

### III. TERMS OF THE PRESENT ISSUE

ICICI is offering for Public subscription Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 400 crore with a right to retain oversubscription up to Rs. 400 crore.

The Bonds being offered are subject to the provisions of the Act, the Memorandum and Articles of Association, 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 types of Bonds in the nature of Debentures.

- Gilt Rate Plus Bond
- Encash Bond
- Tax Saving Bond
- Regular Income Bond
- Money Multiplier Bond

Out of the above Bonds, Money Multiplier Bond Option II would constitute direct, subordinated and unsecured obligations of the Company. (See also Status on page 17).

RBI vide its Notification No. F.E.R.A. 213/99-RB dated November 1, 1999 has granted general permission for NRIs/OCBs to invest in Bonds on repatriation and on non-repatriation basis subject to certain conditions mentioned elsewhere in this Prospectus. In terms of this Notification NRIs/OCBs are eligible to invest only in Tax Saving Bond, Regular Income Bond and Money Multiplier Bond.

#### 1. GILT RATE PLUS BOND

The Bond is designed to provide returns linked to the yields on Government of India securities along with early redemption options.

- Face Value** : Rs. 5,000/-
- Minimum Application** : Rs. 5,000/-
- Redemption** : At Face Value at the end of 5 years from the Deemed Date of Allotment.
- Maturity Bonus** : 5%\* of Face Value of the Bond, payable at the time of Redemption to those Bondholders whose name appears in the Register of Bondholders at the time of Redemption.

\*subject to TDS as per the then prevailing tax laws

NRIs/OCBs are not eligible to invest in Gilt Rate Plus Bond.

**Interest Payment Period:** The period of 12 months commencing from June 1 and ending on May 31 every year. However, the first Interest Payment Period shall commence from the Deemed Date of Allotment and end on May 31, 2001 and the last Interest Payment Period shall end on the Redemption Date.

**Interest Rate\*** : The Bonds shall carry a floating rate of interest payable annually. The interest rate on the Bond for the first Interest Payment Period, commencing from the Deemed Date of Allotment and ending on May 31, 2001, will be 9.50%\* p.a.

The interest rate for subsequent Interest Payment Periods would be reset effective June 1 each year ("Reset Effective Date"), starting from June 1, 2001. The rate would be calculated at 0.50% over the Benchmark Rate on April 1 of the same year ("Reset Reference Date"), the Benchmark Rate being average (for 15 working days prior to the Reset Reference Date) of semi-annualised yields on Government of India securities ("GOI Sec") of residual maturity of 1 year. The daily yields for computing the average would be based on secondary market trades in GOI Sec as entered in the Subsidiary

General Ledger Accounts ("SGL") of RBI. The SGL is published by the RBI vide a Press Release on a daily basis.

If, on any particular day, GOI Sec with residual maturity of 1 year is not traded, then the yield for that day would be calculated by linear interpolation of the yields of traded GOI Sec which have residual maturity of 0.5 to 2 years. In case there is no such security on any of the days, the average would be based on the yields for such number of days on which the securities have actually been traded. If the number of days for which the aforesaid securities are actually traded fall below 5, then the time period prior to the Reset Reference Date shall be suitably extended to include atleast 5 days on which the securities have actually been traded.

If the Benchmark Rate ceases to exist or it is otherwise not possible to compute the Benchmark Rate, the Company shall in consultation with the Trustees, choose any other suitable benchmark.

\* Subject to TDS as per the then prevailing tax laws

**Maximum Interest Rate** : The Interest Rate on the Bonds shall not exceed 11.95% p.a.

**Notice:** Interest Rate, reset in accordance with the above, would be notified to the Bondholder(s) by the Company by publishing a notice in one English and one regional language daily newspaper in Mumbai, Chennai, Delhi and Calcutta and/or will be sent by ordinary post to the Registered holders of the Bond(s) by April 5 every year.

#### Payment of Interest

Interest for each Interest Payment Period will be paid at the end of such period.

