025 and 2024, 14.07% and 15.38% of our estimated total value of assets financed were provided to purchasers of vehicles from another leading automobile manufacturer, excluding pre-owned vehicles, respectively. We also finance the purchase of construction equipment manufactured by M&M. Consequently, our business depends on the success of the distribution and marketing network and

brand equity of M&M, particularly in rural and semi-urban markets and relies on maintaining strong relationships with customers and our partnerships with motor vehicle OEMs. Customers may also delay or default on their payments due to us on account of technical failures of their vehicles or equipment because they associate these failures with M&M and, in turn, with us. M&M's inability to maintain and expand its own distribution network or increase its sales; continue to anticipate and respond effectively to challenges posed by the Indian vehicle industry, particularly in rural and semi-urban markets, any decline in sale of rural models in M&M's portfolio, or if M&M fails to maintain existing ties with key automotive dealers and OEMs, or if M&M is unable to provide timely services or products that meet the needs of dealers' customers, we may see a consequent decline in our retail funding relationships. Factors like these could adversely affect our business and results of operations.

Our vehicle finance segment relies on maintaining strong relationships with customers, particularly through automotive dealers who facilitate loan origination and our partnerships with motor vehicle OEMs. These agreements with OEMs are non-exclusive. There is no guarantee that we will be able to sustain or grow these relationships. If we fail to maintain existing ties with key automotive dealers and OEMs, or if we are unable to provide timely services or products that meet the needs of dealers' customers, we may see a decline in our retail funding relationships. This could negatively impact our business, prospects, financial condition, and cash flows.

11. *Our Company is subject to supervision and regulation by RBI as a systemically important deposit-taking NBFC, IRDAI as a corporate agent, and SEBI for our mutual fund business. Further, certain of our subsidiaries are subject to supervision and regulation by RBI, NHB and IRDAI, and changes in any of these regulator's regulations governing us could adversely affect our business.*

We are subject to RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure norms and other master directions. RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional costs, raise additional capital or otherwise adversely affect our business and our financial performance. Pursuant to the Master Circular, RBI has imposed certain restrictions on banks providing financing to NBFCs. Under this Master Circular, certain NBFC activities are ineligible for financing by banks, such as certain types of discounting and rediscounting of bills, investments of current and long term nature by way of shares, debentures, loans in any company, loans and advances by NBFCs to their subsidiaries and group companies, or lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market, unsecured loans, and inter-corporate deposits provided by the NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues and/or in the form of loans of a temporary nature pending the raising of long term funds from the market by way of capital, deposits, or other means to any category of NBFCs;
- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-company deposits or loans for enabling placement of funds with NBFCs. The Master Circular requires that banks need to comply with the restrictions imposed under Master Circular – Guarantees and Co-acceptances dated April 1, 2025 issued by the RBI.

These restrictions may adversely affect our access to or the availability of bank finance, which may in turn adversely affect our financial condition and results of operations.

Further our subsidiary, Mahindra Rural Housing Finance Limited, is regulated by both the RBI and the NHB guidelines. On February 17, 2021, the RBI issued the master directions on Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. These directions govern the activities of HFCs, including key aspects of Mahindra Rural Housing Finance Limited's operations, such as the net owned fund requirements, capital adequacy, fund sourcing, customer onboarding, credit approval, risk management, and asset classification and provisioning. In addition, various other applicable regulations also govern aspects of the operations, such as debt recovery and taxation of HFCs.

RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. We are subject to the requirements of the master directions issued by RBI including RBI (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, Prompt Corrective Action Framework for Non-Banking Financial Companies, and Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In certain cases, new regulations could also lead to confusion. Mahindra Rural Housing Finance Limited, being our subsidiary, is regulated principally by RBI (with effect from August 9, 2019) and is subject to Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and supervised by the NHB. Further, our Company and our Subsidiary, Mahindra Insurance Brokers Limited is subject to and is governed by a stringent regulatory framework monitored by the IRDAI.

The RBI has progressively aligned the regulatory framework for NBFCs, narrowing the historical regulatory arbitrage. This alignment is primarily driven by the introduction of the Scale-Based Regulation framework ("**SBR Framework**"), which

categorizes NBFCs into four layers based on their size, activity and perceived riskiness. The SBR framework imposes enhanced regulatory requirements on NBFCs, particularly those in the Upper and Middle Layers, encompassing stricter capital adequacy norms, governance standards, and prudential regulations. For instance, the minimum Net Owned Fund requirement has been increased, and the Prompt Corrective Action framework, previously applicable only to banks, has been extended to NBFCs in the Middle and Upper Layers. Therefore, our Company being categorized as an Upper Layer NBFC is impacted by any additional or changing regulations being applicable to us which could adversely affect our operations. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance.

Further, Mahindra Manulife Investment Management Private Limited has been appointed as the asset management company of 'Mahindra Manulife Mutual Fund' registered under the SEBI (Mutual Funds) Regulations, 1996. Our Company is the sponsor to the mutual fund and Mahindra Manulife Trustee Private Limited, a subsidiary of our Company, is the trustee to the mutual fund. We are accordingly governed by these regulations as well and any changes or amendments to these could also impact our operations.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in laws, regulations and accounting principles and practices. There can be no assurance that the laws governing the financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

Additionally, we are required to make various filings with RBI & SEBI, the Registrar of Companies and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

12. *We are subject to ongoing scrutiny by regulatory authorities. A failure to comply with regulatory observations following any such inspections may adversely affect our business and prospects.*

Under section 45N of the Reserve Bank of India Act, 1934, we are subject to periodic on-site inspections by the RBI wherein the RBI inspects our books of accounts and other records to verify the correctness or completeness of any statement, information or particulars furnished to the RBI, or for the purpose of obtaining any statements, information or particulars which our Company has failed to furnish on being called upon to do so.

In the past, in its periodic inspections on our Company, the RBI made observations on matters including, among other things, the (i) internal controls and processes, (ii) risk management systems, (iii) policies, and (iv) other operational matters of our Company. We have responded to these observations from time to time, and have taken steps, to address the identified issues. There can be no assurance that the RBI will not make other observations in the future. In the event we are unable to resolve any identified issues and other matters to the RBI's satisfaction, we may be restricted in our ability to conduct our business as we currently do. Further, while we attempt to comply with all regulatory provisions, directions or observations applicable to us, we cannot assure you that the RBI will not find any deficiencies in future inspections or the RBI will not make similar or other observations in the future. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on our reputation, business prospects, financial condition, cash flows and results of operations. For instance, in the past, we have paid certain penalties for non-compliances with the RBI directions. For details, see "Summary of this Draft Letter of Offer – Other Confirmations" on page 15. In the event that we fail to comply with any RBI observations, or in case we seek waivers or extensions for complying with the observations, the RBI may take adverse action against us, including placing stringent restrictions on our operations or even revoking our registration/ license.

13. *Priority sector lending requirements adhered to by scheduled commercial banks may increase our cost of funding and adversely affect our business, results of operations and financial condition.*

Pursuant to the Reserve Bank of India (Priority Sector Lending–Targets and Classification) Directions, 2016 dated July 7, 2016, as updated, scheduled commercial banks operating in India are required to maintain 40% of their adjusted net bank credit or credit equivalent of their off-balance sheet exposure, whichever is higher, as priority sector advances. These include loans to the agriculture, micro and small enterprises, low-income housing projects, off-grid renewable energy, exports and similar sectors where the Government seeks to encourage the flow of credit to stimulate economic development in India. Commercial banks in the past have relied on specialized institutions, including microfinance institutions and other financing companies

including NBFCs, to provide them with access to qualifying advances through lending programs and loan assignments, which may lead to more competition for us and may adversely affect our business and results of operations.

Any such changes in priority sector guidelines by RBI may adversely affect our business and operations. While scheduled commercial banks may still choose to lend to NBFCs, they may charge higher rates to do so because these loans no longer count towards their priority sector lending requirements. This may lead to an increase in the rates at which such loans have historically been offered to us, thus increasing our borrowing costs and adversely affecting our financial condition and results of operation.

As a result of such developments, our access to funds and the cost of our capital may be adversely affected and to the extent we are unable to secure replacement funding at similar cost or at all, our results of operations would be adversely affected.

14. *Governmental and statutory regulations, including the imposition of an interest-rate ceiling, may adversely affect our operating results and financial position.*

As a deposit-taking NBFC, we are subject to regulation by Government authorities, including RBI. RBI, however, has not established a ceiling on the rate of interest that can be charged by NBFCs in the asset finance sector. Currently, RBI requires that the board of directors of each NBFCs adopts an interest rate model that considers relevant factors such as the cost of funds, margin and risk premium.

While the RBI has not set interest rate ceiling caps, in the event we are required to register under any state money lending laws, there may be interest rate ceiling caps and other restrictions on operations of our business. Further, we have also received such notices in some states in the past. If any regulatory authority or court imposes any penalty against us or our Directors or our officers including for prior non-compliance with respect to state money lending laws, our business, results of operations and financial condition may be adversely affected.

15. *A portion of our collections from customers is in cash, exposing us to certain operational risks.*

A portion of our collections from our customers is in cash. Large cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. We primarily cater to customers in rural and semi-urban markets, which carry additional risks due to limitations on infrastructure and technology.

While we have implemented technology that tracks our cash collections, taken insurance policies, including fidelity coverage and coverage for cash in safes and in transit, and undertaken measures to detect and prevent unauthorized transactions, fraud or misappropriation, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. For instance, certain employees and external parties were involved in the forgery of KYC and asset related documents at our branch in Aizawl, Mizoram in respect of retail vehicle loans disbursed and 2,887 loan accounts were identified as potentially fraudulent in nature. These loans had an outstanding net recoverable balance of ₹135.86 crores as on March 31, 2024. We may also be party to criminal proceedings and civil litigation related to our cash collections. A penalty may be imposed on us under section 269ST of the Income Tax Act, 1961 for cash collections exceeding ₹ 200,000 in a single transaction.

Our business is also susceptible to fraud by dealers, distributors and other agents through the forgery of documents, multiple financing of the same vehicle and unauthorized collection of instalments on behalf of our Company. Given the high volume of transactions involving cash processed by us, certain instances of fraud and misconduct by our representatives or employees may go unnoticed for some time before they are discovered and successfully rectified. Even when we discover instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of such systems will result in losses that are difficult to detect or rectify.

16. *Developments in the regulations concerning securitization and assignment transactions with respect to receivables of our loan assets could adversely affect the viability of funding from such transactions, our results of operations and financial condition.*

We have in the past securitized/assigned a portion of the receivables from our loan assets to banks. During Fiscal 2025 and 2024, our Company has entered into securitization transactions amounting to ₹6,477.28 crores and ₹2,928.80 crores, respectively and assignment transaction amounting to ₹41.34 crores during Fiscal 2025. Any change in statutory or regulatory requirements in relation to securitization or assignments by financial institutions, including the requirements prescribed by RBI, could have an adverse impact on our assignment or securitization transactions. The commercial viability of assignment

and securitization transactions may get affected by changes and developments relating to regulation governing such transactions.

17. *We face difficulties and incur additional expenses in operating in rural and semi-urban markets, where infrastructure may be limited.*

We cater primarily to customers in rural and semi-urban markets, which may have limited infrastructure, particularly for transportation and electricity. At offices in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, and implementing technology measures. We may also face increased costs in conducting our business and operations and implementing security measures. We cannot assure you that such costs will not increase in the future as we expand our network in rural and semi urban markets, which could adversely affect our profitability.

Moreover, certain of our customers are farmers residing in rural and semi-urban areas and our results of operations are affected by risks specific to their businesses. For example, the agriculture industry in India is substantially dependent on monsoons. Extreme weather conditions such as drought, heatwaves, insufficient rainfall or floods may potentially affect the quality and quantity of farming production each year, thereby adversely affecting the ability of our farmer customers to repay their loans.

