

PRIVATE AND CONFIDENTIAL  
NOT FOR CIRCULATION



TERMS AND CONDITIONS OF THE BONDS

PNQ202

#### Public Security Status

Vide notification dated August 24, 1998 the Law and Judiciary Department, Government of Maharashtra has declared the Bond(s) (as defined hereinafter) as a security under section 2(12)(d) of the Bombay Public Trusts Act, 1950 (XXIX of 1950).

#### 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").

#### Interest on bonds

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. To ensure lower or non-deduction of tax at source, as the case may be, the bondholder should furnish either (a) an evidence for total exemption from tax or, (b) a declaration (in duplicate) in the prescribed form i.e. Form 15H which can be furnished by all bondholders (other than companies and firms), or (c) a certificate, from the Assessing Officer of the bondholder, in the prescribed form i.e. Form 15AA, which can be obtained by all bondholders (including Companies and Firms). In case the Interest Payment Date falls on a day, which is a holiday for Banks in Mumbai ("Bank Holiday"), interest will be paid on the next working day. No additional interest or other payment will be made as a consequence of the interest payment being made on a day falling after the Interest Payment Date under this condition.

#### Interest Payment Dates

##### Quarterly Interest

Where interest is payable quarterly, interest will be payable on November 07, February 07, May 07 and August 07 every year ("Interest Payment Dates"). The first interest payment will be made on November 07, 2001 and the last interest payment shall be made on redemption of the Bond(s). Payment of interest will be made as per the terms mentioned under "Interest on bonds" herein above.

##### Half-Yearly Interest

Where interest is payable half yearly, interest will be payable on February 07 and August 07, every year ("Interest Payment Dates"). The first interest payment will be made on February 07, 2002 and the last interest payment shall be made on redemption of the Bond(s). Payment of interest will be made as per the terms mentioned under "Interest on bonds" herein above.

##### Annual Interest

Where interest is payable annually, interest will be payable annually on November 07 every year ("Interest Payment Date"). The first interest payment will be made on November 07, 2002 and the last interest payment shall be made on redemption of the Bond(s). Payment of interest will be made as per the terms mentioned under "Interest on bonds" herein above.

#### Payment of Interest

Payment of interest will be made to the original allottees of the Bond(s). If the Bond(s) has/have been transferred by an appropriate endorsement and delivery, the transferor(s) jointly with the transferee(s), shall notify and the transferor(s) shall also

give mandate to ICICI Services Limited to such persons at such address as may be notified by the Company from time to time ("the Registrar") for payment of interest to the transferee(s), in the form duly executed by the transferor(s) in accordance with the specimen signature(s) of such transferor(s) available in the records of the Company and the transferee(s), as may be prescribed by the Company for the purpose (the "Notification and Mandate") at least 30 days before the respective due dates for payment of interest. Wherever the signature(s) of the transferor(s) in the Notification and Mandate is/are not in accordance with the specimen signature(s) of such transferor(s) available in the records of the Company, all interest on such Bond(s) will be kept in abeyance by the Company till such time as the Company is satisfied. Since the Bonds are in the nature of Promissory Notes, transferable by endorsement and delivery, requirement of specimen signature(s) in the Notification and Mandate will be by way of voluntary investor protection service only and the Company will not in any way by virtue thereof assume and hereby expressly disclaims any responsibility for verification of specimen signature(s), nor shall the Company be in any way liable or responsible, legally or otherwise, for non-payment or erroneous payment of interest pursuant to any Notification and Mandate.

In case the Registrar does not receive the Notification and Mandate (by whatever mode sent) on or before the record date/book closure date to be fixed by the company for this purpose from time to time, the interest shall be paid to the transferor and not to the transferee. In such cases, claims in respect of interest, if any, shall be inter se amongst the parties and not against the Company.

#### 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.

#### Put/Call Option

Put/Call Option, if applicable shall mean an option that grants the Bondholder/ICICI, the right (but not the obligation) to redeem the Bonds at par as per the terms mentioned in page 1 of the form ("Relevant Dates"). However, such options shall not be exercisable before the expiry of one year from the date of allotment of 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 below.

#### 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 below.

#### Payment on Redemption

Payment on redemption of the Bond(s) will be made to those bondholder(s) whose name 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. The payment 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 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 redemption in all events and on the Company despatching the 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.

#### Notices

All notices to the Bondholder(s) required to be given by the Company or the Trustee (if any), shall be sent by ordinary post to those bondholder(s) whose names appear in the register of bondholder(s) (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.

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). It is in the interest of the transferee to immediately notify ICICI Infotech Services Limited regarding the transfer (Please refer section "Notice"). 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. Vernacular endorsement must be literally translated into English immediately below the endorsement. Transfer to Non-residents is not permitted.

#### Nomination

The Solefirst Bondholder along with other joint-holders may nominate any one person who in the event of death of the sole holder or all the joint holders, as the case may be, shall become entitled to the bond. A person being a nominee, on becoming entitled to the bond by reason of the death of the bondholder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the bond. 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 Company, at its 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.

#### 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.