

FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated July 21, 2020 (“**Letter of Offer**”) which is available on the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

Our Company has made available on the Registrar’s website at <https://rights.kfintech.com/mahindra> and the Company’s website at <https://www.mahindrafinance.com>, this Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form for the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Equity Shares may be permitted under the laws of such jurisdictions. You may also download the Letter of Offer from the websites of the Securities and Exchange Board of India (“**SEBI**”), the stock exchanges where the Equity Shares of our Company are listed, *i.e.*, BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”, and together with BSE, the “**Stock Exchanges**”) and the Lead Managers, *i.e.*, at www.sebi.gov.in, www.bseindia.com, www.nseindia.com, www.investmentbank.kotak.com, www.axiscapital.co.in, www.bnpparibas.co.in, www.online.citibank.co.in/rhtml/citigroupglobalscreen1.htm, www.hdfcbank.com, www.hsbc.co.in/1/2/corporate/equities-global-investment-banking, www.icicisecurities.com, www.nomuraholdings.com/company/group/asia/india/index.html and www.sbicaps.com, respectively.

Mahindra FINANCE

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Registered Office: Gateway Building, Apollo Bunder, Mumbai 400001

Telephone: +91 22 2289 5500

Corporate Office: 4th Floor, A Wing, Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400018

Telephone: +91 22 6652 6000

Contact Person: Arnava M. Pardiwalla, Company Secretary & Compliance Officer

E-mail: investorhelpline_mmfs@mahindra.com; **Website:** www.mahindrafinance.com

Corporate Identity Number: L65921MH1991PLC059642

PROMOTER OF OUR COMPANY**MAHINDRA & MAHINDRA LIMITED****ISSUE DETAILS, LISTING AND PROCEDURE**

ISSUE OF 617,764,960* FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH OF OUR COMPANY (“EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ 50 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 48 PER EQUITY SHARE) AGGREGATING TO ₹ 30,888,248,000* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) EQUITY SHARE FOR EVERY ONE FULLY PAID-UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS, ON JULY 23, 2020 (THE “ISSUE”). FOR DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 338 OF THE LETTER OF OFFER.

The Equity Shares of our Company are listed on BSE and NSE. Our Company has received “in-principle” approvals from BSE and NSE for listing the Equity Shares through their respective letters each dated July 15, 2020. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Right Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL/2/CIR/P/2020/13 dated January 22, 2020. For the purposes of this Issue, designated stock exchange (“**DSE**”) is BSE.

Procedure: If you wish to obtain further details in relation to the processes and procedures applicable to the Issue, you may refer to the section titled “Terms of the Issue” on page 338 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of SEBI, BSE, NSE, Registrar and the Lead Managers as stated above.

* Assuming full subscription

ELIGIBILITY FOR THE ISSUE

Our Company is eligible to undertake the Issue in terms of Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 (“**SEBI ICDR Regulations**”) and to make reduced disclosures in the Letter of Offer in terms of Part B of Schedule VI of the SEBI ICDR Regulations. Further, our Company satisfies the conditions specified in Regulation 99 of the SEBI ICDR Regulations read with SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 and accordingly, our Company is eligible to undertake the Issue by way of a ‘fast track issue’.

Whether the Company is compulsorily required to allot at least 75% of the net offer to public, qualified institutional buyers: Not Applicable, the Issue being a rights issue.

INDICATIVE TIMETABLE

Issue Opening Date	Tuesday, July 28, 2020	Date of Allotment / Initiation of Refunds (on or about)*	Friday, August 21, 2020
Last Date for On Market Renunciation **	Friday, August 7, 2020	Date of credit of Equity Shares to demat account of Allottees (on or about)*	Tuesday, August 25, 2020
Issue Closing Date*	Tuesday, August 11, 2020	Date of listing / Commencement of trading of Equity Shares on the Stock Exchanges (on or about)*	Thursday, August 27, 2020
Finalisation of basis of Allotment with the DSE (on or about)*	Thursday, August 20, 2020		

* The above time table is indicative and does not constitute any obligation on our Company or the Lead Managers.

