

III. TERMS OF THE PRESENT ISSUE

ICICI is offering for Public subscription Unsecured Redeemable Bonds in the nature of Debentures aggregating 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 types of Bonds in the nature of Debentures.

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

Out of the above Bonds, Money Multiplier Bond Options II and III will constitute direct, Subordinated and unsecured obligations of the Company. (See also Status on 12).

1. ENCASH BOND

This Bond is designed to give instant liquidity option, across the counter, to the Investors in case of need.

Face Value : Rs. 5,000/-

Redemption : At Face Value i.e. Rs 5,000/- at the end of 3 years from the Deemed Date of Allotment

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

Year	1 st	2 nd	3 rd
Applicable rate of interest for respective year (%)*	11.00	12.00	13.50

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

Year	1 st	2 nd	3 rd
Annualised YTM for respective year (%)*	11.0	11.5	12.1

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

Payment of Interest

Interest will be paid on January 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 January 31, 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. 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"). The Early Redemption Option would be available, at any of following offices of ICICI Banking

Corporation Ltd. ("Specified Branch") :-

Ahmedabad (JMC House, Opp. Parimal Gardens, Off C. G. Road), Aurangabad (Tapadia Circle, Opp. Nirala Bazar, Samarthanagar), Bangalore (Raheja Towers, M.G. Road; 1st A Main, VII Block, Koramangala; 80/7, Elephant Rock Road, Block III, Jayanagar), Bhopal (E5/18, Arera Colony), 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; Annapurna No. 3, 17th Street, Nanganallur), 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), Jaipur (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), Mohali (SCF 21-22, Phase VII; SAS Nagar), Mumbai (Free Press House, Nariman Point; Dr. B. Ambedkar Road, Bhayander (W); Abhilasha-1, Punjabi Lane, Borivali (W); 163, Backbay Reclamation; Kailash 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, Pendarpada, Mira Road; Poonawadi, Dr. Ambedkar Road, Dadar (E); Vimal Shopping Centre, Main Road, Vasai Road (W); Maratha Mendir Annex, Opp. Mumbai Central; MICASA, St. Theresa Road, Off. Turner Road, Bandra (W), Nasik (Saharanpur Road), New Delhi (Pheps 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; Spastic Society, Balbir Saxena Marg, Hauz Khas), Noida (G31, 32 Sector 18), Panchkula (Showroom No. 6, Sector 11), Periyarayanpalayam (Pricol, Mettupalayam Road), Pune (Shangrilla Gardens, Bund Garden Road; Ghole Road, Shivajinagar), Secunderabad (62, S.D. Road), Thane (Palm Court, Ram Maruti Road, Navpada; Shriprasad Complex, Mahim Road, Palghar; Jagdish Enclave, Bolsar-Tarapur Road, Bolsar), Udaipur (Madhubani, 2C, Madhuban), Vadodara (Race Course Circle, Alkapuri)

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

A Bondholder who is eligible for Early Redemption may at any time during the Relevant Period approach any of the above mentioned branches of ICICI Banking Corporation Ltd. 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 Sola/any of the jointholder of the Bond.
- In case the Bondholder 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 Infotech Services Limited, Maratha Mandir Annex, Dr. A R Nair Road, Mumbai Central, Mumbai 400 008 ("ICICI

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Taxation

Tax Saving Bond is an eligible security for the purpose of Section 54EA of the Income-tax Act, 1961.

Under Section 54EA of the Income-tax Act, the capital gain, viz. the difference between the price on transfer and the indexed cost of acquisition of a long-term capital asset will not be subjected to tax, if the net consideration is invested in approved instruments in terms of and subject to compliance of certain conditions as mentioned therein.

By subscribing to Tax Saving Bond, investor can avail benefit under Section 54EA. The investor is required to invest the net sales realization in the approved securities which needs to be held for three years.

If any investor claiming benefit under Section 54EA of the Income-tax Act, 1961 pledges these Bonds as eligible security for any loan taken by him at any time during three years from the Deemed Date of Allotment, he/she would stand to lose the relevant tax rebate/benefits and would be required to pay tax as per the provisions of the said sections. The CBDT has clarified that for the purposes of Section 54EA, investors would be allowed to obtain benefit under this section if the application is made within the stipulated time limit of 6 months to the extent of allotment made.

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

3. REGULAR INCOME BOND

This Bond has been designed keeping in view the need for a regular income to meet expenses that are incurred on a regular basis - for example, household expenses. The product also helps provide a regular source of income to individuals who have either a variable income (Self Employed Professional etc.) or who are not employed any longer (Retired). Depending upon their requirements investors can choose Monthly/Half-yearly/Annual option for payment of interest.

Face Value : Rs. 5,000/-

Redemption : At Face Value, i.e., Rs.5,000/-.

The investors can choose any of the following four options in respect of payment of interest.

Option	I	II	III	IV
Minimum Application (Rs.)	15,000/-	10,000/-	5,000/-	5,000/-
Redemption Period (Years)	3	3	3	5
Interest* (%) (p.a.)	11.75	12.00	12.50	12.75
Interest Payable	Monthly	Half-Yearly	Annually	Annually
Yield to Investor (%)*	12.4	12.4	12.5	12.8

* Subject to TDS as per the then prevailing tax laws

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 the month of July 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 January 31, 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. Also refer to para on Electronic Clearing Service on page 12 of the Prospectus.

Option III and IV (Annual Interest)

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

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

Option	I	II	III
Issue Price (Rs.)	5,000/-	5,000/-	5,000/-
Face Value / Redemption Value (Rs.)	7,125/-	50,000/-	1,00,000/-
Redemption Period	3 years	18 years 5 months	23 years 10 months
Yield to Investor (%)*	12.5	13.3	13.4

* 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 a day prior to the Deemed Date of Allotment. The date of receipt of the Application Form as