18. *A decline in our Company's capital adequacy ratio could restrict our future business growth.*

Our Company is subject to the capital adequacy requirements prescribed by RBI, pursuant to which our Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, cannot exceed 100% of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to our Company, consisting of Tier I and Tier II capital, cannot be less than 15% with Tier I not being below 10% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet. Our Company's capital adequacy ratio was 18.33% as of March 31, 2025, with Tier I capital comprising 15.25%. If we continue to grow our loan assets and asset base, we will be required to raise additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favorable to us, or at all, which could result in non-compliance with applicable capital adequacy ratios and may adversely affect the growth of our business.

19. *Our Company has incurred significant indebtedness and may incur additional debt. The conditions and restrictions imposed by our financing agreements could adversely impede our flexibility in conducting our business.*

As of March 31, 2025, our Company had total borrowings of ₹ 1,12,873.47 crores. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow further now and in the future;
- affecting our capital adequacy requirements; and
- increasing our interest expenditure.

Most of our financing arrangements are secured by our movable assets. Further, our financing arrangements also contain other restrictive covenants, including, but not limited to:

- to declare or pay dividend to any of our shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable in that year;
- to undertake or permit any merger, amalgamation or compromise with our shareholders, creditors or effect any scheme of amalgamation or reconstruction;
- to amend our MOA and AOA or alter our constitution or capital structure;
- to change the ownership or control of our Company; and
- to make any major investments by way of deposits, loans or share capital in any manner.

Compliance with the various terms of our loans is subject to interpretation and we cannot assure you that we have requested, received or will receive all consents from our lenders that would be advisable under our financing documents. As a result, it is possible that a lender could assert that we have not complied with certain terms under our financing documents. Any failure to service our indebtedness, comply with a requirement to obtain consent or perform any condition or covenant could impede our flexibility in conducting our business, which may have an adverse effect on our business and results of operations.

20. *We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew it in a timely manner, or at all, may adversely affect our operations.*

We require certain statutory and regulatory approvals for conducting our business and may also need additional approvals from regulators to distribute insurance products through our insurance broking business and other fee-based products to our customers. For example, we are required to obtain and maintain a certificate of registration for carrying on business as an NBFC, a certificate that is subject to numerous conditions. We also require licenses and approvals to operate our various lines of business. We may not be able to obtain such approval in a timely manner, or at all. In addition, our various offices, meeting centers and customer care centers are required to be registered under the relevant shops and establishments laws of the states and also require a trade license in certain states.

Further, we may need to apply for additional approvals, including the renewal of approvals which may expire from time to time and approvals required for our operations, in the ordinary course of business. We cannot assure you that we will be able to timely apply for, whether fresh or renewal, all approvals, consents, permits, registrations and clearances required for undertaking our business from time to time. For instance, as on the date of this Draft Letter of Offer, there are certain pending registrations to be made by our Company under the relevant shops and establishments legislations, applicable to the states in which we operate. There can be no assurance that the relevant authorities will issue such approvals in the time-frame anticipated by us or at all. There is no assurance that the Government may not implement new regulations which will require us to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Our Company's obligation to obtain and renew such approvals arises periodically in the ordinary course of business and applications for such approvals are made at the appropriate stage under applicable laws.

We may also be unable to fulfil the terms and conditions to which such approvals, licenses, registrations, consents and permits are granted. Furthermore, we cannot assure you that the approvals, licenses, registrations, consents and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action, and we may be subject to penalty and other statutory and regulatory actions, which may have a material adverse effect on our business and operations, financial condition, cash flows and results of operations.

If we are unable to obtain or retain such approvals, licenses, permits and registrations, or renewals thereof, in a timely manner or at all, our business and growth strategy may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with the terms and conditions to which such licenses, approvals, permits or registrations are subject, such license, approval, permit or registration may be suspended or cancelled and it may result in cost and time overrun, imposition of penalties, interruption of our operations and may have an adverse effect on our business, cash flows financial condition and results of operations. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

21. *We depend on third-party vendors for certain outsourced operations. If these parties fail to meet their obligations, it could negatively impact our business and result in financial losses, which may not be fully recoverable. Our reliance on third-party vendors may expose us to reputational risks and compliance failures.*

We rely on third-party vendors for several business functions, including customer acquisition, property and vehicle valuations, title verification, field investigations, tele-calling, IT systems management, collections and vehicle repossession. These vendors often interact directly with our customers and operate as an extension of our business. Any failure by such vendors to maintain expected service standards, adhere to regulatory requirements, or act in a professional and ethical manner could lead to customer dissatisfaction, regulatory scrutiny, and reputational harm to our Company. Additionally, instances of data breaches, fraud, or non-compliance by these vendors may be attributed to us and could result in penalties, litigation, and loss of trust among stakeholders. If these vendors fail to meet our quality standards or perform inadequately, it could lead to operational and credit losses, affecting our profitability and reputation.

While we have a vendor onboarding and monitoring process to identify and replace underperforming vendors, we cannot guarantee that these controls will fully prevent future losses. Additionally, any failure on our part to comply with the terms of our agreements with these vendors could result in premature termination of contracts, as well as claims, disputes, or litigation.

- 22. *The loans provided under our loan against property and machinery loans segments may be used for various purposes over which we do not have control. This may impact the timely repayment of such loans by our customers which may affect our business, prospects, financial conditions, and cash flows.***

Loans extended to customers in our loan against property and machinery loans segments, such as our SME portfolio, may be utilized for various purposes beyond our control, potentially leading to repayment failures. While our credit appraisal system conducts due diligence, the actual use of funds may differ from the stated purpose, impacting a borrower's repayment capacity. Such failures may have an adverse effect on our business, prospects, financial conditions, and cash flows.

- 23. *Our insurance coverage may not adequately protect us against losses.***

We maintain insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances, and are subject to certain deductibles, exclusions and limits on coverage. We cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us, or that such coverage will continue to be available on reasonable terms, or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations and financial condition.

- 24. *Our inability to protect or effectively utilize our intellectual property rights could negatively impact our business.***

Our brand name and trademarks are crucial to our business and operations. Unauthorized use of our name or logo by third parties could harm our reputation, potentially impacting our financial performance. Our logo is not owned by our Company. We use trademarks such as "Mahindra Finance", "Mahindra Home Finance", "Ghar Ki Baat Hai" in the course of our business operations pursuant to trademark licensing agreement dated November 18, 2021 ("**Trademark Licensing Agreement**"). Thus, we enjoy limited legal protection and ability for use of these trademarks. We may not be able to use aforementioned trademarks in the event of termination of the Trademark Licensing Agreement.

Pursuant to the Trademark Licensing Agreement, M&M has a right to terminate immediately by giving written notice to our Company upon *inter alia* (i) our Company enters into liquidation (except for the purposes of a solvent amalgamation or reconstruction), (ii) our Company's management or undertaking or any part thereof is taken over, acquired or nationalized by the government, governmental department, agency or other regulatory body or if there is a sale or transfer of substantially all of our Company's assets (without prior written approval of M&M), (iii) our Company ceases to render the products / services bearing the trademarked licensed under the Trademark Licensing Agreement (iv) our Company ceasing to be a subsidiary of M&M, (v) any material breach of the Trademark Licensing Agreement by our Company. Further, M&M may terminate the Trademark Licensing Agreement if our Company, *inter alia*, does not pay or declines to pay the enhanced license fee within 30 days of receipt of notice issued by M&M. Our inability to use these trademarks and any unauthorized usage could result in the dilution of the trademarks recognized with our Company and loss of reputation, which may result in adverse effects to our business and results of operations.

- 25. *There could be a fluctuation in the market values of our investments which could adversely affect our results of operations and financial condition.***

As part of our treasury management, we have a board-approved investment policy aligned with the RBI Master Directions. This policy governs investments in SEBI-registered mutual funds, government securities, treasury bills, liquid and liquid-plus mutual funds, and fixed deposits with banks and small finance banks, within the overall investment limits set by the Board. The value of these investments is influenced by various factors beyond our control, such as domestic and international economic conditions, political events, inflation expectations, interest rate fluctuations, and monetary policies. A decline in the value of these investments could negatively impact our financial condition and results of operations.

- 26. *We have established co-lending arrangements with certain non-banking financial companies. However, we cannot guarantee that these arrangements will not be terminated or paused, which could impact the growth of our business.***

We have entered into co-lending arrangements with certain non-banking financial companies, particularly those where we focus solely on marketing and distribution, such as the co-branded credit card program, carry inherent risks. These agreements may be subject to termination, suspension, or disputes, potentially hindering our business growth and impacting our relationships with lending partners. Furthermore, the co-lending model's shared revenue structure may result in reduced spreads on disbursed loans, compared to loans we originate and manage independently. Additionally, our ability to co-originate loans depends on the banks involved in these arrangements. Furthermore, we may earn lower spreads on loans under the co-lending model, which could negatively impact our business, financial condition, cash flows, and results of operations. We have

also entered into a partnership for the distributions of co-branded credit cards wherein we are exposed to the risk of unsecured lending as well as partnership risk with sponsor bank.

27. *Inaccurate appraisal of credit may adversely impact our business.*

We may be affected by failure of our employees to comply with our internal procedures requiring extensive appraisal of credit or financial worth of our clients. Failure or inaccurate appraisal of credit or financial worth of our clients by our employees may allow a loan sanction, which may eventually result in a bad debt on our books of accounts. In the event, we are unable to check the risks arising out of such lapses, it may have an adverse effect on our business and results of operations.

28. *Our operations outside of India could lead to financial instability, volatility in Indian financial markets and non-enforceability of judgement of a foreign court against our Company outside India which may adversely affect our operating results and financial position.*

The Indian market and economy are influenced by economic and market conditions in other countries, especially emerging markets in Asia. We have foreign operations through our foreign entities, including Manulife Investment Management (Singapore) Private Limited that holds 49% of the shareholding of Mahindra Manulife Investment Management Private Limited and Mahindra Manulife Trustee Private Limited. In the USA, we also offer our services through Mahindra Finance USA LLC, our joint venture with a subsidiary of the Rabobank Group including services like wholesale inventory financing to dealers and retail financing to customers for the purchase of Mahindra group products. Our Company also holds a 58.2% stake in Mahindra Ideal Finance Limited in Sri Lanka.

While economic conditions vary across countries, investor reactions to developments in one country can negatively affect the securities of companies in others, including India. A loss of investor confidence in the financial systems of other emerging markets could lead to increased volatility in Indian financial markets, indirectly affecting the Indian economy. Global financial instability may also negatively impact the Indian economy, and any financial disruptions could harm our business, future performance, and the price of our Equity Shares.

Factors that may adversely affect the Indian economy as well as our Subsidiaries incorporated outside India, and consequently our results of operations, include:

- *Exchange rate fluctuations, currency controls, and restrictions on currency conversion, repatriation, or asset exports:* Foreign exchange rates and currency controls are influenced by global economic conditions, foreign policies, and international trade relationships and may have an adverse effect on the value of our Equity Shares independent of our operating results.
- *Epidemics or other public health crises in India, neighboring countries, or globally or natural disasters:* Global health crises (such as the COVID-19 pandemic) can originate or spread from foreign countries or natural disasters such as earthquakes, floods, landslides etc. and significantly affect the Indian economy.
- *Macroeconomic factors and central bank regulations, including interest rate movements, which could affect our access to capital and increase borrowing costs:* International interest rate movements and global monetary policies (such as those set by the Federal Reserve, ECB, etc.) can influence interest rates and capital availability in India.
- *A decline in India's foreign exchange reserves, potentially impacting liquidity in the Indian economy:* Foreign exchange reserves are directly impacted by India's trade balance and foreign investments, which are influenced by global economic conditions.
- *A downgrade of India's sovereign debt rating by credit rating agencies:* Rating agencies that evaluate sovereign debt, such as Moody's, S&P, and Fitch, are international entities. Their actions and ratings are based on both domestic and global economic factors.
- *Geopolitical factors:* Geopolitical tensions, such as war in Ukraine, have already had significant effects on financial markets worldwide. Further, geopolitical tensions between India and its neighboring countries may impact markets in India.