** Eligible 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 a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 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.

NOTICE TO INVESTORS

All Eligible Equity Shareholders outside India should refer to the Letter of Offer together with the International Wrap and each such person who exercises the Rights Entitlements and subscribes for the Equity Shares shall do so in accordance with the restrictions set forth in the section titled “Restrictions on Purchases and Resales”. As used in this section, the Letter of Offer refers to the Letter of Offer together with the International Wrap.

This Abridged Letter of Offer has been made available to you in electronic form solely to comply with the provisions of the SEBI ICDR Regulations. THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “US SECURITIES ACT”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE “UNITED STATES” OR “U.S.”), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE EQUITY SHARES REFERRED TO IN THIS ABRIDGED LETTER OF OFFER ARE BEING OFFERED AND SOLD (I) IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE US SECURITIES ACT (“REGULATIONS”) TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE EQUITY SHARES. IS PERMITTED UNDER LAWS OF SUCH JURISDICTIONS AND (II) IN THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT) (“U.S. QIB”) PURSUANT TO SECTION 4(a)(2) OF THE US SECURITIES ACT. THE OFFERING TO WHICH THIS ABRIDGED LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY 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 SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE U.S. QIBs. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS ABRIDGED LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME (OTHER THAN TO U.S. QIBs).

The Letter of Offer, this Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may not be used for the purpose of, and do 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.

All offers and sales in the United States of the Rights Entitlements and the Equity Shares have been, or will be, made solely by our Company. The Lead Managers are not making, will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Equity Shares or any other security with respect to this Issue in the United States.

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 to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and this Issue including the risks involved. The Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. Specific attention of the Investors is invited to the section “Risk Factors” on page 20 of the Letter of Offer and “Internal Risk factors” on page 7 of this Abridged Letter of Offer before making an investment in the Issue.

Name of the Lead Managers and contact details	Kotak Mahindra Capital Company Limited	Axis Capital Limited	BNP Paribas
	1st Floor, 27 BKC, Plot No. C-27 G Block, Bandra Kurla Complex Bandra (East) Mumbai 400 051 Telephone: +91 (22) 4336 0000 E-mail: mmfsl.rights@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Contact Person: Ganesh Rane Website: www.investmentbank.kotak.com SEBI Registration No.: INM000008704	1st Floor, Axis House ,C-2 Wadia International Centre, Pandurang Budhkar Marg, Worli Mumbai 400 025 Telephone: +91 (22) 4325 2183 E-mail: mmfsl.rights@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Contact Person: Mayuri Arya Website: www.axiscapital.co.in SEBI Registration No.: INM000012029	BNP Paribas House, 1-North Avenue, Maker Maxity Bandra Kurla Complex Bandra (E), Mumbai 400 051 Telephone: +91 (22) 3370 4000 E-mail: dl.rights.mmfs@asia.bnpparibas.com Investor Grievance E-mail: indiainvestors.care@asia.bnpparibas.com Contact Person: Mehul Golwala Website: www.bnpparibas.co.in SEBI Registration No.: INM000011534

