

TERMS AND CONDITIONS OF THE BONDS

Nature of Bonds

The Bonds are to be issued in the form of Unsecured Redeemable Subordinated Bonds in the nature of Debentures. The Bonds will constitute direct, unsecured and subordinated obligations of ours, ranking pari passu with our existing/ future subordinated debt and subordinated to the claims of all our other creditors and depositors as regards repayment of principal and Interest by us. The Bonds shall be free of any restrictive clauses and shall not be redeemable at the initiative of the holder or without the consent of the Reserve Bank of India (RBI).

Issue Programme

Issue Open on : February 21, 2005
Issue Closes on : February 24, 2005
Allocation/ Finalisation of Basis of Allotment/Pay-in date : February 25, 2005
Pay-in date (High Value Clearing Only) : February 26, 2005
Deemed Date of Allotment : February 26, 2005

Issue Details

Issue Size: Rs. 225 crore with an option to retain oversubscription of Rs. 225 crore

Instrument: Unsecured Redeemable Subordinated Bonds in the Nature of Debentures

Instrument Form: Only in Demat Mode

Face Value: Rs. 10,00,000/- per bond

Issue Price: Rs. 10,00,000/- per bond

Interest on At the applicable interest rate from the

Application Money : date of realisation of cheque(s)/ demand draft(s) upto one day prior to deemed date

of allotment for the option applied for. In case of refunds @ 4.0% from the date of realisation of cheque(s)/ demand draft(s) upto one day prior to date of refund on the refunded portion

Interest Payment : For Options 2, 3 and 4, one year from deemed date of allotment and every year thereafter. In case of Option 1, every six months from the deemed date of allotment. However, the last interest payment would be made along with the redemption amount on a prorata basis.

Interest Reset: For option 1, at semi-annual intervals from the deemed date of allotment.

Interest Calculation: The interest on the outstanding principal for each semi-annual period would be calculated on an Actual/365 day count basis

Record Date: Record date would be 30 days prior to interest and redemption date

Listing : Wholesale Debt Market of NSE

Credit Rating : Care "CARE AAA" & ICRA "LAAA"

Trustee : The Western India Trustee and Executor Company Limited

Basis of Allotment :

(a) We reserve the right at our sole and absolute discretion to accept subscription amount(s) aggregating not more than Rs.50 crore under option 1.

(b) In case of under-subscription in the overall issue size of Rs.175 crore excluding option 1, the balance amount would get added to the issue size for option 1.

(c) The cut-off price under option 1 would be the price at which the base issue size for option 1 of Rs.50 crore or such higher issue size as per (b) above is received.

(d) In case of under-subscription in option 1, the cut-off price would be the highest rate bid.

(e) For all other options, the allotment would be made in the following order of priority. First Option 4, then Option 3, then Option 2 and then Option 1.

(f) Allotment under retention of over-subscription option would be made in the following order of priority. First Option 4, then Option 3, then Option 2 and then Option 1.

(g) Within each option preference would be given to investors who invest / commit on earlier dates.

(h) In case of over subscription under option 4 or 3 or 2 after allotment as specified above, allotment would be made on a prorata basis.

Further : In case there is over-subscription in Option 1 (Floating Rate Bond), priority will be given to investors in the following order:

(a) First priority would be given to investors bidding at the lowest end of the Book Building range.

(b) The second priority would be given to investors bidding to invest at the Cut-off spread rate.

(c) Further, within a set of applications bidding to invest at the same spread rate, priority shall be given to bids received on an earlier date.

(d) In case of tie with respect to spread rate and Date of Receipt of the bid, allocation will be done on Pro-rata basis.

Book Building procedure (For Floating Rate Option-1)

1. Commencing from the Offer Opening Date, potential investors will be invited to place bids by way of Letter of Commitment, in the prescribed format as given in Annexure I

2. As per the format, investors may indicate the amount that they will like to invest at different coupon rates. Alternatively, investors may indicate the amount they would like to invest at the cut-off coupon rate. Orders placed earlier can be changed, anytime during the bidding period (February 15, 2005 to February 21, 2005) by giving a revised commitment letter, which shall be deemed to supersede the earlier commitment.

