Letter of Offer
June 17, 2025
For Eligible Shareholders only

THE NAINITAL BANK LTD.

(Incorporated on July 31, 1922, under the Companies Act, 1913 - Now Companies Act, 2013)

Our bank is engaged in Banking Services and Activities since 1922. At present our Bank is categorized as a scheduled commercial bank within the meaning of the RBI Act and possesses a license for banking operations from the RBI dated October 07, 1978. RBI has included our Bank in the second schedule of the RBI Act and a corresponding notification was published in the Official Gazette of India (Part III – Section 4) on December 30, 1978.

Registered Office: G.B. Pant Road, Naini Tal-236001
Corporate Office: Seven Oaks Building, Malli Tal, Naini Tal-263001
Corporate Identity Number: U65923UR1922PLC000234
Contact Person: Mr. Mahesh Goyal (Chief Financial Officer)
Mr. Vivek Sah (Company Secretary)
website: www.nainitalbank.co.in e-mail id: cs@nainitalbank.co.in
Telephone: (05942)-233739
Registrar to the Issue - M/s KFin Technologies Limited

For Private Circulation to the Eligible Shareholders of The Nainital Bank Limited (Our "Bank" Or The "Issuer") Only

Issue of up to 4,85,72,000 equity shares of Face Value Rs. 10.00 each ("rights equity shares") of our Bank for cash at a price of Rs. 35.00 per rights equity share ("issue price") including a premium of Rs. 25 per rights equity share aggregating up to Rs. 170.002 Crore on a rights basis to the eligible shareholders of the bank in the ratio of 7 rights equity shares for every 17 fully paid-up equity shares held by such eligible shareholder on the record date, Tuesday, June 17, 2025. ("issue"). For further details, kindly refer to the "Terms of the Issue". The entire issue price for the rights equity shares is payable on application.

Issuer's Absolute Responsibility

The Nainital Bank Limited, having made all reasonable inquiries, accepts responsibility for and confirms that this Offer Document contains all information with regard to the Bank and the Offer, which is material in the context of this Offer, that the information contained in this Offer Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

General Risks

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Bank and the Issue including the risks involved.

Issue Programme

Issue Opens On	*Last Date For Receipt Of Request For Split Application Forms*	*Issue Closes On*
June 26, 2025	***July 02, 2025***	***July 11, 2025***

Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

For fractional entitlement, the number of shares offered shall be rounded off to the nearest integer.

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SECTION I - GENERAL

This Letter of Offer for Rights Issue uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, statute, regulation, rules, guidelines or policies shall be to such legislation, statute, regulation, rule, guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

General Definitions/Abbreviations

Term	Description
ACT	*The Companies Act, 2013 and subsequent amendments thereof.*
B.R. ACT	*Banking Regulation Act.*
ARTICLES	*Articles of Association of the Company*
A.Y.	*Assessment Year*
BOARD	*Board of Directors of the Company*
Company/Issuer/Nainital Bank	*The Nainital Bank Limited*
CAF	*Composite Application Form*
CDSL	*Central Depository Services Limited*
EPS	*Earnings Per Share*
FEMA	*Foreign Exchange Management Act, 1999*
FII	*Foreign Institutional Investors*
FY	*Financial Year*
HUF	*Hindu Undivided Family*
LOF	*Letter of Offer*
NAV	*Net Asset Value*
NSDL	*National Securities Depository Limited*
NRI'S	*Non-Resident Indians*
OCB'S	*Overseas Corporate Bodies*
PAT	*Profit after Tax*
PBIDT	*Profit before Interest, Depreciation and Tax*
PBT	*Profit Before Tax*
RBI	*Reserve Bank of India*
IT ACT	*Income tax act 1961*
PAN	*Permanent account number/general index register*
REGISTRAR	*Registrar to the issue*
ROC	*Registrar of companies*
SEBI	*Securities and Exchange Board of India*
STPI	*Software Technology Park of India*
STQC	*Standardization Testing and Quality Certification*

Industry/Project Related Terms, Definitions and Abbreviation

Term	Description
AB	*Agribusiness banking*
AFI	*Affordable finance institutions*
AFS	*Available for Sale*
ALCO	*Asset Liability Management Committee*
ALM	*Asset liability management*

ANBC	*Adjusted net bank credit*
APES	*Aadhar Payment Enabled System*
APLVC	*Annual Performance Linked Variable Compensation*
ATM	*Automated teller machine*
BOB	*Bank of Baroda*
BBB	*Branch and business banking*
BC	*Business correspondent*
BCC	*Board Credit Committee*
BI	*Business Intelligence*
C&IB	*Corporate and institutional banking*
CAR	*Capital Adequacy Ratio*
CASA	*Current Account & Savings Account*
CB	*Commercial banking*
CBS	*Core Banking Solution*
CET I	*Common Equity Tier I*
CGTMSE	*Credit Guarantee Fund Trust for Medium and Small Enterprises*
CRR	*Cash Reserve Ratio*
CSR	*Corporate social responsibility*
CTC	*Cost-to-company*
CTS	*Cheque Truncation System*
D	*Doubtful*
D&O	*Directors' & Officers' Liability Insurance*
DB & FI	*Development banking and financial inclusion*
DCM	*Debt capital markets*
ECC	*Executive Credit Committee*
FATCA	*U.S. Foreign Account Tax Compliance Act*
FD	*Fixed deposit*
FIGU	*Financial Institutions & Government Undertakings*
FMCG	*Fast Moving Consumer Goods*
"FOREX" or "Forex"	*Foreign exchange*
HFT	*Held for trading*
HRMS	*Human Resource Management System*
ICAAP	*Internal Capital Adequacy Assessment Process*
IGU	*Indian Golf Union*
IMPS	*Interbank Mobile Payment Service*
IRS	*U.S. Internal Revenue Service*
IVR	*Interactive Voice Response*
JLG	*Joint liability group*
KVP	*Kisan Vikas Patra*
KYC-AML	*Know Your Customer - Anti Money Laundering*
L	*Loss*
LC	*Letter of credit*
LMS	*Learning Management System*
MCC	*Management Credit Committee*
MFI	*Micro-finance institutions*
MIS	*Management Information System*
MSME	*Micro, small and medium enterprises*
NBL	*Nainital Bank Limited*
NACH	*National Automated Clearing House*
NBFC	*Non-banking financial company*
NGO	*Non-government Organization*
NII	*Net interest income*
NIM	*Net interest margin*
NOC	*National Operating Center*

NPA	*Non-performing asset*
NSC	*National Savings Certificate*
ORMC	*Operational Risk Management Committee*
OS	*Operating System*
P2P	*Procurement to payment*
PAC	*Product Approval Committee*
PESOP	*Performance employee stock option program*
PML Act	*Prevention of Money Laundering Act, 2002*
POS	*Point of sale*
PSU	*Public Sector Units*
PTRC	*Psychoanalytic Therapy & Research Centre*
RBS	*The Royal Bank of Scotland, N.V.*
RD	*Recurring deposits*
RIDF	*Rural Infrastructure Development Fund*
RMCB	*Risk Management Committee of the Board*
RPC	*Regional Processing Centers*
S	*"Standard"*
SS	*"Sub-standard"*
SHG	*Self-help group*
SLR	*Statutory Liquidity Ratio*
SME	*Small and medium enterprises*
Tier I capital instrument	*Tier I capital instruments as defined under the guidelines on capital adequacy issued by the RBI*
Tier II capital instrument	*Tier II capital instruments as defined under the guidelines on capital adequacy issued by the RBI*
UIDAI	*Unique Identification Authority of India*
WRF	*Warehouse receipt financing*

Term	Description
Additional Tier I capital	*Comprises of Innovative perpetual debt instruments and perpetual non-cumulative preference shares eligible for inclusion in Tier I Capital which comply with the specified current regulations as reduced by equity investments in subsidiaries, (under transition provisions) reciprocal investments capital of banking, financial and insurance entities, deferred tax assets (under transition provisions), intangible assets (under transition provisions).*
API	*Application programming interface.*
AUM	*Assets under management.*
Average yield on investments	*Interest income on investments divided by average of month end balances of investments.*
Average cost of deposits	*Interest expense on deposits divided by average of month end balances of deposits.*
Average cost of borrowings	*Interest expense on borrowings divided by average of month end balances of borrowings.*
Base Rate	*Minimum lending rate set by our Bank in accordance with applicable laws and regulations.*
Basel Committee	*Basel Committee on Banking Supervision.*
Basel II	*Revised framework on "International Convergence of Capital Measurement and Capital Standards" by RBI for International Settlements.*
Basel III	*A global regulatory framework for more resilient banks and banking systems (December 2010 (rev. June 2011)) published by the Bank for International Settlements. RBI issued guidelines on the implementation of Basel III capital regulations in India on May 2, 2012 and revised pursuant to Master Circular - Basel III Capital Regulations issued by RBI, dated July 1,2015*
BCA	*Baseline credit assessment.*
MCB	*Management Committee of Board*
BNA	*Bunch Note Acceptors/Recyclers.*
BPLR	*Benchmark prime lending rate.*
Bps	*Basis points.*
BSM	*Bank-subsidiary model.*
BSMG	*Balance sheet management group.*
CAGR	*Compounded annual growth rate (calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period being considered).*

CASA Ratio	*Ratio of current account (demand deposit) saving account to deposits*
CCO	*Chief credit officer*
CBLO	*Collateralized borrowing and lending obligations.*
CD	*Certificate of deposit.*
CDR	*Corporate debt restructuring.*
CET1	*Common equity tier 1.*
CP	*Commercial paper.*
CRAR	*Capital to risk-weighted asset ratio.*
CRM	*Credit risk mitigation.*
CRO	*Chief risk officer*
CTS	*Cheque truncation system.*
DICGC	*Deposit Insurance and Credit Guarantee Corporation*
Director FIU	*Director, Financial Intelligence Unit, India.*
DP	*Counter-cyclical (dynamic) provisioning.*
DRI	*Differential rate of interest.*
EaR	*Earnings at risk*
ECC	*Executive Credit Committee*
ECR	*Export credit refinance*
ECS	*Electronic clearing services.*
EEFC	*Exchange earners' foreign currency.*
EFT	*Electronic funds transfer.*
EL	*Expected loss.*
ELC	*Emerging large corporates*
EPDS	*Electronic Public Distribution System.*
ERP	*Enterprise resource planning.*
FCNR Account	*Foreign currency non-resident account.*
FCNR(B)	*Foreign currency non -resident (banks).*
FIMMDA	*Fixed Income Money Market and Derivative Association.*
GIFT City	*Gujarat International Finance Tec-City, Gujarat.*
Gross advances	*Advances plus provision for NPA*
Gross NPA/ GNPAs	*Gross non-performing assets/ Gross Non-Performing Advances.*
HQLAs	*High quality liquid assets.*
HTM	*Held to maturity.*
IAD	*Internal Audit Department.*
IBA	*Indian Banks Association.*
IBU	*International Banking Unit.*
IMF	*International Monetary Fund.*
IRACP	*Income recognition, asset classification and provisioning.*
I^{ST}	*Indian Standard Time.*
KYC	*Know your customer.*
LAF	*Liquidity adjustment facility.*
LCR	*Liquidity coverage ratio.*
LE	*Large Exposure.*
LFAR	*Long form audit report.*
MCLR	*Marginal cost of funds-based lending rate.*
Moody's	*Moody's Investors Services Limited*
MSE	*Micro and small enterprises.*
MSF	*Marginal standing facility.*
NBFC	*A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 or Companies Act, 2013 engaged in the business of loans and advances, acquisition of shares/ stocks/ bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property.*

	A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).
NAV	*Net Worth as at the end of the year / number of equity shares outstanding at the end of the year.*
NDTL	*Net demand and time liabilities.*
NEFT	*National electronic fund transfer.*
Net interest income	*Interest earned less interest expended; for the computation, please refer to the section entitled* "Our Business*" on page 176.*
Net interest margin	*Ratio of interest earned less interest expended to daily average interest-earning assets, which include daily average balances of advances, investments, balances with the banks and money at call, and short notice and contribution made to Rural Infrastructure Development Fund by the Bank*
Net NPA	*NPAs (net of provisions).*
Net Total Income	*Net interest income and other income.*
NNPA	*Net Non-Performing assets/ Net Non-performing advances.*
NOCs	*National operating centers.*
Non-Interest Income	*Non-interest income is presented as 'Other Income' in Financial Statements.*
NPA provisioning coverage	*Ratio of NPA provision to gross NPA.*
NPI	*Non-performing investments as defined by the Master Circular on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks dated July 1,2015.*
NRNR	*Non-resident non-repatriable.*
NSFR	*Net stable funding ratio.*
OTS	*One time settlement.*
Operating Profit	*Summation of Interest earned and Other Income less Interest expended and Operating Expense*
PCR	*Provisioning coverage ratio.*
PFIC	*Passive foreign investment company.*
PSBs	*Public sector banks.*
PVBs	*Private sector banks.*
RAROC	*Risk adjusted return on capital.*
RBAP	*Risk Based Audit Plan.*
RBI Basel III Capital	*Guidelines issued by RBI on the implementation of Basel III capital regulations in India*
RBS	*Risk Based Supervision.*
Repo Rate	*Re-purchase option rate; the annual rate at which RBI lends to other banks in India.*
Reverse Repo Rate	*The rate at which RBI borrows money from banks in India.*
RFC Account	*Resident foreign currency account.*
RIDF	*Rural infrastructure development fund*
RMC	*Risk Monitoring Committee*
RMD	*Risk Management Department.*
ROA	*Return on assets (the ratio of net profit to monthly balances outstanding assets).*
ROE	*Return on equity (the ratio of net profit to Monthly average shareholders' equity).*
RTGS	*Real time gross settlement.*
URBAN Banking	*A dedicated rural and inclusive banking channel.*
RWA	*Risk-weighted assets*
S&P	*Standard and Poor's.*
S4A	*Scheme for sustainable structuring of stressed assets*
SCBs	*Scheduled commercial banks.*
SDR	*Strategic Debt Restructuring Scheme*
Shared Service Provider	*A third-party service provider appointed by Issuer.*
SGL	*Subsidiary general ledger.*
SLBC	*State Level Bankers' Committee.*
SLR	*Statutory liquidity ratio.*
Slippage Ratio	*New accretion to gross NPA for the period in proportion to standard advances at the beginning of the period.*
SMEs	*Small and medium-sized enterprises.*
SUCBs	*Scheduled urban co-operative banks.*

TCFD	*Task Force on Climate related Financial Disclosures.*
Tier I capital	*The core capital of a bank which provides the most permanent and readily available support against unexpected losses. It comprises paid up capital and reserves consisting of statutory reserves, free reserves and capital reserves representing surplus arising out of sale of assets, innovative capital instruments (like innovative perpetual debt instruments and perpetual non-cumulative preference shares eligible for inclusion in Tier I Capital which comply with the specified regulatory requirements) as reduced by equity investments in subsidiaries, deferred tax assets, intangible assets, and losses in the current period and those brought forward from the previous period.*
Tier II bonds	*Unsecured subordinated bonds issued for Tier II capital adequacy purposes.*
Tier II capital	*The undisclosed free reserves, investment reserves, hybrid debt capital instruments (like perpetual cumulative preference shares, redeemable non-cumulative preference shares, redeemable cumulative preference shares eligible for inclusion in Tier II Capital which comply with the specified regulatory requirements) and subordinated debt eligible for inclusion in Tier II Capital which comply with the specified regulatory requirements, revaluation reserves (at a discount of 55.0%), general provisions and loss reserves (allowed up to a maximum of 1.2% of risk-weighted assets).*
Total net income	*Net interest income plus other income*
VaR	*Value at Risk.*
UPI	*Unified Payment Interface.*
Yield on advances	*Interest income on advances divided by average of month end balances of advances.*
YTM	*Yield to maturity.*

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Rights Entitlement Letter, the Application Form and any other material for the Issue ("Issue Materials") and the Rights Entitlements and Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession this Letter of Offer or any other materials may come are required to inform themselves about and observe such restrictions.

Wherever, the shareholder has registered valid email id/s or has opted for e-communications, the Issue Materials will be sent only to their e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses only provided by them. Investors can also access this Letter of Offer, the Application Form, from the websites of our Bank and can also obtain the same from our Registrar and Share Transfer Agent (RTA).

Our Bank, and the Registrar and Share Transfer Agent will not be liable for non-dispatch of physical copies of Issue Materials (including this Letter of Offer, the Rights Entitlement Letter and the Application Form) in the event the Issue Materials have been sent on the registered e-mail addresses of such Eligible Equity Shareholders or if there are electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

Any person who purchases or renounces the Rights Entitlement or makes an application to acquire the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the prohibited jurisdiction and is authorized to acquire the Rights Entitlements or Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Bank or our affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the Terms and Conditions.

Our Bank, in consultation with our affiliates, reserves the right to treat as invalid any Application Form which: (i) appears to our Bank or its agents to have been executed in, electronically transmitted from or dispatched from the prohibited jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the prohibited jurisdiction and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue; or (iii) where either a registered Indian address is not provided or where our Bank believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Bank shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Bank's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. Further, the contents of this Letter of Offer should not be construed as advice and should consult its own counsel concerning the offer of the Rights Equity Shares or Rights Entitlements.

This Letter of Offer is, and any other Issue Materials will be, supplied to the eligible shareholders as on the cutoff date and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Pursuant to the requirements of the applicable laws, the Rights Entitlements will be credited to the demat account only of the Eligible Equity Shareholders (as on the Record Date).

