

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twelfth Annual General Meeting of the shareholders of INDIAN OVERSEAS BANK will be held on Friday, the 29th June 2012 at 10.00 A.M. at Narada Gana Sabha, (Sathguru Gnananda Hall) 314 TTK Road, Chennai 600 018, to transact the following business :

1. To discuss, approve and adopt the audited Balance Sheet of the Bank as at 31st March 2012, Profit and Loss account of the Bank for the year ended 31st March 2012, the report of the Board of Directors on the working and activities of the Bank for the period covered by the accounts and the Auditors' Report on the Balance Sheet and Accounts.
2. To declare dividend for the financial year 2011-12.
3. To Authorise further Issue of shares:

To consider and if thought fit, to pass with ~~or~~ without modification, the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (Act), The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 (Scheme) and the Indian Overseas Bank (Shares and Meetings) Regulations, 2003 and subject to the approvals, consents, sanctions, if any, of the Reserve Bank of India ("RBI"), the Government of India ("GOI"), the Securities and Exchange Board of India ("SEBI"), and / or any other authority as may be required in this regard and subject to such terms, conditions and modifications thereto as may be prescribed by them in granting such approvals and which may be agreed to by the Board of Directors of the Bank and subject to the regulations viz., SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) / guidelines, if any, prescribed by the RBI, SEBI, notifications/circulars and clarifications under the Banking Regulation Act, 1949, Securities and Exchange Board of India Act, 1992 and all other applicable laws and all other relevant authorities from time to time and subject to the Listing Agreements entered into with the Stock Exchanges where the equity shares of the Bank are listed, consent of the shareholders of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter called "**the Board**" which shall be deemed to include



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any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution) to offer, issue and allot (including with provision for reservation on firm allotment and/or competitive basis of such part of issue and for such categories of persons as may be permitted by the law then applicable) by way of an offer document/prospectus or such other document, in India or abroad, such number of equity/preference shares (cumulative / non-cumulative) / securities (in accordance with the guidelines framed by RBI , specifying the class of preference shares , the extent of issue of each class of such preference shares ,whether perpetual or redeemable or irredeemable and the terms & conditions subject to which each class of preference shares may be issued) of the face value of Rs.10 each and in any case not exceeding 40,17,95,702 (Forty Crore seventeen Lac ninety five Thousand seven hundred and two) and aggregating to not more than Rs.401,79,57,020/- (Rupees Four Hundred and One Crore Seventy Nine Lac Fifty Seven Thousand twenty Only) which together with the existing Paid-up Equity share capital of Rs 797.00 crore amounts to Rs.1198.80 crore within the total authorized capital of the bank Rs.3000 crore, being the ceiling in the Authorised Capital of the Bank as per Section 3(2A) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or to the extent of enhanced Authorised Capital as per the Amendment (if any), that may be made to the Act in future, in such a way that the Central Govt. shall at all times hold not less than 51% of the paid-up Equity capital of the Bank , whether at a discount or premium to the market price, in one or more tranches, including to one or more of the members, employees of the Bank, Indian nationals, Non-Resident Indians ("NRIs"), Companies, private or public, Investment Institutions, Societies, Trusts, Research Organizations, Qualified Institutional Buyers ("QIBs") like Foreign Institutional Investors ("FIIs"), Banks, Financial Institutions, Indian Mutual Funds, Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions or other entities, authorities or any other category of investors which are authorized to invest in equity/preference shares/securities of the Bank as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Bank".

"RESOLVED FURTHER THAT such issue, offer or allotment shall be by way of public issue, rights issue, preferential issue and/or on a private placement with or without over-allotment option and that such offer, issue,



placement and allotment be made as per the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") and all other guidelines issued by the RBI, SEBI and any other authority as applicable, and at such time or times in such manner and on such terms and conditions as the Board may, in its absolute discretion, think fit".

"RESOLVED FURTHER THAT the Board shall have the authority to decide, at such price or prices in such manner and where necessary in consultation with the lead managers and /or underwriters and /or other advisors or otherwise on such terms and conditions as the Board may, in its absolute discretion, decide in terms of ICDR Regulations, other regulations and any and all other applicable laws, rules, regulations and guidelines whether or not such investor(s) are existing members of the Bank, at a price not less than the price as determined in accordance with relevant provisions of ICDR Regulations".