	<p>Citigroup Global Markets India Private Limited 1202, 12th Floor, First International Financial Center, G-Block C 54 & 55, Bandra Kurla Complex Bandra (East), Mumbai 400 098 Maharashtra, India Telephone: +91 (22) 6175 9999 E-mail: mmfsl.rights@citi.com Investor Grievance E-mail: investors.cgmib@citi.com Contact Person: Abhay Agrawal Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm SEBI Registration No.: INM000010718</p>	<p>HDFC Bank Limited Investment Banking Group Unit 401&402, 4th Floor, Tower B Peninsula Business Park, Lower Parel Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 3395 8233 E-mail: mmfsl.rights@hdfcbank.com Investor Grievance E-mail: investor.redressal@hdfcbank.com Contact Person: Ravi Sharma/Harsh Thakkar Website: www.hdfcbank.com SEBI Registration No.: INM000011252</p>	<p>HSBC Securities and Capital Markets (India) Private Limited 52/60, Mahatma Gandhi Road, Fort Mumbai 400 001 Maharashtra, India Telephone: +91 (22) 2268 5555 E-mail: mmfsrights@hsbc.co.in Investor Grievance E-mail: investorgrievance@hsbc.co.in Contact Person: Ayush Jain/Sanjana Maniar Website: https://www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback SEBI Registration No.: INM000010353</p>
	<p>ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate Mumbai – 400 020 Maharashtra, India Telephone: +91 (22) 2288 2460 E mail: mmfsl.rights@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Contact Person: Rishi Tiwari/Nidhi Wangnoo Website: www.icicisecurities.com SEBI Registration No.: INM000011179</p>	<p>Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11 Plot F, Shivsagar Estate ,Dr. Annie Besant Road, Worli Mumbai 400 018, Maharashtra, India Tel: +91 (22) 4037 4037 E-mail: mmfslrightsissue@nomura.com Investor grievance e-mail: investorgrievances-in@nomura.com Website: www.nomuraholdings.com/ company/ group/asia/india/index.html Contact Person: Vishal Kanjani/ Prithvi Ghag SEBI Registration No: INM000011419</p>	<p>SBI Capital Markets Limited 202, Maker Tower 'E' Cuffe Parade, Mumbai 400 005, Maharashtra, India Telephone: +91 (22) 2217 8300 E-mail: mmfsl.rights@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Contact Person: Sylvia Mendonca/ Aditya Deshpande Website: www.sbicaps.com SEBI Registration No.: INM000003531</p>
Name of Registrar to the Issue and contact details	<p>KFIN Technologies Private Limited <i>(formerly known as “Karvy Fintech Private Limited”)</i> Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032, Telangana, India Telephone: +91 (40) 6716 2222 Toll free numbers: 18004258998/18003454001 E-mail: mahindra.rights@kfintech.com Investor Grievance E-mail: einward.ris@kfintech.com Contact Person: M. Murali Krishna Website: www.kfintech.com SEBI Registration No.: INR000000221</p>		
Name of Statutory Auditors	B S R & Co. LLP		
Self Certified Syndicate Banks (“SCSBs”)	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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 as updated from time to time or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA applications from the Designated Intermediaries and updated from time to time, please refer to the above mentioned link or any such other website as may be prescribed by SEBI from time to time.		
Banker(s) to the Issue	<p>Axis Bank Limited 167B, Ground Floor, Ready Money Terrace Dr. A. B. Road, Worli Naka Mumbai 400 018 Telephone: +91 (22) 6106 1123/24/1103 E-mail: worlinaka.branchhead@axisbank.com/worlinaka.operationshead@axisbank.com Contact Person: Niraj Singh/Mehul Chinda Website: www.axisbank.com</p>		

SUMMARY OF OUR PRIMARY BUSINESS

We are one of the leading deposit taking non-banking finance companies with customers primarily in the rural and semi-urban markets of India. We are primarily engaged in providing financing for new and pre-owned auto and utility vehicles (including three wheelers), tractors, cars and commercial vehicles. We also provide housing finance, manage mutual funds, personal loans, financing to micro, small and medium enterprises, insurance broking and mutual fund distribution services. In addition, we provide wholesale inventory-financing to dealers and retail-financing to customers in the United States for purchase of Mahindra tractors and utility vehicles through Mahindra Finance USA LLC, an Associate of our Company, which has entered into a joint venture agreement with De Lage Landen Financial Services Inc., which is a member of the Rabobank group. In August 2019, we entered into a joint venture with Ideal Finance Limited to offer financing services in Sri Lanka. We are part of the Mahindra group, which is one of the largest business conglomerates in India.