FORWARD-LOOKING STATEMENTS

This Letter of Offer contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" "seek to", "shall" or other words or phrases of similar import. Similarly, statements made by us or any third parties that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- the impact of an outbreak of any contagious diseases (e.g. prolonged outbreak of COVID-19);
- our ability to manage our portfolio of NPAs or NPIs;
- any non-compliance with laws, rules and regulations applicable to us (including the observations or guidelines by RBI);
- our indebtedness and conditions imposed by our financing arrangements (including any exercise of rights by our lenders for any of our breaches of restrictive covenants contained in our financing arrangements);
- any material default by our borrowers;
- the impact of any negative publicity which may affect customers' confidence (including the receipt of any whistle blower complaints); and
- general political economic and business conditions in India.
- divestment or change in shareholding pattern.

For further discussion on factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Bank, our Directors nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer, certain disclosures included in this document are not exhaustive, nor does it purport to contain a summary of all the disclosures or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Description of Equity Shares and Terms of Articles of Association”.

Summary of our primary business and the industry in which we operate

We are one of the oldest private sector banks in India with a history of almost 103 years. We have presence in -5- States namely, Uttarakhand, Uttar Pradesh, Haryana, Rajasthan, and Delhi & NCR. We offer a wide range of banking and financial services primarily to micro, small and medium enterprises, agricultural and retail customers. As on date of the Letter of Offer i.e. June 17, 2025, we have 175 branches (including service branch), out of which 49 branches are in Urban (28%), 35 branches in Metro (20%), 34 branches in Semi-Urban (19%) and 57 branches in Rural (33%) area. As of March 31, 2025, our overall active customer base was approximately 8.84 Lac.

Summary of the industry in which we operate

In the last fiscal year, the Indian banking industry experienced steady growth with a focus on digital innovation, improved asset quality, and financial inclusion. Public sector banks are expected to see significant profits due to reduced NPAs and robust credit growth, while private banks also contributed significantly to the overall banking landscape. Digital payments are surging, driven by initiatives like UPI, and the sector is embracing technology to enhance customer experience and address challenges like data fragmentation.

Cyber-security is a major concern, with banks being particularly vulnerable to cyberattacks. AI and machine learning are being integrated into digital banking to enhance fraud detection and improve customer service. The industry is also seeing increased adoption of blockchain technology for secure transactions and enhanced transparency. However, cybercrime in the banking sector is a serious threat, with losses potentially reaching billions of rupees, especially with the rise of deepfake identity fraud.

Our Promoter

Our Bank is a professionally managed bank and as per directions/permission etc., Bank of Baroda, a premiere Public Sector Bank, is holding 98.57% stake in Nainital Bank and may be classified as promoter of the Bank.

Offer Size

Offer	*Up to 4,85,72,000 Equity Shares at Rs. 35.00 per Equity Share*
Authorization	*The Offer has been authorized by our Board pursuant to its resolution dated May 15, 2025, and June 17, 2025.*

Issuances of Equity Shares made in the last one year for consideration other than cash

Our Bank has not issued any Equity Shares through bonus issue or for consideration other than cash in the one year preceding the date of this Letter of Offer.

Split or Consolidation of Equity Shares in the last one year

Our Bank has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Letter of Offer for the Rights Issue.

Details of Listing Arrangements

Our Bank is an unlisted Private Sector bank.

Summary of Financial Information

The following details of our capital, net worth, the net asset value per Equity Share and total borrowings derived from the Financial Statements are as below :

(In Crore)

	2023	**2024**	**2025**
Equity Share Capital	117.44	117.44	117.44
Net Worth	727.79	776.85	837.34
Total Borrowings	0.00	0.00	0.00

The following details of our total income, net profit and earnings per Equity Share (basic and diluted) for the Fiscals 2023, 2024 and 2025 and are as per the Financial Statements:

(In Crore)

	2023	**2024**	**2025**
Total Income	602.55	754.92	751.85
Net Profit	46.31p	47.10	50.61

Earnings Per Share			
Basic	3.94	4.01	4.31
Diluted	3.94	4.01	4.31

Summary of outstanding Legal Proceedings

A summary of outstanding litigation or legal proceedings involving our Bank and our Directors as of the date of this Letter of Offer is provided below:

	No. of cases outstanding	**Amount involved (In Lac)**
Legal proceedings involving our Bank		
Litigation involving Equity Shares of our Bank	Nil	0.00
Actions by regulatory and statutory authorities	Nil	0.00
Criminal proceedings against our Bank	05	0.00
Criminal proceedings by our Bank	108	10761.42
Direct and indirect tax proceedings	07	2022.24
Material civil proceedings	922	46274.40
Legal proceedings involving our present Directors		
Actions by regulatory and statutory authorities	Nil	0.00
Criminal proceedings against our Directors	Nil	0.00
Criminal proceedings by our Directors	Nil	0.00
Criminal proceedings by our Directors	Nil	0.00
Material civil proceedings	Nil	0.00

The gist of the outstanding proceedings is given in Section V - Disclosures Chapter of this Letter of Offer.

SECTION II – RISK FACTORS

General Risk

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment decision in relation to the Equity Shares. If anyone or some combination of the following risks were to occur, our business, results of operations, financial condition, cash flows and prospects could suffer and the price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. We have described the risks and uncertainties that our management believes are material but the risks set out in this Offer Document may not be exhaustive or complete and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future.

This section should be read together with "Industry Overview", "Our Business", "Selected Statistical Information" and "Management's discussion and analysis of financial condition and results of operations of our Bank" as well as the restated financial statements, including the notes thereto, and other financial information included elsewhere in the Offer Document.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and the risks involved.

Risk Factors & Management's Perception Thereof

Investors should consider the following risk factors together with all the other information included in this Letter of Offer carefully, in evaluating the Bank and its business before making any investment decision. Any projections, forecasts and estimates contained herein are forward-looking statements and are based on certain assumptions that Bank considers reasonable. This Letter of Offer contains forward-looking statements that involve risks and uncertainties. Such statements can be identified by the use of forward-looking terminology such as "may", "believes", "will", "expect", "anticipate", "visualize", "estimate", continue", "plan", "likely" or other similar words. Actual results could differ from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the following risk factors and elsewhere in this Letter of Offer.

However, there are a few risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. This Letter of Offer also includes statistical and other data regarding the Indian Banking industry. This data was obtained from industry publications, reports and other sources that Bank believe to be reliable. The bank has not independently verified such data.

Internal Risk Factors

1. ***A deterioration in the performance of any of the sectors to which the Bank has significant exposure may adversely impact the Bank's business.***

   Our total business for relevant periods are as below -

   (In Crore)

	2023	2024	2025
Total Business	12,305.42	13,086.87	13,225.68
Growth%	5.20%	6.35%	1.06%

   In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, processes, procedures and controls on a timely basis. If we fail to implement these systems, processes, procedures and controls on a timely basis, or at all, we may not be able to meet our regulatory requirements, customers' needs, hire and retain new employees or operate our business effectively. Our inability to manage our expansion effectively, or within budget estimates may place strains on our internal resources, financial, accounting and operating systems and our management, and could have an adverse effect on our business, credit ratings and results of operations.

Further, we are embarking on a growth strategy that involves steps to focus on technological advancements for enhancing customer satisfaction and business growth, strategic geographical expansion and market penetration in cities in Northern India, strengthening risk management, and optimizing branch potential for business growth. We may need additional capital to fund our growth strategies.

Any incremental capital requirement may adversely impact our ability to grow our business and may even require us to curtail or withdraw from some of our current business operations. There can also be no assurance that we will be able to raise adequate additional capital in the future on terms favorable to us, or at all, and this may hamper our growth plans, apart from those that can be funded by internal accruals.

Our Bank's largest outstanding exposures were to the Retail, Agriculture and MSME and other sectors. The outstanding amounts for these sectors for the Fiscal 2023, 2024 and 2025 along with their respective percentages of our total advances, are as follows -

(In Crore)

	Retail		**Agriculture**		**MSME**		**Others (IBPC)**		
	Amount	**% of Total Advances**	**Amount**	**% of Total Advances**	**Amount**	**% of Total Advances**	**Amount**	**% of Total Advances**	**Total** Advances
2023	2059.08	44.53%	821.94	17.78%	1263.69	27.33%	478.88	10.36%	4623.59
2024	2269.49	47.09%	809.31	16.79%	1234.79	25.62%	505.53	10.49%	4819.12
2025	4252.52	49.35%	837.95	16.86%	1180.66	23.76%	498.73	10.04%	4969.86

The Bank's portfolio contains loans to various segments of business and regulatory changes, geopolitical scenarios, policy announcements by government by government etc. may have an impact on these sectors. This may result in an increase in the level of NPAs and restructured assets and may adversely affect the Bank's business and future financial performance.

(In Crore)

	Term		**Retail Deposit**		**Bulk**		**CASA**		
	Amount	**% of Total Deposit**	**Amount**	**% of Total Deposit**	**Amount**	**% of Total Deposit**	**Amount**	**% of Total Deposit**	**Total Deposit**
2023	4555.58	59.30%	5578.38	72.62%	531.6	6.92%	3126.24	40.70%	7681.83
2024	4816.13	58.25%	5951.51	71.98%	696.75	8.43%	3451.62	41.75%	8267.75
2025	4831.76	58.53%	6024.45	72.97%	671.67	8.14%	3424.06	41.47%	8255.82

For the Financial Year ended March 31, 2025, the details of top deposits are as follows -

(In Crore)

2025	Total Deposit by Top 10 depositors	696.57
	Total Deposit by Top 10 depositors, as a percentage of total deposit	8.44%

The bank cannot assure that there can be no immediate withdrawal and re-renewal of deposits from these depositors. In the event of such withdrawal or non-renewal, our business, results of operations and financial conditions may be adversely affected.

Under the directed lending norms of the RBI, the RBI requires that every bank extend at least 40.00% of its adjusted net bank credit or the credit equivalent amount of off-balance sheet exposure, whichever is higher, to "priority sectors" such as agriculture, MSMEs, export credit, education, social infrastructure, renewable energy and as determined by the RBI. Of this, banks have targets or sub-targets for lending to key segments or sectors, such as agriculture, micro-enterprises and advances to weaker sections. Our Bank's priority sector loan portfolio contains significant advances to the MSME and agriculture sector. Set forth below are certain details regarding our priority sector credit, loans to micro-enterprises and loans to the agriculture sector:

(In Crore)

Particulars	2023	2024	2025
Priority sector credit (in ₹ crore)	2477.28	2860.03#	2656.58
Priority sector credit, as a percentage of Bank's adjusted net bank credit (%)	56.02	58.33	50.82
Loans to micro-enterprises (in ₹ crore)	584.33	578.85	605.56
Loans to micro-enterprises, as a percentage of Bank's adjusted net bank credit (%)	13.21	11.80	11.58
Loans to agriculture sector (in ₹ crore)	956.11	1103.12*	1040.18
Loans to agriculture sector, as a percentage of Bank's adjusted net bank credit	21.62	22.50	19.90

Includes amount of IBPC of Rs. 250 Crore for 2024 (PSL)

* Includes amount of IBPC of Rs. 100 Crore for March 2024 (Agri)

Our Bank has made significant advances related to the agricultural sector. The agricultural sector enjoys government policy support. Agricultural production in India is heavily dependent on weather cycles and experiences economic growth or contraction, accordingly, creating inherent risks in agricultural lending. Our Bank's advances to the agricultural sector for the relevant period are as follows -

(In Crore)

Date	2023	2024	2025
Advances to Agricultural Sector (in ₹ crore)	956.11	1103.12*	1040.18
Percentage of ANBC (%)	21.62	22.49	19.90

*IBPC - Rs. 100 Crore

Deterioration in the performance of the agricultural sector may lead to an increase in delinquency and adversely affect the Bank's business and financial condition. In addition, the market may perceive the exposure of banks to the agricultural sector to be of higher risk. This may negatively affect the risk- adjusted returns of the Bank, its future financial performance. The Bank is required by regulation to extend at least 18.00% of its ANBC, or Credit Equivalent of Off-balance Sheet Exposure or CEOBE, whichever is higher, of the preceding fiscal year to the agriculture sector. Alternatively, in the case of non-achievement of priority sector lending targets, including sub-targets, we are required to invest in the Rural Infrastructure Development Fund ("RIDF") established with NABARD and other funds, as decided by the RBI from time to time. The tenor of deposits with the RIDF and similar funds is mandated by RBI and adjusted from time to time. Presently, such deposits have a maturity of up to seven years and carry interest rates lower than market rates. If the Bank fails to meet priority sector loan targets and is further forced to place funds in long-term, low-interest accounts, it may adversely affect our financial performance.

2. ***Any increase in our portfolio of NPAs, RBI-mandated provisioning requirements or restructured advances could materially and adversely affect our business and future financial performance.***

	2023	2024	2025
Gross Non-Performing Assets (Gross NPA)	443.26	398.67	386.20
Gross Non-Performing Assets (Gross NPA)%	9.60	8.29	7.78
Net Non-Performing Assets (NNPA)	85.28	41.88	25.92
Net Non-Performing Assets (NNPA)%	1.84	0.94	0.56

Our NPAs are dependent on several factors, including macroeconomic conditions, increased competition, adverse effect on the business and results of operations of our borrowers, a rise in unemployment, a sharp and sustained rise in interest rate, slow industrial and business growth, high levels of debt involved in financing of projects, and significant borrowings by companies in India at relatively high interest rates, and any such significant increase in NPAs may have a material adverse effect on our financial condition and results of operations.

In addition to the above, under the directed lending norms of RBI, we are required to extend 40.00% of our adjusted net bank credit to certain eligible sectors, which are categorized as 'priority sectors'. We may experience an increase in NPAs in our lending to priority sectors, particularly with regard to loans that are granted to the agriculture and small and micro enterprises, where the borrowers are most vulnerable to economic difficulties.

The bank makes all out efforts to recover bad loans, but the bank cannot assure complete success and also fresh additions to NPA's may not be ruled out.

With the guidelines introduced an asset classification category of "special mention accounts", which comprises cases that are not yet restructured or classified as non-performing but which exhibit early signs of stress, as specified through various parameters. Banks in India are also required to share data with each other on certain categories of special mention accounts, set up joint lenders' forums and formulate action plans for resolution of these accounts. Failure to do so may result in accelerated provisioning for such cases.

Further, guidelines issued by the RBI relating to the identification and classification of NPAs may result in an increase in our loans classified as nonperforming and provisioning requirements. Any review on asset quality by the regulator, during specific or general inspection, can result in additional classification of our loans as NPAs thus increasing our provisioning requirements and adversely impacting our profitability in the future. If we are not able to adequately control or reduce the level of non-performing assets, or if the RBI continues to impose increasingly stringent requirements, the overall quality of our loan portfolio could deteriorate, which may have a material adverse effect on our business, financial condition and results of operations.

The Bank's Provision Coverage Ratio is as follows -

	2023	2024	2025
Provision Coverage (%)	82.08	89.22	92.67

There can be no assurance that there will be no deterioration in the provisioning coverage as a percentage of gross NPAs or otherwise or that the percentage of NPAs that we will be able to recover will be similar to our past NPA recovery experience.

3. ***Our financial performance may be materially and adversely affected by fluctuating interest rates.***

Net Interest Income (NII) represents the excess of interest earned from interest-earning assets (such as performing loans and investments) over the interest paid on interest bearing customer deposits and borrowings. Our Net Interest Margin for Fiscals 2023, 2024 and 2025 were 279.01 Crore, 320.09 Crore and 310.82 Crore respectively.

Interest rates are sensitive to many factors beyond our control, including monetary policy and domestic and international economic and political conditions, as well as other factors. Volatility and changes in market interest rates could disproportionately affect the interest we earn on our assets as compared to the interest we pay on our liabilities. The difference could result in an increase in interest expense relative to interest income leading to a reduction in net interest income. Accordingly, volatility in interest rates could materially and adversely affect our business and financial performance. An increase in interest rates may also adversely affect the rate of growth of important sectors of the Indian economy, such as corporate, retail, and agricultural sectors, which may materially and adversely impact our business. Such an increase in the interest rates may lead to the inability of the borrowers to repay the loan amount. Any consequent increase in the delinquency rates will mean that the interest income from such advances will no longer accrue and this will further affect our net interest income.

Our cost of funds is sensitive to interest rate fluctuations, which exposes us to the risk of a reduction in spreads. In addition, attracting customer deposits in the Indian banking industry is competitive. The rates that we must pay to attract deposits are determined by numerous factors such as the prevailing interest rate structure, competitive landscape, Indian monetary policy, and inflation. If we fail to achieve or sustain continued growth of our deposit base, we may be forced to rely more heavily on more expensive sources of funding, such as the wholesale market, which could materially and adversely affect our profitability and business. In addition, interest-earning assets tend to re-price more quickly than interest-bearing liabilities. Increases in interest rates applicable to our liabilities, without concurrent or corresponding increases in interest rates applicable to our interest-bearing assets, may result in a decline in our net interest income, which could materially and adversely affect our business and financial results.

Furthermore, in the event of rising interest rates, our borrowers may not be willing to pay correspondingly higher interest rates on their borrowings and may choose to repay/pre-pay their loans with us, particularly if they are able to switch to more competitively priced loans offered by other banks. Our inability to retain customers as a result of rising interest rates may adversely impact our earnings in future periods. Similarly, in the event of falling interest rates, we may face more challenges in retaining our customers if we are unable to offer competitive rates on deposits as compared to other banks in the market which could materially and adversely affect our business and financial results.

4. Capital Structure of the Bank.

Our Bank is having a complex capital structure, where Bank of Baroda is holding 98.57% stake. This shareholding has been permitted by Reserve Bank of India as a special case. Banks are subject to compliance of section 19 (2) of The Banking Regulation Act, 1949, Master Direction Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 and other laws applicable for the time being in force. Any change in the shareholding pattern in the future may have an impact on the Bank.