3. The Letters of commitment should be addressed to the Book Running Arranger by Fax/Courier/Speed/Regd./Ordinary Post before the bid closing date. "No requests" for any change in the orders will be permitted after the Bid Closing Date (February 21, 2005). Full confidentiality of commitments shall be maintained. ICICI Securities shall be the book running arranger.

4. Based on the Letters of commitment received, a "cut-off coupon rate" for the Debentures will be determined by ICICI Bank Ltd. In case of under-subscription in option 1, the cut-off rate would be the highest rate bid and in case all bids are at the cut-off rate, then the cut-off rate will be the lowest end of the book-building range.

5. The "Cut-off coupon rate" decided for the debentures will be applicable for all investors.

6. The final Coupon rate along with the investor's allocation shall be communicated to the investors latest within 15 days from deemed date of allotment.

Note: ICICI Bank Ltd reserves the right to change the Issue Schedule and also accept or reject any application, in part or in full, without assigning any reason.

Interest on Application Money

Interest on application money will be paid to the applicants on all the valid applications, computed on an Actual/365 day basis as follows:

Allotted Portion: From date of realisation of Cheque/ Demand Draft to one day prior to deemed date of allotment at the rates applicable to the bonds being applied for (subject to deduction of Income tax under the I.T. Act).

Refunded Portion: From date of realisation of Cheque/ Demand Draft to one day prior to date of refund at 4.0% (subject to deduction of income tax under the I.T. Act) on the refunded portion. Where the entire subscription amount has been refunded, the interest on application money will be payable alongwith the Refund Orders.

Where an applicant is allotted lesser number of bonds than applied for, the excess amount paid on application will be refunded to the applicant alongwith the interest on application money.

	Option 1	Option 2	Option 3	Option 4
Tenure	5 yrs 3 mths	5 yrs 3 mths	7 yrs 3 mths	7 yrs 3 mths
Type (Fixed/ Book building)	Book building	Fixed	Fixed	Fixed
Interest Rate (p.a.) *	Floating Rate 1 year INBMK+ 50 bps to 60 bps (reset semi-annually)	Fixed Rate 7.00%	Fixed Rate 7.00%	Fixed Rate 7.00%
Minimum Application	50 bonds and in multiples of 10 bonds thereafter	50 bonds and in multiples of 10 bonds thereafter	50 bonds and in multiples of 10 bonds thereafter	50 bonds and in multiples of 10 bonds thereafter
Interest Payment	Semi-annual	Annual	Annual	Annual

* Subject to TDS at Applicable rates

Benchmark

1 year benchmark INBMK will be a simple average of Mid of Bid and Offer yields of the 1 year GOI benchmark (as set on <INBMK = F3> page of Reuters at 12.00 noon, Indian Standard Time) for immediately preceding three business days prior to the interest payment period.

For the first interest payment the average of 3 days prior to issue open date will be applicable. This works out to ____ %

The interest cheque(s)/ demand draft(s) for interest on application money (alongwith Refund Orders, in case of refund of application money, if any) shall be dispatched by the Bank within 15 days from the Deemed Date of Allotment and the relative interest warrant(s) alongwith the Refund Order(s), as the case may be, will be dispatched by registered post/speed post/courier/hand delivery to the sole/ first applicant, at the sole risk of the applicant.

Payment of Interest of Bonds

The Bonds shall carry interest at the coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the I. T. Act or any statutory modification or re-enactment thereof.) on the outstanding amount of the principal till redemption. Interest will be paid one year from the deemed date of allotment and every year thereafter for Options 2, 3 and 4. In case of Option 1, interest will be paid every six months from the deemed date of allotment. The last interest payment will be made at the time of Redemption of the Bond on a pro-rata basis. Interest payment will be made by cheques payable at par at such places as we may deem fit. In case the cheque payable at par facility is not available, we reserve the right to adopt any other suitable mode of payment.

Payment of Interest subject to Deduction of Tax at Source

The interest paid on application money and interest on Bonds will be subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the I.T. Act or any statutory modification or re-enactment thereof. To ensure non-deduction/lower deduction of tax at source from Bonds, the investor should submit relevant certificate(s)/ document(s)/other evidence, as may be applicable, with the Application Form, or send to the Registrar along with a copy of the application form on or before the closure of the Issue. Subsequently, relevant certificate(s)/document(s)/ other evidence, as be applicable, may be submitted to 3i Infotech Limited, Tower#5, 3rd to 6th Floor, International Infotech Park, Vashi, New Mumbai 400 703 or to such person at such address as may be notified by us from time to time, quoting the name of the sole/first Bondholder, Bondholder number and the distinctive number(s) of the Bond(s) held, at least one month prior to the interest payment date. The investors need to submit relevant certificate(s)/ document(s)/ other evidence, as may be applicable each financial year to ensure non-deduction or lower deduction of tax at source from interest on Bonds. Bondholder(s) should also consult their own tax advisers on the tax implications of the acquisition, ownership and sale of Bonds, and income arising thereon.