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Directorship positions held
1.	Dhananjay Mungale	Chairman and Independent Director	<p><i>Indian Companies:</i></p> <ul style="list-style-type: none"> • DSP Investment Managers Private Limited; • DSP Pension Fund Managers Private Limited; • I-Nestor Advisors Private Limited; • Kalpataru Limited; • LICHFL Trustee Company Private Limited; • Mahindra CIE Automotive Limited; • Mentor Technologies Private Limited; • NOCIL Limited; • Samson Maritime Limited; and • Tamilnadu Petroproducts Limited.
2.	Ramesh Iyer	Vice-Chairman and Managing Director	<p><i>Indian Companies:</i></p> <ul style="list-style-type: none"> • Finance Industry Development Council; • Mahindra Agri Solutions Limited; • Mahindra First Choice Services Limited; • Mahindra First Choice Wheels Limited; • Mahindra Insurance Brokers Limited; • Mahindra Rural Housing Finance Limited; • Mahindra Susten Private Limited; • NBS International Limited; and • Noveltech Feeds Private Limited.
3.	V. Ravi*	Executive Director and Chief Financial Officer	<p><i>Indian Companies:</i></p> <ul style="list-style-type: none"> • Mahindra Manulife Investment Management Private Limited; • Mahindra Insurance Brokers Limited; and • Mahindra Rural Housing Finance Limited.
4.	V.S. Parthasarathy	Non-Executive and Non-Independent Director	<p><i>Indian Companies:</i></p> <ul style="list-style-type: none"> • Bombay Chambers of Commerce and Industry; • Fifth Gear Ventures Limited; • Mahindra Electric Mobility Limited; • Mahindra First Choice Services Limited; • Mahindra First Choice Wheels Limited; • Mahindra Holidays & Resorts India Limited; • Mahindra Logistics Limited; • Meru Travel Solutions Private Limited; • Smartshift Logistics Solutions Private Limited; and • Tech Mahindra Limited.

BOARD OF DIRECTORS			
Sr. No.	Name	Designation	Directorship positions held
5.	Anish Shah	Non-Executive and Non-Independent Director	<i>Indian Companies:</i> <ul style="list-style-type: none"> • Mahindra Holidays & Resorts India Limited; • Mahindra Lifespace Developers Limited; • Mahindra Trucks & Buses Limited; • Mahindra & Mahindra Limited; • New Democratic Electoral Trust; and • Tech Mahindra Limited.
6.	Chandrashekhar Bhaskar Bhave	Independent Director	<i>Indian Companies:</i> <ul style="list-style-type: none"> • Avenue Supermarts Limited; • Indian Institute for Human Settlements; • Max Bupa Health Insurance Company Limited; • Tejas Networks Limited; and • Vistaar Financial Services Private Limited
7.	Rama Bijapurkar	Independent Director	<i>Indian Companies:</i> <ul style="list-style-type: none"> • Cummins India Limited; • Emami Limited; • ICICI Bank Limited; • Nestle India Limited; • People Research on India's Consumer Economy; and • VST Industries Limited.
8.	Arvind Sonde	Independent Director	<i>Indian Companies:</i> <ul style="list-style-type: none"> • Franklin Templeton Trustee Services Private Limited.
9.	Milind Sarwate	Independent Director	<i>Indian Companies:</i> <ul style="list-style-type: none"> • Eternis Fine Chemicals Limited; • Glenmark Pharmaceuticals Limited; • Halite Personal Care India Private Limited*; • Increate Foundation; • Hexaware Technologies Limited**; • Matrimony.com Limited; • Metropolis Healthcare Limited; • Omniaactive Health Technologies Limited; and • WheelsEMI Private Limited

* Under liquidation

** The Board of Directors of Hexaware Technologies Limited, in their meeting held on June 20, 2020, have approved a voluntary delisting of the Company and a postal ballot notice has been sent to the shareholders for their approval, the results of which will be announced on or before August 10, 2020.

* V. Ravi is currently the Executive Director and Chief Financial Officer of our Company and will cease to hold this position with effect from July 25, 2020. Our Board of Directors, on July 18, 2020, has appointed Vivek Karve as the Chief Financial Officer of our Company with effect from September 14, 2020.