5. ***Any non-compliance with mandatory AML and KYC policies could expose us to additional liability and harm our business and reputation.***

In accordance with the requirements applicable to Banks, we are mandated to comply with applicable anti-money laundering ("**AML**") and know your client ("**KYC**") regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML and KYC policies and procedures. While we have ALM software and adopted various policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our banking networks for illegal money laundering activities, there may be instances where we may be used by other parties in attempts to engage in money laundering and other illegal or improper activities.

Although, we believe that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance, and have taken necessary corrective measures, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the relevant government agencies to whom we report. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

6. ***Any inability to attract and retain talented professionals may materially and adversely impact our business.***

Our performance and success depend largely on our ability to nurture and retain the continued service of our management team and skilled personnel. There is significant competition for management and other skilled personnel in the banking industry. We are dependent on our key personnel. Further, we do not have a keyman insurance policy to cover loss of our skilled personnel. We are dependent on our key personnel for the smooth operations of our business activities. Attracting and retaining talented professionals is a key element of our strategy and we believe it to be a significant source of competitive advantage. Additionally, should the banking industry move towards incentive-based pay schemes, we may not be as competitive as other Banks. This may increase the possibility of our skilled personnel moving to more attractive employment opportunities. There is no assurance that we will be able to continue our successful hiring of talented and key personnel in the future. The loss of key personnel or our inability to replace such personnel effectively may materially and adversely affect our ability to grow and operate our various business functions in an efficient manner.

The Bank's Human Resource Development (HRD) department aims to bring in new talent to meet the growing challenges in the dynamic scenario in Banking sector. Attempts have been made to recruit skilled professional candidates and impart training to upgrade their skills. The attrition rate in the key management positions in the Bank is almost negligible.

7. ***We rely extensively on our information technology systems and the telecommunications network in India, which require significant investment and expenditure for regular maintenance, upgrades and improvements. Any failure in our information technology systems may materially and adversely affect our business, financial condition and results of operations.***

Our information technology systems are a critical part of our business that help us manage, among other things, our risk management, deposit servicing and loan origination functions, as well as our increasing portfolio of products and services. We are heavily reliant on our technology systems in connection with financial controls, risk management and transaction processing. In addition, our delivery channels include ATMs, mobile banking, and internet banking. Our offline and online business channels are dependent on a dense, comprehensive telecommunications network in India. While deregulation and liberalization of telecommunications laws have prompted the steady improvement in local and long-distance telephone services, telephone network coverage and accessibility are still intermittent in many parts of India. Failure by the Indian telecommunications industry to improve network coverage to meet the demands of the rapidly growing economy may affect our ability to expand our customer base, acquire new customers or service existing customers by limiting access to our services and products. This may materially and adversely affect our business, financial condition and results of operations. We use our information systems and the internet to deliver services to, and perform transactions on behalf of, our customers and we may need to regularly upgrade our systems, including our software, back-up systems and disaster recovery operations, at substantial cost so that it remains competitive. Our hardware and software systems are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet backbone providers. So far, we have not experienced widespread disruptions of service to our customers, but there can be no assurance that we will not encounter disruptions in the future due to substantially increased numbers of customers and transactions, or for other reasons. Any inability to maintain the reliability and efficiency of our systems could adversely affect our reputation, and our ability to attract and retain customers. In the event we experience system interruptions, errors or downtime (which could result from a variety of causes, including changes in customer use patterns, technological failure, changes to systems, linkages with third-party systems and power failures), we are unable to develop necessary technology or any other failure occurs in our systems, this may materially and adversely affect our business, financial condition and results of operations.

8. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, capital expenditure, long-term target payout ratios, growth & investment opportunities, current capital ratios, current & prospective financial performance and other macro & micro-economic factors.***

The details of dividend paid by our Bank in the last three Fiscals are as follows:

Financial Year Dividend Per Share

2022-23 - 6%
2023-24 - Nil
2024-25 - Nil

Our ability to pay dividends in the future will depend on our earnings, financial condition and capital requirements (as impacted by Basel III). Further, dividends distributed by us will attract taxes as made applicable by the GOI. Dividends that we have paid in the past may not be reflective of the dividends that we may be able to pay in the future.

9. ***If we are unable to adapt to rapid technological changes, our business, future financial performance could suffer.***

Our future success and ability to compete with other banks will depend, in part, on our ability to respond to technological advances and emerging banking industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that our bank will successfully upgrade or implement new technologies effectively or adapt its transaction processing systems to customer requirements or emerging industry standards. If our Bank is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market/technological conditions, customer requirements or technological changes, the future financial performance of our bank could be materially affected.

10. ***We may face labour disruptions that could interfere with our operations. Any such disruption in future may have a material adverse effect on our business, financial condition or results of operation.***

We are exposed to the risk of strikes and other industrial actions. As of March 31, 2025, we have 1188 employees and 22 Management Trainees. Majority of our employees are members of Nainital Bank Staff Association (NBSA) affiliated with All India Banks Employee Association (AIEBA) and Nainital Bank Officers Association (NBOA) affiliated with Indian National Bank Officers' Congress (INBOC).

Although we believe that we have good industrial relations with our employees and the unions, we cannot guarantee that our employees will not undertake or participate in strikes, work stoppage or other industrial action in the future. Any such employee unrest events could disrupt our operations, possibly for a significant period of time, resulting in increased wages and other benefits or otherwise have a material adverse effect on our business, financial condition, cash flows or results of operation.

11. ***Negative publicity could damage our reputation and adversely impact our business and financial results.***

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the financial crisis and other matters affecting the financial services industry. Negative public opinion about the financial services industry generally or us specifically, could adversely affect our ability to attract and retain customers. Negative publicity can result from our actual or alleged conduct in any number of activities, including lending practices, foreclosure practices, corporate governance, regulatory compliance, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. We distribute several third-party products, including life insurance, general insurance etc. We also work in partnership with third parties, including business correspondents in the financial inclusion businesses. We have no control over the actions of such third parties. Any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation.

12. ***We operate in a highly competitive environment and our ability to grow depends on our ability to compete effectively. The grant of new banking licenses to private sector entities may materially and adversely affect our business, financial condition and results of operations.***

The Indian banking industry is highly competitive. We face strong competition in all our lines of business from much larger Indian and foreign commercial banks, non-banking financial companies, financial service firms and other entities operating in the Indian financial sector. We compete directly with large Government controlled public sector banks, major private sector banks and foreign banks with branches in India. Mergers among public sector banks may result in enhanced competitive strengths in pricing and delivery channels for the merged entities. Further, a number of the private sector banks in India have a larger customer base and greater financial resources than us, giving them a substantial advantage by enabling economies of scale and improving organizational efficiencies.

The RBI has liberalized the licensing regime and intends to issue licenses on an on-going basis, subject to the qualification criteria. RBI has been issuing licenses to non-banking finance company, microfinance institutions, small finance bank and payment banks. We also compete with foreign banks with operations in India. The competitors include a number of large multinational banks and financial institutions as well as non-banking financial companies and housing finance companies. These factors may result in a material adverse effect on our business, financial condition and results of operations.

13. ***A major part of our branch network is concentrated in Northern India and thereby exposing us to regional risks.***

At present, most of the branch Banking operations is situated in States of Uttarakhand, Uttar Pradesh and the National Capital Region (NCR), this leads to regional concentration risk since most of the advances are in this area only. If the credit or deposit business in these regions slows down significantly, our Bank's assets and liabilities in other regions do not correspondingly increase, our operations and financials could be adversely affected.

14. ***Non-Compliance with RBI's Risk-Based Supervision Model and RBI inspection/observations may have a material adverse effect on our business, financial condition or results of operation.***

The RBI conducts periodic on-site/off-site inspections on all matters addressing our banking operations and relating to, among other things, our Bank's portfolio, risk management systems, credit concentration risk, counterparty credit risk, internal controls, credit allocation and regulatory compliance. During the course of finalization of this inspection report, the RBI inspection team shares its findings and recommendations with us and provides us with an opportunity to provide clarifications, additional information and, where necessary, justification for a different position, if any, then that observed by the RBI. The RBI incorporates such findings in its final inspection report and, upon final determination by the RBI of the inspection results, we are required to take actions specified therein by the RBI to its satisfaction, including, without limitation, requiring us to make provisions, impose internal limits on lending to certain sectors and tighten controls and compliance measures and restricting our lending and investment activities. Any significant deficiencies identified by the RBI that we are unable to rectify to the RBI's satisfaction could lead to sanctions and penalties imposed by the RBI, as well as expose us to increased risks. Our Bank has been subjected to the risk-based supervision model which has been implemented by the RBI across the banking industry. The bank is fulfilling the requirements of a risk-based supervision process, and we may be required to comply with additional requirements to improve various aspects of our operations.

Any failure to meet regulatory requirements could materially and adversely affect our reputation, business, financial condition, cash flow, results of operations, pending applications or requests with the regulators and our ability to obtain the regulatory permits and approvals required to expand our business.

15. ***Most of our branches are located on leased premises. We may not be able to renew the lease agreements for our branches upon favorable terms or at all which could have a material adverse effect on our business and results of operations.***

At present, we have 175 branches and 22 ATMs. Only 5 premises are owned by us and the rest are leased premises. If we are unable to renew the relevant lease agreements, or if such agreements are renewed on unfavorable terms and conditions, we may be required to relocate operations. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements. This may cause disruption in our operations or result in increased costs, or both, which may materially and adversely affect our business, financial condition and results of operations.

16. ***The Government of India ("GoI") has in the past and may in the future direct us to implement certain schemes that are aimed at serving the interest of farmers and/or a cross section of the public. Such schemes may not necessarily be aimed at maximizing our profits and may adversely affect our business, financial condition and results of operations.***

RBI has taken certain measures towards universal financial inclusion. Government of India launched various scheme for comprehensive financial inclusion known as "Pradhan Mantri Jan Dhan Yojna" (PMJDY) with the objectives of providing universal access to banking facilities, providing basic banking accounts with overdraft facility of Rs. 10000/- and RuPay debit cards to all households, conducting financial literacy programmes.

To strengthen the financial inclusion efforts and increase the penetration of insurance and pension coverage in the country, the Government of India has launched social security schemes namely Pradhan Mantri Surkasha Bima yojna, Padhan Mantri Jeevan Jyoti Bima and Atal Pension Yojna. Bank participates in various government schemes under which credit facilities and loans are extended to person belonging to weaker sections like PM-SVANidhi (PM Street Vendor's AtmaNirbhar Nidhi), DRI (Differential rate of interest) schemes, loans to Self Help Groups, etc. which is aimed at facilitating the GOI's initiative to empower them. such schemes and credit facilities provided to members of the weaker section may not be as profitable as compared to lending in the non-priority sector. Due to the above reasons, our business and result of operations may get adversely affected.

17. ***We have previously been penalized for not being in compliance with the RBI circulars and may face further penalties from the RBI and/or other regulatory bodies that govern us in cases of non-compliance in future.***

For reasons beyond our control, the Bank was subjected to penalties for non-compliance as mentioned in the Letter of Offer mentioned in the Disclosures Section. We cannot assure you that we will not be subjected to such penalties in the future.

18. ***There are operational risks associated with the banking industry, including the risk of fraud or other misconduct by employees etc., which when realized may have an adverse impact on our results.***

We are vulnerable to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. Though we carefully recruit all our employees, we may be held liable for the fraudulent acts committed by our employees.

We maintain our Data Centre at Noida, Disaster Recovery Site at Mumbai and Near Disaster Recover Centre at Noida for our core banking and other applications. In the event that our primary data center at Noida shuts down for any reason the system in Mumbai is configured to come into operation for ensuring business continuity. However, if for any reason, the switch over to the back-up system does not take place or if a calamity occurs in both Noida and Mumbai such that our business is compromised at both centers, our operations would be adversely affected.

19. Lending Risks

The lending risk involves inability or unwillingness of a customer or counter party to meet the commitments in relation to lending, trading, settlement and other financial transactions. Though diversified loan portfolio is managed by personnel with experience in the respective areas and has in place appropriate Credit Appraisal/Control mechanism and Risk Management System, these procedures may fail. Also, certain factors that are beyond Bank's control may increase credit risk. Any such failures or developments may have a negative impact on its working results.

The Bank has given major thrust in the following spheres -

a. Diversification of Lending/Advance portfolio.
b. Upgradation of skill of the staff engaged in appraisal of credit proposals.
c. Developing rating Models for various retail lending schemes of the Bank.
d. The bank has established an independent and well-equipped Department for Risk Management.
e. Close monitoring of Branches' Credit portfolio and Loan Assets.
f. The bank has undertaken a Risk Based Internal Audit of the Branches.

***20. Asset Liability Mis-Match which could adversely affect our liquidity and, consequently, our financial* condition, results of operations and cash flows**

The Bank has a well-defined ALM policy with a Contingency Funding Plan to meet any exigencies. The Bank is rigorously monitoring its funds position on a regular basis and assesses mismatches of its Asset Liability position and takes remedial measures by prompt and accurate decisions on a priority basis. The bank is following all the prescribed regulatory guidelines on Asset Liability Management.

Bank has a well-defined ALM policy with a Contingency Funding Plan to meet any exigencies. The Bank is rigorously monitoring its funds position on a regular basis and assesses mismatches of its Asset Liability position and takes remedial measures by prompt and accurate decisions on a priority basis. The bank is following all the prescribed regulatory guidelines on Asset Liability Management.

(₹ in Crore)

	As on March 31, 2025				
	Upto 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Total
Liquidity gap	-182.04	-380.47	-208.39	204.15	-566.75
Cumulative liquidity gap	384.71	365.82	-1106.43	1291.37	935.47
Cumulative liabilities	1889.18	7622.19	17149.19	35700.53	62361.09
Cumulative liquidity gap as a % of cumulative liabilities	20.36	4.80	-6.45	3.62	1.50

(₹ In Crore)

	As of March 31, 2024				
	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Total
Liquidity gap	37.93	-892.32	120.01	367.5	-366.88

Cumulative liquidity gap	644.83	381.21	-1213.77	581.69	393.96
Cumulative liabilities	1750.76	8067.29	17203.91	35730.66	62752.62
Cumulative liquidity gap as a % of cumulative liabilities	36.83	4.73	-7.06	1.63	0.63

(₹ In Crore)

	As of March 31, 2023				
	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Total
Liquidity gap	259.59	-861.88	-768.47	959.51	-411.25
Cumulative liquidity gap	670.84	393.58	-2801.11	448.43	-1288.26
Cumulative liabilities	1602.64	6763.17	15999.36	3339.47	27704.64
Cumulative liquidity gap as a % of cumulative liabilities	41.86	5.82	-17.51	13.43	-4.65

Bank may face asset and liability mismatches, and we cannot assure you that we will always be successful in maintaining a positive asset-liability gap. The Bank's cumulative mismatches (as a percentage of cumulative cash outflows for 2023, 2024 and 2025 in various time buckets are as set out below:

	Next Day (in %)	2-7 Days (in %)	8-14 days (in %)	15-30 days (in %)
March 31, 2023	546.23%	178.03%	81.35%	66.94%
March 31, 2024	601.32%	122.63%	53.37%	71.46%
March 31, 2025	392.19%	124.74%	61.06%	59.33%

	Next Day (in %)	2-7 Days (in %)	8-14 days (in %)	15-30 days (in %)
Regulatory ceiling for net cumulative negative mismatches	-5.00%	-10.00%	-15.00%	-20.00%

We may rely on funding options with a short-term maturity period for extending long-term loans, which may lead to a negative asset-liability gap. Further, mismatches between our assets and liabilities are compounded in the case of pre-payments of the financing facilities we grant to our customers. Further, asset liability mismatches may also result in liquidity crunch or liquidity surplus situations and depending upon the interest rate movement, such situations may adversely affect our Net Interest Income. If we are unable to manage our assets and liabilities in a timely and cost-effective manner, it may lead to mismatch in our assets and liabilities, leading to a liquidity risk which may have a material adverse effect on our operations and profitability.

If a substantial number of our depositors do not roll over their funds upon maturity, our liquidity position could be adversely affected. We may be required to pay higher interest rates in order to attract and/or retain other deposits. Even if we pay higher interest rates, we may be unable to attract a sufficient number of new deposits. If we are required to pay higher interest rates or are unable to attract a sufficient number of new deposits, the business, results of operations and financial condition could be adversely affected. Despite the Bank having an Asset Liability Management Committee responsible for market and asset liability risk management, any inability to obtain additional borrowings or renew our existing credit facilities for matching tenures of our loan portfolio in a timely and cost-effective manner, if at all, this may lead to mismatches between our assets and liabilities, which could adversely affect our financial condition, results of operations and cash flows.

21. ***Bank are required to maintain a Capital-to-Risk Asset Ratio ("CRAR") at the minimum level required by RBI for domestic banks. Any failure to maintain adequate capital due to changes in regulations, a lack of access to capital markets, or otherwise, could materially and adversely affect our business, financial condition and results of operations.***

Our Bank needs to comply with regulations relating to the capital adequacy of banks, which determines the CRAR, or the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio. The RBI requires banks in India to maintain a minimum CRAR of 11.50% (including capital conservation buffer). In addition, in accordance with the RBI Basel III Capital Regulations ("Basel III"), the Bank is required to maintain a minimum common equity Tier I ("CET-I") capital ratio of 8.00% (including a capital conservation buffer of 2.50%), and a minimum Tier I CRAR of 9.50% (including a capital conservation buffer of 2.50%) of its risk weighted assets. Any incremental capital requirement may adversely impact our ability to grow our business and may even require us to withdraw from, or curtail, some of our current business operations.

