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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 / 2015/16

Date: 22.08.2015

To
The General Manager
Department of Corporate Services
Bombay Stock Exchange Limited
Floor I, P.J. Towers, Dalal Street
Mumbai – 400 001

Dear Sir,

**Issue of Capital by way of Preferential Allotment of Equity Shares to
Government of India and the decision by the Board at the Meeting held on
22.08.2015**

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.2009 crore and advised the Bank to take all preparatory steps in this regard.

Accordingly the Board at its meeting held today (22.08.2015) has considered and recommended to the shareholders for issue of Bank's equity shares of face value of Rs.10/- with premium on preferential basis to Government of India to the tune of Rs 2009 crore (including premium).

The Board has also considered and approved 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.2009 crore (including premium)



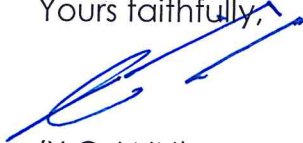
- b) To finalize the agenda and approve the EGM Notice to be issued to Shareholders
- c) To create, offer, issue and allot equity shares of Rs.10/- each (Rupees Ten only) for cash at such Issue Price as may be determined by the Committee of the Board in accordance with Regulation 76 (1) of SEBI ICDR Regulations, 2009 aggregating (including premium) up to an extent of Rs.2009 crore (Rupees two thousand and nine crore only) to Government of India on preferential basis including the share premium.
- 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 Wednesday, 23rd September 2015 at Chennai for obtaining approval from shareholders for the aforesaid proposal.

Please take the above on record.

Thanking You.

Yours faithfully,



(Y C JAIN)
General Manager