Our Company is incorporated under Indian law, with assets and most Directors, key managerial personnel, and senior management are residents of India. As a result, it may be difficult for investors to serve legal process on our Company or its personnel in foreign jurisdictions, or to enforce foreign court judgments in India. Indian courts may not award damages as foreign courts do, and they may refuse to enforce foreign judgments if deemed excessive or contrary to Indian public policy. Enforcement of foreign judgments in India is governed by Sections 13 and 44A of the Civil Procedure Code, with suits needing to be filed within three years. Additionally, enforcement of foreign arbitral awards is subject to Indian law and may be refused if contrary to public policy. To repatriate any recovered amounts, prior approval from the RBI under FEMA is required, and approval may not be granted.

Other factors that could negatively affect the Indian economy and our business include a scarcity of credit, volatility in stock market activity, changes in fiscal or monetary policies, political instability, terrorism, military conflict, natural disasters, and health crises. Any future global economic developments, or concerns about their potential occurrence, could continue to affect global economic conditions and the stability of financial markets, reducing market liquidity and limiting the ability of key participants to operate in certain markets. Additionally, civil unrest and other social or economic challenges in India could dampen economic activity, restrict our access to capital, and adversely impact on our business, financial condition, cash flows, and results of operations, while potentially lowering the price of our equity shares.

29. *Our inability to assess, monitor and manage risks inherent in our business may have an adverse effect on our business and results of operations.*

The effectiveness of our risk monitoring and management is limited by the quality, timeliness and availability of data required for the assessment of the risks such as, information regarding market, customers and proposed policy changes. Such data may not be accurate or complete in all the cases thereby affecting our ability to access, monitor and manage risks. Our hedging strategies and other risk management techniques may not be fully effective in mitigating all the types of risks that we may face. Largely, our risk management is based on the study of historical market behaviour and as a result these studies may not predict the future risks exposures. Our risk management policies therefore may not adequately address unidentified or unanticipated risks in all cases. Any inadequacy in the timely assessment and mitigation of risks may have an adverse effect on our business and results of operations.

30. *Our failure to detect money laundering and other illegal activities promptly and effectively could expose us to additional liabilities and harm our business and reputation.*

We are required to comply with anti-money laundering (AML), counter-terrorism financing, and other relevant regulations in India. In the course of our operations, we face the risk of failing to adhere to prescribed KYC procedures and detect fraud or money laundering by dishonest customers. While we have established internal policies, processes, and controls to prevent and identify AML activities and ensure KYC compliance, we cannot guarantee full control over potential violations. Any failure to detect such activities promptly could lead to regulatory actions, including fines and penalties, which may negatively impact our business and reputation.

31. *Our Company and Subsidiaries are involved in various criminal proceedings. An unfavorable outcome in any of these matters could negatively affect our business, operations, financial condition, and cash flows.*

There are outstanding legal proceedings involving our Company and our Subsidiaries. These proceedings are pending at levels of adjudication before various courts, including certain criminal cases that have been filed by and against our Company and our Subsidiaries in the nature of alleged fraud, cheating, criminal breach of trust, default in payments to be made by the borrowers, misrepresentation. As on the date of this Draft Letter of Offer, neither our Company nor our Promoter or Directors have been issued any show-cause notice(s) by SEBI or the Adjudicating Officer in a proceeding for imposition of penalty, further, there are no prosecution proceedings that have been initiated against them by SEBI. For further details please see “Summary of this draft offer document - Summary of outstanding litigation and defaults” on page 14 of this Draft Letter of Offer. Further, from time to time, we receive notices and communications from tax authorities in relation to various matters, including certain matters that may be significant. We evaluate and contest such matters, where appropriate, based on the advice of legal and other professional advisors. While we believe that we have valid grounds to defend our positions, any unfavourable decision in these or other proceedings could have a material adverse effect on our business, financial condition, and results of operations.

We cannot guarantee a favorable outcome in ongoing legal proceedings, and any adverse rulings could affect our business and financial condition, particularly if the disputed amounts are significant. Litigation may also deplete our financial resources. Changes in law or unfavorable regulatory decisions could lead to increased provisions and liabilities.

32. *We have previously engaged in related party transactions and may continue to do so in the future. However, there is no assurance that we will be able to secure more favorable terms in such transactions compared to those with unrelated parties.*

We enter into related party transactions from time to time. If we extend loans or advances, or provide guarantees or security to related parties, we may face risks related to defaults or non-recovery. There is no assurance that we will be able to secure more favourable terms for such transactions if conducted with unrelated parties. Below are the details of our related party transactions for the relevant years:

Fiscal 2025		Fiscal 2024	
Related party transactions (₹ crores)	Related party transactions as a % of total income (%)	Related party transactions (₹ crores)	Related party transactions as a % of total income (%)
1,108.95	5.98%	1,398.72	8.76%

- 33. *We rely on government institutions and agencies to register our collateral or create a charge on the assets we finance. Any failure or delay in registering the collateral for the loans we disburse could adversely impact our business and operations.***

As an investment and credit company, the creation of charges on the assets we finance is essential to our operations. For vehicles, we depend on the Road Transport Authority (“RTO”) for registration, but many RTOs across India have not yet digitized their processes. Similarly, for our loan against property, we rely on sub-registrar offices to register properties and create charges, which still follow manual processes and lack digitization. Additionally, we must register all charges with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India. If customers with unregistered vehicles or properties default on their obligations, we risk loan losses, which could negatively impact our business, financial condition, and cash flows.

- 34. *We have certain contingent liabilities, which, if materialized, may adversely affect our financial condition.***

As of March 31, 2025, we had certain contingent liabilities not provided for, amounting to ₹1,054.68 crores determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts. Further, the contingent liability of amounts disclosed in our audited financial statements represents estimates and assumptions of our management. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected and the amount of liability may be greater than what was recognised.

- 35. *The success of our business relies on the expertise of our employees including key managerial personnel, and senior management, as well as our ability to attract, train, and retain skilled employees.***

The success of our business operations is largely driven by the expertise of our employees. We believe their experience has been key to our consistent growth, profitability, and strong liquidity and capital position. Our ability to sustain this growth depends on attracting and retaining top talent, developing managerial skills to address emerging business challenges, and maintaining high customer service standards.

Hiring and retaining qualified personnel, particularly in credit appraisal, asset valuation, vehicle finance, and affordable housing, is a significant challenge. We also face attrition due to increasing competition and other industry factors. If we fail to attract or retain skilled employees, our ability to expand could be hindered, and revenue may decline. We would need to recruit and train new hires while also ensuring existing employees adhere to internal controls and risk management procedures. Failure to properly train and motivate our workforce could lead to higher attrition, reduced customer service quality, and increased hiring costs, potentially diverting management resources and increasing exposure to high-risk credit. The loss of key management or failure to retain talented personnel could have a negative impact on our business and future financial performance.

Any strike, agitation, or labour unrest involving our employees could disrupt our operations and negatively affect our business. Such actions may lead to decreased productivity, delays in services, and increased costs related to resolving labor disputes. If prolonged, they could also harm our reputation, employee morale, and relationships with customers. Additionally, labour disruptions could affect our ability to meet operational targets, attract and retain key talent, and impact our financial performance. While we strive to maintain a positive work environment and address employee concerns proactively, there can be no assurance that we will be able to prevent or quickly resolve any such disputes.

- 36. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other external agency. Further, in the absence of such external appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see “Objects of the Issue” on page 40.

- 37. *We do not own all of our branch offices. If we fail to renew lease agreements on favourable terms or in a timely manner, or if such agreements are terminated, it could negatively impact our operations and business performance. Additionally, several of our lease and license agreements may not be properly registered or sufficiently stamped.***

Our Company’s registered and corporate offices are located on leased premises. Further, majority of our branch offices are also situated on leased or licensed premises. The lease agreements for these premises are subject to termination, and such events could force us to relocate or close some of our branches. Although we have not faced significant issues with lease renewals in the past, and no leases have been terminated outside of normal business procedures, failure to renew these agreements, or obtaining unfavourable renewal terms, could disrupt our operations and increase costs, thereby impacting our business performance. Additionally, our lease and license agreements are required to be properly stamped and registered. If these documents are not adequately stamped or registered, they could be deemed inadmissible in court, attract penalties, or impede our ability to enforce them, which may negatively affect the continuity of our operations.

- 38. *There is no assurance that our Company will be able to pay dividends in the future. Our ability to do so will depend on various factors, including regulatory requirements, future earnings, financial condition, cash flows, working capital needs, capital expenditures, and the terms of our financing agreements.***

The RBI, through its circular on 'Declaration of Dividends by NBFCs' dated June 24, 2021, set guidelines for dividend distribution from profits for the Fiscal year ending March 31, 2022, and beyond. These guidelines include eligibility criteria based on parameters such as capital adequacy, net NPA ratio, and prescribed limits on the dividend payout ratio. Any future dividends will require recommendation by our Board of Directors and approval by our shareholders, in accordance with the provisions of our Articles of Association and applicable laws, including the Companies Act. Our ability to pay dividends will depend on regulatory restrictions, our future financial performance, cash flows, profitability, working capital needs, and capital expenditure requirements. We cannot guarantee that we will generate sufficient profits to cover our operating expenses and declare dividends. Additionally, any dividends paid will be subject to applicable dividend distribution tax and other regulatory requirements set by the RBI.

- 39. *Our Fiscal 2025 Audited Consolidated Financial Statements and the Fiscal 2025 Audited Standalone Financial Statements have not yet been placed before our Shareholders in a general meeting.***

Pursuant to a resolution dated April 22, 2025, our Board approved the Fiscal 2025 Audited Consolidated Financial Statements and the Fiscal 2025 Audited Standalone Financial Statements. In terms of Section 134(3) of the Companies Act, 2013, as amended, read with Rule 8 of Companies (Accounts) Rules, 2014, as amended, a board report on the reporting period which shall be placed before our Shareholders in a general meeting. Our Company, in due course will hold its annual general meeting for the year ended March 31, 2025 and place our Fiscal 2025 Audited Consolidated Financial Statements and Fiscal 2025 Audited Standalone Financial Statements, before our Shareholders. Such financial statements, which include the Audited Consolidated Financial Statements included in this Draft Letter of Offer, shall remain subject to adoption, remarks and observations of our Shareholders, if any.

- 40. *Foreign investors are subject to restrictions under Indian laws, which may limit our ability to attract foreign investment and the rights of shareholders under Indian law may differ from those in other jurisdictions.***

Under the current foreign exchange regulations in India, transfers of shares between non-residents and residents are generally permitted, subject to compliance with pricing guidelines and reporting requirements set by the RBI. If a transfer does not comply with these guidelines or falls under specific exceptions, prior approval from the RBI will be required. Shareholders wishing to convert proceeds from the sale of shares into foreign currency and repatriate it will also need a no-objection or tax clearance certificate from the income tax authorities. We cannot guarantee that any necessary approvals from the RBI or other government agencies will be granted, or that they will be obtained on favorable terms. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, such as significant fluctuations in interest rates or exchange rates, balance of payments difficulties, or disturbances in financial and capital markets.

Our corporate affairs are governed by our Articles of Association and Indian law, which may differ from those in other jurisdictions. Shareholders' rights under Indian law, including in relation to class actions, may not be as extensive as in other countries, potentially making it more difficult for investors to assert their rights.

- 41. *There are significant differences between Indian GAAP, Ind AS, and other accounting standards such as IFRS and U.S. GAAP, which may affect investors' assessment of our financial position.***

We have not quantified the impact of U.S. GAAP or IFRS on our financial data, nor have we provided a reconciliation of our financial statements to these standards. As U.S. GAAP and IFRS differ significantly from Ind AS and Indian GAAP, the relevance of our financial statements in this document largely depends on the reader's familiarity with Indian accounting practices. Therefore, those not familiar with Indian accounting standards should limit their reliance on the financial information presented.