Printing of Bank Particulars on Interest/Redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the applicant's bank account are mandatorily required to be given for printing on the orders/warrants. Applications without this detail are liable to be rejected. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

Payment on Redemption

Bonds held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque/pay order etc. to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date/Book Closure Date fixed for the purpose of redemption. These Bonds will be simultaneously extinguished through appropriate debit corporate action. It may be noted that in the entire process mentioned above, no action is required on the part of Bondholders.

Payment on redemption will be made by cheques payable at par at such places as we may deem fit. In case the cheque payable at par facility is not available, we reserve the right to adopt any other suitable mode of payment. Our liability to Bondholder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and on our despatching the redemption amounts to the Bondholder(s). Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Bond(s). In case the date of redemption falls on a holiday, the last interest payment alongwith the redemption payment would be made on the next working day alongwith interest for the holiday.

Purchase

We may, at our discretion, at any time make arrangements for purchase of Bonds at discount, at par or at a premium in the open market or otherwise. Such Bonds may, at our option, be redeemed, cancelled, held, reissued or resold at such price and on such terms and conditions as we may deem fit and as permitted by law.

Right to Reissue Bond(s)

Where we have redeemed or repurchased any Bond(s), we shall have and shall be deemed always to have had the right to keep such Bonds alive without extinguishment for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such Bonds either by reselling or reissuing the same Bonds or by issuing other Bonds in their place. This includes the right to reissue original Bonds.

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.

Transfer of Bond(s)

Bonds held in Electronic (Dematerialised) form shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depository/ Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof.

Who Can apply

The following categories of investors may apply for the bonds, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents alongwith the application form.

1. Scheduled Commercial Banks;
2. Financial Institutions;
3. Insurance Companies;
4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);
5. Provident, Gratuity, Pension and Superannuation Funds;
6. Regional Rural Banks;
7. Mutual Funds;
8. Companies, Bodies Corporate authorised to invest in bonds;
9. Trusts, Association of Persons, Societies registered under the applicable laws in India which are duly authorised to invest in bonds.

Applications under Power of Attorney

Unless we specifically agree in writing with or without such terms and conditions we deem fit, in the case of applications made under Power of Attorney or by limited companies, corporate bodies, trusts etc., a certified copy of the Power of Attorney and/or the relevant authority, as the case may be, and a certified copy of Memorandum and Articles of Association and/or bye-laws, where applicable, must be lodged separately, along with a photocopy of the Application Form at the office of the Registrar to the Issue simultaneously with the submission of the Application Form, indicating the name of the applicant along with the address, application number, date of submission of the Application Form, name of the bank and branch where it was deposited, Cheque/Demand Draft Number and the bank and branch on which the Cheque/Demand Draft was drawn.

Permanent Account Number (PAN)

The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. If PAN is not allotted or has been applied for, mention accordingly. In case the Sole/First Applicant's and Joint Applicant is/are not required to obtain PAN, the applicant shall mention "Not Applicable". Where the Applicant has mentioned "Applied for" or "Not Applicable", the Sole/First Applicant and Joint Applicant(s) as the case may be would be required to submit Form 60, duly filled along with a copy of any one of the following documents in support of the address: (a) Identity Card issued by any institution (b) Copy of the electricity bill showing residential address (c) Any document or communication issued by any authority of the Central Government or local bodies showing address (d) Any other documentary evidence in support of address given in the declaration.

