

TERMS AND CONDITIONS OF THE BONDS

Public Security Status

- Vide notification dated February 11, 1998 the Ministry of Finance, Department of Economic Affairs (Capital Market Division) has declared the Bond(s) (as hereinafter defined) as a security under section 20(f) of the Indian Trusts Act, 1882 (2 of 1882).
- Vide notification P.5/6/Oew/98 dated September 11, 2000 the Government of Rajasthan has declared the Bond(s) (as defined hereinafter) as eligible security under section 21(f)(c) of the Rajasthan Public Trusts Act, 1959.
- Vide notification GK/2000/BPT/102000/15/1084/E dated November 10, 2000, the Government of Gujarat has declared the Bond(s) (as defined hereinafter) as eligible security under section 2(12)(d) of the Bombay Public Trusts Act, 1950.
- Vide G.O.Rt no.292 dated 23.02.1996 the Govt. of Andhra Pradesh has notified Bonds issued by ICICI Limited as eligible investments for endowment institutions / trusts.
- Vide Circular dated 26.10.1998 issued by the Office of the Commissioner, Endowments Dept., A.P., Hyderabad, 6(a) institutions have been instructed to invest surplus funds in bonds floated by ICICI Limited.
- 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 non-marketable bonds in the nature of debentures ("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").

Tax Implications

The investment in the Bonds is an eligible investment for the purposes of section 11(5)(vii) of the Income-tax Act, 1961 in the hands of the Trust.

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 bondholder (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 February 06, May 06, August 06 and November 06 every year ("Interest Payment Dates"). The first interest payment will be made on May 06, 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.

Half-Yearly Interest

Where interest is payable half yearly, interest will be payable on August 06 and February 06 every year ("Interest Payment Dates"). The first interest payment will be made on August 06, 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 February 06 every year ("Interest Payment Date"). The first interest payment will be made on February 06, 2003 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 on the Bond(s) will be made 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 to be fixed by the Company for this purpose from time to time. Bondholder(s) are advised to send the Bond(s) Certificate(s) to the Company/Registrar to the Issue ("Registrar") or to such persons as may be notified by the Company from time to time along with a duly executed transfer deed for registration of the Bond(s).

Wherever signature(s) of the transferor in the transfer deed is/are not in accordance with the specimen signatures of the transferor 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 about its veracity.

In case of sale by or to companies, bodies corporate, societies registered under the applicable laws in India, Trusts, Provident Funds, Superannuation Funds, Gratuity Funds, Scientific and/or Industrial Research Organisations, commercial banks, cooperative banks, regional rural banks, Foreign Institutional Investors ("FIIs"), certified true copy of the Power of Attorney or such other authority as may be acceptable to the Company must be lodged separately at the Company/ office of the Registrars at the time of registration of Bond(s).

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 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"). However, 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 as may be notified by the Company 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 30 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