

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 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 16)

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

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

Interest Rate^o: 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 January 31, 2001, will be 11% p.a.

The interest rate for subsequent Interest Payment Periods would be reset effective February 1 each year ("Reset Effective Date"), starting from February 1, 2001. The rate would be calculated at 0.75% over the Benchmark Rate on December 1 of the previous 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 12.60% 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 December 10 every year.

Payment of Interest

Interest for each Interest Payment Period will be paid at the end of such period. Also refer to para on Electronic Clearing Service on Page 16 of the Prospectus.

Early Redemption at the option of the Bondholders

The Bondholder has the option of Early Redemption of the Bonds on January 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 January 31, 2001. To exercise the Early Redemption Option, the Bondholder should send their requests to ICICI Infotech Services Limited on or before January 10 of the relevant year but not before December 1 of the previous 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 January 10 of the relevant year but not before December 1 of the previous 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".

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/-

Investors can choose any of the following three options in respect of payment of interest.

Option	I	II	III
Minimum Application (Rs.)	15,000/-	10,000/-	5,000/-
Redemption Period (Years)	3	3	3
Interest* (%) (p.a.)	11.35	11.70	12.10
Interest Payable	Monthly	Half-yearly	Annually
Yield to Investor (%)*	12.0	12.0	12.1

* 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 month 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 change after sending the post-dated cheques, the Company reserves the right to recover the differential TDS amount, if any, from 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 2000 may be sent in the month of January 2000 to the original investors. Investors may note that this option is not covered under the check-making facility (including Anytime Facility) offered by ICICI in select Bonds in select cities. Also refer to para on Electronic Clearing Service on page 16 of the Prospectus.

Option II (Half - yearly Interest)

Interest will be paid on January 31 and July 31 of each year. The first interest payment will be made on July 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 16 of the Prospectus.

Option III (Annual Interest)

Interest will be paid on January 31 each year. The first interest payment will be made on January 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. Also refer to para on Electronic Clearing Service on page 16 of the Prospectus.

* Also "Common Features, Terms and Conditions of the Bonds".

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

Events such as a child's wedding, education, purchase of a house, 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
Issue Price (Rs.)	5,000/-	8,500/-
Face Value /Redemption Value (Rs.)	7,050/-	1,00,000/-
Redemption Period	3 years	22 years 9 months
Yield to Investor (%)*	12.1	11.4

* 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 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. However, there will be no mention of the bank account number.

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. 25/-, then the same would be paid along with the first interest payment/redemption, depending upon the instrument chosen, along with appropriate interest.