In accordance with the Basel III norms the position is as follows -

Particulars	**As of 31.03.2025**
CET-I,	15.84%
Tier I CRAR	15.84%
CRAR	16.76%

Our bank is exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. Although we have implemented and followed a policy of maintaining a minimum capital adequacy ratio as stipulated in the Basel III issued by the RBI, there can be no assurance that we will be able to maintain this ratio in the future. Implementation of Basel III or other such capital adequacy requirements imposed by RBI may result in the incurrence of substantial compliance and monitoring costs, and any breach of applicable laws and regulations will adversely affect our reputation, business operations and financial conditions. In addition, if additional or more stringent guidance on capital adequacy norms are imposed, we may be required to raise or maintain additional capital in a manner which could materially and adversely affect our business, financial condition and results of operations.

22. ***We are required to maintain minimum cash reserve ratio ("CRR") and statutory liquidity ratio ("SLR") in accordance with RBI guidelines, and any increase in these requirements could adversely affect our business.***

Under RBI regulations, we are subject to a CRR requirement. The CRR is a bank's balance held in an interest-free current account with the RBI calculated as a specified percentage of its net demand and time liabilities, excluding interbank deposits. The CRR currently applicable to banks in India is 4.00%, and our Bank's CRR as of March 31, 2025, was 6.27%. In addition, under the Banking Regulation Act, all banks operating in India are required to maintain an SLR. The SLR is a specified percentage of a bank's net demand and time liabilities required to be maintained by way of liquid assets such as cash, gold or approved unencumbered securities. Approved securities consist of unencumbered Government securities and other securities as may be approved from time to time by the RBI and, which earn lower levels of interest as compared to advances to customers or investments made in other securities. Our Bank's SLR as of March 31, 2025, was 25.66% as against the regulatory requirement of 18.00%. Further, the RBI may increase the CRR and SLR requirements as a monetary policy measure. Any substantial increases in the CRR from the current levels could affect our ability to deploy our funds or make investments, which could in turn have a negative impact on our results of operations. If we are unable to meet the statutory reserve requirements of the RBI, the RBI may impose penal interest or prohibit us from receiving any further fresh deposits, which may have a material adverse effect on our business, financial condition and results of operations.

23. ***Our auditors have referred to certain emphasis of matters in their reports on the audited financial statements, which could subject us to additional liabilities, due to which our reputation and financial condition may be adversely affected.***

Our auditors have referred to certain emphasis of matters in their reports on the Audited Financial Statements. Details of the same are as follows:

Audited Financial Statements (March 31, 2025) -

a. Note No. 4 (H) of Schedule 18 of accompanying statement of audited financial with regard to fraud reported during FY 2024-25. An amount of Rs. 16.02 Crore was fraudulently siphoned off through a Cyber-attack on the bank's RTGS channel. Amount of Rs. 0.54 Crore has been recovered, and bank has been put to loss of Rs. 15.48 Crore for which provisions of Rs. 15.48 Crore was made.

b. Note No. 4 (H) of Schedule 18 of accompanying statement of audited financial with regards to serious irregularities were observed in one of the branch, for which bank has made provision of Rs. 3.62 Crore for potential loss.

c. Note no. 14 (S) of Schedule 18 of accompanying statement of audited financial with regard to some debit/credit entries outstanding in various heads of accounts

There can be no assurance that any similar emphasis of matters will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

24. ***We may face cyber threats attempting to exploit our network to disrupt services to customers and/ or theft of sensitive internal data or customer information, which may cause damage to our reputation and adversely affect our business, results of operations and financial condition.***

We offer online banking services to our customers. Our online banking channel includes multiple services such as electronic funds transfer, bill payment services, debit cards and requesting account statements. We are therefore exposed to various cyber threats including (i) phishing and trojans targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt exfiltration of account sensitive information; and (ii) hacking, wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; and (iii) data theft, wherein cyber criminals may attempt to enter our network with the intention of stealing our data or information. In addition, we also face the risk of our customers incorrectly blaming us and terminating their accounts with us for any cyber security breaches that may have occurred on their own system or with that of an unrelated third party.

As technology is currently in a phase of rapid evolution and the methods used for cyber-attacks are changing frequently or, in some cases, are not recognized until an actual attack, we may not be able to anticipate or to implement effective preventive measures against all such security breaches. Cybersecurity risks for banking organizations have significantly increased in recent years in part because of the proliferation of new technologies, and the use of the internet and telecommunications technologies to conduct financial transactions.

Recently our Bank witnessed a Cyber-attack on the bank's RTGS channel, wherein, an amount of Rs. 16.02 Crore was fraudulently siphoned off. However, an amount of Rs. 0.54 Crore has been recovered, and the bank has been booked a loss of Rs. 15.48 Crore. Further, Bank is taking all necessary steps to put in place a robust cyber security ecosystem.

Bank cannot assure that cyber-attacks cannot happen in future in Banking System. Accordingly, our Bank are also exposed to such type of risk.

25. Credit to Deposit Ratio and Investments

The Bank's Credit to Deposit Ratio (CD) is as under -

Particulars	CD Ratio
2023	60.19%
2024	58.29%
2025	60.20%

Accordingly, the Bank deployed the surplus funds in Investments and the figures along with yield and net income are as below -

Particulars	Amount	Yield	Net Income
2023	2164.57	6.91%	228.49
2024	1992.74	6.94%	259.39
2025	1856.87	7.32%	272.17

To achieve corporate goals of improvement in the CD ratio, the Bank has launched several customer friendly retail lending schemes. A lot of emphasis has been given for sustained growth in Advance portfolio and having less dependency upon Treasury profits in future. The Bank has also tied up for ancillary business with National Insurance Company Limited, Life Insurance Corporation of India, Future Genarali Insurance, HDFC Life Insurance, India First Insurance and Reliance Nippon Life Insurance, Care Health Insurance, Niva Bupa, SMC Global Securities, Baroda BNP Paribas, Credit Access Life Insurance, M Swasth to increase/boost its fee-based income.

If the Bank does not increase its CD Ratio, it will have to make investments in various securities, for which yield may depend on various factors, market conditions, regulatory directions etc.

26. Regulatory Provisions

Any amendments in the payment of Gratuity Act, 1972 and wage settlement of Banking Personnel with Indian Banks' Association on Pension may increase the liability on the Bank towards funding of these dues, which may have adverse effect on profitability of the Bank.

27. Marginal Cost of Funds Based Lending Rate (MCLR)

Marginal Cost of Funds Based Lending Rate (MCLR) methodology is being used by commercial banks for setting lending. It has modified the existing base rate system since April 2016 onwards.

As per the guidelines by the RBI, banks have to fix Marginal Cost of Funds based Lending Rate (MCLR) which will be the internal benchmark for lending rates. Based upon this MCLR, interest rate for different types of customers should be fixed in accordance with their riskiness.

Our Bank has implemented Marginal Cost of Funds Based Lending Rate (MCLR) w.e.f 1st April 2016. Our Bank has decided to compute MCLR at monthly/quarterly basis as per RBI directives.

According to the RBI guidelines, actual lending rates will be determined by adding the components of spread to the MCLR. Spread means that banks can charge higher interest rate depending upon the riskiness of the borrower. Existing loans and credit limits linked to the Base Rate may continue till repayment or renewal, as the case may be. Existing borrowers will also have the option to move to the Marginal Cost of Funds based Lending Rate (MCLR) linked loan at mutually acceptable terms.

Any fluctuation in the MCLR will have impact on the income/profitability of the Bank.

28. ***We are currently significantly dependent on Retail, MSME and Agri-financing, customers and any adverse developments in these segments could adversely affect our business, results of operations, financial condition and cash flows.***

We offer banking products and services to retail, MSME, agricultural and corporate customers. Our retail asset products include home loans, personal loans, auto loans, educational loans, business loans as well as security-backed loans of various types to our retail customers. Our MSME portfolio consists primarily of various loan products to our MSME customers such as manufacturing, traders and services sector. Our loans to the agricultural sector include loans to individual farmers, group of farmers, agriculture businesses and agriculture corporates. For corporate customers, we offer various loans to corporates, with our assortment of banking products and services including working capital, term financial, trade financial, structured finance services, foreign exchange business funding in domestic and foreign currencies.

Our lending products are primarily focused on Retail, MSME and Agri-financing ("RAM") customers. Accordingly, a reduction in or failure to grow our RAM customer base could lead to losses and adversely affect our business and results of operations. Additionally, any decline in business, or in demand for our banking products could adversely affect our business, results of operations, financial condition and cash flows.

29. ***We may not be able to maintain or grow our CASA ratio in accordance with our strategy, which may result in higher cost of funds, and which may materially affect our financial condition and results of operations.***

Our share of CASA Deposit to Total Deposit was 40.70%, 41.75% and 41.47% for Fiscals 2023, 2024 and 2025. We have followed a segmental approach to grow our CASA ratio by revamping our existing CASA products and by introducing of new products. However, attracting customer deposits in the Indian market is competitive. Recently, apart from public and private sector banks, we have also started facing competition from small finance banks and payment banks. Banks are now free to fix differential interest rates on savings deposits for various value buckets. In future, we may also be forced to increase interest rates for our CASA products to remain competitive and there is no guarantee that from such move we will be able to enhance our customer base enough to compensate for the increase in interest rates. If we fail to maintain or grow our CASA ratio, it will result in a higher cost of funds, and will impact our Bank's financial condition and results of operations may be materially and adversely affected.

30. ***We undertake fee-based activities, and our financial performance may be adversely affected by an inability to generate income from such activities.***

One of the components of our revenue are the fees that we charge for our products and services. The fees we charge our customers can depend upon a number of factors that are, in part, within our control, which can include our overall business strategy, our expenses related to a particular transaction type, the volume of transactions for a product or service (where the greater the number of expected transactions will typically result in us getting a smaller fee, and vice versa), or promotions that we may be running at any given time. Further, they are also dependent upon a number of external factors, which can include general macro-economic conditions, the supply or demand for a product and service, regulatory instructions (such as in the case of interchange fees), changes in general banking activity and competitive factors. Competitive factors in particular have and may continue to have an adverse effect on our ability to charge higher fees to improve our margins.

If we are unable to manage and plan for the factors within and out of our control, we may not adequately set our fee structure to cover all or some of our costs or miss revenue generating opportunities, or even where adequately set, we may miss opportunities to increase volume, each of which may adversely affect our business, financial condition, results of operations and cash flows.

31. ***We have received and may in the future receive multiple anonymous whistle blower complaints, which may adversely affect our reputation which could consequently adversely impact our business, financial condition and results of operation.***

The Bank receives and may receive in the future multiple anonymous whistle blower complaints, which may adversely affect our reputation which could consequently adversely impact our business, financial condition and results of operation. We have a policy for addressing whistle blower complaints received. The policy lays down the procedure for reporting any event/information in relation to any unethical practices, and the process to be followed for handling such reports is also detailed. Further, the policy also provides for protection of whistle blowers' identity. However, we face the risk of inadvertently dismissing allegations which may prove to be plausible, at a later date.

External Risk Factors

1. ***Sensitivity to the economy and extraneous factors.***

   The Bank's performance is highly correlated to the performance of the economy and the financial markets. The health of the economy and the financial market in turn depends on the domestic economic growth, the state of the global economy and business and consumer confidence, among other factors. Any event disturbing the dynamic balance of these diverse factors would directly or indirectly affect the performance of the Bank, including the quality and growth of its assets.

2. ***We are exposed to various industry sectors. Deterioration in the performance of any of the industry sectors where we have significant exposure may adversely impact our business.***

   Our credit exposure to borrowers is dispersed across various sectors including infrastructure, rice mills, food products, construction, tourism, and other industries. Despite monitoring our level of exposure to sectors and borrowers, any significant deterioration in the performance of a particular sector driven by events not within our control, such as natural calamities, regulatory action or policy announcements by central or state government authorities, would adversely impact the ability of borrowers within that industry to service their debt obligations to us. As a result, we would experience increased delinquency risk which may have a material adverse effect on our business, financial condition, results and cash flow.

3. ***Natural disasters could have a negative impact on the Indian Economy and damage our facilities.***

   Natural disasters such as floods; earthquakes or famines have in the past had a negative impact on the Indian economy. If any such event were to occur, our business could be affected due to the event itself or due to our inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure and the loss of business continuity or business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition and results of operations.

4. ***You will have to adherer to the Master Direction of Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 for acquisition of shares in the Bank.***

   Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023, requires that any person who intends to make an acquisition which is likely to result in major shareholding in a banking company, is required to seek previous approval of the Reserve Bank by submitting an application to the Reserve Bank. As per definition in Clause 3.1 (e) "major shareholding" means "aggregate holding" of five per cent or more of the paid-up share capital or voting rights in a banking company by a person. Further, subsequent to such acquisition, if at any point in time the aggregate holding falls below five per cent, the person will be required to seek fresh approval from the Reserve bank if the person intends to again raise the aggregate holding to five percent or more of the paid-up share capital or total voting rights of the banking company (as per sub-section (1) of Section 12B of B R Act, 1949).

5. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.***

   The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, the

Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance effective as of September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. The Finance Act, 2020 ("**Finance Act**"), amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and likely be subject to tax deduction at source. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, recent amendments in Goods and Services Tax (GST) law, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to or comply with any such changes in applicable law and policy. The Central Board of Indirect Taxes and Customs (CBIC) vide its clarification and amendment as per GST Circular no. 245/02/2025-GST dated 28.01.2025 (sub-Clarification regarding the applicability of GST on certain services) point no. (2.5) as recommended by the GST Department that no GST is applicable on the penal charges. The government has stated that no Goods and Services Tax (GST) is required to be paid on penal charges on loans levied by RBI regulated entities like banks, NBFCs etc. This has brought relief to many financial and non-financial institutions who levy such charges for non-compliance or delays by customers. Further, another clarification issued by GST authorities has clarified that Reverse Charge Mechanism (RCM) is applicable on rental services provided by unregistered persons with effect from 10.10.2024. Bank registered under GST shall attach GST @18% and are to be paid under Reverse Charge Mechanism (RCM) by the Bank.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

6. ***Political instability or changes in the government in India or in the governments of the states where we operate could cause us significant adverse effects.***

Our Bank is incorporated in India and currently derives all its revenues from operations in India and all our assets are in India. Consequently, our performance, market price and liquidity of our Equity Shares may be affected by changes in control, government policies, taxation, social and ethnic instability, social/civil unrest and other political and economic developments affecting India. Our business is also impacted by regulations and conditions in the various states in India where we operate. The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. The current government has announced that its general intention is to continue India's current economic and financial sector liberalization and deregulation policies. However, there can be no assurance that such policies will be continued, and a significant change in the government's policies could affect business and economic conditions in India, and could also adversely affect our financial condition, cash flows and results of operations. Any political instability could affect specific laws and policies affecting foreign investment. A significant change in the government's policies, in particular, those relating to the banking sector in India, could adversely affect our business, cash flows, results of operations, financial condition, prospects and could cause the price of our Equity Shares to decline.

7. ***We are subject to regulatory, economic, social, and political uncertainties and other factors beyond our control. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially and adversely affect our business, results of operations, financial condition, cash flows and projected growth.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations and financial performance may be affected by interest rates, government policies, taxation, social and ethnic instability, and other political and economic developments affecting India. Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, imposition of currency controls, and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India, and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations; epidemic or any other public health issue in India or in countries in the region or globally, including in India's various neighboring countries;
- macroeconomic factors and central bank regulations, including in relation to interest rate movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- political instability, including terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries; civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- logistical and communication challenges;
- downgrading of India's sovereign debt rating by rating agencies;

8. ***Acts of terrorism and other similar threats to security could adversely affect our business, cash flows, results of operations and financial condition.***

Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business. Any acts of terrorism or acts of similar nature in the future may disrupt our operations or those of our customers. These events have had, and may continue to have, an adverse impact on the global economy and customer confidence, which could, in turn, adversely affect our revenue, operating results and financial condition. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of our securities and may limit the capital resources available to us and to our customers.

9. ***Public companies in India, including us, will be required to prepare financial statements under IND-AS. We have not determined with any degree of certainty the impact of such adoption on our financial reporting.***

The Bank currently prepares its annual and interim financial statements in accordance with Indian GAAP. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for scheduled commercial banks. However, the RBI, in its circular dated March 22, 2019, deferred the implementation of Ind AS by scheduled commercial banks until further notice. The adoption of Ind AS woul d change, among other things, our methodology for estimating allowances for expected loan losses and for classifying and valuing our investment portfolio and our revenue recognition policy. For estimation of expected loan losses, the new accounting standards may require us to calculate the present value of the expected future cash flows realizable from our advances, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in us recognizing allowances for expected loan losses in the future that may be higher than under the current Indian GAA P. The mark-to-market requirements required under Ind AS may also impact our revenues and profitability. So our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under Ind AS than under Indian GAAP.

If we are required to report in Ind AS, we may encounter difficulties in the ongoing process of implementing and enhanci ng our management information systems. Moreover, we will have to modify our internal control framework and adopt new internal controls to report under Ind AS. These new internal controls will require, amongst others, a transition to more model-based evaluation of certain items, as well as staff who are adequately knowledgeable with Ind AS. As advised by RBI, the Bank has furnished Proforma Ind AS financial statements to the RBI on a half yearly basis with the corresponding comparative financial statements as per the current framework. If we are required to report in Ind AS, we may encounter difficulties in implementation of effective internal controls in a timely manner.

10. ***If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our merchants, partners and customers and our profits might decline.***

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. Increased inflation can contribute to an increase in interest rates and increase costs for our business, including increased costs of salaries, and other expenses relevant to our business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. While the India Government through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

11. ***Financial difficulty and other problems in certain financial and other Non-Banking Financial Institutions in India could materially adversely affect our business.***

We are exposed to the risks of the Indian financial system. The financial difficulties faced by certain Indian financial and non-banking financial institutions could materially adversely affect our business because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Such "systemic risk" may materially adversely affect financial intermediaries, such as clearing agencies, banks, NBFCs, securities firms and exchanges with which we routinely interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks a materially adversely affect our business. Our transactions with these financial institutions and other nonbanking financial institutions expose us to various risks in the event of default by a counterparty, which can be exacerbated during periods of market illiquidity.

