

6

INews A11507 Mar 99

8/11



III. TERMS OF THE PRESENT ISSUE

ICICI is offering for Public Subscription the seventh 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, Tax Saving Bond Option III, Regular Income Bond Options I, III and IV and all Options of Money Multiplier Bond would constitute direct, unsecured and subordinated obligations of the Company.

(See also status on page 13 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	14.00	15.50	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	12.2	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 July 31, each year at the rates applicable to each of the periods mentioned in the above table. The first interest payment will be made on July 31, 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") 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), Aurangabad (Tapadla Circle, Opp. Nirala Bazar, Samarthnagar), Bangalore (Raheja Towers, M.G. Road; 1st A Main, VII Block, Koramangala), Calcutta (Rasoi Court, Sir R N Mukherji Road; Ashutosh Chowdhury Avenue, Ballygunge; BJ-140, Sector II, Salt Lake City), 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 (1619, Trichy Road), Dahanu (H. K. Mubarak Road), Goa (M L Furtado Road, Margao; Sindur Business Centre, S.V. Road, Panaji; Garden Centre, Phase II Mapusa), Gobichettipalayam (97 (new 212) Kutchery Street), Gurgaon (HUDA Shopping Centre Market Complex, Sector 14; Hero Honda Motors Ltd., 37 Km Stone, Delhi-Jaipur Highway, Sector 33; The Hotel Bristol, Sikander Puri), Hyderabad (Opp. Institute of Engineers, Khairatabad; CARE Hospital, Exhibition Road, Nampalli; Hi-tech City, Madhapur), Indore (Laxmi Towers, Mahatma Gandhi Road, Jalpur (Shreeji Towers, C-99 Subhash Marg, C Scheme), Jamnagar (Sector 11, RPL Township Moti Kavdi, Digvijay Gram), Ludhiana (SCO, 146, 147, Feroz Gandhi Market), Mangalore (Bharat Building, PM Rao Road), Mumbai (Free Press House, Nariman Point; Dr. B. Ambedkar Road, 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, Powal; Surya Shopping Centre, "Shruti" Sector V, Pendarpada Mira Road; Poonawadi, Dr. Ambedkar Road, Dadar (E); Vimal Shopping Centre, Main Road, Vasai Road (W); Maratha Mandir Annex, Opp. Mumbai Central; MICASA, St. Theresa Road, Off. Turner Road, Bandra (W), Nasik (Saharanpur Road), New Delhi (PHELPS Bldg., A Block, Connaught Place; N Block Market, Greater Kailash I; Indian Spinal Injuries Centre, Opp. Sector C, Vasant Kunj; Sincere Tower IV, Community Centre, Preet Vihar; Community Centre, New Friends Colony), Noida (G31,32 Sector 18), Panchkula (Showroom No. 6, Sector 11), Periyannayakanpalayam (Pricol, Mettupalayam Road), Pune (Shangrila Gardens, Bund Garden Road; Ghole Road, Shivajinagar), Secunderabad (82, S.D. Road), Thane (Palm Court, Ram Maruti Road, Navpada), Udaipur (Madhubani, 2C, Madhubani), Vadodara (Race Course Circle, Aikapur)

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.

Payment of Interest

Option I (Monthly Interest)

Interest will be paid on the last day of each month.

For the convenience of investors, ICICI may, at its option, send every year in the month of April, a set of 12 post dated cheques dated last day of the relevant month towards the payment of interest for each month in arrears, subject to the finalization of taxation rates for the year by the Finance Act/Bill. In case TDS rates for the year undergo a change after sending the post-dated cheques, the Company reserves the right to recover the differential TDS amount, if any, from the investors. The payment of interest for the first month from Deemed Date of Allotment and the last month before redemption shall be made on *pro-rata* basis. The first interest payment will be made on the last date of the month succeeding the month in which Deemed Date of Allotment falls for the period commencing from Deemed Date of Allotment and the last interest payment will be made at the time of redemption of the Bond. The first set of post-dated cheques towards the interest from the Deemed Date of Allotment till March 31, 2000 may be sent in May, 1999. Investors may note that this option is not covered under Market-making facility (including Anytime Facility) offered by ICICI for select Bonds in select cities. Also refer to para on Electronic Clearing Service on page 12 of the Prospectus.

Option II (Half - yearly Interest)

Interest will be paid on July 31 and January 31 of each year. The first interest payment will be made on July 31, 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.

Option III and Option IV (Annual Interest)

Interest will be paid on July 31 each year. The first interest payment will be made on July 31, 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.

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

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.

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
Issue Price (Rs.)	4,000/-	4,700/-
Face Value / Redemption Value (Rs.)	8,000/-	50,000/-
Redemption Period	5 years 4 months	18 years
Yield to Investor (%)*	13.9	14.0

* 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	Three Bonds	5000/-
Option V	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/-
Option IV	One Bond	5,000/-
Money Multiplier Bond		
Option I	One Bond	4,000/-
Option II	One Bond	4,700/-