OBJECTS OF THE ISSUE

Requirement of funds and utilisation of the Net Proceeds:

The proposed utilization of the Net Proceeds by our Company is set forth in the table below:

(in ₹ millions)

Particulars	Amount#
Repayment/ prepayment of certain outstanding borrowings availed by our Company	16,000.00
Augmenting the long-term capital and resources for meeting funding requirements for our Company's business activities	8,000.00
General corporate purposes*	6,790.75
Total Net Proceeds**	30,790.75

* Subject to the finalization of the Basis of Allotment and the Allotment of the Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Net Proceeds. However, if our Company receives subscription between 75% to 90%, of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purpose in its entirety and the remaining Net Proceeds shall be utilised towards general corporate purposes.

** Assuming full subscription and Allotment of the Equity Shares.

Rounded off to two decimal places.

Deployment of Funds and Utilisation of Net Proceeds

The following table provides for the proposed deployment of funds to be raised at Application after deducting Issue related expenses.:

(In ₹ millions)

Particulars	Amount proposed to be funded from Net Proceeds*	Proposed schedule for deployment of the Net Proceeds #
		Fiscal 2021
Repayment/ prepayment of certain outstanding borrowings availed by our Company	16,000.00	16,000.00
Augmenting the long-term capital and resources for meeting funding requirements for our Company's business activities	8,000.00	8,000.00
General corporate purposes*	6,790.75	6,790.75
Total	30,790.75	30,790.75

* Subject to the finalization of the Basis of Allotment and the Allotment of the Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Net Proceeds.

Rounded off to two decimal places.

In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to availability of funds and compliance with applicable laws. Our Company may also utilise any portion of the Net Proceeds, towards the aforementioned objects of the Issue, ahead of the estimated schedule of deployment specified above. For further details, see "Objects of the Issue" on page 84 of the Letter of Offer.

Means of finance

The funding requirements mentioned above and the estimated deployment schedule mentioned below, are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, or interest rate fluctuations. We intend to finance the Objects of the Issue from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue. Further, our Company's funding requirements and deployment schedules for the reduction of outstanding borrowings as stated hereinabove, are subject to revision in the future at the discretion of our management. If additional funds are required for the purposes mentioned above, such requirement may be met through various options including through internal accruals of our Company.

Monitoring Agency: Axis Bank Limited

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/ rights issues, if any, of the Company in the preceding 10 years. - Not applicable

Terms of Issuance of Convertible Security, if any: Not Applicable, the Issue being an issue of Equity Shares.

EQUITY SHAREHOLDING PATTERN OF THE COMPANY AS ON JUNE 30, 2020

Category of shareholder	Pre Issue number of equity shares held	% of voting rights of Pre Issue
(A) Promoter & Promoter Group	316,207,660	51.19%
(B) Public	299,430,034	48.47%
(C) Non-Promoter Non- Public	2,127,266	0.34%
Total	617,764,960	100.00

FINANCIAL STATEMENTS

A summary of selected financial information of our Company for Fiscal 2020 and June 30, 2020 derived from our Consolidated Financial Statements, on a consolidated basis is set out below.

(In ₹ millions, unless otherwise specified)

Particulars	As of and for the three months ended June 30, 2020(Unaudited)	As of and for the year ended March 31, 2020 (Audited)
Equity share capital	1,231.27	1,230.70
Other Equity	122,923.99	118,459.35
Net worth [^]	124,155.26	119,690.05
Revenue from operations	30,566.23	118,829.52
Profit Before Tax	5,037.80	16,020.30
Profit After Tax	4,321.19	10,858.18
Basic Earnings Per Share (in ₹)*	7.01	17.48
Diluted Earnings Per Share (in ₹)*	7.00	17.44
Return on Net Worth (%)	9.1@	9.35
Net asset value per Equity Share (in ₹)	200.97	194.51

@ Annualized

*Not annualised.

[^]Net worth represents Equity attributable to owners of the Company comprising of Equity share capital and other equity.

