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INDIAN OVERSEAS BANK
 Investor Relations Cell,
 Balance Sheet Management Department (BSMD),
 Central Office,
 763, Anna Salai, Chennai – 600 002
 IRC / BSMD / 313 / 2013-14

Date: 11.11.2013

To
 The Vice President
 National Stock Exchange Limited
 "Exchange Plaza", C-1, Block G
 Bandra – Kurla Complex, Bandra (E)
 Mumbai – 400 051
 Dear Sir,

Attn: Sri. K.Hari
 Fax: 022-26598237 / 38

**Issue of Capital by way of Preferential Allotment of Equity Shares to
 Government of India, LIC and its various schemes and the decision by the
 Board at the Meeting held on 11.11.2013**

Government of India – Ministry of Finance – Department of Financial Services have conveyed their decision to infuse capital funds to the Bank to the extent of Rs.1200 crore and advised the Bank to take all preparatory steps in this regard.

Accordingly the Board at its meeting held on today (11.11.2013) has considered and approved the following:

- To issue Bank's equity shares of face value of Rs.10/- with premium on preferential basis to Government of India and LIC of India (under its various schemes) up to an amount of Rs.1626 crore (including premium).
- To issue perpetual bonds to the extent of Rs. 2497 crore and to authorize our CMD to fix the size of the issue and finalize the terms and conditions including fixation of coupon rate depending upon the market conditions. CMD may further be authorized to take necessary required actions in connection with issue of perpetual bonds either domestically or overseas.



- To constitute a Committee under the name and style of "Committee of Directors for Preferential Issue of shares" and delegated the following powers to the committee:
 - a) To fix the issue price of shares in accordance with SEBI /ICDR Regulations and determine the number of Shares to be issued to Government of India Rs.1200 crore (including premium) and LIC Rs.426 crore (including premium)
 - b) To finalize the agenda and approve the EGM Notice to be issued to Shareholders
 - c) To create, offer, issue and allot equity shares of ₹.10/- each (Rupees Ten only) for cash at such Issue Price as may be determined by the Committee of the Board in accordance with Regulation 76 (1) of SEBI ICDR Regulations aggregating (including premium) on receipt of funds from Government of India and LIC and its various schemes not exceeding Rs. 2100 crore.
 - d) To carry out all other matters incidental thereto.

Further the Board also considered and approved the convening of an Extraordinary General Meeting (EGM) of shareholders of the Bank on Monday, 16th December, 2013 at Chennai for obtaining approval from shareholders for the aforesaid proposal.

Please take the above on record.

Thanking You.

Yours faithfully,

(S. Chockalingam)
General Manager

[Signature]

