Mahindra & Mahindra Financial Services Limited announces Public Issue of Secured and Unsecured Subordinated Redeemable Non-Convertible Debentures (NCDs)

Finance

Author : mahindraadmin Category : Finance Published : 1/3/2019

- NCDs of face value of Rs.1000 each for an amount of Rs. 500 crores ("Base Issue Size")
- Option to retain oversubscription up to Rs. 3,000 crores aggregating up to Rs.3,500 crores ("Tranche I Issue")
- Tranche I Issue offers both secured and unsecured NCDs
- The amount reserved for Secured and Unsecured NCDs is Rs. 2,500 crores and Rs. 1,000 crores respectively
- Issue opens on January 04, 2019 and closes on January 25, 2019**

Mumbai, January 03, 2019: Mahindra & Mahindra Financial Services Limited (**"Company" or "Mahindra Finance"**), one of the leading non-banking finance companies with customers primarily in the rural and semi-urban markets of India, plans to undertake a public issue of NCDs opening on January 04, 2019.

The NCDs proposed to be issued under this Tranche I Issue have been rated ' **CARE AAA (Triple A); Stable** by Credit Analysis & Research Ltd. ("CARE") and '**IND AAA; Stable**' by India Ratings & Research Private Limited ("India Rating") for an amount of Rs. 10,000 crores. The rating of NCDs by CARE and India Ratings indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. The NCDs offered through this Tranche I Prospectus are proposed to be listed on the BSE Limited ("BSE").

These NCDs, bearing a fixed rate of interest, are being offered under four different Series. Series I (39 months), Series II (60 months) and Series III (96 months) are offered as Secured NCDs while Series IV (120 months) is offered as Unsecured Subordinated NCDs.

The coupon rate on Series I, Series II, Series III and Series IV NCDs for **Category I (QIB) and Category II (Corporate)** holders is 9.00%, 9.10%, 9.20% and 9.35% p.a., respectively, payable annually. The coupon rate on Series I, Series II, Series III and Series IV NCDs for **Category III (HNI) and Category IV (Retail Individual)** holders is 9.05%, 9.15%, 9.30% and 9.50% p.a., respectively, payable annually.

Series	I	II	III	IV
Frequency of Interest Payment	Annual	Annual	Annual	Annual

Minimum Application	₹ 10,000 (10 NCDs) across all Series collectively			
In Multiples of thereafter	₹ 1,000 (1 NCD)			
Face Value & Issue Price of NCDs (₹/ NCD)	₹ 1,000			
Mode of Interest Payment	Through various options available			
Tenor	39 months	60 months	96 months	120 months
Coupon (%) - Category I and Category II	9.00	9.10	9.20	9.35
Coupon (%) - Category III and Category IV	9.05	9.15	9.30	9.50
Redemption Date (from Deemed Date of Allotment)	39 months	60 months	96 months	120 months
Nature of Indebtedness	Secured	Secured	Secured	Secured
Redemption Amount (₹/NCD)	₹ 1,000			

There are no put and call options in the proposed Issuance.

Investors have to apply only through ASBA format and NCDs shall be allotted only in dematerialized form.

The funds raised through this Tranche I Issue will be used for the purpose of onward lending, financing, refinancing the existing indebtedness, long term working capital and for general corporate purposes.

Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited, ICICI Securities Limited, SBI Capital Markets Limited, Trust Investment Advisors Private Limited and Yes Securities (India) Limited are the Lead Managers to the Issue. Axis Trustee Services Limited is the Debenture Trustee, while Karvy Fintech Private Limited is the Registrar to the Issue.

About Mahindra & Mahindra Financial Services Limited

Mahindra & Mahindra Financial Services Limited (Mahindra Finance), part of the Mahindra Group, is one of India's leading non-banking finance companies. Focused on the rural and semi-urban sector, the Company has an AUM of over Rs. 59,000 crores as on September 30, 2018. The Company is a leading vehicle and tractor financier and also offers fixed deposits and loans to SMEs. The Company has 1,296 offices spread across 27 states and 5 union territories.

Mahindra Finance is the only Non-Banking Finance Company from India to be listed on the Dow Jones Sustainability Index in the Emerging Market Category. Mahindra Finance has been ranked 14th on the list of India’s Best Companies to work for - 2018, by Great Place to Work® Institute.

The Company's Insurance Broking subsidiary, Mahindra Insurance Brokers Limited (MIBL), is a licensed Composite Broker providing Direct and Reinsurance broking services.

Mahindra Rural Housing Finance Limited (MRHFL) a subsidiary of Mahindra Finance provides loans for purchase, renovation, construction of houses to individuals in the rural and semi-urban areas of the country.

Mahindra Asset Management Company Private Limited (MAMCPL), a wholly-owned subsidiary of Mahindra Finance, acts as the Investment Manager of Mahindra Mutual Fund.

The Company has a JV in US, Mahindra Finance USA LLC, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra tractors in US.

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DISCLAIMER OF MAHINDRA FINANCE Mahindra Finance, subject to market conditions and other considerations is proposing a public issue of secured and unsecured redeemable non-convertible debentures ("**NCDs**") and has filed the Shelf Prospectus and the Tranche I Prospectus, both dated 21 December 2018 with the Registrar of Companies, Maharashtra at Mumbai, Designated Stock Exchange and SEBI. The Shelf Prospectus and the

Tranche I Prospectus, both dated 21 December 2018 are available on our website www.mahindrafinance.com; on the website of the designated stock exchange www.bseindia.com and the respective websites of the lead managers at www.edelweissfin.com, www.akgroup.co.in, www.axisbank.com, www.icicisecurities.com, www.sbicaps.com, www.trustgroup.in, and www.yesinvest.in. Investors proposing to participate in the issue, should invest only on the basis of the information contained in the Shelf Prospectus and Tranche I Prospectus, both dated 21 December 2018. Investors should note that investment in NCDs involves a high degree of risks and for details relating to the same, please refer to Shelf Prospectus dated 21 December 2018, including the section on "Risk Factors" beginning on Page 18 of the Shelf Prospectus dated 21 December 2018.

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In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/ proprietor and the financial strength of the firm, at present. the rating/outlook may undergo change in case of withdrawal of capital or unsecured loans brought in by the partners/ proprietors in addition to the financial performance and other relevant factors.

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Allotment in the public issue of debt securities should be made on the basis of date of upload of each application into the electronic book of the stock exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

Tags :

Mahindra Finance	NBFC	Ramesh Iyer	NCD's	CARE AAA