- 42. *Our business may be influenced by seasonal trends in the Indian economy. Any significant events or economic slowdowns during peak seasons could materially and negatively impact our operations, cash flows, and growth.***

Our business may be impacted by seasonal trends in the Indian economy. Typically, the period from October to March sees a peak in retail economic activity due to various holidays, favourable weather conditions, and crop harvests. This seasonality often leads to higher business volumes. However, any significant event or economic slowdown during this peak period could materially and adversely affect our operations, cash flows, and growth.

- 43. *You may not receive the Equity Shares that you subscribe in this Issue until two days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you may be Allotted in this Issue may not be credited to your demat account with the depository participants until approximately two days from the Issue Closing Date. You can start trading such Equity Shares only after

receipt of the listing and trading approval in respect thereof. We cannot assure you that the Equity Shares allocated to you will be credited to your demat account, or that trading in such Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

44. *Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.*

In accordance with the SEBI ICDR Master Circular, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further information, see “*Terms of the Issue*” on page 58.

Further, in case bank accounts of the aforesaid Eligible Equity Shareholders cannot be identified due to any reason or bounce back from such bank accounts, our Company may use payment mechanisms such as cheques, demand drafts etc. to remit the proceeds of sale of the Equity Shares to such Eligible Equity Shareholders. If such bank account from which Application Money was received is closed or non- operational, the sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.

45. *Any future issuance of Equity Shares, convertible securities, or other equity-linked instruments by our Company may result in the dilution of your shareholding and negatively impact the trading price of both our Equity Shares*

The sale of Equity Shares by our Promoter or Promoter Group may also affect the market price of these securities. Furthermore, any market speculation about such issuances or sales could influence the trading price of our Equity Shares. While we cannot guarantee that we will not issue additional Equity Shares, or that our Promoter or Promoter Group will not sell, pledge, or encumber their shares, we will disclose any such actions as required.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of resolution passed by our Board on May 2, 2025, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by our Board at its meeting held on [●].

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section entitled “*Terms of the Issue*” beginning on page 58.

Rights Equity Shares being offered by our Company	Up to [●]* Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	[●] Rights Equity Share for every [●] Equity Shares held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹2 each
Issue Price	₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share)
Dividend	Such dividend, as may be recommended by our Board and declared by our Shareholders, in accordance with applicable law [^]
Issue Size	₹ 3,000* crores
Equity Shares issued, subscribed, paid-up and outstanding prior to the Issue	1,23,55,29,920 Equity Shares.* For details, see “ <i>Capital Structure</i> ” beginning on page 37.
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]** Equity Shares
Security Codes for the Equity Shares	ISIN for Equity Shares: INE774D01024 BSE: 532720 NSE: M&MFIN
ISIN for Rights Entitlements	[●]
Terms of the Issue	For further information, see “ <i>Terms of the Issue</i> ” beginning on page 58.
Use of Issue Proceeds	For further information, see “ <i>Objects of the Issue</i> ” beginning on page 40.

* Include 6,68,537 Equity shares of ₹ 2 each fully paid up held by the ESOS Trust but not yet transferred to employees

** To be updated on finalization of the Issue Price.

[^] Our Board, in their meeting held on April 22, 2025, have recommended a dividend of ₹ 6.50 per Equity Share of face value of ₹2 each for the Financial Year ended March 31, 2025, subject to approval of the Shareholders in the AGM to be held on July 22, 2025. For the purpose of dividend payment, the record date has been set as July 15, 2025.

For details in relation to fractional entitlements, see “*Terms of the Issue – Basis for this Issue and Terms of this Issue – Fractional Entitlements*” on page 75.

Terms of Payment

Due Date	Face Value (₹)	Premium (₹)	Total amount payable per Rights Equity Share (including premium)(₹)
On Application (i.e., along with the Application Form)	2	[●]	[●]

GENERAL INFORMATION

Our Company was originally incorporated as “*Maxi Motors Financial Services Limited*” on January 1, 1991 as a public limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the RoC. Thereafter, our Company received its certificate of commencement of business from RoC on February 19, 1991. Subsequently, 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 to our Company by RoC on November 3, 1992. Our Company is registered as an asset finance - deposit accepting non-banking financial company with RBI under Section 45-IA of the Reserve Bank of India Act, 1934.

Registered Office

Gateway Building
Apollo Bunder
Mumbai 400 001
Maharashtra, India

Corporate Office

3rd Floor, Mahindra Towers, ‘A’ Wing
Dr. G. M. Bhosale Marg
P. K. Kurne Chowk, Worli
Mumbai 400 018, Maharashtra
Corporate Identity Number: L65921MH1991PLC059642
Registration Number: 059642

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies, Maharashtra, Mumbai

Registrar Of Companies
100, Everest, Marine Drive
Mumbai 400 002
Maharashtra, India

Company Secretary and Compliance Officer

Brijbala Batwal is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

Brijbala Batwal

3rd Floor, Mahindra Towers
Dr. G.M. Bhosale Marg
P.K. Kurne Chowk
Worli, Mumbai 400018
Maharashtra, India
Tel: +91 22 6652 6000
E-mail: company.secretary@mahindrafinance.com

Joint Statutory Auditors of our Company

M M Nissim & Co. LLP

Barodawala Mansion, B-Wing
3rd Floor, 81, Dr. A B Road
Worli, Mumbai 400018
Maharashtra, India
Tel: +91-22-69879900
E-mail: mail@mmnissim.com
Firm Registration Number: 107122W/W100672
Peer Review Certificate Number: 019819

M. P. Chitale & Co.

First Floor, Hamam House, Ambalal Doshi Marg
Fort, Mumbai 400 001
Maharashtra, India
Tel: +91 22-2265 1186
E-mail: office@mpchitale.com
Firm Registration Number: 101851W
Peer Review Certificate Number: 014332

Banker to the Issue

Kotak Mahindra Bank Limited

Intellion Square, 501
5th Floor, A Wing, Infinity IT Park
Gen. A. K. Vaidya Marg
Malad – East, Mumbai 400 097
Maharashtra, India

Tel: 022-69410636

E-mail: cmsipo@kotak.com

Website: www.kotak.com

Contact Person: Siddhesh Shirodkar

SEBI Registration No.: INBI00000927

CIN: L65110MH1985PLC038137

Registrar to the Issue

Kfin Technologies Limited

Selenium Tower B, Plot No. 31 & 32
Financial District, Nanakramguda
Serilingampally
Hyderabad 500 032, Telangana

Tel: +91 40 67162222/18003094001

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No.: INR000000221

Legal Counsel to our Company

Trilegal

One World Center, Tower 2A and 2B
10th Floor, Senapati Bapat Marg
Lower Parel West
Mumbai 400 013
Maharashtra, India

Tel: 022 40791000

Contact Person: Albin Thomas

Website: www.trilegal.com

E-mail: BD@trilegal.com

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” beginning on page 58.

Experts

Our Company has received written consent from the Joint Statutory Auditors, namely M. M Nissim & Co. LLP and M.P. Chitale & Co., through their letter dated May 2, 2025 and April 30, 2025, respectively, to include their name in this Draft Letter of Offer, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of and inclusion of (i) the Fiscal 2025 Audited Consolidated Financial Statements and Fiscal 2025 Audited Standalone Financial Statements; and (ii) their audit reports each dated April 22, 2025, in respect of the Fiscal 2025 Audited Consolidated Financial Statements and Fiscal 2025 Audited Standalone Financial Statements and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

Further, our Company has received written consent from P G BHAGWAT LLP, Chartered Accountants, Independent Chartered Accountant for inclusion of the statement of possible special tax benefits available to our Company, its shareholders dated May 2, 2025, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

The term “expert” and “consent” does not represent an “expert” or “consent” within the meaning under the U.S. Securities Act.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed CARE Ratings Limited to monitor the utilization of the Gross Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

CARE Ratings Limited

4th Floor, Godrej Coliseum

Somaiya Hospital Road

Off Eastern Express Highway

Sion (East), Mumbai 400 022

Maharashtra, India

Telephone number: 022-67543456

E-mail: kruti.rawal@careedge.in

Website: <http://www.careratings.com>

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Underwriting

This Issue is not underwritten.

Filing

This Draft Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Letter of Offer and the details of the Rights Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue is as set forth below:

(In ₹, except share data)			
	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price*
A	AUTHORISED SHARE CAPITAL		
	250,00,00,000 Equity Shares of ₹ 2 each	500,00,00,000	NA
	50,00,000 redeemable preference shares of ₹ 100 each	50,00,00,000	NA
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	123,55,29,920 Equity Shares of ₹ 2 each	247,10,59,840	NA
	Less: 6,68,537 Equity shares of ₹ 2 each fully paid up held by the ESOS Trust but not yet transferred to employees	(13,37,074)	NA
	TOTAL	246,97,22,766	
D	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER		
	Up to [●]* Rights Equity Shares ⁽¹⁾	Up to [●]*	Up to [●]*
E	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE⁽²⁾		
	[●]* Equity Shares	[●]*	[●]
SECURITIES PREMIUM ACCOUNT		(in ₹ crores)	
	Before the Issue ⁽³⁾		7,195.09
	After the Issue ⁽²⁾		[●]

* To be updated upon finalisation of the Issue Price.

⁽¹⁾ The Issue has been authorised by our Board pursuant to a resolution dated May 2, 2025. The terms of the Issue including the Record Date and Rights Entitlement ratio, have been approved by our Board pursuant to a resolution dated [●].

⁽²⁾ Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.

⁽³⁾ As on date of this Draft Letter of Offer.

Notes to the Capital Structure

- Shareholding pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI LODR Regulations**
 - The shareholding pattern of our Company as on March 31, 2025, can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/mahindra--mahindra-financial-services-ltd/mmfin/532720/shareholding-pattern/>; and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=M%26MFIN>.
 - The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, if any, as on March 31, 2025, can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532720&qtrid=125.00&QtrName=March%202025>; and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=M%26MFIN>.
 - The statement showing holding of Equity Shares of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on March 31, 2025, as well as details of shares which remain unclaimed for public can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532720&qtrid=125.00&QtrName=March%202025>; and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=M%26MFIN>.
- No Equity Shares have been acquired by our Promoter or members of our Promoter Group in the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange.
- Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of this Draft Letter of Offer. Except as disclosed below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

A. Employees Stock Option Scheme - 2010

Our Company has formulated an employee stock option scheme titled ESOS 2010. The ESOS 2010 has been authorized pursuant to a resolution of the Board dated July 23, 2010 and a resolution passed by shareholders of our Company through postal ballot dated September 18, 2010. The ESOS 2010 is operated and administered by the Nomination and Remuneration Committee through the ESOS Trust to grant options to eligible employees.

The objective of ESOS 2010 is to use the scheme as a business strategy to enhance our Company's profitability by providing equity linked incentive to employees, so that the employees keep exploring possibilities of increasing the revenue, saving costs and enhancing the profits of our Company. Upon exercise of an option by an eligible employee, Equity Shares of our Company held by the relevant employees stock option trust is transferred to the relevant employee.

As on the date of this Draft Letter of Offer, the details of options pursuant to the ESOS 2010 are as follows:

Particulars	ESOS 2010*
Total number of stock options granted	7,708,419
Stock options vested	7,151,567
Stock options exercised	6,994,940
Stock options forfeited/lapsed	556,852
Money realized by exercise of options (in ₹ crores)	9.57
Total number of options outstanding	156,627

* Pursuant to resolution of the Board of Directors in their meeting held on March 27, 2019, 785,275 stock options, being the balance number of options available in the employee stock option scheme 2005, were transferred to the ESOS 2010 on March 14, 2019. Accordingly, the employee stock option scheme 2005 stands closed, effective from the date of the said transfer.

