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III. TERMS OF THE PRESENT ISSUE

ICICI is offering for Public Subscription the fifth tranche of Unsecured Redeemable Bonds in the nature of Debentures for raising Rs. 300 crore with a right to retain oversubscription up to Rs. 300 crore.

The Bonds being offered are subject to the provisions of the Act, the Memorandum and Articles, the terms of this Prospectus, Application Form and other terms and conditions as may be incorporated in the Trustee Agreement, Letter of Allotment and/or Bond Certificates. Over and above such terms and conditions, the Bonds shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI/the Government of India/RBI and/or other authorities and other documents that may be executed in respect of the Bonds.

NATURE OF BONDS

ICICI is offering for subscription for cash the following four types of Bonds in the nature of Debentures.

- Encash Bond
- Tax Saving Bond
- Regular Income Bond
- Money Multiplier Bond

Out of the above Bonds, Regular Income Bond Options I and III, Tax Saving Bond Option IV and all Options of Money Multiplier Bond would constitute direct, unsecured and subordinated obligations of the Company.

(See also status on page 12 of the Prospectus)

1. ENCASH BOND

Face Value : Rs. 5,000/-

Redemption : At Face Value i.e. Rs 5,000/- at the end of 5 years from the Deemed Date of Allotment

Interest : Interest will be payable annually at the following rates :

Year	1st	2nd	3rd	4th	5th
Applicable rate of Interest for respective year (%)	11.00	12.00	13.50	16.00	18.00

Annualized Yield to Maturity (YTM) at the end of each year on Early Redemption/Redemption :

Period (Year)	1st	2nd	3rd	4th	5th
Annualized YTM* for respective years (%)	11.0	11.5	12.1	12.9	13.7

* Subject to deduction of tax at source as per the then prevailing tax laws

Payment of Interest

Interest will be paid on June 30, each year at the rates applicable to each of the periods mentioned in the above table. The first interest payment will be made on June 30, 1999 for the period commencing from the Deemed Date of Allotment and the last interest payment will be made at the time of Redemption of the Bond on a *pro rata* basis. Also refer to para on Electronic Clearing Service on Page 12 of the Prospectus.

Early Redemption at the option of the Bondholders (Encash Facility)

An original individual allottee has the option of Early Redemption of the Bonds ("Early Redemption") at any time after the expiry of 12 months from the Deemed Date of Allotment till one month prior to the Redemption Date ("Relevant Period"), at any of following offices of

ICICI Banking Corporation Limited ("Specified Branch") :-

Ahmedabad (JMC House, Opp. Parimal Gardens, Off C. G. Road), Bangalore (Raheja Towers, M.G. Road), Calcutta (Rasoi Court, Sir R N Mukherji Road; Ballygunge), Chandigarh (Madhya Marg, Sector 9-D), Chennai (1, Cenotaph Road; 110, Prakash Presidium, Nungambakkam High Road; Armenian Street; Vidya Mandir Senior Secondary School, IV Main Road Gandhinagar, Adyar), Cochin (Fotofast House, M.G. Road), Coimbatore (Trichy Road), Goa (M L Furtado Road, Margao; Near EDC, Dr. Atmaram Borkar Road, Panaji; Garden Centre, Phase II Mapuca), Gobichettipalayam (Kutchery Street), Gurgaon (HUDA Shopping Centre Market Complex, Sector 14; Hero Honda Motors Ltd., 37 Km Stone, Delhi-Jaipur Highway, Sector 33), Hyderabad (Opp. Institute of Engineers, Rajbhawan Road; CARE Hospital, Exhibition Road, Nampalli), Jaipur (Sriji Towers, C-99 Subhash Scheme), Ludhiana (SCO, 146, 147, Feroz Gandhi Market), Mangalore (Bharat Building, PM Rao Road), Mumbai (Free Press House, Nariman Point; Bhayander (W); Abhilasha, Punjabi Lane, Borivall (W); 163, Backbay Reclamation; Kallash Plaza, Vallabh Baug Lane, Ghatkopar (E); Sagar Avenue, S.V. Road, Andheri (W); Galleria Shopping Mall, Hiranandani Gardens, Powai; Surya Shopping Centre, "Shristi" Sector V, Mira Road; Poonawadi, Dr. Ambedkar Road, Dadar (E); Vimal Shopping Centre, Vasai Road (W); Maratha Mandir Annex, Mumbai Central; MICASA, St. Theresa Road, Off. Turner Road, Bandra (W), Nasik (Saharanpur), New Delhi (Phelps Bldg., A Block, Connaught Place; Greater Kailash 1, N Block Market; Indian Spinal Injuries Centre, Opp. Sector C, Vasant Kunj; Sincere Tower IV, Community Centre, Preet Vihar), Noida (G31, 32 Sector 18), Periyannayanpalayam (Pricol, Mettupalayam Road), Pune (Shangrila Gardens, Bund Garden Road), Thane (Palm Court, Ram Maruti Road, Navpada), Vadodara (Race Course Circle, Alkapuri)

ICICI may specify more branches of ICICI Banking Corporation Limited for this purpose.

A Bondholder who is an original individual allottee may at any time during the Relevant Period approach any of the above mentioned branches of ICICI Banking Corporation Limited for Early Redemption of the Bond at its Face Value of Rs. 5,000/-. Each Bondholder can redeem up to 50 Bonds per day.

The Bondholders will not be permitted to encash the Bond at the Specified Branches in the following cases :

- If thumb impression is used for specimen signature.
- By legal successors in case of death of the Sole / any of the jointholder of the Bond.
- In case the original individual allottee who is a minor becomes a major during the tenure of the Encash Bond and intends to exercise the option of Early Redemption of the Bond.
- In case of Duplicate Bond Certificate.

