

PRIVATE AND CONFIDENTIAL
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TERMS AND CONDITIONS OF THE BONDS

PDDMY102

Status

Where the tenor of the bonds in the nature of promissory notes ("Bond(s)") issued is greater than 5 years, the Bond(s) will be of subordinated nature. Where the tenor of the Bond(s) issued is less than or equal to 5 years, the Bond(s) will be of unsubordinated nature.

Where the Bond(s) issued are of unsubordinated nature, the Bond(s) will constitute direct, unsubordinated and unsecured obligations of the Company and shall rank *pari passu inter se* and (subject to any obligations preferred by mandatory provisions of the law prevailing from time to time) shall also, as regards amount invested and any benefits payable thereon by the Company out of its own funds, rank *pari passu* with all other existing direct, unsubordinated and unsecured borrowings of the Company.

Where the Bond(s) issued are of subordinated nature, the Bond(s) will constitute direct, unsecured and subordinated obligations of the Company and will be subordinated and postponed to the payments in respect of all prior obligations of the Company whether for principal, interest, return or otherwise, except that they will rank *pari passu* amongst themselves and with all other present and future subordinated obligations of the Company.

Issue Date

All benefits relating to the Bond(s) will be available to the holders of the Bond ("Bondholder(s)") from the date of realisation of cheque(s)/Draft(s) ("the Issue Date").

Procedure for Redemption by Bondholder(s)

The Bond(s)/Certificate(s), duly discharged by the Sole/all joint-holders (signed on the reverse of the Bond(s)/Certificate(s)) to be surrendered for redemption on maturity or on exercise of put / call option should be sent by the Bondholder(s) by Registered Post with Acknowledgment Due or by hand delivery to the Company/Registrars or to such persons at such addresses as may be notified by the Company from time to time.

Payment on Redemption

Payment on redemption of the Bond(s) will be made by way of cheque/pay order etc., only on the surrender of the Bond(s)/Certificate(s), duly discharged by the Sole/all the joint holders (signed on the reverse of the Bond(s)/Certificate(s)). The Company's liability to such Bondholder(s) towards all their rights including for payment or otherwise shall stand extinguished from the due date of redemption in all events and on the Company despatching the redemption amount to the Bondholder(s). Further, the Company will not be liable to pay any interest, income or compensation of any kind from the date of such redemption of the Bond(s). However, in case the principal payment falls due on a Bank Holiday, the payment will be made on the preceding working day with interest adjusted at the applicable coupon rate for such period. Such interest will be computed on the basis of 365 days' year.

Put Option

Put Option if applicable shall mean an option that grants the Bondholder, the right (but not the obligation) to redeem the Bonds at par on the Option Exercise Dates indicated on Page 1 of the application form ("Relevant Dates"). Such option shall not be exercisable before the expiry of one year from the date of allotment of the bonds.

Procedure for exercising the put option.

Bondholder(s) desirous of exercising the Put Option on the respective Relevant Dates should submit their requests in writing to Registrars or to such persons at such addresses as may be notified by ICICI from time to time, along with the Bond Certificate(s) duly discharged by Sole/all the joint-holder(s) (signed on the reverse of the Bond Certificate(s)), not less than 20 days in writing before the Relevant Date. The Bondholder will be entitled to receive the applicable Deemed Face Value only if the request is received in writing along with the Bond Certificate duly discharged within the specified time aforesaid. The payment on the exercise of the Put Option will be in the same manner as in case of Payment on Redemption as described herein above.

Call Option

Call Option if applicable shall mean an option that grants ICICI, the right (but not the obligation) to redeem the Bonds at par on the Option Exercise Dates indicated on Page 1 of the application form ("Relevant Dates"). Such option shall not be exercisable before the expiry of one year from the date of allotment of the bonds.

Procedure for exercising the call option

If ICICI is desirous of exercising the Call Option on the respective Relevant Dates, ICICI will give a notice of the same in writing not less than 20 days before the Relevant Date to the investor. The payment on the exercise of the Call Option will be in the same manner as in case of Payment on Redemption as described herein above.

