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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 / 382/2013-14

Date: 16.12.2013

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

**Raising of Capital by Issue of Equity Shares by Preferential Allotment and or
Qualified Institutional Placement (QIP) by private Placement**

We refer our letter dated 14.12.2013 on the captioned subject and wish to furnish the following clarification.

The Board at its meeting held on 20th September, 2013 accorded its approval to issue equity shares of Rs.10/- each to Qualified Institutional Buyers by way of private placement for the shortfall with respect to the extent of gap between the Bank's requirement and Government of India's capital infusion in the Tier I capital requirement of Rs.2100 crore assessed by the Bank.

Government of India, Ministry of Finance, Department of Financial Services vide its letter F.No.11/13/2011-BOA dated 22.10.2013 advised its decision to infuse capital funds to the tune of Rs.1200 crore in our bank by way of preferential allotment of equity in favour of the Government of India.

Further the Board at its meeting held on 11.11.2013 also accorded its approval to issue Bank's equity shares of face value Rs.10/- with premium on preferential basis to Government of India up to an extent of Rs.1200 crore and LIC of India (under its various schemes) up to an amount of Rs.426 crore (including premium) or to the extent of dilution by Government of India up to the entire shortfall ie. Rs.900 crore under preferential allotment at the price as determined under SEBI (ICDR) Regulations, 2009.

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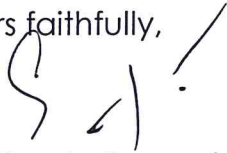
As stated in our letter dated 14.12.2013 the Board at its meeting held on 14.12.2013, had approved the raising of Bank's equity share of face value of Rs.10/- with premium on preferential basis and or QIP basis up to Rs.350 crore.

We wish to clarify that raising of an amount of Rs.350 crore will be either by way of preferential allotment basis and or Qualified Institutional Buyers basis in addition to the issue of equity shares to the extent of Rs.900 crore to Qualified Institutional Buyers by way of private placement as approved by the Board on 20.09.2013 and or by way of preferential allotment as approved by the Board on 11.11.2013.

Please take the above on record and this may be displayed in your website for clarification of the shareholders / investors / merchant bankers / arrangers.

Thanking You.

Yours faithfully,



(S. Chockalingam)
General Manager