Note: As per ESOS 2010 approved by the shareholders, in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, or other re-organisation including merger/demerger, the ceiling in terms of number of Equity shares reserved under the ESOS 2010, may be adjusted, if required, with a view to facilitate fair and reasonable adjustment to the eligible employees as per the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, and other applicable laws and such adjusted number of Shares shall be deemed to be the ceiling as originally approved by the Members of the Company.

B. Restricted Stock Units Plan 2023

Our Company has formulated a restricted stock units plan titled RSU Plan 2023. The RSU Plan 2023 has been authorized pursuant to a resolution of the Board dated April 28, 2023 and a resolution passed by shareholders of our Company dated July 28, 2023. The RSU Plan 2023 is operated and administered by the Nomination and Remuneration Committee through the ESOS Trust to grant options to eligible employees. The objective of the RSU Plan 2023 is to reward the key employees of the Company for their performance and motivate them to contribute to the growth and profitability of our Company. Our Company views Restricted Stock Units ("RSUs") as instruments that would while limiting dilution in the shareholding, also enable the employees to get a share in the value they create for our Company. The RSU Plan 2023 also serves as a business strategy to enhance our Company's profitability by providing equity linked incentives, encouraging employees to explore opportunities for revenue growth, cost savings and enhanced profits of our Company.

As on the date of this Draft Letter of Offer, the details of options pursuant to the RSU Plan 2023 are as follows:

Particulars	RSU Plan 2023
Total number of stock options granted	932,497
Stock options vested*	66,701
Stock options exercised	30,485
Stock options forfeited/lapsed	94,478
Money realized by exercise of options (in ₹ crores)	0.01
Total number of options outstanding	807,534

* In addition, a maximum of 21,097 options would be considered vested as on April 23, 2025, subject to the approval of the Nomination and Remuneration Committee of the Board, basis Company's performance for Fiscal 2025.

Note: As per RSU 2023 approved by the shareholders, in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, or other re-organisation including merger/demerger, the ceiling in terms of number of Equity shares reserved under the RSU 2023, may be adjusted, if required, with a view to facilitate fair and reasonable adjustment to the eligible employees as per the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, and other applicable laws and such adjusted number of Shares shall be deemed to be the ceiling as originally approved by the Members of the Company.

- The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●] per Equity Share.
- All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid-up.
- Details of the Equity Shareholders holding more than 1% of the paid-up and subscribed share capital of the Company**

The table below sets forth details of Equity Shareholders holding more than 1% of the paid-up and subscribed share capital of our Company, as of March 31, 2025:

Sr. No	Name of the Equity Shareholders	Number of Equity Shares held*	Percentage of Equity Shares held (%)
1.	Mahindra and Mahindra Limited	64,43,99,987	52.16
2.	Life Insurance Corporation of India	12,65,03,313	10.24
3.	HDFC Mutual Fund	7,08,08,951	5.73
4.	SBI Mutual Fund	5,48,62,123	4.44
5.	HDFC Life Insurance Company Limited	3,12,84,408	2.53
6.	Kotak Mahindra Mutual Fund	2,27,99,628	1.85
7.	Ashish Dhawan	1,46,00,000	1.18
8.	Government Pension Fund Global	1,27,41,240	1.03

* The Equity Shares held under distinct folio numbers by Shareholders holding the same PAN are considered as Equity Shares held by a single Shareholder.

OBJECTS OF THE ISSUE

The Issue comprises of up to [●] Rights Equity Shares of face value of ₹ 2 each for a cash price at ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹ 3,000 crores. For further details, see “*Summary of this Draft Letter of Offer*” and “*The Issue*” on pages 13 and 33, respectively.

Our Company intends to utilise the Net Proceeds from the Issue towards funding of the following objects:

1. Augmenting the long-term capital and resources for meeting funding requirements for our Company’s business activities; and
2. General corporate purposes.

(collectively, referred to herein as the “**Objects**”)

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable our Company: (i) our existing activities; (ii) the activities for which the funds are being raised by our Company through this Issue; and (iii) to undertake activities for which funds earmarked towards general corporate purposes shall be used.

Issue Proceeds

The details of the proceeds from the Issue are provided in the following table:

(₹ crores, unless specified)	
Particulars	Estimated amount (in ₹ crores)
Gross proceeds from the Issue*	3,000
(Less) Issue related expenses**	([●])
Net Proceeds**	[●]

* Assuming full subscription in the Issue and subject to the finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement Ratio.

** To be finalized upon determination of the Issue Price and updated in the Letter of Offer. For further details, see “– Estimated Issue Expenses” on page 42.

Requirements of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

Particulars	Estimated amount (in ₹ crores)
Augmenting the long-term capital and resources for meeting funding requirements for our Company’s business activities	2,250.00
General corporate purposes*#	[●]
Net Proceeds#	[●]

* The amount utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

Assuming full subscription in the Issue and subject to the finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement Ratio.

Pursuant to a resolution passed by our Board dated May 2, 2025, our Company has approved the utilisation of the Net Proceeds for the Objects, in accordance with the schedule of deployment and implementation. For further details, see “*Material Contracts and Documents for Inspection*” on page 89.

Proposed schedule of implementation and deployment of funds

The following table provides for the proposed deployment of funds, after deducting Issue related expenses:

Particulars	Amount proposed to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds
		Fiscal 2026
Augmenting the long-term capital and resources for meeting funding requirements for our Company’s business activities	2,250.00	2,250.00
General corporate purposes ⁽¹⁾⁽²⁾	[●]	[●]
Net Proceeds⁽²⁾	[●]	[●]

(1) The amount utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

(2) Assuming full subscription in the Issue and subject to the finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement Ratio.

The funding requirements and deployment of the Net Proceeds as described herein are based on of various factors, our current business plan, management estimates, current circumstances of our business and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution. See “*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.*” on page 30. We may have to revise our funding requirements and deployment of the Net Proceeds from time to time on account of various factors, such as financial and market conditions, business and strategy, competitive environment and interest or exchange rate

fluctuations, incremental preoperative expenses, taxes and duties, interest and finance charges, working capital margin, regulatory costs, and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

Subject to applicable law, in case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. In the event that the estimated utilisation of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Fiscal Year, as may be determined by our Company in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes, to the extent that the total amount to be utilised towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations.

Means of finance

Since our Company is not proposing to fund any specific project from the Net Proceeds, the requirement to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance for such projects proposed to be funded from the Net Proceeds is not applicable.

Details of the Objects

The details in relation to the Objects of the Issue are set forth below:

1. *Augment the long-term capital and resources for meeting funding requirements for our Company's business activities.*

We are a non-banking financial company registered with RBI and a notified financial institution under the SARFAESI Act. As per the capital adequacy norms issued by RBI, we are required to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital. The total of Tier II Capital at any point of time, cannot exceed 100% of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to our Company, consisting of Tier I and Tier II capital, cannot be less than 15% with Tier I not being below 10% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off- balance sheet. As on March 31, 2025, our Tier I capital adequacy ratio stood at 15.25% and Tier II capital adequacy ratio stood at 3.08%, respectively.

The following table sets forth certain details regarding our Capital Adequacy as of the dates indicated:

Particulars	Standalone	
	Fiscal 2025	Fiscal 2024
Tier I Capital	17,835.12	16,308.04
Tier II Capital	3,602.40	2,462.39
Total Capital	21,437.52	18,770.43
Total risk weighted assets	116,967.79	99,531.86
Capital ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	15.25	16.39
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	3.08	2.47
Total (%)	18.33	18.86

Accordingly, we intend to utilise ₹2,250.00 crores (rounded off to two decimal places) from the Net Proceeds to augment our capital base to meet our future capital requirements, which are expected to arise out of growth of our business and assets, including towards onwards lending as part of our business activities and to ensure compliance with applicable regulatory requirements.

2. *General corporate purposes*

Our Company intends to deploy the balance Net Proceeds aggregating up to ₹ [●] crores towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things, investments for inorganic growth, capital expenditure, funding growth opportunities, including strategic initiatives, meeting our working capital requirements, payment of principal, interest on borrowings, and, meeting of exigencies which our Company may face in its course of the business and any other purpose as permitted by applicable laws and as approved by our Board or

a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable. Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Estimated Issue Expenses

The estimated Issue related expenses are set out below:

Activity	Estimated amount	Percentage of the total estimated Issue Expenses	Percentage of the total Issue Size
	(in ₹ crores)	(%)	(%)
Brokerage, selling commission and upload fees	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to the legal advisors and other professional service providers [^]	[●]	[●]	[●]
Advertising, marketing expenses and shareholder outreach expenses	[●]	[●]	[●]
Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	[●]	[●]	[●]
Printing and stationery, distribution, postage, etc.	[●]	[●]	[●]
Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
Total estimated Issue Expenses*	[●]	[●]	[●]

* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All issue related expenses will be paid out of the Issue Proceeds received at the time of receipt of the Application Money.

[^] Includes fees payable to the legal counsels, independent chartered accountant.

Interim use of the Net Proceeds

Our Company shall deposit the Net Proceeds, pending utilisation of the Net Proceeds for the purposes described above, by depositing the same with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised has been appraised by any bank, financial institution or any other external agency.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as of the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

Our Company has appointed CARE Ratings Limited as the Monitoring Agency to monitor utilization of proceed from the Issue, prior to filing the Letter of Offer, including the proceeds proposed to be utilised towards general corporate purposes in accordance with Regulation 82 of the SEBI ICDR Regulations. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilization of the Net Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI LODR Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI LODR Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds, which shall discuss, monitor and approve the use of the Net Proceeds along with our Board. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Net Proceeds shall be certified by the Auditors.

Furthermore, in accordance with Regulation 32(1) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the Objects.

This information will also be published on our website and explanation for such variation (if any) will be included in our Directors' report, after placing it before the Audit Committee.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Other Confirmations

Neither our Promoter, nor members of the Promoter Group or our Directors have any interest in the Objects on the Issue.

As on the date of this Draft Letter of Offer, there are no pending material approvals required from governmental or regulatory authorities, by our Company pertaining to the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors
Mahindra & Mahindra Financial Services Limited
Mahindra Towers, 3rd Floor,
Dr. GM Bhosale Marg, Worli
Mumbai – 400 018.

Dear Sirs,

Statement of possible special Tax Benefits available to Mahindra & Mahindra Financial Services Limited (the ‘Company’) and its shareholders and in connection with the proposed rights issue of equity shares of face value of Rs. 2 each (the ‘Issue’)

1. This statement is issued in accordance with the terms of our Engagement Letter dated 22nd April 2025 with the Company in the context of the Issue in accordance with Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”) and applicable provisions of the Companies Act, 2013, as amended (the “**Companies Act**”).
2. We hereby report that the enclosed Annexure prepared by the Company, states the possible special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 (the “**Act**”) and the Income-tax Rules, 1962 (the “**Rules**”) as amended, including the relevant rules and regulations, circulars and notifications issued thereunder presently in force in India.
3. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions of the Act or the Rules. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

Management’s Responsibilities:

4. The preparation of the Annexure stating the possible special tax benefits available to Company or its shareholders in India as per the provisions of the Act and including the rules, regulations, circulars and notifications as presently in force is the responsibility of the management of the Company including the maintenance of all accounting and other relevant supporting records and documents.
5. The preparation of the accompanying statements, being accurate, complete, and free from misstatement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents.
6. The Management is also responsible for ensuring that the Company complies with the relevant requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended and the Companies Act, 2013 in connection with the Issue and provides all relevant information that is complete, accurate and timely instructions or information relevant to the engagement.

Auditor’s Responsibilities:

7. We conducted our examination of the accompanying Annexure Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We confirm that while providing this report, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India (“**ICAI**”). We also have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘*Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements*,’ issued by the ICAI.
9. The benefits discussed in the enclosed Annexure cover only special benefits available to the Company and its shareholders and are not exhaustive to cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the Annexure and its contents is the responsibility of management of the Company. We are informed that Annexure 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 changing tax laws, each investor is advised to consult with his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue by the Company. Neither are we suggesting nor are we advising the investor to invest in the Issue based on this statement.