In the aforesaid cases, Bondholder(s) may send their request, along with the Bond Certificates duly discharged, and in case of a minor attaining majority, with proof of his having attained majority, for Early Redemption to ICICI Investors' Services Limited, Maratha Mandir Annex, Dr. A R Nair Road, Mumbai Central, Mumbai 400 008 (ICICI Services) or to such person at such address as may be notified by ICICI from time to time for this purpose.

In the event the Early Redemption facility is withdrawn at any or all of the Specified Bank Branches, the Bondholder shall be able to exercise the option of Early Redemption at ICICI Services or such person at such address as may be notified by ICICI from time to time for this purpose.

Investors should note that they can exercise the option of Early Redemption at any of the Specified Branches or at ICICI Services as mentioned above. However, payment on final Redemption of the Bond will be done at ICICI in accordance with the procedure mentioned under "Procedure for Redemption by Bondholder".

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4. MONEY MULTIPLIER BOND (In the nature of Deep Discount Bond)

Each Money Multiplier Bond in the nature of Deep Discount Bond will have different Face Values under each Option and will be issued at a discounted price of Rs. 4000/- each

Minimum Application : One Bond

The investors can choose any of the following options (as per the Table below) in respect of the Money Multiplier Bond:

Option	I	II	III
Issue Price (Rs.)	4,000/-	4,000/-	4,000/-
Face Value / Redemption Value (Rs.)	8,000/-	16,000/-	1,00,000/-
Redemption Period	5 years 4 months	10 years 7 months	24 years 5 months
Yield to Investor (%)*	13.9	14.0	14.1

* Subject to deduction of tax at source as per the then prevailing tax laws.

See also "Common Features, Terms and Conditions of the Bonds".

COMMON FEATURES, TERMS AND CONDITIONS OF THE BONDS

Interest on Application Money @5.00 per cent p.a. on the amount allotted for the period commencing from the 3rd day after the date of deposit of Application Form with the Bankers to the issue till a day prior to the Deemed Date of Allotment.

Interest on application money will be paid to all the allottees, who have paid the application money by way of cheque/cash/demand draft, on the amount allotted at the rate of 5.00 per cent p.a. Such interest will be paid for the period commencing from the third day after the date of lodgement of the Application Form at the bank branches listed in the Application Form till a day prior to the Deemed Date of Allotment. The date of receipt of the Application Form as given by the bank branch will be considered as final.

In case of applications by minors, the interest warrants for interest on application money will be issued in the name of the applicant along with the name of the guardian. However, there will be no mention of the bank account number.

An investor should not deduct the interest on application money receivable by him from the amount payable on application. The interest warrants will be despatched along with the Letter of Allotment/Bond Certificates, at the sole risk of the applicant, to the sole/first applicant as mentioned in the Application Form. However, in case interest on Application Money is less than or equal to Rs. 25/-, then the same would be paid along with the first interest payment / redemption, depending upon the instrument chosen, along with appropriate interest.

Investors applying through stockinvest will not be entitled to any interest on application money.

No interest on application money will be paid on the amount refunded, if any.

In case the cheque payable at par facility is not available, ICICI reserves the right to adopt any other suitable mode of payment.

Deemed Date of Allotment

The Deemed Date of Allotment for the issue has been fixed as 30 days from the date of closure of the issue or date of utilisation of proceeds, whichever is earlier. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment may occur on a date other than the Deemed Date of Allotment.

Market Lot

The market lot will be one Bond ("Market Lot").

Terms of Payment

Type of Bond	Minimum Application for	Amount Payable on Application per Bond (Rs.)
Encash Bond	One Bond	5,000/-
Tax Saving Bond		
Option I	One Bond	5,000/-
Option II	One Bond	5,000/-
Option III	One Bond	5,000/-
Option IV	One Bond	5,000/-
Regular Income Bond		
Option I	Three Bonds	5,000/-
Option II	Two Bonds	5,000/-
Option III	One Bond	5,000/-
Money Multiplier Bond		
Option I	One Bond	4,000/-
Option II	One Bond	4,000/-
Option III	One Bond	4,000/-

Applications should be for a minimum of one Bond and in multiples of one Bond thereafter except in case of Regular Income Bond where the application should be for a minimum of three Bonds for Option I and two Bonds for Option II and in multiples of one Bond thereafter.

Applicants should apply for any or all types of Bonds (any/all options) using the same Application Form. The maximum application amount under the issue cannot exceed the size of the Public Issue i.e. Rs.300 crore.

Payment of Interest on Encash Bond, Tax Saving Bond (other than Option II) and Regular Income Bond.

Payment of interest on Encash Bond, Tax Saving Bond (other than Option II) and Regular Income Bond will be made to those Bondholders whose names appear in the register of Bondholders (or to first holder in case of joint-holders) as on Record Date/Book Closure Date to be fixed by the Company for this purpose from time to time.

Buyers of the Bonds are advised to send the Bond Certificate(s) to the Company/Registrar or to such persons as may be notified by the Company from time to time, along with a duly executed transfer deed or other suitable instrument of transfer as may be prescribed by the Company for registration of transfer of the Bond(s). Otherwise interest will be paid to the seller and not to the buyer. In such cases, claims in respect of interest, if any, shall be settled *inter se* amongst the parties and not against the Company.

In case of Regular Income Bond Option I, the buyers of the Bond shall have to send Bond Certificate(s) together with duly executed transfer deeds or other suitable instrument of transfer as may be prescribed by the Company and unencashed post-dated cheques (if any) to be transferred in his/her name. Otherwise interest will be paid to the seller and not the buyer. In such cases, claims in respect of interest, if any, shall be settled *inter se* amongst the parties and not against the Company.