#### Early Redemption at the option of the Bondholders

The Bondholder has the option of Early Redemption of the Bonds on May 31 each year ("Early Redemption Date"). In case the option is exercised by the Bondholder, ICICI will repay the Face Value along with interest for the Interest Payment Period ending on the relevant Early Redemption Date at the rate applicable for such period ("Early Redemption Proceeds"). The first Early Redemption Option would be available on May 31, 2001. To exercise the Early Redemption Option, the Bondholder should send their requests to ICICI Infotech Services Limited on or before April 30 of the relevant year but not before April 1 of the same year in accordance with the procedure laid down in para "Procedure for exercise of Early Redemption Option"

#### Procedure for exercise of Early Redemption Option

The Bond Certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the Bond Certificate(s)), should be sent by the Bondholder(s) by Registered Post with acknowledgment due or by hand delivery to the office of ICICI Infotech Services Limited, Maratha Mandir Annexe, Dr. A.R. Nair Road, Mumbai Central, Mumbai, 400 008, or to such persons at such addresses as may be notified by the Company from time to time so that the same are received on or before April 30 of the relevant year but not before April 1 of the same year.

If the Bondholder's request for Early Redemption is not received between the above mentioned period, it would be assumed that the Bondholder has not exercised the Early Redemption Option.

#### Payment on exercise of Early Redemption Option

In case the Bondholder exercises the Early Redemption Option, ICICI will send the Early Redemption Proceeds by way of cheque/ pay order, etc. by the Early Redemption Date.

The Company's liability to Bondholder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the Early Redemption Date in all events and on the Company despatching the redemption amounts to the Bondholder(s). Further, the Company will not be liable to pay any interest, income or compensation of any kind from the Early Redemption Date of the Bond(s).

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

**Option II (Half-yearly Interest)**

Interest will be paid on May 31 and November 30 of each year. The first interest payment will be made on November 30, 2000 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.

**Option III (Annual Interest)**

Interest will be paid on May 31 each year. The first interest payment will be made on May 31, 2001 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.

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

**5. MONEY MULTIPLIER BOND (in the nature of Deep Discount Bond)**

Events such as a child's wedding, education, purchase of a house, etc, require a lump sum at a particular point in time. This product has been designed to meet these and similar such requirements.

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/all of the following options (as per the Table below) in respect of the Money Multiplier Bond:

Option	I	II
Issue Price (Rs.)	5,000/-	7,500/-
Face Value/Redemption Value (Rs.)	7,000/-	50,000/-
Redemption Period	3 years 4 months	18 years 10 months
Yield to Investor (%)*	10.6	10.6

\* 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 3rd day after the date of lodgement of the Application Form at the bank branches listed in the Application Form till one day prior to the Deemed Date of Allotment. The date of deposit of the Application Form as given by the collecting 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.

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. 100/-. then the same would be paid along with the first interest payment, depending upon the instrument chosen, along with appropriate interest to the original sole/first Bondholder only except in case of all options of Money Multiplier Bonds and options II and V of Tax Saving Bonds wherein the interest on Application Money would be paid along with despatch of Letter of Allotment/Bond Certificate.

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.

The CBDT has clarified that for the purposes of Section 54EA & Section 88 investors would be allowed to obtain benefit under these sections with respect to the date of application, to the extent of allotment made.

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**Market Lot**

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

**Terms of Payment**

Type of Bond Payable	Minimum Application	Minimum Amount on Application (Rs.)
Gilt Rate Plus Bond	One Bond	5,000/-
Encash Bond	One Bond	5,000/-
<b>Tax Saving Bond</b>		
Option I	One Bond	5,000/-
Option II	One Bond	5,000/-
Option III	One Bond	5,000/-
Option IV	Three Bonds	15,000/-
Option V	One Bond	5,000/-
<b>Regular Income Bond</b>		
Option I	Three Bonds	15,000/-
Option II	Two Bonds	10,000/-
Option III	One Bond	5,000/-
<b>Money Multiplier Bond</b>		
Option I	One Bond	5,000/-
Option II	One Bond	7,500/-

Applications should be for a minimum of one Bond and in multiples of one Bond thereafter except in case of Regular Income Bond