



**Indian Overseas Bank**  
**Investor Relations Cell, Central Office: 763,**  
**Anna Salai, Chennai 600 002**

Dear Bondholders,

10<sup>th</sup> November, 2023

**Sub: Exercise of Call Option on Basel III Tier II Bonds Series II – Rs.300 Crores [ISIN: INE565A09264]**

At the outset, we thank you for your investment in our IOB Basel III Tier II Bonds Series II - ISIN INE565A09264 (Bonds) issued on 10.12.2018.

We have decided to exercise Call Option on the aforesaid bonds on the due date i.e., 10.12.2023. Call option will be exercised on 08.12.2023 (Friday) as 09.12.2023 and 10.12.2023 being holidays on account of Second Saturday and Sunday.

The record date has been fixed as 22.11.2023.

Reserve Bank of India has accorded approval for exercising call option on the aforesaid bonds aggregating to Rs. 300 Crores as per the terms of issue.

We therefore invite reference to the above Bonds held by you and inform you that the Bank is exercising the Call Option for such Bonds on 08.12.2023 and on such date the Bonds will be redeemed at par, in whole, at a redemption price equal to the principal amount thereof plus accrued interest.

On exercise of Call option, the Bonds shall be taken as discharged on payment of the redemption amount by the Bank to the Beneficial Owners as provided by NSDL / CDSL. Such payment will be a legal discharge of the liability of the Bank towards the Bondholders. The Bank's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the date of exercise of Call Option in all events. Further, the Bank will not be liable to pay any interest or compensation from the date of exercise of call option. On payment / dispatching of the amount as specified above in respect of the Bonds, the liability of the Bank shall stand extinguished.

Accordingly, the redemption amount payable on Call Option Date i.e. 08.12.2023 will be remitted through CBS/RTGS/NEFT to the Bank account of the Bondholder whose name appears first in the list of beneficiaries in the records of NSDL / CDSL as on the Record Date (22.11.2023). On such payment being made, the Bank will inform NSDL / CDSL and accordingly the demat account of the Bondholders will be adjusted.

We would like to mention that M/s. Cameo Corporate Services Ltd., is our Registrar and Transfer Agent for the captioned Bonds.

**Tax Deducted at Source ("TDS") on Interest on Bond Holders and submission of forms, as applicable**

Pursuant to the Finance Act, 2023, w.e.f. April 1, 2023, the Bank would be required to withhold taxes at the prescribed rates on the interest paid to its bondholders. The withholding tax rate would vary depending on the residential status of the bondholder and the documents submitted by them and accepted by the Bank. Accordingly, the interest will be paid after deducting the tax at source as follows:

**Table 1: Resident Bondholders:**

Category of the Bondholder	Tax Deduction Rate	Exemption applicability and documentation requirements
Any resident bondholder (with PAN)	10%	Update valid PAN if not already done with depositories. In case PAN is not linked with Aadhaar Number, tax will be deducted at a higher rate of 20%.
Any resident bondholder (without/invalid PAN)	20%	
Resident individuals submitting Form 15G/15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm)/Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions. Please download Form 15G/15H from the Income Tax website <a href="http://www.incometaxindia.gov.in">www.incometaxindia.gov.in</a> or from the website of our Registrar, Cameo Corporate Services Limited at <a href="https://investors.cameoindia.com">https://investors.cameoindia.com</a>
Order under Section 193 of the Income-tax Act, 1961 ("Act")	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Bondholders to whom Section 194 of Act is not applicable.	NIL	Documentary evidence that the provisions of Section 194 of the Act are not applicable. Self-declaration that it has full beneficial interest with respect to the bonds owned by it along with Self attested copy of PAN card and copy of registration certification to satisfy that the said provisions are not applicable.
Persons covered under Section 196 of the Act (e.g. Mutual Funds, RBI, Govt., etc.)	NIL	Documentary evidence that the person is covered under Section 196 of the Act along with self-attested copy of PAN card and SEBI registration certificate needs to be submitted.

**Table 2: Non-resident Bondholders:**

Category of the bondholder	Tax Deduction Rate	Exemption applicability and documentation requirements
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% (plus surcharge and cess as applicable) OR Tax Treaty rate, whichever is lower	Self-attested copy of certificate of registration accorded under the relevant regulations of SEBI.
Any Non-resident bondholders	20% (plus surcharge and cess as applicable) or Tax Treaty rate, whichever is lower	<p>Non-resident bondholders may opt for a tax rate under the Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for withholding the tax on submission of the following documents to the company:</p> <ol style="list-style-type: none"> <li>Copy of Indian Tax Identification number (PAN), if available</li> <li>Self-attested copy of Tax Residency Certificate (TRC) (for FY 2023-24 or calendar year 2023).</li> <li>In case where PAN is available Form 10F has to be executed in electronic mode from Income Tax portal.</li> <li>Self-declaration confirming not having a Permanent Establishment in India and eligibility to Tax Treaty benefit (for FY 2023-24 or calendar year 2023)</li> <li>Self-declaration from Non-resident, primarily covering the following: <ol style="list-style-type: none"> <li>I / We, &lt;Name of the Bondholder&gt; confirm that I / we am/ are a tax resident of &lt;Insert country&gt; as contemplated in Article &lt;Insert relevant article&gt; of the Treaty with Tax identification number &lt;Insert relevant article number&gt; and am/ are eligible to claim benefits of the said DTAA.</li> <li>I / we am / are entitled to claim the treaty benefits under DTAA between India and &lt;Insert Country Name&gt;, read with the provisions laid down in Multilateral Instrument (MLI), wherever applicable.</li> <li>I / we &lt;Name of the bondholder&gt; am/are the beneficial owner of such bond income.</li> <li>Bond income is not attributable / effectively connected to any Permanent Establishment (PE) or Fixed Base in India.</li> </ol> </li> </ol> <p>Tax shall be deducted at 20% (plus applicable surcharge and cess) in case any of the above-mentioned documents are not provided.</p> <p>Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident bondholder and are in accordance with the provisions of the Act.</p>
Submitting Order under section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

**Table 3: Section 206AB of the Act applicable to all bondholders:**

Particulars	Applicable Rate	Action by the Company
Specified person/s under Section 206AB of the Act	Higher rate i.e. twice the applicable tax deduction rate	The Company will verify the status (i.e., Specified person or not) from the government enabled online utility and deduct the TDS accordingly.

To avail the benefit of non-deduction of tax at source, the bondholders are requested to submit the relevant exemption forms through e-mail to [komalar@cameoindia.com](mailto:komalar@cameoindia.com) by 11:59 P.M. IST on November 27, 2023.

We thank you for your support and kind gesture in participating and joining us in this "Green Initiative" and saving environment.

Yours Truly

For INDIAN OVERSEAS BANK

Sd/-

(S P Mahesh Kumar)

General Manager & CFO