Tax Treatment of Bonds

As regards the difference between the discounted price at which the Bonds are issued ("Issue Price") and price on redemption of the Bonds, the Central Board of Direct Taxes (CBDT) vide its clarifications dated March 12, 1996 and May 23, 1996 has expressed the view that this will be treated as interest income assessable under the Income-tax Act, 1961. On transfer of the Bond(s) before maturity, the difference between the sale consideration and the Issue price will be treated as capital gains/loss if the assessee has purchased them by way of investment. However, in the case of an assessee who deals in purchase and sale of securities including bonds, the profit or loss shall be treated as trading profit or loss. The difference between the Issue price and the price of the Bond(s) on redemption will be treated as interest income assessable under the Income-tax Act, 1961, and therefore, tax will have to be deducted at source under the relevant provision of the Income-tax Act, 1961.

Interest

The interest that would be received on the Bond(s) (that is, the difference between the face value and issue price, in the year of redemption, if assessed in the nature of interest in the hands of the recipient) will qualify for deduction under Section 80L of the Income Tax Act, 1961 in the hands of individuals and Hindu Undivided families (HUFs) subject to a maximum amount of Rs.12,000 in aggregate per year including other income specified under the said section in accordance with and subject to the provisions of the said section. The Company has been advised that the clarification dated May 10, 1993 issued by the CBDT stating that interest on ICICI - Bond(s) qualifies for deduction under Section 80L(1)(vii) of the Income Tax Act, 1961 is applicable to this issue of Bond(s). The Company would also apply to the Central Government for notifying these bonds under Section 80L(I)(ii) of the Income-tax Act, 1961.

Payment of interest will be subject to deduction of tax at source at the rates prevailing from time to time, under the provisions of the Income-tax Act, 1961 or any statutory modification or re-enactment thereof.

Notices

All notices to the Bondholder(s) required to be given by the Company or the Trustees (if any), shall be sent by ordinary post to the Registered Holders of the Bond(s) from time to time.

The address for all notices and communications in connection with the Bonds would be the last notified address in the records of the company, unless informed in writing to "the Registrar". The responsibility of communicating any new address would be on the bondholder/transferee. ICICI would be absolved of any liability by issuing any notice or communication to such last notified address.

Transfer/Transmission of Bond(s)

The Bond(s) being negotiable instruments are transferable by endorsement and delivery by the transferor(s), provided that in the case of transfer to more than one transferee, the total number of transferees shall not exceed 3 (three). Without undertaking any obligation for verification of signature(s), in the own interest of the Bondholder(s), it is suggested that specimen signature(s) of the transferor(s) and the transferee(s) is/are duly submitted to the Office of the Registrar. For notification of transfer please refer to "Payment of Interest". All endorsements must be dated, clear, distinct, word for word and letter for letter, as set out in the Bond Certificate. Vemacular endorsement must be literally translated into English immediately below the endorsement. A certified true copy of the Power of Attorney or such other authority as may be acceptable to the Company along with names and specimen signatures of all the authorised signatories and tax exemption certificate, if any, must be lodged separately at the Office of the Registrar simultaneously with the submission of Notification and Mandate stipulated under "Payment of Interest". Similarly, any modifications/additions in the Power of Attorney or such other authority should also be notified to the Office of the Registrar. Transfer to Non-residents is not permitted.

Nomination

The Sole/first Bondholder along with other joint-holders may nominate any one person, to whom, in the event of death of the sole or all the joint-holders as the case may be, the amount of the

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Bond(s) may be paid. Any change in the nomination may be made during the tenure of the Bond(s) in the prescribed manner. A nomination shall stand rescinded upon sale of a Bond(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the Bond(s) is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at ICICI Infotech Services Limited.

Succession

Where a nomination has not been made or the nominee predeceases the Bondholder(s) the provisions of this paragraph will apply. In the event of the demise of the sole holder of the Bond(s) or the last survivor, in case of joint holders the company will recognize the executor or administrator of the deceased Bondholder, or holder of the Succession Certificate or other legal representative as having title to the Bond(s). The Company shall not be bound to recognize such executor, administrator or holder of the Succession Certificate or legal representative unless such executor or administrator obtains Probate or Letter of Administration or is a holder of the Succession Certificate or other legal representation, as the case may be, from an appropriate Court in India. The Directors, in their absolute discretion, may, in any case, dispense with production of Probate or Letter of Administration or Succession Certificate or other legal representation.