Risks Related to the Offer

1. ***Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.***

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business, financial condition, results of operations and cash flows.

2. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and any restrictive covenants of our financing arrangements.*

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements, if any. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. In addition, the declaration and payment of dividends is subject to relevant RBI regulations (including RBI circular dated May 4, 2005, as amended). RBI may also restrict the payment of dividends through circulars. For instance, with the view that banks conserve capital in an environment of heightened uncertainty caused by COVID-19, RBI through its circulars dated April 17, 2020, and December 4, 2020, prohibited banks from paying dividends for Fiscal 2020. More recently, RBI through its circular dated April 22, 2021, has allowed payment of dividend of not more than 50% of the dividend payout ratio determined under the RBI's circular dated May 4, 2005. Similar restrictions may be imposed in the future, and we cannot assure you that we will be able to pay dividends in the future. Further, due to shortfall in Minimum Net Worth as mandated by the regulator, the Bank has not declared any divided in last financial year.

3. Investors will not be able to sell or trade our Equity Shares directly in the open market.

The Equity Shares are not listed on the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant does not permit direct trading of Equity Shares. There can be no assurance or timelines within which the Equity Shares of the Bank will be listed with the Stock Exchanges.

4. Proposed funding requirements and deployment of Net Proceeds shall be at the discretion of the Board.

We intend to utilize the Net Proceeds to augment our Tier-I capital base to meet the regulatory capital requirements. For further details, see "*Objects of the Offer*". Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use of the Net Proceeds to achieve profitable growth in our business. Accordingly, the use of the Net Proceeds may also not result in the growth of our business or increased profitability.

5. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors.*

Under applicable regulations for foreign exchange, which are currently in force in India, transfer of shares between non-residents and residents are permitted (subject to certain restrictions), subject to compliance with the valuation and reporting requirements specified under applicable provisions of law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority is required. Further, acquisition of shares in a bank are subject to applicable law and additional requirements prescribed by the RBI. Please be guided by RBI Master Direction for Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business growth, financial condition, cash flows, results of operations and prospects.

6. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without* compensation and result in a dilution of shareholding.**

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Bank of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Bank that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure of completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the DEMAT account of the Renouncees prior to the Issue Closing Date.

7. ***We cannot guarantee that our Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges***

The Bank cannot guarantee that the shares will be listed in Stock Exchanges. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares depends on various factors and approvals from regulatory authorities.

SECTION - III (INTRODUCTION OF THE ISSUE)

Introduction to the Offer

Dear Shareholder(s),

Your Board of Directors are pleased to make an offer to -

Issue of up to 4,85,72,000 equity shares of face value Rs. 10.00 each ("rights equity shares") of our Bank for cash at a price of Rs. 35.00 per rights equity share ("issue price") including a premium of Rs. 25.00 per rights equity share aggregating up to Rs. 170.002 Crore on a rights basis to the eligible shareholders of our bank in the ratio of 7 rights equity share for 17 fully paid-up equity shares held by such eligible shareholder on the record date, that is, Tuesday, June 17, 2025 ("issue"). For further details, kindly refer to the "Terms of the Issue". The entire issue price for the rights equity shares is payable on application.

Rights Equity Shares being offered by our Bank	4,85,72,000 Equity Shares
Rights Entitlement	7:17
Record Date	June 17, 2025
Face Value per Equity Share	Rs. 10.00
Issue Price	Rs. 35.00
Issue Size	Rs. 170.002 Crore
Equity Shares Issued and outstanding prior to the Issue	11.74 Crore
Equity Shares subscribed and outstanding prior to the Issue	11.74 Crore
Equity Shares paid up and outstanding prior to the Issue	11.74 Crore
Equity Shares Issued and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	16.60 Crore
Equity Shares paid-up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	16.60 Crore
Offer opens on	June 26, 2025
Last date for receipt of requests for split application forms	July 02, 2025
Offer closes on	July 11, 2025

The Offer has been authorized by our Board pursuant to its resolution dated June 17, 2025.

Terms of Payment

On the Issue application (i.e., along with the CAF)	Rs. 35.00 which constitutes 100% of the Issue Price payable

Minimum Subscription

If the Bank does not receive the minimum subscription of 90% of the Issue or the subscription level falls below 90%, after the Issue Closing Date on account of drafts/pay orders/cheques being returned unpaid or withdrawal of applications, our Bank shall refund the entire subscription amount received within 15 days from the Issue Closing Date. In the event that there is a delay in making refunds beyond such a period as prescribed by applicable laws, the Bank shall pay interest for the delayed period at rates prescribed under applicable laws.

Underwriting Arrangement

The present Rights Issue is not underwritten.

Credit Rating

Since the present issue is of equity shares, credit rating is not required.

Trustees

This being an issue of equity shares, appointment of Trustees is not required.

Letters of allotment/refund orders

The Bank will issue electronically or dispatch the Letter of Allotment/Share Certificates and/or Letter of Regret, along with the Refund Order if any, within prescribed time period from the date of closure of the Issue**.** If such amount is not repaid within prescribed time limit as stipulated under Companies Act, 2013, the Bank shall pay interest on the same as per applicable laws. The Bank will ensure that the dispatch of Letter of Allotment/Share Certificates and/or Letter of Regret, along with the Refund Order would be sent by registered post/speed post to the sole/first applicant's registered address and adequate funds for the purpose shall be made available by the issuer Bank in this regard. Such refund order shall be marked "Account Payee Only" and would be drawn in favour of sole/first applicant.

Undertaking by the bank

The Bank undertakes:

a) That the complaints received in respect of the Issue shall be attended to by the Bank expeditiously and satisfactorily;
b) That the funds required for honoring of the refund orders sent by registered post/speed post shall be made available in current account of the Bank, maintained with any Scheduled Commercial Bank and/or a Nationalized Bank.
c) That the certificates of the securities/refund orders shall be dispatched within specified time.

Capital Structure

- Presently the Authorized Capital of the Bank is Rs. 230 Crore divided into 23 Crore equity shares of Rs. 10.00 each and Paid-Up/Subscribed Capital of the Bank is Rs. 117.40 Crore divided into 11.74 Crore equity shares.

- This Right Issue offers fresh 4,85,72,000 Equity Shares to the existing shareholders of the Bank.

- The Capital structure of the Bank after the proposed Right Issue shall be as follows -

	SHARE CAPITAL	Nominal Value (Rs.)	Share Premium (Rs.)	Total Value (Rs.)
A.	**Authorized** 23 Crore Equity Shares of Rs. 10.00 each	230,00,00,000	-	230,00,00,000
B.	**Issued, Subscribed and Fully Paid Up** 11,74,46,250 Crore Equity Shares of Rs. 10 Each (with previous issues at premium)	117,44,62,500	137,41,93,750	254,86,56,250
C.	**Present Issue** 4,85,72,000 Equity shares of Rs. 10.00 each and at a premium of Rs. 25.00 each	48,57,20,000	121,43,00,000	170,00,20,000

(B+C)	**Total Paid Up Capital after the Offer** 16,60,18,250 Crore equity shares of Rs. 10.00 each and at a premium of Rs. 25.00 each	166,01,82,500	258,84,93,750	424,86,76,250

Notes to Capital Structure:

1. The equity shares offered through this offer shall be fully paid-up.

2. The details of the last seven previous Rights Issues are as under -

   a. The first Right Issue was opened on April 10, 2000, and closed on April 29, 2000, offering 25,00,000 Equity Shares for Rs. 10.00 each.
   b. The second Right Issue was opened on February 21, 2003, and closed on March 22, 2003, offering 1,00,00,000 Equity Shares for Rs. 20.00 each (Rs. 10.00 Face Value and Rs. 10 as Premium).
   c. The third Right Issue was opened on February 24, 2005, and closed on March 23, 2005, for 1,50,00,000 Equity Shares for Rs. 20.00 each (Rs. 10.00 Face Value and Rs. 10 as Premium).
   d. The fourth Right Issue was opened on August 03, 2009, and closed on September 2, 2009, offering 1,50,00,000 Equity Shares for Rs. 20.00 each (Rs. 10.00 Face Value and Rs. 10 as Premium).
   e. The fifth Right Issue was opened on March 05, 2011, and closed on March 21, 2011, offering 2,25,00,000 Equity Shares for Rs. 20.00 each (Rs. 10.00 Face Value and Rs. 10 as Premium).
   f. The sixth Right Issue was opened on February 15, 2017, and closed on March 23, 2017, offering 1,00,00,000 Equity Shares for Rs. 24.00 each (Rs. 10.00 Face Value and Rs. 14 as Premium).
   g. The Seventh Rights was opened on February 15, 2017, and closed on March 23, 2017, offering 4,00,00,000 Equity Shares for Rs. 25.00 each (Rs. 10.00 Face Value and Rs. 15.00 as Premium). However, 3,99,46,250 shares were allotted.

d) ***Share Premium Account***

A.	Share Premium Account Before the Offer After the Offer	No. of Shares	Balance of Share Premium Amount	Cumulative Balance Amount
	Year		Opening Balance	1,50,00,000.00
1.	2000	25,00,000	-	1,50,00,000.00
2.	2003	1,00,00,000	10,00,00,000.00	11,50,00,000.00
3.	2005	1,50,00,000	14,50,00,000.00	26,00,00,000.00
4.	2009	1,50,00,000	15,00,00,000.00	41,00,00,000.00
5.	2011	2,25,00,000	22,50,00,000.00	63,50,00,000.00
6.	2017	1,00,00,000	14,00,00,000.00	77,50,00,000.00
7.	2023	3,99,46,250	59,91,93,750.00	137,41,93,750.00
	Share Premium as on March 31, 2025			137,41,93,750.00
8.	2025 (Proposed Rights Issue by offering 4,85,72,000 Equity shares at a price of Rs. 35.00 (Face Value of Rs. 10.00 and Premium of Rs. 25.00	4,85,72,000	121,43,00,000.00	258,84,93,750.00
	Share Premium Post Issue			258,84,93,750.00

e) ***Top Ten Shareholders of the Bank***

SN.	Name of the Shareholder	No of Shares	% of Issued Capital
1.	Bank of Baroda and its nominees	115769967	98.57
2.	Ram Chandra Choudhary	375000	0.31
3.	Indra Dev	51462	0.002
4.	Jindal Polymer Products (p) Ltd	36256	0.002
5.	Sanjay Rawal	31586	0.002
6.	Kamakshi Rawal	31586	0.002
7.	Dr. D.P. Gangola	18056	0.002
8.	Mohan Chandra Joshi	18000	0.002
9.	Tara Chandra Upreti	17985	0.002
10.	Sunil Kumar Sah	16875	0.001

Objects

The offer is being made to meet the regulatory guidelines for Universal Banks in India, wherein, the minimum Paid-Up Equity Capital/Net Worth has been capped at Rs. 1,000 Crore**.** As the Net Worth of the Bank as on 31.03.2025 is Rs. 837.34 Crore, therefore, the Bank intends to raise Rs. 170.00 Crore of fresh Capital by issuing fresh Equity Shares through Rights Issue basis, which will enable the Bank to comply with the aforesaid guidelines.

Presently the Authorized Capital of the Bank is Rs. 230 Crore divided into 23 Crore equity shares of Rs. 10.00 each and Paid-Up/Subscribed Capital of the Bank is Rs. 117.40 Crore divided into 11.74 Crore equity shares.

In view of the above, the Bank has decided to raise its Net Worth above Rs. 1,000 Crore by issuing fresh equity shares of 4.85 Crore (approx.) to the existing shareholders of the Bank on a rights issue basis.

Utilization of Issue Proceeds

The Board of Directors declares that -

1. All monies received out of the Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remain unutilized, under an appropriate separate head in the balance sheet of our Bank indicating the purpose for which such monies have been utilized; and
3. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Bank indicating the form in which such unutilized monies have been invested.

Government/RBI Approvals

As per extant guidelines right Issue is subject to statutory compliance of the RBI, Master Direction, provisions of Foreign Exchange Management Act, 1999 (FEMA), Foreign Investment Policy of Government of India for Private Sector Banks and Companies Act, 2013.

Nainital Bank and its Parent Bank - Bank of Baroda has received directions from the RBI for infusion of fresh capital. Therefore, no further approval from any Government Authority/ies is/are required to undertake the activities save and except those approvals, which may be required to be taken in the normal course of business from time to time. It must be understood that in issuing the said directions, the Government of India and Reserve Bank of India do not undertake any responsibility for the financial soundness of the undertaking or for the correctness of any of the statements made or opinions expressed in this regard.

Basis of the Offer Price

The Issue has been authorized by way of a resolution passed by our Board on May 15, 2025, and June 17, 2025, pursuant to Section 62 of the Companies Act. The Bank hired two independent valuers namely Systematix Corporate Services Limited (Merchant Banker) and FCA Rasmi Shah (Registered Valuer) for ascertaining the fair value of the shares for Rights Issue only. After taking into consideration the fair valuation, the Bank has priced the shares at Rs. 35.00. The Board on June 17, 2025, has therefore decided to offer 4.85 Crore (approx.) shares through Rights Issue 2025 at Rs. 35.00 per equity share which is below the Book Value as of March 31, 2025. Please note that the valuation has been done for arriving at a price for this Rights Issue 2025 only and the shares are offered at discounted value of the Book Price as on March 31, 2025.

The Book Value and the Earing Per Share is as follows -

Fiscals	Book Value	Earnings Per share
2023	61.97	3.94
2024	66.14	4.01
2025	71.30	4.31

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Statutory Declaration/disclaimer from offerors and the bank

Investors may note that the Company (Bank) accept no responsibility for statements made otherwise than in this Offer Document or in the advertisement or any other material issued by or at the instance of the Company or the Offers and anyone placing reliance on any other source of information would be doing so at his/her own risk

Disclaimer in respect of Jurisdiction:

This offer is being made in India to persons resident in India (including Indian nationals resident in India who are major, Hindu Undivided Families, Companies, Corporate bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Societies/Trusts registered under the Societies Registration Act, 1860, or any other Trust law and who are authorized under their constitution to hold and invest in shares. This offer document does not, however, constitute an offer to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction. Any person into whose possession this Offer Document comes is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of the Courts situated in Nainital only and/or as laid down in Companies Act, 2013.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

a) *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447*".

Section 447 of the Companies Act, 2013 provides for punishment for fraud which *inter alia* states punishment of imprisonment for a term which shall not be less than six months but which may extend to ten years and shall be liable to a fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Declaration by the Bank:

The Offer or accepts full responsibility for the accuracy of the information given in this Offer Document and confirms that to the best of his knowledge and belief, there are no other facts the omission of which makes any statement in the Offer Document misleading, and he further confirms that he has made all reasonable enquiries to ascertain such facts.

In the opinion of the Directors of the Bank, there are no circumstances that have arisen since the date of the last financial statement disclosed in the Offer Document, that materially or adversely affect or are likely to affect the performance or profitability of the Bank or value of its assets or its ability to pay its liabilities within the next -12- months.

The Bank shall make all information available to the members at large and no selective or additional information would be available for a section of the members in any manner whatsoever.

The Directors declare and confirm that no information/material likely to have a bearing on the decision of members in respect of the equity shares offered in terms of this offer document has been suppressed/withheld and or incorporated in the manner that would amount to mis-statement/mis-representation and in the event of its transpiring at any point of time till allotment/refund, as the case may be that any information/material has been suppressed/withheld and or incorporated in the manner that would amount to mis-statement/mis-representation, without prejudice to the provisions of Section 34 of the Companies Act, 2013.

SECTION IV - ABOUT OUR BANK

General Information of the Bank

The bank was promoted by the veteran freedom fighters Late Bharat Ratna Pandit Govind Ballabh Pant, Late Shri Mathura Dutt Pande, Late Shri Parma Sah and others in the year 1922 to cater to the Banking needs of the hill region of then United Provinces. In the year 1973, RBI directed that Bank of Baroda, a premier public sector Bank, should manage the affairs of NBL. The Bank under the guidance of Bank of Baroda extended its operations to other cities of Uttar Pradesh, Haryana, Rajasthan, Delhi and state of Uttarakhand.

The Bank has been carrying on commercial Banking activities including mobilizing deposits from small investors and deploying the funds in accordance with the guidelines stipulated by RBI. Mindful of its obligations, the Bank has pioneered several innovative schemes of credit to every section of society.

The growth in operations and scale of activities of the Bank has been accompanied by a commensurate increase in its financial strength. The Bank, in association with Bank of Baroda, is maintaining a healthy track record of growth and profitability.

Organization Structure

The Bank's operational structure comprises branches, regional offices and corporate offices having a hierarchical relation with each other. Correspondingly, the management functions of the Bank are organized into tiers viz. Branch Management, Regional Management and Corporate Management.

At the corporate level, Bank's strategic plans for development and growth are formulated and finalized by the Board of Directors headed by Non-Executive Independent Chairman. Further, the Managing Director & CEO is the operational head of the Bank. The bank's functions are divided into four broad areas: Administration, Planning, Operations and Assurance functionaries. The Managing Director & CEO is assisted by Executive Director, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer, Chief Technology Officer, Chief Compliance Officer, Chief Information Security Officer, Chief Digital Officer, Vice Presidents and Associate Vice Presidents, who is responsible for general administration, implementation of policy decisions taken by the Board and the directions of the RBI, GOI, and IBA etc.