"RESOLVED FURTHER THAT in accordance with the provisions of the Listing Agreements entered into with relevant stock exchanges, the provisions of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the provisions of the Indian Overseas Bank (Shares and Meetings) Regulations, 2003, the provisions of ICDR Regulations, the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, and subject to requisite approvals, consents, permissions and/or sanctions of Securities and Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI), Foreign Investment Promotion Board (FIPB), Department of Industrial Policy and Promotion, Ministry of Commerce (DIPP) and all other authorities as may be required (hereinafter collectively referred to as "the Appropriate Authorities") and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission and/or sanction (hereinafter referred to as "the requisite approvals") the Board may, at its absolute discretion, issue, offer and allot, from time to time in one or more tranches, equity shares or any securities other than warrants, which are convertible into or exchangeable with equity shares at a later date, in such a way that the Central Government at any time holds not less than 51% of the Equity Capital of the Bank, to QIBs (as defined in Chapter VIII of the ICDR Regulations) pursuant to a qualified institutional placement, as



provided for under Chapter VIII of the ICDR Regulations, through a placement document and/or such other documents / writings / circulars / memoranda and in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the ICDR Regulations or other provisions of the law as may be prevailing at the time; provided the price inclusive of the premium of the equity shares so issued shall not be less than the price arrived in accordance with the relevant provisions of ICDR Regulations".

"RESOLVED FURTHER THAT in case of a qualified institutional placement pursuant to Chapter VIII of the ICDR Regulations, the allotment of Securities shall only be to QIBs within the meaning of Chapter VIII of the ICDR Regulations, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this resolution".

"RESOLVED FURTHER THAT in case of QIP issue the relevant date for the determination of the floor price of the securities shall be in accordance with the ICDR Regulations".

"RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the GOI / RBI / SEBI/Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board".

"RESOLVED FURTHER THAT the issue and allotment of new equity shares / preference shares/ securities if any, to NRIs, FII and/or other eligible foreign investments be subject to the approval of the RBI under the Foreign Exchange Management Act, 1999 as may be applicable but within the overall limits set forth under the Act".

"RESOLVED FURTHER THAT the said new equity shares to be issued shall be subject to the Indian Overseas Bank (Shares and Meetings) Regulations, 2003 as amended and shall rank in all respects pari passu with the existing equity shares of the Bank including dividend, if any, in accordance with the statutory guidelines that are in force at the time of such declaration".



"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares/preference shares/securities, the Board, be and is hereby authorized to determine the terms of the public offer, including the class of investors to whom the securities are to be allotted, the number of shares/ securities to be allotted in each tranche, issue price, premium amount on issue as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as they may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise in regard to the public offer, issue, allotment and utilization of the issue proceeds, and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Bank, without requiring any further approval of the members and that all or any of the powers conferred on the Bank and the Board vide this resolution may be exercised by the Board".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such arrangements with any Lead Manager(s), Banker(s), Underwriter(s), Depository (ies) and all such agencies as may be involved or concerned in such offering of equity / preference shares/ securities and to remunerate all such institutions and agencies by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies".

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with the Lead Managers, Underwriters, Advisors and / or other persons as appointed by the Bank, be and is hereby authorized to determine the form and terms of the issue(s), including the class of investors to whom the shares/ securities are to be allotted, number of shares/ securities to be allotted in each tranche, issue price (including premium, if any), face value, premium amount on issue/conversion of Securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, number of equity shares /preference shares or other securities upon conversion or redemption or cancellation of the Securities, the price, premium or discount on issue/conversion of Securities, rate of interest, period of conversion, fixing of record date or book closure, and



NOTES

1. APPOINTMENT OF PROXY:

A SHAREHOLDER ELIGIBLE TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A SHAREHOLDER OF THE BANK.

The instrument appointing proxy should, however be deposited at the Central Office of the Bank not less than four days before the date fixed for the meeting i.e. on or before 2.00 p.m. on Saturday, 23rd June 2012.