10. We do not express any opinion or provide any assurance as to whether:
- (i) the Company or its shareholders, will continue to obtain these benefits in the future; or
 - (ii) the conditions prescribed for availing of the benefits have been / would be met.

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

11. Our views expressed herein are based on the facts and assumptions indicated to us. 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 the tax laws and their interpretation, which are subject to change from time to time. We do not assume responsibility to update this Annexure consequently to such changes. We shall not be liable to the Company for 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 Annexure, except under applicable law.
12. This report is issued for the sole purpose of the Issue and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than the purpose stated above. We, however, hereby, consent to this statement being used in the letter of offer and in any other material used in connection with the Issue and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the equity shares of the Company are listed, Registrar of Companies, Maharashtra situated in Mumbai in connection with the Issue, as the case may be.
13. We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the equity shares are issued. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the equity shares are issued.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number : 101118W/W100682

Akshay Kotkar

Partner

Membership Number: 140581

Place: Mumbai

Date: 2nd May, 2025

UDIN: 25140581BMLEEW2653

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL INCOME-TAX BENEFITS AVAILABLE TO MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED ('COMPANY') AND ITS SHAREHOLDERS UNDER THE APPLICABLE INCOME-TAX LAWS IN INDIA

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the direct tax laws in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the special tax benefits depends upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

Special tax benefits available to the Company under Income tax Act, 1961 (the 'Act')

1. Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 i.e. AY 2020-21 granting an option to domestic companies to avail benefit of concessional tax rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/deductions and comply with other conditions specified in section 115BAA.

Further, Sub-section 5A of Section 115JB of the Act provides that domestic companies exercising option u/s 115BAA will not be required to pay Minimum Alternate Tax ("MAT") on its book profits. The Central Board of Direct Taxes (CBDT) has issued Circular No. 29/2019 dated October 02, 2019, clarifying that carried forward MAT credit will not be available with the Company since the MAT provisions under section 115JB itself would not be applicable. The Company has exercised the above-mentioned option u/s 115BAA of the Act.

2. Under section 36(1)(vii) of the Act, the amount of any bad debts, or part thereof, written off as irrecoverable in the accounts of the Company for the previous year are allowable as deduction. The deduction is limited to the amount by which such debt or part thereof exceeds the credit balance in the provision for bad and doubtful debts account including provisions made towards rural advances made under section 36(1)(viia) of the Act.

Where a deduction has been allowed in respect of a bad debt or part thereof under the provisions of section 36(1)(vii), then, if any amount is subsequently recovered, the said amount is deemed to be profits and gains of business or profession and is taxable accordingly to the extent it exceeds the deduction earlier allowed.

Under section 36(1)(viia) of the Act, in respect of any provision made for bad and doubtful debts, the Company is entitled to a deduction for an amount not exceeding five percent of the total income (computed before making any deduction under this clause and Chapter VI-A).

3. Section 80JJAA-Deduction in respect of employment of new employees

As per section 80JJAA of the Act, the Company is entitled to claim a deduction of an amount equal to thirty percent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

The Company will be eligible to claim the above deduction even if it opts for concessional tax rate under section 115BAA of the Act.

4. Section 80M-Deduction in respect of Inter Corporate Dividends

Section 80M is inserted in the Finance Act, 2020 w.e.f. 1st April 2021, which provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

The Company will be eligible to claim the above deduction even if it opts for concessional tax rate under section 115BAA of the Act.

Special tax benefits available to the Shareholders of the Company under the Act

There is no special direct tax benefit available to the shareholders of the Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates which are in the nature of general tax benefits on certain incomes available to equity shareholders under the provisions of the Act.

NOTES:

- 1 This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income tax consequences that apply to them.
- 2 The above statement covers only above-mentioned special tax laws benefits and does not cover any general direct tax law benefits or benefit under any other law.
- 3 This statement does not cover analysis of provisions of Chapter X-A of the Act dealing with General Anti- Avoidance Rules and provisions of Multilateral Instruments
- 4 This statement is only intended to provide general information to the investors and is neither exhaustive or comprehensive nor designed or intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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.

OUR MANAGEMENT

Board of Directors

As on the date of this Draft Letter of Offer, our Company has eight Directors, comprising of one Executive Director (Managing Director & CEO), three Non-Executive, Non-Independent Directors and four Independent Directors, inclusive of one-woman Independent Director.

The following table provides details regarding our Board as of the date of filing this Draft Letter of Offer:

Name, Address, Designation, Occupation, Date of Appointment, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Anish Dilip Shah Address: D-3603 Vivarea, Sane Guruji Marg, Mahalaxmi, Mumbai, Maharashtra - 400 011, India Designation: Chairperson and Non-Executive Director Occupation: Service Date of Appointment: March 18, 2016 Term: Liable to retire by rotation Date of Expiration of the Current Term: Liable to retire by rotation DIN: 02719429 Date of Birth: December 26, 1969	55	<u>Indian Companies</u> <ul style="list-style-type: none"> Mahindra and Mahindra Limited Mahindra Electric Automobile Limited Mahindra Holidays & Resorts India Limited Mahindra Lifespace Developers Limited Mahindra Logistics Limited Tech Mahindra Limited Tech Mahindra Foundation Federation of Indian Chambers of Commerce and Industry <u>Foreign Companies</u> Nil
Raul Ignatius Rebello Address: Bungalow No.42, Green Garden CHS, Acharya Nagar, Opp. Amar Cinema, Mumbai – 400 088, Maharashtra, India Designation: Managing Director and Chief Executive Officer Occupation: Service Date of Appointment: May 1, 2023 Term: As a Whole-time Director from May 1, 2023 to April 29, 2024; as a Managing Director & CEO from April 30, 2024 till April 30, 2028 (both days inclusive) Date of Expiration of the Current Term: April 30, 2028 DIN: 10052487 Date of Birth: November 6, 1977	47	<u>Indian Companies</u> <ul style="list-style-type: none"> Mahindra Rural Housing Finance Limited Mahindra Insurance Brokers Limited Mahindra Manulife Investment Management Private Limited Mahindra Finance CSR Foundation <u>Foreign Companies</u> <ul style="list-style-type: none"> Mahindra Ideal Finance Limited Mahindra Finance USA LLC
Milind Shripad Sarwate Address: E-201/202, Sita Vihar, Near Damani Estate, LBS Marg, Near Hotel Shubha Naupada, Thane (West), Mumbai, Maharashtra - 400 602, India Designation: Independent Director Occupation: Corporate Director and Advisor Date of Appointment: April 1, 2019 Term: Second term of five years effective April 1, 2024 Date of Expiration of the Current Term: March 31, 2029 DIN: 00109854 Date of Birth: September 23, 1959	65	<u>Indian Companies</u> <ul style="list-style-type: none"> Asian Paints Limited CEAT Limited FSN E-Commerce Ventures Limited Hexaware Technologies Limited OmniActive Health Technologies Limited SeQuent Scientific Limited WheelsEMI Private Limited Increate Foundation <u>Foreign Companies</u> Nil
Diwakar Gupta	71	<u>Indian Companies</u>

Name, Address, Designation, Occupation, Date of Appointment, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
<p>Address: E-1701 Phase-1, The Trees by Godrej, Pirojshanagar, Vikhroli East, Mumbai – 400079, Maharashtra, India</p> <p>Designation: Independent Director</p> <p>Occupation: Professional</p> <p>Date of Appointment: January 1, 2023</p> <p>Term: Five years from January 1, 2023</p> <p>Date of Expiration of the Current Term: December 31, 2027</p> <p>DIN: 01274552</p> <p>Date of Birth: July 25, 1953</p>		<ul style="list-style-type: none"> • Mahindra Holidays & resorts India Limited • Mahindra Susten Private Limited • National Asset Reconstruction Company Limited • SMFG India Credit Company Limited • CRISIL ESG Ratings & Analytics Limited • CRISIL Ratings Limited <p><u>Foreign Companies</u></p> <ul style="list-style-type: none"> • Holiday Club Resorts Oy (Finland)
<p>Vijay Kumar Sharma</p> <p>Address: Flat No.8576, Pocket No.8, Sector C, Vasant Kunj, Vasant Vihar, South West Delhi, Delhi - 110 070, India</p> <p>Designation: Independent Director</p> <p>Occupation: Professional</p> <p>Date of Appointment: May 15, 2024</p> <p>Term: Five years from May 15, 2024</p> <p>Date of Expiration of the Current Term: May 14, 2029</p> <p>DIN: 02449088</p> <p>Date of Birth: December 19, 1958</p>	66	<p><u>Indian Companies</u></p> <ul style="list-style-type: none"> • Tata Steel Limited • Nureca Limited • Reliance Power Limited • Ambuja Foundation <p><u>Foreign Companies</u></p> <ul style="list-style-type: none"> • Nil
<p>Rebecca Ann Nugent</p> <p>Address: 6637 Woodwell St. Pittsburgh, Pennsylvania, 15217, USA</p> <p>Designation: Independent Director</p> <p>Occupation: Professor</p> <p>Date of Appointment: March 5, 2021</p> <p>Term: Five years from March 5, 2021*</p> <p>Date of Expiration of the Current Term: March 4, 2026*</p> <p>DIN: 09033085</p> <p>Date of Birth: August 31, 1976</p> <p><i>*Re-appointed pursuant to Board resolution dated April 22, 2025 for a second term from March 5, 2026 to March 4, 2031 subject to shareholders resolution to be passed at the 35th AGM of our Company to be held on July 22, 2025. Currently serving her first term as an Independent Director till March 4, 2026.</i></p>	48	<p><u>Indian Companies</u></p> <p>Nil</p> <p><u>Foreign Companies</u></p> <p>Nil</p>
<p>Amarjyoti Barua</p> <p>Address: 2701, Oberoi Prisma CHSL, J.V. Link Road, Andheri East, Mumbai – 400 060, Maharashtra, India</p> <p>Designation: Non-Executive Non-Independent Director</p> <p>Occupation: Service</p> <p>Date of Appointment: July 28, 2023</p> <p>Term: Liable to retire by rotation</p> <p>Date of Expiration of the Current Term: Liable to retire by rotation</p> <p>DIN: 09202472</p> <p>Date of Birth: September 16, 1977</p>	47	<p><u>Indian Companies</u></p> <ul style="list-style-type: none"> • Classic Legends Private Limited • Mahindra Holdings Limited • Mahindra Insurance Brokers Limited • Mahindra Manulife Trustee Private Limited • Mahindra Rural Housing Finance Limited • Mahindra Susten Private Limited • New Democratic Electoral Trust • Sustainable Energy Infra Investment Managers Private Limited

Name, Address, Designation, Occupation, Date of Appointment, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
		<u>Foreign Companies</u> <ul style="list-style-type: none"> Pininfarina S.P.A
Ashwani Ghai Address: Flat No-A 1101, Lodha Evoq, New Cuff Parade, Near Wadala Truck Terminal, Wadala, 400037, Mumbai, Maharashtra, India Designation: Non-Executive Non-Independent Director Occupation: Professional Date of Appointment: June 23, 2023 Term: Liable to retire by rotation Date of Expiration of the Current Term: Liable to retire by rotation at the Annual General Meeting of the Company to be held in Fiscal 2025. DIN: 09733798 Date of Birth: April 25, 1964	61	<u>Indian Companies</u> Nil <u>Foreign Companies</u> Nil

SECTION IV: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Website link
1.	Fiscal 2025 Audited Consolidated Financial Statements	https://www.mahindrafinance.com/investor-relations/rights-issue-2025
2.	Fiscal 2025 Audited Standalone Financial Statements	

FINANCIAL INFORMATION

Extract of the Fiscal 2025 Audited Consolidated Financial Statements prepared in accordance with applicable accounting standards for the last financial year (with the comparative prior full year period), disclosed to the Stock Exchanges:

(in ₹ crores)

Particulars	Fiscal 2025	Fiscal 2024
Total revenue from operations	18,463.10	15,796.85
Net profit/loss before tax and extraordinary items, share of profit/ loss of associate and joint ventures and tax	2,961.68	2,532.07
Net profit/loss before tax and extraordinary items	3,026.91	2,588.18
Net profit/loss after tax and extraordinary items	2,260.87	1,943.05
Equity share capital	246.98	246.88
Reserves and surplus	21,282.48	19,686.37
Net worth	21,529.46	19,933.25
Basic Earnings per share (in ₹)	18.32	15.66
Diluted Earnings per share (in ₹)	18.31	15.65
Return on net worth (%)	10.91%	10.04%
Net Asset Value per Share (in ₹)	174.25	161.33

Notes:

Basic EPS: Net Profit for the year attributable to owners of our Company/ weighted average number of Equity Shares outstanding during the year

Diluted EPS: Net Profit for the year attributable to owners of our Company/weighted average number of Equity Shares outstanding during the year as adjusted for effective of dilutive equity shares

Return on net worth: Net Profit for the year attributable to owners of our Company/Average Net Worth

Net Asset value per share: Net Worth/ number of Equity Shares issued, subscribed and fully paid outstanding as at the end of the year

The Fiscal 2025 Audited Consolidated Financial Statements and Fiscal 2025 Audited Standalone Financial Statements of our Company is uploaded on the website of our Company at <https://www.mahindrafinance.com/investor-relations/rights-issue-2025>.