Bank's philosophy with respect to corporate governance

Good Corporate Governance relates to systems of supervision and monitoring that maximize long-term shareholder value of a company, apart from addressing in the interest of all other stakeholders in the enterprise. It is also a combination of three key elements viz:

1. Transparency - a commitment that the business is managed along transparent lines
2. Disclosure - of all relevant financial and non-financial information in an easily understood manner
3. Supervision and monitoring - of the Bank's activities by a professionally competent and independent Board of Directors.

Good Corporate Governance also depends on the ability of the management of the Bank's to build trust with customers and investors and such trust should enable them to repose faith in the management of the Bank that the Bank will be managed properly will successfully perpetuate its business, will protect and enhance the capital of its investors and will increase corporate value for its shareholders.

Corporate Vision

The Corporate philosophy of the Bank is: "Profitability and Competence"

The corporate vision of the Bank is:

- To meet growing aspirations of the customers of the Bank
- To bring about total customer's satisfaction providing quality service
- To promote socio-economic strength
- To post a satisfactory return on equity investment through a sustained profitable growth
- To meet the economic and career aspirations of the employees of the Bank
- A strong hold on grass root customer base.

Productivity

Business per branch for the Fiscals 2023, 2024 and 2025 were Rs. 73.25 Crore, Rs. 76.53 Crore, Rs. 76.45 Crore respectively.

ALM System

The Reserve Bank advised Banks to put in place an ALM System and set up internal Asset Liability Management Committees (ALCOs) at the top management level to oversee its implementation. The Reserve Bank also released ALM system guidelines for all India Financial Institutions. As per guidelines, Banks and such institutions were required to prepare statements on liquidity gaps and interest rate sensitivity at specified periodic intervals.

The Bank has set up a Board level committee for monitoring asset liability and risk management, on daily and fortnightly basis, for statements of structural liquidity and short-Term Dynamic Liquidity and monthly interest rate sensitivity are generated and monitored closely for any mismatches of assets and liabilities. The committee is also monitoring the pricing of the products, liquidity risks and other market risks associated with funds management. These reports are generated through ALM software.

Mission Statement

The mission statement of the Bank is **'To emerge as a customer centric National Bank and become the most preferred Bank for its products, services, technology, efficiency and financials'.**

Nature & Interest of Directors

The directors of the Bank are not interested under the provisions of Section 184 of the Companies Act, 2013. Directors may be deemed to be interested to the extent of the fees payable to them for attending Board Meetings or any other committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable under the Articles/resolutions adopted by the Board of Directors.

Human Resource Development

The Bank strongly believes that well trained and motivated manpower alone can render effective service and take the Bank to new heights both in terms of improving productivity and responding more effectively to the emerging future challenges. Accordingly, the Bank is taking all requisite steps in this regard. The promotion of human resources is a focal point of the Bank in regard to manpower development. The Board of Directors of the Bank meets regularly and monitors HRD issues and also take decisions for the same.

Systems and Technology

The Bank has introduced fully computerized activities at all 175 Branches of the Bank.

Inspection and Concurrent Audit

The Inspection Division is functioning with the objective of effective control at a reasonable cost. The division also assists the Audit committee of the Board.

The Bank is complying with the directives for coverage of audit of total Banking business i.e., Deposits and advances under Concurrent Audit.

Vigilance

With a view to create awareness in branches about the importance of prevention in vigilance matters, Bank is educating employees at all levels. Bank is also deputing its officers to various institutions like NIBSCOM and NIBM Pune etc. for trainings.

Risk Based Supervision (RBS)

The Department of Banking Supervision (DBS) at RBI has adopted a Risk Based Supervisory (RBS) approach for Review of Supervisory Processes of Commercial Banks. The RBS framework has been named as "Supervisory Program for Assessment of Risk and Capital (SPARC)" and one of its important components/ tools employed in the process is the "Integrated Risk and Impact Scoring (IRISc)" Model. RBS is driven by Offsite as well as Onsite supervision which requires a Bank to put in place robust systems for data collection and compilation process and reporting. RBS framework has been rolled out by RBI in our Bank from earlier CAMELS framework.

SPARC is risk focused and intended to increase the effectiveness of the supervisory process. The two major areas of assessment under SPARC are Risk and Capital Assessment. The risk assessment for a Bank covers the inherent risks, risks due to gaps in controls for the inherent risks, risks due to gaps in the Governance & Oversight as also the culture and degree of compliance to regulatory requirements. These assessments together determine the Aggregate Risk for a Bank. The Aggregate Risk and Capital Available together determine the Risk of Failure Score (RoFS) for a Bank.

In order to strengthen the RBS submission, Bank has implemented board approved necessary action plan i.e. formation of committees to validate the data before submission to RBI, put in place plan for documentation of data sources, data collation, data owners, responsible Department/Divisions/ sub-Divisions, plan for maker/checker system for ensuring data integrity, data validation/ assurance, put in place plan for training/sensitization plan for the concerned officials on Risk Based systems. Our Bank has been successfully submitting the data under RBS.

Redressal of Investor & Customer Grievances

The Bank ordinarily attempts to dispose off the complaints with in one week of receipt of complaints. The Company Secretary supervises the process of redressal of grievances. Complaint letter should be either type written or legibly hand written quoting folio number, application number, number of equity shares applied for, name and address of the first applicant, name of the Bank and branch where application was submitted with date thereof.

Customer satisfaction is the key for business development in today's banking scenario. It is, therefore, our endeavor to extend efficient & courteous services to our clients. Head Office has been issuing circulars from time to time and monitoring the customer issues closely so that no room is allowed for any chance of complaint at branch level. In case there is any complaint at branch level, top priority is given to settle the same at the earliest. On receipt of any complaint, from various channels like Email, letters, Banking Ombudsman, CPGRAMS portal and online Grievance Redressal Portal, bank enquires the details from the complainant over telephone and also from the Branch Head of the complainant customer. Branch Heads are then sensitized and advised to meet the complainant/customer and try to resolve the complaint immediately. Most of the complaints are accordingly resolved. In certain cases, wherever deemed necessary, Head Office also deputes senior officials to the branches to investigate the complaint in order to resolve the issue amicably.

Main objects of our Bank

The object for the Company as per the Memorandum of Association is established as are -

a) To make advances to customers and others without security and upon such terms as the Company may approve and generally to act as Bankers for customers and others.

b) To make advances on such credit accounts to persons giving proper security or giving a guarantee of one or more sufficient parties or on mortgage of real and immovable property or on the movable property of any description.

c) To make, purchase, accept endorse, execute and discount, promissory notes, bill-of exchange, handiest and other negotiable instrument.

d) To receive deposit of cash and allow interest thereon at such rate as from time to time shall be fixed by the Board of Directors.

e) To purchase and sell coin, bullion and Government securities.

f) To invest and deal with the money of the Company not immediately required in or upon such securities and in such manner as may from time to time be determined.

f-1) to commence new business of engaging in marketing and distribution of financial, investment or other products including securities, stocks, shares, debentures, bonds, units, certificates or services offered by the Company and/or by company, body corporate, mutual fund, Government, State, public body or authority after obtaining necessary approvals/license as may be required.

g) To carry out other branches of business usually transacted by Bankers including money agency (subject always to such rules and restrictions as the members at any ordinary meeting or at any extra ordinary meeting may from time to time direct or sanction) but the company shall not engage in mercantile speculations or in the purchase of real estate except when the company is compelled to do so as a mortgagee or pledgee of property or in the execution of its own decree or under a private contract with a mortgagor or debtor to the company and to sell, improve, manage, develop term to account, exchange, let on rent or otherwise the said property. Provided always that nothing herein contained shall be held to preclude the company from either purchasing in fee simple or purchasing, acquiring, constructing, maintaining and altering any building or works necessary or convenient for the purpose of the company or from taking on term of years premises suitable for the purpose of their business or from purchasing and selling securities of Government of India or State Governments or other Statutory Authorities or Gold or Silver Bullion or approved shares, bills or debentures.

h) To borrow, raise or take up money for the purpose of the Company's business.

i) The doing all such other things as are incidental or conductive to the attainment of the above objects.

j) To amalgamate, sell or in any other manner deal with or dispose of the property, assets or undertaking of the Company, or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures and other securities of any other Company having objects altogether or in part similar to those of this Company and in the event of amalgamation with or absorption in any such other Company to have such shares, securities or debentures issued or allotted to the Share-holders of this Company.

k) To open, establish, maintain and operate currency chests and small coin depots on such terms and conditions as may be required by the Reserve Bank of India (RBI) and enter into all administrative or other arrangements for undertaking such functions with Reserve Bank of India.

MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:

a) To set up or participate as a payment gateway for effecting payment against services and trade transactions carried out by internet sites and portals, to operate payment system under the Payment and Settlement Systems Act, 2007, as amended from me to me, to act as enablers for settlement of e-commerce or any other type of transactions for corporates, individuals or any other entities or to undertake money transfer services under money transfer service scheme as permitted under law and verify any digital signature or electronic signature issued in accordance with the Information Technology

Act, 2000 as amended from me to me.

b) To establish, maintain and operate automated teller machines, or any other electronic and tele communication devices for carrying on any of the banking businesses including, but no limited to, internet banking, telephone banking, mobile banking, utility bills payment for electricity, telephones, mobile phones, etc.

c) To open, maintain, operate and close account or accounts with any bank or banks or other financial Institutions in India or abroad and to pay or earn interest and to withdraw money from such account or accounts and to make, draw, co-accept, endorse, execute, discount or negotiable and issue cheques, promissory notes, hundis, bills of exchange, bills of lading, railway receipts, warrants, debentures and other negotiable or transferable instruments.

d) To indemnify officers, Directors, promoters and servants of the Company against, proceedings, costs, damages, claims and demands in respect of anything done, or ordered to be done, for and in the interests of the Company or for any loss or damages or misfortune which happens in execution of the dues of their office or in relation thereto.

e) To apply for and become member of any business, commercial/trade/industrial association, clearing-house, society, company, professional body, stock exchange, depository and promote measures for the protection and/or promotion of the Company's trade, industry and persons engaged therein.

f) To enter into negotiations or collaborations, technical, financial or otherwise with any person or government for obtaining any grant, license or on other terms, formulae and other rights and benefits, and to obtain technical information, know-how and expert advice for providing or rendering services which the Company is authorised to provide or render.

g) To appoint, employ, hire, procure, depute designers, experts, scholars, professors, leaders, executives, managers, secretaries, officers, technicians, engineers, mechanics, foremen, clerks, agents, servants, and other skilled and unskilled personnel for permanent, temporary or contractual services.

h) To act as foreign exchange dealer and to buy, sell or otherwise deal in all kinds of foreign currencies, currency derivatives, foreign currency options, forward covers, swaps of all kinds, as may be permitted, and to transact for itself or on behalf of any persons, body corporate, company, corporation, society, firm or associations of persons whether incorporated or not, all kinds of transactions in foreign currencies.

i) To make donations either in cash or in kind for such objects for causes as may be directly or indirectly conducive to any of the Company's objects or otherwise expedient.

j) To carry on all the businesses permitted by the objects set out hereinabove either directly or through a subsidiary, affiliate or associate, joint venture of the Company as may be permitted under law.

k) To do all such other things as are incidental or conducive to the promotion or advancements of the business of the Company or attainment of the objects of the Company.

Key Awards, Accreditations and Recognition

We have been recognized in India with certain awards and recognition, such as:

- Technology (MeiTY) has felicitated our bank with first highest digital payment transactions award (Utkarsh Digidhan Award 2022-23) under Small and Micro Private Sector Bank.
- PFRDA - 2024 -25
  Award of Mega Exemplary 2024-25
  Inspirational Revolutionary Award 2024-25

Time/Overrun Cost

As of the date of this Letter of Offer, our Bank has not experienced any instances of time/cost overrun in its business operations.

Defaults or Rescheduling/Restructuring of Borrowings with Financial Institutions/Banks

As of the date of this Letter of Offer, there have been no defaults or re-scheduling/re-structuring with any financial institutions or banks.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation etc. in the last 10 years

As of the date of this Letter of Offer, our Bank has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation etc. in the last 10 years.

Holding Company

As of the date of this Letter of Offer, Bank of Baroda is our Holding Company.

Subsidiaries and Joint Ventures of our Bank

As of the date of this Letter of Offer, our Bank has no subsidiaries and/or joint ventures.

Significant Strategic and Financial Partners

As of the date of this Letter of Offer, our Bank has no strategic or financial partners.

Shareholders' Agreements

As on the date of this Letter of Offer, there are no subsisting shareholders' agreements.

Agreements with Key Managerial Personnel, Director, or any other Employee

There are no agreements entered into by a Key Managerial Personnel or Director or any other employee of our Bank, either by themselves or on behalf of any other person, with any shareholder or any other third-party regarding compensation or profit sharing in connection with dealings in the securities of our Bank.

Remuneration to Non-Executive Directors and Independent Directors

Pursuant to required approvals, our Non-Executive and Independent Directors are entitled to receive a sitting fee of ₹50,000 for attending each Board Meeting and ₹30,000 for attending each Committee meeting of our Board apart from other out of pocket expenses that shall be paid in addition to the sitting fees. Our Non-Executive Part Time Chairman is being paid ₹85,000 per month as honorarium and is also being paid Sitting Fees as mentioned above.

Key Highlights of Performance of the Bank

			In Crore
Particulars	***31.03.2023***	***31.03.2024***	***31.03.2025***
Demand deposit	*440.6*	*501.41*	*488.4*
Savings bank deposit	*2,685.64*	*2,950.21*	*2935.66*
Casa deposit	*3126.24*	*3451.62*	*3424.06*
Share of casa deposit to total deposit	*40.70%*	*41.75%*	*41.47%*
Retail deposit	*5,578.38*	*5,951.51*	*6024.45*
Term deposit	*4,555.58*	*4,816.13*	*4831.76*
Retail term deposit	*3,167.00*	*3,378.42*	*3472.29*
Total deposit	*7,681.83*	*8,267.75*	*8255.82*
Bulk deposit	*531.6*	*696.75*	*671.67*
Advances (gross)	*4,623.59*	*4,819.13*	*4969.86*
Retail advances	*2,059.08*	*2,269.49*	*2452.52*
Retail advances excl. Labod	*1,897.67*	*2,095.87*	*2290.53*
MSME	*1,155.01*	*1,113.37*	*1098.75*
Corporate	*108.68*	*121.43*	*81.92*
Agriculture	*821.94*	*809.31*	*837.95*
Others & IBPC	*478.88*	*505.53*	*498.73*
Total business	*12,305.42*	*13,086.87*	*13225.68*
Intt. Paid	*308.72*	*372.04*	*399.59*
Intt. Received	*587.73*	*692.13*	*710.41*
Cost of deposit %	*4.24*	*4.85*	*5.04*
Yield on advances %	*8.39*	*9.05*	*8.94*
Net Intt. Income- NII	*279.01*	*320.09*	*310.82*
N I M %	*3.27*	*3.53*	*3.3*
Operating profit (After MTM)	*76.94*	*107.28*	*89.03*
Net profit	*46.3*	*47.1*	*50.61*
Business per employee	*10.99*	*10.79*	*10.81*
Gross NPA	*443.26*	*398.67*	*386.2*
% Of NPA to gross advances	*9.6*	*8.29*	*7.78*
Net NPA	*78.33*	*41.88*	*25.92*
Net NPA % to net advances	*1.84*	*0.94*	*0.56*
PCR (%)	*82.08*	*89.22*	*92.67*
C.D. Ratio (%)	*60.19*	*58.29*	*60.2*
CRAR - Basel iii (%)	*16.24*	*15.22*	*16.76*
Return on Asset (r-o-a)%	*0.54*	*0.52*	*0.61*
Cost Income Ratio (c-i-r)%	*68.91*	*71.98*	*74.73*
Return on Equity (r-o-e)%	*6.94*	*6.28*	*6.27*

A. Composition of the Board of Directors as on date of Letter of Offer

Under our Articles of Association, our Bank is authorized to have a minimum of seven and maximum of -10- Directors. As on the date of this Letter of Offer (document), our Board comprises -9- Directors. The Board comprises of Non-Executive Independent Chairman, MD & CEO, Executive Director, Independent Directors and Non-Executive Non-Independent Director/s. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the RBI Governance Framework.

SN	Name and Designation	DIN No.	Category	Other Directorships/LLP	Holding
1.	Mr. Gopal Singh Gusain (Non-Executive Director)	03522170	Independent	1. LIC Pension Fund Ltd 2. STCI Finance Ltd 3. PNB GILTS Ltd	Nil
2.	Mr. Sushil Kumar Lal (MD & CEO) Inducted on 05.04.2025	11029008	Non- Independent (BOB)	Nil	Nil
3.	Mrs. Binita Shah (Non-Executive Director)	01538965	Independent	1. Supa Biotech (P) Ltd	2000
4.	Mr. Manoj Sharma (Non-Executive Director)	09085665	Independent	Nil	Nil
5.	Mr. U.C. Nahta (Non-Executive Director)	08533075	Independent	Nil	Nil
6.	Mr. Neelam Damodharan (Non-Executive Director)	07759291	Independent	1. GIC Housing Finance Ltd.	Nil
7.	Mr. Rakesh Nema (Non-Executive Director)	07207816	Non- Independent (BOB)	1. Barodasun Technologies Ltd	150
8.	Mr. Manas Ranjan Biswal (Non-Executive Director)	08162008	Independent	1. Bank of India Trustee Services (P) Ltd 2. Sarwadi Finance (P) Ltd	Nil
9.	Mr. Kuldeep Singh (Executive Director)	11018445	Non- Independent (BOB)	Nil	Nil

Brief Profile of Directors

Mr. Gopal Singh Gusain (Non-Executive Independent Chairman)

Mr. Gusain possesses degree of Institute of Cost and Management Accountants of India, Certified Associate of Indian Institute of Bankers, India, Diploma in treasury, Investment and Risk Management from Indian Institute of Bankers, and Bachelor of Science.