INTERNAL RISK FACTORS

The below mentioned risks are the top 10 risk factors as per the Letter of Offer:

1. The Coronavirus disease (COVID-19) has had an adverse effect on our business and operations and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted
2. Any disruption in our sources of funding could adversely affect our liquidity and financial condition.
3. 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.
4. Our inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share.
5. The risk of non-payment or default by borrowers may adversely affect our financial condition and results of operations.
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.
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.
8. 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.
9. We may be unsuccessful in expanding into new lines of business and implement our new business strategies, which could adversely affect our business and prospects.
10. Our vehicle financing business relies on the demand for M&M vehicles, including tractors, any decline in the sale or quality of which could adversely affect our business and results of operations.

For further details, see the section “Risk Factors” on page 20 of the Letter of Offer.

A. Total number of outstanding litigations against our Company and the amount involved

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries, as on the date of the Letter of Offer, is set out below.

(in ₹ millions, unless otherwise specified)

Sr. No.	Type of Proceedings	Number of cases	Amount (to the extent quantifiable)
I.	Litigation involving our Company		
A.	Proceedings involving issues of moral turpitude or criminal liability on part our Company	190	Not quantifiable
B.	Proceedings involving material violations of statutory regulations by our Company	Nil	Not applicable
C.	Matters involving economic offences where proceedings have been initiated against our Company	Nil	Not applicable
D.	Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and 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	Not applicable
	Total	190	-
II.	Litigation involving our Subsidiaries		
A.	Proceedings involving issues of moral turpitude or criminal liability on part of our Subsidiaries	16	Not quantifiable
B.	Proceedings involving material violations of statutory regulations by our Subsidiaries	Nil	Not applicable
C.	Matters involving economic offences where proceedings have been initiated against our Subsidiaries	Nil	Not applicable
D.	Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and 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	Not applicable
	Total	16	-

B. Brief details of top five material outstanding litigations against our Company and amount involved:

Sr. No.	Particulars	Litigation filed By	Current Status	Amount involved (in ₹ millions)
1	Nil	Not Applicable	Not Applicable	Not Applicable

C. For further details in relation to the pending litigation involving our Company and our Subsidiaries, see section “Outstanding Litigation and Defaults” on page 326 of the Letter of Offer.

ANY OTHER IMPORTANT INFORMATION AS PER LEAD MANAGERS /COMPANY
--

In accordance with SEBI Rights Issue Circulars, 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/mahindra>). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 1800 4258 998/ 1800 345 4001. For details, see “Terms of the Issue” on page 338 of the Letter of Offer.

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use either ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e. R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see “Terms of the Issue” on page 338 of the Letter of Offer.

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two 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. For further details, see “Terms of the Issue” on page 338 of the Letter of Offer.

Further, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, may also apply in this Issue during the Issue Period by filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN, for verification of their Application. For further details, see “Terms of the Issue” on page 338 of the Letter of Offer.

Procedure for Application

The Application Form will be sent (i) only to the e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with the Company or the Eligible Equity Shareholders have not provided the valid e-mail address to the Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions. Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for delay in the receipt of the Letter of Offer, this Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addressees of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or Rights Entitlement Letter are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.kfintech.com/mahindra>. Investors can access/ download the Letter of Offer, this Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of:

- (i) our Company at www.mahindrafinance.com;
- (ii) the Registrar at <https://rights.kfintech.com/mahindra>;
- (iii) the Lead Managers *i.e.*, (a) Kotak Mahindra Capital Company Limited at www.investmentbank.kotak.com; (b) Axis Capital Limited at www.axiscapital.co.in, (c) BNP Paribas at www.bnpparibas.co.in, (d) Citigroup Global Markets India Private Limited at www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, (e) HDFC Bank Limited at www.hdfcbank.com, (f) HSBC Securities and Capital Markets (India) Private Limited at <https://www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback>, (g) ICICI Securities Limited at www.icicisecurities.com, (h) Nomura Financial Advisory and Securities (India) Private Limited at www.nomuraholdings.com/company/group/asia/india/index.html, and (I) SBI Capital Markets Limited at www.sbicaps.com;
- (iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
- (v) the Registrar's web-based application platform at <https://rights.kfintech.com/mahindra>.