Detailed rationale for the Issue Price

The Issue Price will be determined by our Company on the basis of various qualitative and quantitative factors as described below:

Qualitative factors

Some of the qualitative factors which form the basis for computing the Issue Price are set forth below:

- Diversified product portfolio including financing solutions for individuals and businesses, covering primarily passenger vehicles, commercial vehicles, construction equipment, pre-owned vehicles, tractors and three-wheelers as well as housing loans, personal loans, insurance distribution, mutual funds, fixed deposits, gold loan, leasing and SME loans;
- Extensive pan-India distribution network spanning 27 states and seven union territories through 1,365 offices, as of March 31, 2025, which provides geographic diversification and supports organic growth through each of our offices;
- Strong relationships with multiple OEMs, and channel partners alongside our direct network helps us develop and maintain strong customer relationships;
- Operating knowledge of rural and semi-urban markets which has led to a significant understanding of local characteristics of these markets and allows us to cater to the unique needs of our customers and be more responsive to local market demand;
- Access to diversified and cost-effective sources of funding backed by a broad lender base;
- Technology-led streamlined approval process and administrative procedures enabling better monitoring and customer service;
- Experienced management team with extensive industry knowledge; and
- Brand recall and synergies with Mahindra and Mahindra Limited, our Promoter and the flagship company of the Mahindra group.

Quantitative factors

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1. Basic and diluted earnings per Equity Share (“EPS”) (face value of each Equity Share is ₹2):

Fiscal	Basic EPS (₹)	Diluted EPS(₹)
March 31, 2025	18.32	18.31
March 31, 2024	15.66	15.65

Notes:

Basic EPS: Net Profit for the year attributable to owners of our Company/ weighted average number of Equity Shares outstanding during the year.

Diluted EPS: Net Profit for the year attributable to owners of our Company/weighted average number of Equity Shares outstanding during the year as adjusted for effective of dilutive equity shares.

2. Return on Net Worth (“RoNW”)

Fiscal	RoNW (%)
March 31, 2025	10.91%
March 31, 2024	10.04%

Note: Return on net worth: Net Profit for the year attributable to owners of our Company/Average Net Worth.

3. Net Asset Value (“NAV”) per Equity Shares

Fiscal	NAV (₹)
March 31, 2025	174.25
March 31, 2024	161.33

Note: Net Asset value per share: Net Worth/ number of Equity Shares issued, subscribed and fully paid outstanding as at the end of the year.

The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●] per Equity Share.

The Issue Price is [●] times of the face value of the Equity Share.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on May 2, 2025, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act.

This Draft Letter of Offer has been approved by our Board pursuant to its resolution dated May 2, 2025. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by our Board at its meeting held on [●].

Our Board, in its meeting held on [●], has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹3,000 crores* and the Rights Entitlement as [●] Rights Equity Share for every [●] fully paid-up Equity Shares, held as on the Record Date. The Issue Price has been arrived at by our Company prior to determination of the Record Date.

* *Assuming full subscription in the Issue and subject to finalisation of the basis of allotment.*

Our Company has received in-principle approvals from NSE and BSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters dated [●] and [●], respectively. Our Company will also make applications to NSE and BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of Allottees. For details, see “*Terms of the Issue*” beginning on page 58.

Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoter, the members of our Promoter Group and our Directors are not and have not been debarred from accessing capital markets. Further, our Company, our Promoter, the members of our Promoter Group and our Directors are not and have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Further, our Promoter and our Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Directors are associated with the securities market in any manner. Further, there is no outstanding action initiated by SEBI against any of our Directors, who have been associated with the securities market.

None of our Directors are declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018. Since our Promoter is a corporate entity, the Fugitive Economic Offenders Act, 2018 is not applicable to them.

The Equity shares of our Company have not been suspended from trading as a disciplinary measure imposed by SEBI or any regulatory authority during the last three years.

Prohibition by RBI

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the NSE and BSE and has received their in-principle approvals through their letters dated [●] and [●] for listing of the Rights Equity Shares to be Allotted pursuant to this Issue. NSE is the Designated Stock Exchange for the Issue.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Our Company accepts no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is NSE.

Disclaimer Clause of NSE

[•]

Disclaimer Clause of the BSE

[•]

Disclaimer clause of the RBI, the IRDAI and of any other regulatory authority (if applicable)

The Company has a valid certificate of registration dated September 4, 1998 issued by the RBI under Section 45 IA of the RBI Act. 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 liabilities by the Company.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS DRAFT LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Draft Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that it is not and that at the time of subscribing for

the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Filing

This Draft Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular bearing reference number SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023 and any other circulars issued in this regard. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders' Relationship Committee which meets at least once every year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. KFin Technologies Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with our Company Secretary and Compliance Officer.

The investor complaints received by our Company are generally disposed of within 21 days from the date of receipt of the complaint. As on March 31, 2025, our Company has redressed all complaints received from the investors

Investors may contact the Registrar or our Chief Financial Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see “Terms of the Issue” beginning on page 58.

The contact details of Registrar to the Issue and our Chief Financial Officer are as follows:

Registrar to the Issue

KFin Technologies Limited

Selenium Tower-B, Plot no. 31 and 32
Financial District, Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032
Telangana, India

Telephone.: +91 40 6716 2222

E-mail: mahindrafinance.rights@kfintech.com

Investor grievance e-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M Murali Krishna

SEBI registration no.: INR000000221

Chief Financial Officer

Pradeep Kumar Agrawal is the Chief Financial Officer of our Company. His details are as follows:

Pradeep Kumar Agrawal

3rd Floor, Mahindra Towers,

Dr. G.M. Bhosale Marg,

P.K. Kurne Chowk,

Worli, Mumbai – 400 018

Maharashtra, India

Tel: +91 22 6652 6000

E-mail: CFO@mahindrafinance.com

SECTION V: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA.

Investors are requested to note that Application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.

For guidance on the application process through ASBA and resolution of difficulties faced by investors, you are advised to read the frequently asked question on the website of the Registrar at <https://rights.kfintech.com/> and on the website of our Company at <https://www.mahindrafinance.com/investor-relations/rights-issue-2025>.

Please note that our Company has opened a separate demat suspense escrow account (namely, “[●]”) (“Demat Suspense Account”) and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund (“IEPF”) authority; or (c) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed / suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, i.e., by [●], to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA NDI Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations, the SEBI ICDR Master Circular and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see “*Restrictions on Purchases and Resales*” beginning on page 85.

The Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

Investors can access the Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe to the Rights Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.mahindrafinance.com;
- (ii) the Registrar at <https://rights.kfintech.com/>;
- (iii) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders, should visit <https://rights.kfintech.com/>

Eligible Equity Shareholders, can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, <https://rights.kfintech.com/>) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at <https://www.mahindrafinance.com/investor-relations/rights-issue-2025>.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Rights Entitlement Letter or the Application Form attributable

to non-availability of the e- mail addresses of Eligible Equity Shareholders, or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchanges and the Letter of Offer will be filed with the Stock Exchanges and SEBI. Accordingly, Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, such Issue Materials must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders, and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

The Application Form can be used by the Eligible Equity Shareholders, as well as the Renouncees to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN

or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see “- Grounds for Technical Rejection” on page 68. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders, making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 63.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder, is entitled to in the Issue.

If the Eligible Equity Shareholder, applies in this Issue, then such Eligible Equity Shareholder, can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (c) Do not send your physical Application to the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.
- (f) Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.
- (g) Do not submit Multiple Application Forms.

- ***Application by Specific Investor(s), if any and applicable***

In case of renunciation of Rights Entitlement to Specific Investor(s) by our Promoter or members of our Promoter Group

Our Promoter or members of our Promoter Group may renounce any portion of their Rights Entitlement to one of more Specific Investor(s) subject to disclosure of the same in terms of the SEBI ICDR Regulations. The name of the Specific Investor(s) (i.e. the Renouncee), the name of our Promoter or members of our Promoter Group (i.e. renouncer) and the number of Rights Entitlements renounced in favour of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date.

In case of such renunciation of Rights Entitlement by our Promoter or members of our Promoter Group to any Specific Investor, all rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Specific Investor(s) (i.e. the Renouncee) as well.

Time limit for renouncing of RE by promoter and members of promoter and credit of RE to specific investor should be specified such that specific investor is able to apply before 11:00 am on Issue Opening Date. On-market RE renunciation may not be possible in such case considering T+2 rolling settlement.

The Application by such Specific Investor(s) shall be made on the Issue Opening Date before 11:00 a.m. (Indian Standard Time) and no withdrawal of such Application by the Specific Investor(s) shall be permitted. Our Company undertakes to disclose to the Stock Exchange(s) whether such Specific Investor(s) have made the Application or not, for dissemination on the Issue Opening Date by 11:30 a.m. (Indian Standard Time).

In case of allotment of any undersubscribed portion of the Rights Issue to Specific Investor

Our Company may allot any undersubscribed portion (if any) of the Rights Issue to one of more Specific Investor(s) and the names of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date. The Application by such Specific Investor(s) shall be made along with their Application Money before the finalisation of Basis of Allotment for undersubscribed portion of the Rights Issue in co-ordination with our Company and Registrar.

- ***Making of an Application by Eligible Equity Shareholders, on Plain Paper under ASBA process***

An Eligible Equity Shareholder, in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder, not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, or the Stock Exchanges. An Eligible Equity Shareholder, shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder, who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders, who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder, including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Mahindra & Mahindra Financial Services Limited;
2. Name and address of the Eligible Equity Shareholder, including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder, in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;
5. Number of Equity Shares held as on Record Date;

6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total Application amount paid at the rate of ₹[●] per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders, making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder, (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders, shall be deemed to have made the representations, warranties and agreements set forth in “Restrictions on Purchases and Resales - Representations, Warranties and Agreements by Purchasers” on page 85, and shall include the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in “offshore transactions” in compliance with Regulation S under the U.S. Securities Act (“Regulation S”) to Eligible Equity Shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled “Restrictions on Purchases and Resales” on page 85.

I/ We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.kfintech.com/>.

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders, holding Equity Shares in physical form***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders, holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and/or whose demat account details are not available with our Company or the Registrar, shall be credited in the Demat Suspense Account.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders, shall visit <https://rights.kfintech.com/>, to upload their client master sheet and also provide the other details as required, no later than two Clear Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders, to their demat accounts at least one day before the Issue Closing Date; and
- (c) The remaining procedure for Application shall be same as set out in the section entitled “- *Making of an Application by Eligible Equity Shareholders, on Plain Paper under ASBA process*” on page 63.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled “- *Basis of Allotment*” on page 78.