CAREER -

- Member Board - Reserve Bank of India
- Independent Director and Chairman Audit Committee of Board - LIC Pension Fund Limited
- Independent Director and Chairman Audit Committee of Board - STCI Finance Limited.
- Senior Risk Consultant - PSB Alliance Private Limited
- Promoters' Nominee Director - Union Mutual Fund.
- PNB Gilts Ltd.

PROFESSIONAL EXPOSURE

- Union Bank of India: September 2018- Jan 2022 (Executive Director)
- Punjab National Bank October 1994 till September 2018 (Joined as Specialist officer in credit vertical and rose to the rank of General Manager)
- Worked for three years in Hong Kong as Chief Executive (2013-2016) for HK and China operations of the bank. Bank had USD 7 billion assets under the portfolio. Branch alone collected FCNR deposits of over 1 billion USD in the 2013 FCNR scheme
- Nominee Director- Asset Reconstruction Company of India Limited - Banks owned and promoted first ARC.
- Nominee Director- Experian Credit Information Company Private Limited.
- Nominee Director- DFL Infrastructure Finance Limited. A NBFC. Handled it at the time for its management change after the company became sick.
- Single point for investigation, reporting, liasoning with various agencies like Government, CBI, ED, SFIO for unearthing and concluding Nirav Modi Fraud Case.
- Copyright holder for the risk rating models developed by the bank.

Present Directorships - Independent Director- The Nainital Bank Limited, Independent Director- LIC Pension Fund Limited Independent Director- STCI Finance Limited and Independent Director- PNB Gilts Ltd.

Mr. Sushil Kumar Lal (Managing Director & CEO)

Mr. Lal is a Chief General Manager (Designate) in Bank of Baroda and was previously posted as Deputy Chief Risk Officer at Mumbai, Corporate Office and possesses qualifications of B.Com, Diploma in Software Technology, JAIIB, CAIIB, Certificate in Trade Finance, Certified Information System Banker - (RPE), Advanced Diploma in Business Administration, Diplomat in International Banking and Finance (DIBF), Certified Treasury Professionals - IIBF, Certificate in Commercial Credit by Moodys Analytics, Certified Banking Compliance Professional, Certificate in Risk in Financial Service Level 1, 2 & 3, Certified Audit & Accounting Professional (CAAP), Advanced Management Programme in Banking & Finance and Certificate Course in Climate Risk and Sustainable Finance (Foundation) E-Learning mode.

In the last 30 years, he has held various positions in Bank of Baroda - Credit Head, Branch Head, Branch Operations, Training and Faculty, Regional Head, RLF Head, SMELF Head, Credit Monitoring, MSME Banking, ISMELF Head, ZIAD Head and Risk Management - Deputy Chief Risk Officer.

Mrs. Binita Shah (Non-Executive Independent Director)

Mrs. Shah leads SARG Vikas Samiti, a not for profit organization since 2005 for the promotion of Organic and Biodynamic Agriculture across three states of the country. SARG works with 100,000 farmers' country wide. SARG is a training partner with the Skill Development Mission, Uttarakhand as well as with the National Skill Development Council, GOI since 2016. SARG is a Regional Council & Service Provider for Paramparik Krishi Vikas Yojna (PKVY) for Organic Agriculture in Maharashtra, Uttarakhand & MP.

She is Secretary - Sustainable Development Forum Uttarakhand. Independent consultant with Uttarakhand Agriculture Marketing Board. International Consultant with number of Organic Food Export companies. Founder member Biodynamic Association of India, Bangalore. Founder member All India Biodynamic and Organic Association of India, Indore. India Representative in 'Circle of Representatives' International Biodynamic Forum, Geotheanum, Switzerland. Consultant with UNDP State office Uttarakhand for preparation of Strategy for Organic Uttarakhand 2018-19. She is also Founder member and CEO of the (first ever in the country) State Uttarakhand Organic Commodity Board (UOCB), Dehradun.

Mr. Manoj Sharma (Non-Executive Independent Director)

Mr. Sharma is a former Chief General Manager from Reserve Bank of India. He has vast Regulatory and Supervisory experience - on - site & Policy making. Extensive hands-on Policy & Operational experience of new Risk based Supervisory Approach. Major role in redefining Policy on detection, mitigation and reporting of frauds. Headed the Quick Response Team of Frauds. Have internal & external knowledge transfer on Conceptual and Operational aspects of RBS model.

He possesses expertise in conceptualization, design and implementation of Risk Based Supervisory approach for Scheduled Commercial Banks in India. Headed RBI team for implementing the small bank variant RBO model for assessment of small foreign banks - from conceptualization, design to stabilization of the model. Have expertise in Policy Making, Quality Assurance Functions and related aspects of SPARC process. Headed Internal Working Group for bringing out the framework on fraud detection, monitoring and reporting for Banks in India. Have experience in Risk Based Supervision of Foreign Banks, Public Banks, Private Sector Banks etc.

Mr. U. C. Nahta (Non-Executive Independent Director)

Mr. Nahta is a former Class I officer in the Ministry of Corporate Affairs, Government of India. He retired in August 2014 at the scale of Additional Secretary to the Govt. of India (Served for about 16 years at the Level of Joint Secretary and above) at various important positions. He had held various Senior positions in the Ministry including Director of Investigation & Inspection, Regional Director, Registrar of Companies etc. August 2014 to August 2019 Member, Competition Commission of India- at the level of Secretary to the Government of India.

He also has exposure in Corporate Governance Advisory, Corporate & Management Consultancy, CSR Advisory, Companies Act 2013, Advisory services in corporate laws, Accounting and related areas, Capital markets and financial services, Arbitration under the Arbitration and Conciliation Act, Mediation under Companies Act, 2013, National Company Law Tribunal matters, Competition Laws including The Competition Act, 2002 etc.

Mr. Neelam Damodharan (Non-Executive Independent Director)

Mr. Damodharan is a former Executive Director of Bank of India and was in-charge of - Human Resources Development/ Management, Learning and Development, Credit Monitoring, Recovery, International Operations, Mid Corporate Business, MSME, Retail Banking, Fraud Risk Management and Disciplinary action.

In Bank of India, he was also a Member of various committees of the Board: Management Committee of the Board, Audit Committee of the Board, HR Committee of the Board, NPA Recovery Committee of the Board, Risk Management Committee of the Board, Executive Committee of the Board, IT Committee of the Board, Customer Service Committee of the Board, Executive Member of ALCO, Chairman, Learning & Development Governing Council of BOI and Executive Member of Policy Committee.

He was Chairman, BOI Merchant Bankers Ltd for 2.5 years, Director, BOI (New Zealand) Ltd. for 2.5 years and Non-Executive Director on New India Assurance Co Ltd the Board - 2 years (Appointed by GOI) - 14.08.2017 to 11.10.2019.

He is a former General Manager of Bank of Baroda with and was associated with the Bank for 34 years.

Highlights of career in Bank of Baroda:

General Manager (International Operations), General Manger (USA Operations), GM/ Zonal Head (TN & Kerala Zone), Regional Manager (Baroda, Kanpur and Kerala), Dy./ Asst. General Manager (Sharjah and Dubai), Asst. General Manager (MSME), Corporate Office, Branch Head of 6 different branches across India and Director, Bank of Baroda (New Zealand) Ltd (A Subsidiary of BoB)

He is/was a Guest Faculty in NIBM on invitation and External member of Special Staff Accountability Committee (DMD Level) of IDBI.

Mr. Rakesh Nema (Non-Executive Non-Independent Director)

Mr. Nema possesses Postgraduate in Applied Physics and Computer Applications, DIP in Computer (Advanced), JAIIB, CAIIB, Anti-Money Laundering and KYC and has certification in IT Security.

He joined as a Manager in Bank of Baroda on 07.08.2000 Mumbai Corporate Office. Portfolios handled by him are IT Compliance (2006-2009), IT Projects (2009-2014) and Digital Banking (2017-2018). On 25.03.2019 he took charge of Bank of Baroda Disaster Recovery Site, Hyderabad and also took charge as DGM, IT Operations (2019-2022). On 01st August 2022 he took charge as Head of IT Operations- General Manager, IT Operations, Bank of Baroda.

He was early associated with Nainital Bank as a Non-executive Director from June 26, 2015 till December 22, 2017.

Mr. Manas Ranjan Biswal (Non-Executive Independent Director)

Mr. Biswal has a rich experience of 37 years in Commercial Banking and has worked as Manager (IT) and Senior Manager (IT) from 2000-2006. Single handedly computerized all the branches of the region initially - partial computerization (Nelito with standalone PCs) and then Full automation (Bankmate with LAN). Have undergone intensive DB training from Infosys and was a member of parameterization team of PNB to implement CBS (Finacle). On elevation to the Executive Director - IT, Digitization and Strategy Departments - were reporting to him. He was an also member of the Board level IT Strategy Committee and Information Security Committee. He also handled the amalgamation of two PSBs with Union Bank of India overseeing IT and HR integration. He has undergone a certification Programme in IT and Cyber Security for Board members from IDBRT, Hyderabad.

He has worked in different geographic locations of India and rural, semi-urban, urban, and metro offices at various branches and administrative offices as Branch Heads and Zonal Heads. He is exposed to multi-disciplines of banking like credit, credit monitoring, recovery, Foreign Exchange and international Banking, IT, operations, digitalization, etc. He has headed the Eastern Zone of PNB and was the divisional head of various divisions at the corporate office. He is having fair exposure to the bank's overseas operations as the CEO of PNB's Dubai office and in charge of Middle East operations.

He was an Executive Director in the Union Bank of India. As Executive Director, he was a member of the Board and various board sub-committees viz; Management Committee, Credit Approval Committees, Audit Committee, Risk Management Committee, HR subcommittee, Recovery Management Committee, ORMC, CRMC, ALCO, SRC, Customer Service committee, etc. Departments such as IT, Digitalization, Strategy, HR, International Banking, MSME, Retail, Agriculture, Customer Acquisition Group, Financial Inclusion, Recovery, operations, and national banking were reporting to him.

Other Directorships - Bank of India Trustee Service (P) Ltd and Sarwadi Finance (P) Ltd

Mr. Kuldeep Singh (Executive Director)

Mr. Singh possesses degree in MA, a Post Graduate Diploma in Management (PGDM), Diploma in Materials Management, Diploma in Exports Management and CAIIB.

He is a Deputy General Manager of Bank of Baroda (BOB) and is having Banking Experience of 16 years, in various capacities - Marketing, Marketing Inspection, Branch Head, BPR Cell, Resource Mobilization, Deputy Zonal Head, Government Relationships and Government Digital Solutions.

B. Key Managerial Personnel

The details of the present key managerial personnel are as under:

SN.	Name	Job Profile	Designation	Holding
1.	**Mr. Sushil Kumar Lal** Managing Director & Chief Executive Officer The Nainital Bank Limited Head Office, Seven Oaks Mallital, Nainital-263001	Responsible for overall formulation of strategic plans for development and growth of the Bank.	Managing Director & Chief Executive Officer (On deputation form Bank of Baroda)	Nil
2.	**Mr. Kuldeep Singh** Executive Director The Nainital Bank Limited Head Office, Seven Oaks Mallital, Nainital-263001	Assistant Managing Director & Chief Executive Officer in all day-to-day functioning of the Bank. Responsible for general administration, implementation of Policy decisions taken by Board and directives of Reserve Bank of India etc.	Executive Director (On deputation form Bank of Baroda)	Nil
3.	**Mr. Mahesh Goyal** Chief Financial Officer The Nainital Bank Limited Head Office, Seven Oaks Mallital, Nainital-263001	Responsible for stating a true and fair picture of the Bank. Implementation of Policy decisions taken by Board and directives of Reserve Bank of India etc.	Chief Financial Officer (On deputation form Bank of Baroda)	5000
4.	**Mr. Vivek Sah** Company Secretary The Nainital Bank Limited Head Office, Seven Oaks Mallital, Nainital-263001	A vital link between the Bank and its Board of Directors, shareholders, government and regulatory authorities. Responsible for ensuring that Board procedures are both followed and regularly	Company Secretary	4973

C. Our Management (Administrative)

SN.	Name	Job Profile
1.	Dr. Deepak Pant (Chief Operating Officer)	All matters relating to Bank's operations
2.	Mr. Mahesh Chandra Jindal (Chief Compliance Officer)	All matters related to Compliances
3.	Mr. Sachin Kumar (Chief Risk Officer)	All matters relating to Risk
4.	Mr. Deepak Singh Bisht (Chief Technology Officer)	All matters relating to IT
5.	Mr. Anil Joshi (Associate Vice President)	All matters related to Recovery
6.	Mr. Mukul Sanwal (Vice President)	All matters relating to Credit
7.	Mr. Manoj Dalakoti (Associate Vice President)	All matters relating to Credit Monitoring Department
8.	Mr. Punkaj Tandon (Head of Internal Vigilance)	All matters relating to Vigilance
9.	Mr. Deepak Sanwal	All matters related to Inspection and Internal Audit

	(Head of Internal Audit)	
10.	Mr. Sharad Sharma (Associate Vice President)	All matters related to Operations
11.	Mr. Abhisekh Goel (Associate Vice President)	All matters related to Credit
12.	Mr. Gaurava Sharma (Chief Digital Officer)	All matters pertaining to Digital
13.	Mr. Hemant Khulbe (Associate Vice President)	All matters pertaining to Human Resource and Legal
14.	Mr. Deepak Rautela (Chief Information Security Officer))	All matters pertaining to IT Security
15.	Mr. Harish Singh Bisht (Head Investment)	All matters relating to Investment and Treasury
16.	Mr. Pawan Kumar (Head FRM)	All matters relating to Fraud Monitoring

D. Central Statutory Auditor of the Bank - AR & Company

E. Corporate Governance - Board Committees

Our Bank has constituted the following sub-committees of the Board in terms of the applicable Regulations; RBI guidelines and the Companies Act 2013:

1. Audit Committee of the Board (ACB)
2. Risk Management Committee of the Board (RMCB)
3. Nomination and Remuneration and Human Resource Committee (NRHRC)
4. Customer Service and Stakeholders' Relationship Committee (CSSRC)
5. Corporate Social Responsibility Committee (CSR)
6. IT Strategy & Digital Promotion Committee (IT&DC)
7. Recovery Committee of Board (RCB)
8. Management Committee of Board (MCB)
9. Special Committee of Board for Monitoring and Follow Up of Fraud (SCBMF)
10. Wilful Defaulter Committee (WD)

F. Our Group Company/ies

As on the date of the Letter of Offer, Nainital Bank is not having any subsidiaries, joint ventures etc. of its own. Nainital Bank's parent and holding company is Bank of Baroda with 98.57% stake and we are categorized under the group companies of Bank of Baroda. The Group Companies of Bank of Barda are as follows -

Subsidiary	Joint Venture	Overseas Subsidiary	Oversees Associate
BOBCARD Limited (Formerly known as BOB Financial Solutions Limited)	India Infradebt Ltd.	Bank of Baroda Botswana Ltd	Indo-Zambia Bank Ltd. (Lusaka)
BOB Capital Markets Ltd.	India International Bank Malaysia Berhad	Bank of Baroda (Kenya) Ltd.	
Baroda Global Shared Services Limited		Bank of Baroda (Uganda) Ltd.	

IndiaFirst Life Insurance Company Limited		Bank of Baroda (Guyana) Inc.	
Baroda BNP Paribas Asset Management India Private Limited		Bank of Baroda (New Zealand) Ltd.	
Baroda BNP Paribas Trustee India Private Limited (Formerly Baroda Trustee India Private Limited)		Bank of Baroda (Tanzania) Ltd.	
BarodaSun Technologies Limited		Bank of Baroda (UK) Ltd.	

G. Dividend Distribution Policy

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Banking Regulation Act and regulations made thereunder, the RBI Act and the regulations and guidelines made thereunder, the Articles of Association and other applicable laws, including the Companies Act, 2013.

The Board recommends final divided based on (a) regulatory requirements; (b) profitability; (c) growth and expansion; (d) any interim dividend paid; (e) Basel III capital requirements; (f) cash flow required to meet contingencies; (g) payout trends; and (h) other factors and/or material events which the Board may consider.

As per our dividend distribution policy, our Bank may not distribute dividend in case it does not meet any of the eligibility conditions, including any regulatory restrictions placed on our Bank. Our Bank shall use any of the electronic modes of payment facility approved by the Reserve Bank of India for the payment of the dividends. Where it is not possible to use electronic mode of payment, ‘payable-at-par’ warrants or ‘cheques’ will be issued to the eligible shareholders.

Our bank follows RBI circular RBI/2004-05/451 DBOD.NO.BP.BC.88/21.02.067/2004-05 dated May 04, 2005, and directives of RBI for Dividend Distribution in the Bank.