MAPIN - Unique Identification Number (UIN)

Applicable to specified investor being a body corporate [other than a body corporate whose promoters or directors are persons resident outside India and wherever the President of India/ Central Government/State Government is a promoter is exempted from the requirement of obtaining UIN under regulation 6(2) of SEBI (Central Database of Market Participants) Regulations 2003] and Intermediaries registered with SEBI. In terms of SEBI (Central Database of Market Participants) Regulation, 2003 as amended from time to time, read with SEBI Notifications dated November 25, 2003 and July 30, 2004, no specified investor being a body corporate (other than a body corporate whose promoters or directors are persons resident outside India - as per SEBI Press Release PR No. 344/2004 dated 31st December, 2004) shall

Terms for Private Placement

Issue Size:	Rs. 225 crore with an option to retain oversubscription of Rs.225 crore
Instrument:	Unsecured Redeemable Subordinated Bonds in the Nature of Debentures
Instrument Form:	Only in Demat Mode
Option:	No put/Call option
Face Value:	Rs. 10,00,000/- per bond
Issue Price:	Rs. 10,00,000/- per bond
Interest on Application Money :	At the applicable interest rate from the date of realisation of cheque(s)/ demand draft(s) upto one day prior to deemed date of allotment for the option applied for. In case of refunds @ 4.0% from the date of realisation of cheque(s)/ demand draft(s) upto one day prior to date of refund on the refunded portion
Interest Payment :	For Options 2, 3 and 4, one year from deemed date of allotment and every year thereafter. In case of Option 1, every six months from the deemed date of allotment. However, the last interest payment would be made along with the redemption amount on a prorata basis.
Interest Reset:	For Option 1, at semi-annual intervals from the deemed date of allotment
Interest Calculation:	The interest on the outstanding principal for each semi-annual period would be calculated on an actual /365 day count basis
Record Date:	Record date would be 30 days prior to interest and redemption date
Listing :	Wholesale Debt Segment of NSE
Credit Rating :	Care "CARE AAA" & ICRA "LAAA"
Trustee :	The Western India Trustee and Executor Company Limited

	Option 1	Option 2	Option 3	Option 4
Tenure	5 yrs 3 mths	5 yrs 3 mths	7 yrs 3 mths	10 yrs 3 mths
Type (Fixed / Book building)	Book building	Fixed	Fixed	Fixed
Interest Rate (p.a.)*	Floating rate 1 year INBMK+0.50% to 0.60% (reset semi- annually)	Fixed Rate 7.00%	Fixed Rate 7.10%	Fixed Rate 7.20%
Minimum Application	50 bonds and in multiple of 10 bonds thereafter	50 bonds and in multiple of 10 bonds thereafter	50 bonds and in multiple of 10 bonds thereafter	50 bonds and in multiple of 10 bonds thereafter
Interest Payment	Semi - Annual	Annual	Annual	Annual

* Subject to TDS at Applicable rates

Issue Programme:

Issue Opens on:	February 22, 2005
Issue Closes on:	February 25, 2005
Allocation/ Finalisation of Basis of Allotment/ Pay-in date:	February 26, 2005
Pay-In Date (High Value Clearing Only)	February 28, 2005
Deemed Date of Allotment:	February 28, 2005

Basis of Allotment :

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(a) We reserve the right at our sole and absolute discretion to accept subscription amount(s) aggregating not more than Rs.50 crore under option 1.

(b) In case of under-subscription in the overall issue size of Rs.175 crore excluding option 1, the balance amount would get added to the issue size for option 1.

(c) The cut-off price under option 1 would be the price at which the base issue size for option 1 of Rs.50 crore or such higher issue size as per (b) above is received.

(d) In case of under-subscription in option 1, the cut-off price would be the highest rate bid.

(e) For all other options, the allotment would be made in the following order of priority. First Option 4, then Option 3, then Option 2 and then Option 1.

(f) Allotment under retention of over-subscription option would be made in the following order of priority: First Option 4, then Option 3, then Option 2 and then Option 1.

(g) Within each option preference would be given to investors who invest / commit on earlier dates.

(h) In case of over subscription under option 4 or 3 or 2 after allotment as specified above, allotment would be made on a prorata basis.

Further : In case there is over-subscription in Option 1 (Floating Rate Bond), priority will be given to investors in the following order:

(a) First priority would be given to investors bidding at the lowest end of the Book Building range.

(b) The second priority would be given to investors bidding to invest at the Cut-off spread rate.

(c) Further, within a set of applications bidding to invest at the same spread rate, priority shall be given to bids received on an earlier date.

(d) In case of tie with respect to spread rate and Date of Receipt of the bid, allocation will be done on Pro-rata basis.