2. APPOINTMENT OF AN AUTHORISED REPRESENTATIVE:

No person shall be entitled to attend or vote at any meeting of the shareholders of Indian Overseas Bank as the duly authorized representative of a company unless a copy of the resolution appointing him as a duly authorized representative, certified to be a true copy by the chairman of the meeting at which it was passed, has been deposited at the Central Office of the Bank not less than four days before the date fixed for the meeting i.e., on or before 2.00 p.m. on Saturday, 23rd June 2012.

3. No officer or employee of the Bank shall be appointed as Authorised Representative or proxy of a shareholder.

4. ATTENDANCE SLIP-CUM-ENTRY PASS:

For the convenience of the shareholders, attendance slip-cum-entry pass is annexed to this notice. Shareholders/proxy holders/representatives are requested to affix their signature at the space provided therein and surrender the same at the venue. Proxy holders / representatives should state on the attendance slip-cum-entry pass as "proxy or representative" as the case may be and should have proof of their identity by getting their signature attested by the shareholder.

5. CLOSURE OF REGISTER OF SHAREHOLDERS:

The Register of Shareholders and Share Transfer Books of the Bank will remain closed from 23.06.2012 (Saturday) to 29.06.2012 (Friday) (both days inclusive) with cut-off date as 22.06.2012 for determining eligibility of shareholders for the purpose of dividend. Dividend shall be mailed within one month from the date of Annual General Meeting.



6. BANK MANDATE FOR DIVIDEND OR ELECTRONIC CLEARING SERVICE (ECS):

a) In order to get protection from fraudulent encashment of warrants, shareholders are requested to furnish their bank account number, the name of the bank and the branch where they would like to deposit the dividend warrants for encashment. These particulars along with the name of the shareholder will be printed on the cheque portion of the dividend warrants, so that these warrants cannot be encashed by anyone else. The above mentioned details should be furnished by the first / sole shareholder directly to the share transfer agent / DPs quoting the Folio No. or DP ID No. & Client ID No. and the number of shares held on or before 20.06.2012. If shareholders choose not to submit any modification, the warrants will be printed based on bank mandate earlier received by the Registrar or data downloaded from NSDL / CDSL as on 22.06.2012 for demat shareholders. This is applicable for all shareholders who have not submitted ECS mandate(s).

b) The Bank is also offering the facility of ECS for shareholders residing in specified cities. This facility could be used by the shareholder instead of the Bank Mandate system for receiving the credit of dividend. The ECS Option Form is annexed to this report. Shareholders are required to give details of IFS Code No. of their bank branch in their ECS Mandate to facilitate the transfer of dividend to their designated account.

7. UNCLAIMED DIVIDEND, IF ANY

The shareholders who have not encashed their Dividend Warrants / received dividend from previous year's viz. 2000-2001 onwards are requested to contact the Registrar and Share Transfer Agent of the Bank for issue of duplicate.

Pursuant to the amendment of The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, Section 10B provides that the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Govt. under Section 205C of The Companies Act, 1956 and **thereafter no claim for payment shall lie in respect thereof either to the Bank or to the IEPF.**

8. CHANGE OF ADDRESS AND DIVIDEND MANDATE:

In case of shareholders holding shares in physical form, they are requested to intimate to the Registrar and Share Transfer Agent of the Bank any change in their address, dividend mandate and the particulars of the



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related or incidental matters, listings on one or more stock exchanges in India and / or abroad, as the Board in its absolute discretion deems fit".

"RESOLVED FURTHER THAT such of these shares / securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law".

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise in regard to the issue, of the shares/ securities and further to do all such acts, deeds, matters and things, finalize and execute all documents and writings as may be necessary, desirable or expedient as it may in its absolute discretion deem fit, proper or desirable without being required to seek any further consent or approval of the shareholders or authorise to the end and intent, that the shareholders shall be deemed to have given their approval thereto expressly by the authority of the Resolution".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to the Chairman and Managing Director or to the Executive Director/(s) to give effect to the aforesaid Resolutions."

BY ORDER OF BOARD OF DIRECTORS

Chennai
05.05.2012

(M NARENDRA)
Chairman and Managing Director



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bank, branch and bank account number which the shareholder desires to incorporate on the dividend warrant, on or before 20.06.2012 at the following address:

Cameo Corporate Services Ltd.
(IOB – unit)
1st floor, Subramanian Building,
No. 1, Club House Road, Chennai 600 002

In case of shareholders holding shares in Electronic form i.e. through Demat account, they are requested to intimate to their depository participant any change in their address, dividend mandate and the particulars of the bank, branch and bank account number which the shareholder desires to incorporate on the dividend warrant etc., as the aforesaid information provided by the Depository as on 22.06.2012 would only be considered for the purpose of payment and distribution of dividend.