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

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares as on the Record Date, see “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 352 of the Letter of Offer.

Resident Individual Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Managers shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. The Lead Managers, our Company, its directors, its 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.

Application on Plain Paper under ASBA process:

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. 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 address outside India.

Please note that 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.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

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 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) Registered Folio Number/DP and Client ID No.;
- 4) Number of Equity Shares held as on Record Date;
- 5) Allotment option – only dematerialised form;
- 6) Number of Equity Shares entitled to;
- 7) Number of Equity Shares applied for within the Rights Entitlements;
- 8) Number of additional Equity Shares applied for, if any;
- 9) Total number of Equity Shares applied for;
- 10) Total amount paid at the rate of ₹ 50 per Equity Share;
- 11) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- 12) In case of NR 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;
- 13) 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;
- 14) Authorisation to the Designated Branches 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);
- 16) In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US 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 US Securities Act. I/ we understand the Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions and (ii) in the United States to “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act) (“U.S. QIBs”) pursuant to Section 4(a)(2) of the US Securities Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any 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 Equity Shares or Rights Entitlements in the United States, except in each case to persons in the United States who are U.S. QIBs. I/ we confirm that I am/ we are (a)(i) not in the United States and eligible to subscribe for the Equity Shares under applicable securities laws or (ii) a U.S. QIB in the United States, (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, the Lead Managers 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, the Lead Managers or any other person acting on behalf of the Company have reason to believe is in the United States (other than U.S. QIBs), or if such person is outside of India and the United States, such person is not a foreign corporate or institutional shareholder, or is 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 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 Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

For Resident Applicants: 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” under the sub-heading “– United States – For Investors Outside of the United States” on page 381 (if I am/we are outside the United States).

For Non-Resident Applicants: 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” under the sub-heading “– United States – For Investors in the United States” (if I am/ we are in the United States) or under the sub-heading “– United States – For Investors Outside of the United States” (if I am/we are outside the United States).

I/ We understand and agree that the Rights Entitlements and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that the Lead Managers, its 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 or in demat suspense escrow 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, the Lead Managers 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/mahindra>.

Rights Entitlements Ratio

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 (one) Equity Share for every one Equity Share held by the Eligible Equity Shareholders as on the Record Date.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of one Equity Share for every one Equity Share held as on the Record Date. Accordingly, there shall be no fractional entitlement in this Issue.

Options available to the Eligible Equity Shareholders

The Rights Entitlements Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

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

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

Credit of Rights Entitlements in the demat accounts

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by August 7, 2020 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow 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 is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer.

Renunciation of Rights Entitlements

The Issue includes a right exercisable by you to renounce the Rights Entitlements credited in your demat account either in full or in part.

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. In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, cannot renounce their Rights Entitlements. For details, see “- *Procedure for Renunciation of Rights Entitlements*” on page 353 of the Letter of Offer.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA 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 Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

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 Procedure for Renunciation of Rights Entitlements.

Additional Equity Shares

Investors are eligible to apply for additional 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 Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional 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 Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "Terms of the Issue - Basis of Allotment" on page 365 of the Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Allotment only in Dematerialized Form

Please note that the 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 "*Terms of the Issue -Allotment Advice or Refund/ Unblocking of ASBA accounts*" on page 366 of the Letter of Offer.

Subscription to the Issue by our Promoter and Our Promoter Group

Our Promoter, pursuant to a letter dated July 18, 2020, has confirmed that it intends to (i) subscribe to the full extent of its Rights Entitlements and (ii) subscribe to additional Equity Shares in the Issue and any undersubscribed portion in the Issue, over and above its Rights Entitlements for ensuring full subscription in the Issue, subject to compliance with applicable laws.

To the extent required by applicable law, any participation by the Promoter, over and above its Rights Entitlement, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law. As on the date of the Letter of Offer, members of our Promoter Group (other than our Promoter), do not hold any Equity Shares in the Company.

DECLARATION BY OUR COMPANY

We hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in the Letter of Offer are true and correct.

Place : Mumbai

Date : July 21, 2020