

III. TERMS OF THE PRESENT ISSUE

Bank of Maharashtra is seeking offer for subscription of 2,000 Unsecured Non-Convertible Redeemable Subordinated Bonds (Series VIII) in the nature of Promissory Notes of Rs 10, 00,000/- each for cash at par aggregating to Rs. 200 crore.

The Bonds offered are subject to provisions of the Companies Act, 1956, Securities Contract Regulation Act, 1956, Memorandum and Articles of Association of the Bank, Terms of the Information Memorandum, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and Bond Trust Deed. Over and above such terms and conditions, the Bonds shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange(s) or any other authorities and other documents that may be executed in respect of the Bonds.

NATURE & STATUS OF THE BONDS.

The Bank is intending to raise the amount in the form of Unsecured Non-convertible Redeemable Subordinated Bonds in the nature of Promissory Notes. The Bonds would constitute direct, unsecured and subordinated obligations of the Bank ranking pari passu without any preference among themselves. These Bonds shall be fully paid up, unsecured and free of any restrictive clauses. These Bonds will be redeemed only with the prior approval of RBI.

INSTRUMENT AND ISSUE DETAILS AT A GLANCE

Nature of Instrument	Unsecured, Redeemable Non-convertible Subordinated Tier II Bonds in the nature of Promissory Notes ("Bonds") (Series VIII)
Instrument Form	In dematerialized form
Issue Size	Rs. 200 crore
Credit Rating	"AA/ Stable" by CRISIL and "CARE AA" by CARE
Face Value	Rs.10,00,000/- per Bond
Issue Price	At par i.e. Rs 10,00,000/- per Bond
Minimum Application	10 (Ten) Bonds (Rs 1,00,00,000/-) and in multiples of 1 Bond (Rs 10,00,000/-) thereafter
Tenure	123 Months
Put & Call Option	None
Redemption/ Maturity	At par at the end of 123 Months from the Deemed Date of Allotment (with prior approval of RBI)
Coupon/ Interest rate	9.20% p.a. * * Subject to TDS as applicable
Interest payment	Annual
Interest on Application Money	At the coupon rate (ie @ 9.20% p.a.) from the date of realisation of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment
Trustees	M/s. GDA Trustee & Consultancy Pvt. Ltd, Pune
Listing	Proposed on the Wholesale Debt Market (WDM) segment of the Bombay Stock Exchange Ltd. (BSE) & National Stock Exchange of India Ltd. (NSE)

ISSUE SCHEDULE

The issue will open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated below or earlier or on such extended date as may be decided by the Bank at its sole and absolute discretion without giving any reasons or prior notice. In such a case, investors will be intimated about the revised time schedules by the Bank. The Bank also reserves right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.

ISSUE OPENS ON	FRIDAY	JANUARY 11TH, 2008
ISSUE CLOSES ON	MONDAY	JANUARY 14TH, 2008
DEEMED DATE OF ALLOTMENT	TUESDAY	JANUARY 15TH, 2008