Where on the demise of a sole or last of the survivor of the joint-holders, who is a resident, an NRI becomes entitled to the Bond, the following steps will have to be complied with:

- i) Documentary evidence should be submitted to the legacy cell of the RBI to the effect that the Bond(s) was acquired by the NRI as part of the legacy left by the deceased holder.
- ii) Proof that the NRI is an Indian national or is of Indian origin. Such holding by the NRI will be on a non-repatriable basis.

Joint-holders

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to other provisions contained in the Articles of Association of the Company.

Bondholder not a Shareholder

The Bondholder(s) will not be entitled to any of the rights and privileges available to the Shareholders.

Listing

The Bond(s) may be listed on any of the recognised stock exchanges at the sole discretion of the Company.

Issue of Duplicate Bond Certificate(s)

If any Bond Certificate(s) is/are mutilated or defaced or the cages for recording transfers of Bond(s) are fully utilized, the same may be replaced by the Company against the surrender of such Certificate(s). Provided, where the Bond Certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the Certificate numbers and the distinctive numbers are legible.

If any Bond Certificate(s) is/are destroyed, stolen or lost, then upon production of proof thereof to the satisfaction of the Company and upon furnishing such indemnity/security and/or documents as the Company may deem adequate, duplicate Bond Certificate(s) shall be issued.

Any cost incurred for issuance of the duplicate Bond Certificate(s) will be borne by the applicant.

Splitting of Bond Certificate(s)

In the event of the Bond(s) being listed as mentioned hereinabove, the market lot will be one Bond ("Market Lot"). The Company would, upon request for splitting by a Bondholder, accompanied by the original Bond certificate(s), split Bond Certificate(s) into other than Market Lot, subject to charges for the same being borne by the Bondholder and subject to the maximum amount agreed upon by the Company with the Stock Exchanges where the Bonds may be listed. Upon splitting as aforesaid, the original Bond Certificate(s) would be treated as cancelled by the Company.

Future Borrowings

The Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also issue debentures/bonds/other securities in any manner having such ranking, pari passu or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Bondholder(s) in this connection.

Purchase

The Company may, at any time and from time to time purchase Bond(s) at discount, at par or at a premium in the open market or otherwise. Such Bond(s) may, at the option of the Company, be cancelled, held or resold at such a price and such terms and conditions as the Company may deem fit and as permitted by law.

Modification of rights

The rights, privileges, terms and conditions attached to the Bond(s) may be varied, modified, or abrogated with the consent in writing of those holders of the Bond(s) who hold at least three-fourth of the outstanding amount of the Bond(s) or with the sanction accorded pursuant to a Special Resolution passed at a Meeting of the Bondholder(s). Provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and condition of the Bond(s), if the same are not acceptable to the Company.

Applications under Power of Attorney

A certified copy of the Power of Attorney or the relevant authority as the case may be, along with the names and specimen signatures of all the authorised signatories and the tax exemption certificate/document, if any, must be lodged separately at the office of the Registrar simultaneously with the submission of the completed application form. Similarly any modifications/additions in the Power of Attorney or authority should also be notified to the office of the Registrar.

Issue of Bond Certificates

The Bond Certificates will be issued within three months from the issue Date and will be dispatched at the applicant's risk, either by hand delivery or by Registered Post with Acknowledgement Due by the Registrar.

**APPLICATION FORMS MAY BE SUBMITTED AT
ICICI SERVICE CENTRES**

Ahmedabad	ICICI Super Shop No. 6 Pavani, SVP Complex, C.G. Road, New Sakinaka Circle, Ahmedabad - 380 009	Chennai	ICICI Centre, Super Ground Floor, Raja Rajawade Tower, Dr. Nanjappa Road, Colabators - 601 049
Bangalore	Khanna No. 23/1-1, G.F., Vijaya Nagar, Bangalore - 560 001	Hyderabad	ICICI Centre, 1 Floor, No. 4 Naganjuna Hills, Panjagutta, Hyderabad - 500 082
Baroda	Old ICICI Bank, Land Mark, BMA Race Course Circle, Baroda, 390 007	Jammu	ICICI Centre, 50 - Ganpati Plaza, M.I. Road, Japur - 312001
Bhopal	ICICI Centre, Ground Floor, Shop No. G-204 & 205, Plot No: 193 & 194, Zone 1, Surya Tower, Bhopal - 462011	Kochi	ICICI Centre, Shop No. 1 & 2, Panna Estate, Janata Junction, Palamattom, Kochi - 682035