

5th July, 2017

The General Manager-Department of
Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Scrip Code : 532720

The Manager-Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Scrip Code : M&MFIN

Dear Sir,

**Sub: Press Release dated 5th July, 2017 - Public Issue of Unsecured Subordinated
Redeemable Non-Convertible Debentures**

We enclose herewith the Press Release being issued by the Company today pertaining to the Public Issue of Unsecured Subordinated Redeemable Non-Convertible Debentures ("NCDs") of the face value of Rs. 1,000 each for an amount of Rs.25,000 lakhs with an option to retain Oversubscription upto Rs. 1,75,000 Lakhs aggregating upto Rs. 2,00,000 lakhs ("Tranche 1 Issue").

Kindly take the same on record.

Thanking you,

Yours Faithfully,
Mahindra & Mahindra Financial Services Limited

Arnavaz

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer



Encl: a/a

PRESS RELEASE (NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE OUTSIDE INDIA)

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

- NCDs of face value of Rs.1,000 each for an amount of Rs. 25,000 lakhs ("Base Issue Size")
- Along with an option to retain oversubscription up to Rs. 1,75,000 lakhs aggregating up to Rs. 2,00,000 lakhs (Rs.2,000 Crores) ("Tranche 1 Issue")
- Issue opens on July 10, 2017 and closes on July 28, 2017**

Mumbai, July 05, 2017: 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 raise NCDs via public issue which is opening on July 10, 2017.

The NCDs proposed to be issued under this Tranche 1 Issue have been rated 'IND AAA/ Outlook Stable' for an amount of Rs. 2,00,000 lakhs, by India Ratings & Research Private Limited ("India Rating") and 'BWR AAA, Outlook: Stable' for an amount of Rs. 2,00,000 lakhs, by Brickwork Ratings India Private Limited ("BWR"). The rating of NCDs by India Ratings and BWR indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. The NCDs offered through this Tranche 1 Prospectus are proposed to be listed on the BSE Limited ("BSE").

These NCDs, bearing a fixed rate of interest, are being offered under three different Series. For Category I (QIB Portion) and Category II (Corporate Portion) holders, the coupon rate for Series I, Series II and Series III having tenure of 7 years, 10 years, 15 years respectively, shall be 7.75%, 7.90% and 7.95% p.a., respectively, payable annually.

While for Category III (HNI Portion) and Category IV (Retail Individual Investor Portion) holders, the coupon rate for Series I, Series II and Series III having tenure of 7 years, 10 years, 15 years respectively, shall be 7.85%, 8.00% and 8.05% p.a., respectively, payable annually.

Subject to compliance with applicable laws, in case of Series III NCDs, call option may be exercised by the Company at the end of the 10th year from the Deemed Date of Allotment. In the event of call option being exercised for Series III NCDs, the Redemption Date for Series III NCDs shall be 10 years from Deemed Date of Allotment or such date for exercising the call option as intimated by the Company.

Investors have an option for allotment of NCDs only in dematerialized form.

The funds raised through this Tranche 1 Issue will be used for onward lending, financing, refinancing the existing indebtedness of the Company, long-term and working capital and general corporate purposes.

Edelweiss Financial Services Limited, Axis Bank Limited, A. K. Capital Services 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 Computershare Private Limited is the Registrar to the Issue.

About Mahindra & Mahindra Financial Services Limited

Mahindra & Mahindra Financial Services Limited, 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 a consolidated AUM of over INR 54,000 crores, as on 31st March, 2017. The Company is primarily engaged in providing financing for new and pre-owned auto and utility vehicles, tractors, cars and commercial vehicles. The Company also provides housing finance, personal loans, financing to small and medium enterprises, insurance broking and mutual fund distribution services.

The Company also offers fixed deposits and loans to SMEs. The Company has 1,182 offices across the country, as on 31st March, 2017.

The Company's insurance broking subsidiary, Mahindra Insurance Brokers Limited (MIBL), has a "composite broking license" which allows MIBL to undertake broking of life, non-life and reinsurance products.

Mahindra Rural Housing Finance Limited (MRHFL) a subsidiary of the Company provides loans for purchase, construction, extension and renovation of house property to individuals.

Mahindra Asset Management Company Private Limited (MAMCPL), a wholly-owned subsidiary of the Company, is acting as the Asset Management Company of Mahindra Mutual Fund ("the Fund"). The Mutual Fund has been constituted as a trust and is registered with SEBI. Mahindra Trustee Company Private Limited (MTCPL), a wholly-owned subsidiary of the Company, is acting as the Trustee to Mahindra Mutual Fund.

The Company has a JV in US, Mahindra Finance USA LLC, in partnership with De Lage Landen Financial Services, Inc., to provide wholesale inventory-financing to dealers and retail-financing to customers in the United States.

Capitalized terms not specifically defined above shall have the same meaning as assigned to them in the Shelf Prospectus and Tranche 1 Prospectus.

***The Tranche 1 Issue shall be open for subscription from July 10, 2017 to July 28, 2017 with an option to close on such earlier date or extended date as may be decided by the Board of Directors of the Company or the Bond Issue Committee of the Board of Directors. In the event of an early closure or extension of the Tranche 1 Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure.*

Disclaimer: Mahindra & Mahindra Financial Services Limited is subject to market conditions and other considerations, proposing a public issue of NCDs and has filed the Shelf Prospectus dated June 29, 2017 and Tranche 1 Prospectus dated June 29, 2017 with the Registrar of Companies, Maharashtra, Mumbai, the BSE Limited and the Securities and Exchange Board of India (for record purposes). All investors proposing to participate in the public issue of NCDs by Mahindra Finance should invest only on the basis of information contained in the Shelf Prospectus dated June 29, 2017 and Tranche 1 Prospectus dated June 29, 2017. Please see section entitled "Risk Factors" beginning on page no. 12 of the Shelf Prospectus for risks in this regard.

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