Eligible Equity Shareholders, who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders, cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s).

Our Promoter has confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue, and (ii) subscribe to additional Equity Shares, if any, as well as to any unsubscribed portion in the Issue up to the total Issue Size subject to meeting requirements under the SEBI Takeover Regulations. Accordingly, our Promoter has no intention to renounce their Rights Entitlement in the Issue in favour of any Specific Investor(s).

As on the date of this Draft Letter of Offer, members of our Promoter Group do not hold any Equity Shares of our Company.

Allotment of the under-subscribed portion of the Issue

Our Company does not intend to allot the under-subscribed portion of the Rights Equity Shares in this Issue to any Specific Investor(s).

Additional general instructions for Investors in relation to making of an Application

- (a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section titled “*Terms of the Issue – Making of an Application by Eligible Equity Shareholders, on Plain Paper under ASBA process*” on page 63.
- (d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-Tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for**

unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (j) Investors should provide correct DP ID and Client ID/ folio number (for Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- (k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders, should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders, should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders, holding Equity Shares in physical form.
- (m) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.
- (n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (r) Do not submit Multiple Applications.
- (s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA NDI Rules, as amended.
- (t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, Registrar, Bankers to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records.
- (s) Applicants not having the requisite approvals to make Application in the Issue.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account in respect of the same set of Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Terms of the Issue - Procedure for Applications by Mutual Funds*” on page 70.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications may be treated as multiple applications and are liable to be rejected or all the balance shares other than Rights Entitlement will be considered as additional shares applied for, other than multiple applications submitted by any of our Promoter or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled “*Summary of this Draft Letter of Offer – Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s)*” on page 14.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA NDI Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA NDI Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA NDI Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

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. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled “*Terms of the Issue - Basis of Allotment*” on page 78.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or a committee thereof 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 thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 2 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the paid-up and subscribed Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder, in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders, can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, <https://rights.kfintech.com/>) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, <https://www.mahindrafinance.com>).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders, in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders, and the Demat Suspense Account to the Stock Exchanges after

completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders, can be accessed by such respective Eligible Equity Shareholders, on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders, before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders, of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders, holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders, holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e. <https://rights.kfintech.com/>*). Such Eligible Equity Shareholders, can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders, holding the Equity Shares in dematerialised form.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA NDI Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA NDI Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable on Application.

Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer and the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA NDI Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in

dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see “*The Issue*” beginning on page 33.

- ***Fractional Entitlements***

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] ([●]) Equity Share for every [●] ([●]) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares as on Record Date shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

- ***Ranking***

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue, shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- ***Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●] and from the NSE through letter bearing reference number [●] dated [●] for listing of the Rights Equity Shares to be Allotted in this Issue. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 532720) and NSE (Symbol: M&MFIN) under the ISIN: INE774D01024. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within fifteen days after our Company becomes liable to repay it, our Company and every director of our Company who is an

officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of our Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of our Promoter Group, see “Summary of this Draft Letter Of Offer – Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s)” on page 14.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- (a) The right to receive dividend, if declared;
- (b) The right to receive surplus on liquidation;
- (c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- (d) The right to free transferability of Rights Equity Shares;
- (e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Draft Letter of Offer; and
- (f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant this Issue. However, the Investors should note that pursuant to the provisions of the SEBI LODR

Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

- ***Notices***

Our Company will send through email and speed post, the Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai, where our Registered Office is situated).

This Draft Letter of Offer, Letter of Offer, and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- ***Offer to Non-Resident Eligible Equity Shareholders***

As per Rule 7 of the FEMA NDI Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. The permissions available under (i) and (ii) above are not available to investors who have been allotted such shares as Overseas Corporate Bodies. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at einward.ris@kfintech.com. It will be the sole responsibility of the Investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

This Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder are eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue by submitting their respective copies of self-attested proof of address, passport, etc. at einward.ris@kfintech.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 79.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[•]
ISSUE OPENING DATE	[•]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	[•]
ISSUE CLOSING DATE*	[•]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[•]
DATE OF ALLOTMENT (ON OR ABOUT)	[•]
DATE OF CREDIT (ON OR ABOUT)	[•]
DATE OF LISTING (ON OR ABOUT)	[•]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, i.e., [•], to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [•].

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part including to the specific investor(s) making an application under Regulation 84(1)(f)(i) of the SEBI ICDR Regulations.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in Demat Suspense Account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a 2 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such other rate as specified under applicable law from the expiry of such 2 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/locked shall be refunded/unlocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

• Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a 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 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.
- (c) **National Electronic Fund Transfer ("NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted 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 Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant 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 Investors through this method.

- (d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 2 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- **Receipt of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated December 16, 2005, amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated December 5, 2005, amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our

Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, on their registered email address or through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

XIII. IMPERSONATION

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.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.10 crores or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.10 crores or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.50 crores or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.
- 3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 2 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) No further issue of equity shares and convertible securities shall be made till the securities offered through the Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than any issuance of Equity Shares upon exercise of options under the ESOS Schemes and other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- 7) Adequate arrangements shall be made to collect all ASBA Applications.
- 8) As on date, our Company does not have any convertible debt instruments.
- 9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

- 1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
- 2. All enquiries in connection with this Draft Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "Mahinda & Mahindra Financial Services Limited – Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

Kfin Technologies Limited
Selenium Tower B, Plot No. 31& 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032, Telangana.
Tel: +91 40 67162222/18003094001
E-mail: einward.ris@kfintech.com
Website: <https://www.kfintech.com/>

Contact Person: M Murali Krishna

3. In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (<https://rights.kfintech.com/>). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 18003094001 .
4. The Investors can visit following links for the below-mentioned purposes:
 - a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <https://rights.kfintech.com/> ;
 - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: <https://rights.kfintech.com/>
 - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.kfintech.com/>
 - d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: cinward.ris@kfintech.com

This Issue will remain open for a minimum seven days. However, our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The FDI Policy consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations. Investors are cautioned to consider any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer.

RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer will be filed with the Stock Exchanges.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, renunciation, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Equity Shares are only being offered and sold in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act to Eligible Equity Shareholders located in jurisdictions where such offer and sale is permitted under the laws of such jurisdictions. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Entitlements or Rights Equity Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, you should not forward or transmit this Letter of Offer into the United States at any time.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares offered are being offered in “offshore transactions” as defined, and in reliance on, Regulation S under the U.S. Securities Act.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor

accounts, on behalf of each owner of such account (such person being the “**purchaser**”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed selling efforts” (as defined in Regulation S under the U.S. Securities Act).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.
7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
11. Prior to making any investment decision to exercise the Rights Entitlements and renounce and/or subscribe for the Rights Equity Shares, the Investor (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of

our Company (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) our Company, any of its affiliates, has not made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
13. The purchaser acknowledges that any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company.
14. The purchaser will not hold our Company responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it.
15. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.
16. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.
17. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.
18. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
19. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.
20. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.
21. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
22. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

23. The purchaser acknowledges that our Company, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SECTION VI: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material, and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days and will also be available on the website of our Company at <https://www.mahindrafinance.com/investor-relations/rights-issue-2025> from the date of the Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Registrar Agreement dated May 2, 2025, between our Company and the Registrar to the Issue.
2. Banker to the Issue Agreement dated May 2, 2025, between our Company, Registrar and the Bankers to the Issue.
3. Monitoring Agency Agreement dated May 2, 2025, between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended.
2. Certificate of commencement of business dated February 19, 1991, issued to our Company by the RoC.
3. Certificate of incorporation pursuant to change of name of our Company from 'Maxi Motors Financial Services Limited' to 'Mahindra & Mahindra Financial Services Limited' dated November 3, 1992.
4. Consent letter dated May 2, 2025 and April 30, 2025, respectively, from our Joint Statutory Auditors, M M Nissim & Co. LLP and M.P. Chitale & Co, to include their name in this Letter of Offer, as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of and inclusion of (i) the Fiscal 2025 Audited Consolidated Financial Statements; (ii) the Fiscal 2025 Audited Standalone Financial Statements; and (iii) their audit reports each dated April 22, 2025, in respect of the Fiscal 2025 Audited Consolidated Financial Statements and Fiscal 2025 Audited Standalone Financial Statements as at and for the Financial Year ended March 31, 2025.
5. Consent letter dated May 2, 2025, from P G BHAGWAT LLP, Chartered Accountants, to include their name in this Letter of Offer, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in their capacity as an Independent Chartered Accountant to our Company for inclusion of the statement of possible special tax benefits available to our Company, its shareholders dated May 2, 2025.
6. Statement of possible special tax benefits available to our Company, its shareholders dated May 2, 2025, from the Independent Chartered Accountant included in this Letter of Offer.
7. The Fiscal 2025 Audited Consolidated Financial Statements and the audit report dated April 22, 2025 of the Joint Statutory Auditors in respect of the Fiscal 2025 Audited Consolidated Financial Statements.
8. The Fiscal 2025 Audited Standalone Financial Statements and the audit report dated April 22, 2025 of the Joint Statutory Auditors in respect of the Fiscal 2025 Audited Standalone Financial Statements.
9. Resolution of our Board of Directors dated May 2, 2025, approving and adopting this Draft Letter of Offer.
10. Resolution of our Board of Directors dated [●] in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement ratio.
11. Resolution of our Board of Directors dated [●], approving and adopting the Letter of Offer.
12. Annual Reports of our Company for the Financial Years 2024, 2023 and 2022.
13. Copies of the Offer Document of the immediately preceding rights issue.
14. In-principle listing approvals dated [●] and [●] issued by BSE and NSE for listing of the Rights Equity Shares to be Allotted in this Issue, respectively.

15. Tripartite agreement dated December 16, 2005 amongst our Company, NSDL and the Registrar to the Issue.
16. Tripartite agreement dated December 5, 2005 amongst our Company, CDSL and the Registrar to the Issue.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders subject to compliance with applicable law.

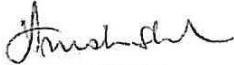
There are no other agreements/arrangements entered into by our Company or clauses/covenants applicable to our Company which are material, not in the ordinary course of business and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Anish Dilip Shah

DIN: 02719429

Chairperson and Non-Executive Director

Date: May 2, 2025

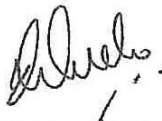
Place: Mumbai

DECLARATION

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I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Raul Ignatius Rebello

DIN: 10052487

Managing Director and Chief Executive Officer

Date: May 2, 2025

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Amarjyoti Barua

DIN: 09202472

Non-Executive Non-Independent Director

Date: May 2, 2025

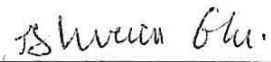
Place: Mumbai

DECLARATION

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I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



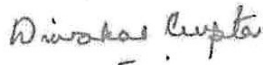
Ashwani Ghai
DIN: 09733798
Non-Executive Non-Independent Director
Date: May 2, 2025
Place: Mumbai

DECLARATION

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I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Diwakar Gupta

DIN: 01274552

Independent Director

Date: May 2, 2025

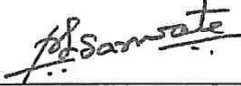
Place: London

DECLARATION

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I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Milind Shripad Sarwate

DIN: 00109854

Independent Director

Date: May 2, 2025

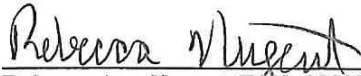
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Rebecca Ann Nugent (DIN: 09033085)

Independent Director

Date: May 2, 2025

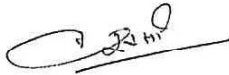
Place: U.S.A

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Vijay Kumar Sharma

DIN: 02449088

Independent Director

Date: May 2, 2025

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY



Pradeep Kumar Agarwal

PAN: ADKPA8331K

Chief Financial Officer

Date: May 2, 2025

Place: Mumbai