



III. TERMS OF THE PRESENT ISSUE

Bank of Maharashtra is seeking offer for subscription of 2,000 Unsecured Redeemable Non-Convertible Subordinated Upper Tier II Bonds (Series II) in the nature of Promissory Notes of Rs 10, 00,000/- each for cash at par aggregating Rs 200 crore (including option to retain oversubscription of Rs. 100 crores).

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 Redeemable Non-convertible Subordinated (Upper Tier II) 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. The claims of the investors in Upper Tier II Bonds shall be superior to the claims of investors in instruments eligible for inclusion in Tier I Capital and subordinate to the claims of all other creditors and depositors of the Bank as regards repayment of principal and interest by Bank. The Bonds shall be free of any restrictive clauses and **shall not be redeemable** at the initiative of the holder. **All redemptions shall be made only with the prior approval of the Reserve Bank of India (Department of Banking Operations & Development).**

INSTRUMENT AND ISSUE DETAILS AT A GLANCE

Issue Size	Rs. 200 crore (including an option to retain oversubscription up to Rs 100 crore)
Issue objects	Augmenting the Upper Tier II Capital for strengthening the Capital Adequacy and enhancing long term resources of the Bank
Nature of Instrument	Unsecured, Non convertible, Redeemable, Subordinated (Upper Tier II) Bonds (Series II) in the nature of Promissory Notes
Instrument form	In Dematerialised Form
Credit Rating	"AA/ Stable" by CRISIL & "CARE AA-" by CARE
Face Value	Rs.10,00,000/- per Bond
Issue Price	At par at 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
Tenor / Maturity	15 Years from the deemed date of allotment
Mode of issuance	Fixed coupon with step up after 10 Years (if Call Option not exercised)
Coupon Rate	9.90% p.a. * for the first 10 years and step up coupon rate of 10.40% p.a. * for remaining 5 years if call option is not exercised by the Bank at the end of 10 th year from the Deemed Date of Allotment * subject to deduction of tax at source as applicable
Interest payment	Annually (subject to RBI norms)
Put Option	None
Call Option	At par at the end of 10 th Year from the deemed date of allotment (with prior approval of RBI)
Redemption	At par at the end of 15 th year from the deemed date of allotment (in case if Call Option is not exercised) (subject to RBI approval)
Listing	Proposed on the Wholesale Debt Market (WDM) segment of the Bombay Stock Exchange Ltd. (BSE) & the National Stock Exchange of India Ltd (NSE)
Trustee	GDA Trustee & Consultancy Pvt. Ltd, Pune
Interest on Application Money	Interest on Application money will be paid to investors at the coupon rate applicable for first 10 years i.e. 9.90% p.a. (subject to deduction of tax at source as applicable) from the date of realisation of cheque(s)/ Demand Draft(s)/ RTGS up to but not including the Deemed Date of Allotment



BANK OF MAHARASHTRA

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	TUESDAY	FEBRUARY 27TH, 2007
ISSUE CLOSSES ON	MONDAY	MARCH 19TH, 2007
DEEMED DATE OF ALLOTMENT	WEDNESDAY	MARCH 21ST, 2007

Note: The Bank reserves right to change the issue time table in consultation with the Lead Arrangers and such change, if any, will be communicated to the investors by the Bank. Consequently, the Deemed Date of Allotment may also change.