9. CONSOLIDATION OF FOLIOS :

It has been found that many shareholders maintain more than one folio (i.e.) multiple folios. In order to provide efficient service, we request the shareholders to consolidate the folios by forwarding their share certificates to Registrar and Share Transfer Agents for necessary corrections in their records.

10. BRIEF PROFILE OF DIRECTORS:

As required under the revised Clause 49 IV G of the Listing Agreement executed with the Stock Exchanges, brief profiles of Directors are given in the Report on Corporate Governance.

11. REQUEST TO SHAREHOLDERS:

- (a) Shareholders are requested to bring their copies of the Annual Report enclosed herewith.
- (b) Shareholders may kindly note that no gifts / coupons will be distributed at the venue of the meeting.

EXPLANATORY STATEMENT to Agenda Item No. 3 of the Notice

1. In March 2012, the Bank has issued and allotted 14,73,11,388 equity shares of Rs.10 each at a premium of Rs. 87.82 each to Government of India and 3,09,37,467 equity shares of Rs.10/- each at a premium of Rs.87.82 each to LIC and its various schemes on a Preferential



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Basis and raised Rs. 1743.63 crore primarily to augment long term resources and maintain a Tier I capital adequacy ratio of around 8 per cent.

2. The Capital Adequacy Ratio of the Bank as on March 31, 2012, as per Basel II is 13.32%, and well above the 9% stipulated by the Reserve Bank of India. However in view of certain expansion plans of the Bank, the implementation of BASEL III norms, and consequent capital charge, there is a need to increase the capital to further strengthen the Capital Adequacy Ratio.
3. The Bank in terms of Section 3(2B)(c) of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970, will obtain requisite approval of the Government of India, Ministry of Finance for increasing the paid up capital. However, the Central Government shall, at all times, hold not less than fifty-one per cent of the paid – up equity capital of the Bank.
4. Sub-Clause (a) of Clause 23 of Listing Agreement (between Bank and stock exchanges) provides that whenever any further issue or offer is being made by the Bank, the existing shareholders should be offered the same on pro rata basis unless the shareholders in the general meeting decide otherwise. The said resolution, if passed, shall have the effect of allowing the Board on behalf of the Bank to issue and allot the securities otherwise than on pro-rata basis to the existing shareholders.
5. The Resolution seeks to enable the Bank to offer, issue and allot equity shares/preference shares/ securities by way of public issue, rights issue, preferential issue and/or on a private placement basis. The issue proceeds will enable the Bank to strengthen its Capital Adequacy Requirements as specified by RBI from time to time.
6. The Resolution further seeks to empower the Board of Directors to undertake a qualified institutional placement with qualified institutional buyers as defined by ICDR Regulations. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter VIII of the ICDR Regulations for raising funds for the Bank, without seeking fresh approval from the shareholders.



In case of a QIP issue in terms of Chapter VIII of ICDR Regulations, issue of securities, on QIP basis, can be made only at a price not less than the average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the "Relevant Date".

"Relevant Date" shall mean the date of the meeting in which the Board or Committee of the Bank decides to open the QIP Issue.

7. The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers and Underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements.
8. As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price of shares to be issued. However, the same would be in accordance with the provisions of the ICDR Regulations, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Indian Overseas Bank (Shares and Meetings) Regulations, 2003 as amended from time to time or any other guidelines / regulations / consents as may be applicable or required.
9. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.
10. The equity shares allotted, shall rank *pari passu* in all respects with the existing equity shares of the Bank including dividend.

For this purpose the Bank is required to obtain the consent of the shareholders by means of a special resolution. Hence your consent is requested for the above proposal.

The Board of Directors recommends passing of the Special Resolution as mentioned in the notice.



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None of the Directors of the Bank is interested or concerned in the aforementioned Resolution(s), except to the extent of their shareholding in the Bank.

BY ORDER OF BOARD OF DIRECTORS

Chennai
05.05.2012

(M NARENDRA)
Chairman and Managing Director