SECTION V - DISCLOSURES

Penalties/Litigation/Disputes/Defaults/Criminal Cases

Summary of Penal Actions by Regulatory Authorities for the last Three Years

SN	Penalty Authority	Penalty Amount	Reason for Penalty	Date of imposition
1.	RBI	6140000.00	Non-compliance observed during the statutory Inspection for Supervisory Evaluation (ISE 2023) of the bank	12.02.2025
2.	Banking Ombudsman	25000.00	Compensation to the complaint M/s Laxmi Tarai Agro has approached BO for levying penal charges in his account	31.12.2024
3.	Consumer Court	60000.00	Compliant raised by Bank's borrower account classified as NPA and subsequent recovery suit	03.08.2024
4.	Issue Department, RBI	6150.00	Monetary penalty on Bank's Currency Chest – Mutilated Notes Detected	25.06.2024
5.	Issue Department, RBI	84000.00	Monetary penalty on Bank's Currency Chest – Shortage of bank notes	25.06.2024
6.	Issue Department, RBI	12000.00	Monetary penalty on Bank's Currency Chest – Forged note detected	25.06.2024
7.	Issue Department, RBI	40250.00	For Deficiency in providing customer service to the general public for bank branches including currency chests	21.03.2024
8.	Banking Ombudsman	10000.00	Delay in release of mortgaged Security	01.03.2024
9.	Banking Ombudsman	10000.00	Delay in updating CIBIL of the complainant	22.09.2023
10.	Banking Ombudsman	25000.00	Delay in updating CIBIL of the complainant	03.08.2023

Cases against the bank not acknowledged as debts -

SN.	Name of the Branch/Office	Name of the Party	Nature of the Case	Amount Involved (Rs.)
1	Muzaffarnagar	Sahkari Ganna Samitte Limited	Complaint Under the Consumer Dispute Acts, 1986	171185.00
2	Pitampura Delhi	Chemical Centre (India)	Delhi High Court	760407.00
3	Muzaffarnagar	Muzaffarnagar Development Authority	Complaint Under the Consumer Dispute Acts, 1986	582437.00
4	Dehradun	Puneet Tandon	Complaint Under the Consumer Dispute Acts, 1986	1395500.00
5	Dehradun	Smt. Vidya Agarwal	Nainital High Court	10351050.00
6	Gomti Nagar Lucknow	Shubham Refrigeration	Appeal under Consumer Dispute Act before NCDRC	4000000.00
7	Jaipur, Rajasthan	Rashmi Khandelwal	Complaint -Consumer dispute under CPA, 2019	440000.00
8	Head Office	Tata Communication Payments Solution Limited	Arbitration proceedings	3748000.00
			Total	21448579.00

Income Tax proceeding which are pending before respective authorities

SN	Authority	Amount	Issue under consideration	Assessment Year
1	Commissioner of Income Tax (Appeals)	Rs. 27,46,746.00	Disallowance of expenses. Appeal is pending against order u/s 143(3) dated 14.09.2021	2018-19
2	Commissioner of Income Tax (Appeals)	Rs. 2,23,06,240.00	Disallowance of expenses. Appeal is pending against order u/s 143(1) dated 26.09.2021	2019-20
3	Commissioner of Income Tax (Appeals)	Rs. 1,34,48,230.00	Disallowance of deduction claimed. Appeal is pending against the order u/s 154/143(1) dated 24.09.2021	2020-21
4	Commissioner of Income Tax (Appeals)	Rs. 16,18,25,159.00	Disallowance of expenses. Appeal is pending against order u/s 143(3) dated 22.03.2024. Appeal is fixed for hearing on 10.06.2025 as per notice dated 26.05.2025	2022-23
5	Assessment Unit Income Tax Department	Kept in abeyance (as appeal is pending against Assessment Order u/s143(3) dated 14.05.2021	Show cause notice for penalty under 270A	2018-19
6	Assessment Unit Income Tax Department	Kept in abeyance (as appeal is pending against Assessment Order u/s143(3) dated 22.03.2024	Show cause notice for penalty under 270A	2022-23
7	GST Department	Rs. 18,98,070.00	Appeal filed to appellate Authority dated 30.12.2023. Personal hearing has not been finalized by the GST Department. **1.** Excess Claim for ITC **2.** Under declaration of Ineligible ITC:	2017-18

Civil Litigation

Total number of cases filed by the Bank pending before DRT, Civil Court and High Court as on 31.03.2025 are 922 in which the aggregate amount involved is Rs. 46274.40 Lac. Furthermore, there are a total of 08 cases against the Bank not acknowledge as debt pending before various consumer courts, forums and High Court in which the aggregate amount involved is Rs. 214.48 Lac. There is one case before NCLT, Allahabad, wherein, amount involved is Rs. 100.56 Crore. The Bank has made the required provision in the said cases against the Bank.

Criminal Litigation

Criminal proceedings (05) in number are pending against employees, ex-employees and officials of our Bank, originating from the actions while performing the actions of the Bank. Furthermore, the Bank has also initiated criminal proceedings in 108 incidents against the borrowers, guarantors and other people in which the amount involved is Rs. 10761.42 Lac. Furthermore, in the said 108 incidents the Bank has also furnished the FMR-1 to RBI.

SARFAESI Action

Our bank has issued 834 notices under section 13(2) of SARFAESI Act, 2002 out of 842 eligible accounts for SARFAESI action as on 31.03.2025 in relation to recovery of amount against defaulting borrowers, involving an aggregate amount of Rs. 262.45 Crore. Further, 405 notices issued under section 13(4) of SARFAESI Act, 2002 out of 411 eligible accounts 13(4) as on 31.03.2025 involving an amount of Rs. 256.64 Crore.

Other than the above

1. There are no major pending litigations in which the Bank is involved, no defaults to the financial institutions/Banks, no non-payment of statutory dues and dues towards instrument holders like debenture holders, fixed deposits, and no arrears on cumulative preference shares by the company except as mentioned herein for the last 10 years.

2. Further, there are no cases of pending litigations, defaults, etc. in respect of companies/firms/ventures with which the promoters were associated in the past but are no longer associated.

3. -
   a) There are no litigations against the bank or against any other bank whose outcome could have a materially adverse effect on the position of the bank.
   b) Further, there are no other litigations against the promoter or directors involving violation of statutory regulations or criminal offence.

4. -
   a) There are no pending proceedings initiated for economic offences against the directors, the promoters, companies and firms promoted by the promoters.
   b) There are no past cases in which penalties were imposed by the concerned authorities.

5. There are no outstanding litigations, defaults, etc., pertaining to matters likely to affect operations and finances of the company and prosecution under any enactment in respect of The Companies Act, 2013.

6. There are no pending litigations, defaults, no non-payment of statutory dues, proceedings initiated for economic offences/Civil offences, no disciplinary action has been taken by the Board/stock exchanges against the company/ Promoters and their other business ventures.

SECTION VI - FINANCIAL HIGHLIGHTS

Past Financial Performance & Accounting Policies

The Financial Highlights of the Company as per the Audited accounts of the Company for the past Five years as under:

Balance Sheet & Profit and Loss Account

(In Crore)

Snapshot of Balance Sheet	2022-23	2023-24	2024-25
CAPITAL & LIABILITIES			
Capital	117.45	117.45	117.45
Reserve & Surplus	647.34	700.29	759.73
Deposit	**7681.8**	**8267.74**	**8255.82**
Demand Deposit	440.6	501.41	488.40
Savings Bank Deposit	2685.6	2950.21	2935.66
CASA Deposit	**3126.2**	**3451.62**	**3424.06**
Term Deposit	4555.6	4816.13	4831.76
Borrowing	0.00	0.00	0.00
Other Liabilities & Provision	210.06	221.34	227.49
Total	**8656.7**	**9306.82**	**9360.48**
ASSETS			
Cash & Balance with RBI	412.53	529.98	481.70
Balances with Bank & Money at Call & Short Notice	1328.98	1642.23	1667.17
Investments	2130.24	1989.07	1856.89
Advances (Net)	4317.04	4517.84	4663.94
Fixed Assets	81.49	79.06	74.56
Other Assets	386.40	548.64	616.23
Total	**8656.67**	**9306.82**	**9360.48**
Profit & Loss			
Interest Income	587.73	692.13	710.41
Other Income	14.82	62.79	41.44
Total (A)	**602.56**	**754.92**	**751.85**
Interest Expended	308.72	372.05	399.59
Operating Expenses	216.90	275.59	263.24
Total (B)	**525.62**	**647.64**	**662.83**
Gross/Operating Profit C=A-B	**76.94**	**107.28**	**89.03**
Provision & Contingencies (D)	30.63	60.19	38.42
Net Profit E=C-D	**46.31**	**47.10**	**50.61**

NAINITAL BANK
THE NAINITAL BANK LTD.

THE NAINITAL BANK LTD
Head Office :Nainital Bank House
Seven Oaks,Mallital
Nainital 263001 (Uttarakhand)

CIN - U65923UR1922PLC000234

BALANCE SHEET OF THE NAINITAL BANK LIMITED

BALANCE AS ON 31st March 2025

(` In thousands)

CAPITAL AND LIABILITIES	SCHEDULE	As on 31-03-2025 (Current Year)	As on 31-03-2024 (Previous year)
Capital	1	117,44,63	117,44,63
Reserves & Surplus	2	759,73,02	700,28,79
Deposits	3	8255,81,88	8267,74,44
Borrowings	4		
Other Liabilities & Provisions	5	227,48,69	221,34,34
	Total	9360,48,22	9306,82,20
ASSETS			
Cash & Balances With Reserve Bank of India	6	481,70,25	529,97,62
Balances with Banks & Money at call and Short Notice	7	1667,16,85	1642,22,76
Investments	8	1856,88,62	1989,07,34
Advances	9	4663,93,71	4517,84,44
Fixed Assets	10	74,55,81	79,05,84
Other Assets	11	616,22,98	548,64,20
	Total	9360,48,22	9306,82,20
Contingent Liabilities	12	99,74,43	106,37,09
Bills for collection			
Significant Accounting Policies	17		
Notes on Accounts	18		
Schedules referred above form an integral part of Balance Sheet			

N.K.Chari
Non Executive -
Independent Chairman
DIN - 07409731

Sushil Kumar Lal
Managing Director &
Chief Executive Officer
DIN - 11029008

Kuldeep Singh
Executive Director
DIN- 11018445

Binita Shah
Non-Executive -
Independent Director
DIN - 01538965

Gopal Singh Gusain
Non-Executive -
Independent Director
DIN - 03522170

Neelam Damodharan
Non-Executive -
Independent Director
DIN - 07759291

Manoj Sharma
Non-Executive
Independent Director
DIN - 09085665

Uttam Chand Nahta
Non-Executive
Independent Director
DIN - 08533075

Rakesh Nema
Non-Executive -
Non-Independent Director
DIN - 07207816

Manas Ranjan Biswal
Additional Director
DIN - 08162008

as per our report of even date
For AR & Co.
Chartered Accountants
FRN- 002744C

ANIL GAUR
Digitally signed by ANIL GAUR
Date: 2025.04.29 21:07:52 +05'30'

M.K. Goyal
Chief Financial Officer

Vivek Sah
Company Secretary

CA Anil Gaur
Partner,M.N.No.017546
UDIN:25017546BMGYSW7660

Place : Nainital
Date : 29 April 2025

NAINITALBANK
THE NAINITAL BANK LTD.

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PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2025

(` in thousands)

I. INCOME	SCHEDULE	Year Ended 31 March 2025	Year Ended 31 March 2024
Interest Earned	13	710,41,43	692,13,26
Other Income	14	41,43,98	62,78,63
	Total	**751,85,41**	**754,91,89**
II.EXPENDITURE			
Interest Expended	15	399,58,99	372,04,58
Operating Expenses	16	263,23,81	275,58,97
Provisions & Contingencies		38,41,61	60,18,68
	Total	**701,24,41**	**707,82,23**
III.PROFIT			
Net profit for the year		**50,61,00**	**47,09,66**
Profit available for appropriation		**50,61,00**	**47,09,66**
IV.APPROPRIATIONS			
Statutory Reserve		12,65,25	11,77,42
Revenue & Other Reserves:			
I) Investment Reserve Account		0	14,40,65
ii) Investment Fluctuation Reserve		-	0
iii) special reserve created u/s 36(i)(viii)		1,56,12	1,79,35
Proposed Dividend		-	0
Balance Carried over to Balance Sheet		36,39,63	19,12,24
	Total	**50,61,00**	**47,09,66**
Earnings per share (Rs)			
Basic		**4.31**	**4.01**
Diluted		**4.31**	**4.01**

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DIN - 03522170

Neelam Damodharan
Non-Executive -
Independent Director
DIN - 07759291

Manoj Sharma
Non-Executive
Independent Director
DIN - 09085665

Uttam Chand Nahta
Non-Executive
Independent Director
DIN - 08533075

Rakesh Nema
Non-Executive -
Non-Independent Director
DIN - 07207816

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as per our report of even date
For AR & Co.
Chartered Accountants
FRN- 002744C

ANIL GAUR
Digitally signed by ANIL GAUR
Date: 2025.04.29 21:08:27 +05'30'

CA Anil Gaur
Partner,M.N.No.017546
UDIN:25017546BMGYSW7660

Place : Nainital
Date : 29 April 2025

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STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH 2025

(` in Thousands)

	Year Ended 31.03.2025	Year Ended 31.03.2024
A. Cash flow from operating activities :		
Net profit before taxes.	**63,30,48**	**74,11,99**
Adjustments for :		
Depreciation on fixed Assets	15,28,02	14,59,71
Depreciation on investment Written back	0	-3,06,675
Provision made on Investment		
Provision in respect of NPA.	21,953	40,89,52
Provision for standard assets restr,	37,125	-1,136
Provision for other items.(amortisation of investment (HTM) as per new circular)	1,88,08	
(Profit) Loss on sale of fixed Assets.	5,222	-101
Deferred Tax for Current year	14,671	-36,853
Creation of AFS reserve	36,112	
	91,97,41	**95,13,57**
Adjustment for :		
(Increase)/Decrease in investments	135,86,85	171,83,28
(Increase)/Decrease in advances	-14,60,927	-20,08,062
(Increase)/Decrease in other assets	-6,75,878	-16,22,389
Increase/(Decrease) in Borrowings		
Increase/(Decrease) in deposits	-1,19,257	585,91,72
Increase/(Decrease) in other liabilities and provisions	-12,314.43	-2,58,126
Direct Taxes paid.	-1,26,949	-2,70,231
Net cash from operating activities (A)	**-1,16,899**	**437,00,47**
B. Cash flow from investing activities :		
(Increase)/Decrease in fixed Assets	-1,16,429	-63,097
Changes in Trade related investments		
Dividend received from subsidiaries/others		
Net Cash from investing activities (B)	**-1,16,429**	**-63,097**
C.Cash flow from financing activities		
Share Capital/Share Premium	0	0
Dividend	-	-
Interest paid/payable on unsecured redeemable bonds		
Net Cash from financing activities (C)	**0**	**0**
Net increase in cash & cash equivalents (A)+(B)+(C)	**-2,33,328**	**430,69,50**
Opening Cash & cash equivalents	**2172,20,37**	**1741,50,87**
Closing Cash & cash equivalents	**2148,87,09**	**2172,20,37**

N.K.Chari
Non Executive Chairman
DIN - 07409731

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as per our report of even date
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ANIL GAUR
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CA Anil Gaur
Partner,M.N.No.017546
UDIN:25017546BMGYSW7660

Place : Nainital
Date : 29 April 2025

THE NAINITAL BANK LTD
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SCHEDULE 1-CAPITAL

(` in Thousands)

	As on 31/03/2025	As on 31/03/2024
Authorised Capital	230,00,00	230,00,00
(Last year 15,00,00,000 Equity Shares of Rs. 10/- each)		
Issued Capital		
11,74,46,250 Equity Shares of Rs.10/- each	117,44,63	117,44,63
Subscribed Capital		
11,74,46,250 Equity Shares of Rs.10/- each	117,44,63	117,44,63
Called up Capital		
11,74,46,250 Equity Shares of Rs.10/- each	117,44,63	117,44,63
(Bank of Baroda holds 98.57%)		
Less : Calls Upnaid	NIL	NIL
Total	**117,44,63**	**117,44,63**

SCHEDULE 2- RESERVES & SURPLUS

I	**Statutory Reserve :**		
	Opening Balance	197,77,30	185,99,88
	Addition during the year	12,65,25	11,77,42
	Closing Balance	**210,42,55**	**197,77,30**
II	**Capital Reserve :**	**21,35,26**	**21,80,67**
A)	Revaluation Reserve		
	Opening Balance	21,80,67	16,08,67
	addition/deletion during the year -	-4541	5,85,03
	Depreciation on account of revaluation of premises transferred to Profit & Loss Account		(1,303)
	Closing Balance	**21,35,26**	**21,80,67**
B)	Others		
	addition during the year		
	Closing Balance		
III	**Share Premium :**		
	Opening Balance	137,41,94	137,41,94
	Addition During the Year		
	Deduction During the Year	-	-
	Closing Balance	**137,41,94**	**137,41,94**
IV	**Revenue & Other Reserves**		
(i)	**Investment Fluctuation Reserve :**		
	Opening Balance	**21,24,74**	**21,24,74**
	Addition During the Year	-	-
	Less: Transferred To General Provision	-	-
	Closing Balance	**21,24,74**	**21,24,74**
(ii)	**Investment Reserve A/C**		
	Opening Balance	18,83,47	4,42,84
	Addition During the Year	-188347	**14,40,65**
	Deductions during the year		
	Closing Balance	**0**	**18,83,49**
(iii)	**special reserve u/s 36(1) (VIII)**		
	Opening Balance	27,32,93	25,53,58
	Adition During the Year	**1,56,13**	**1,79,35**
	Deductions during the year		
	Closing Balance	**28,89,06**	**27,32,93**
	Total(IV)	**50,13,80**	**67,41,16**
(iv)	**AFS Reserve**		
	Opening Balance		
	Adition During the Year	**3,61,12**	
	Deductions during the year		
	Closing Balance	**3,61,12**	
V	**Balance in Profit & Loss Account**		
	Opening Balance	**275,87,72**	256,62,45
	Addition : Surplus in Profit & Loss Account	60,90,64	19,12,24
	Addition : Depreciation pertaing to revalued Asset		1,303
	Closing Balance	**336,78,36**	**275,87,72**
	Total (I,II,III, IV & V)	**759,73,02**	**700,28,79**

THE NAINITAL BANK LTD
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(` in Thousands)

SCHEDULE 3 -DEPOSITS

		As on 31/03/2025	As on 31/03/2024
A	**I) Demand Deposits**		
	i)From Banks	1,37,82	64,37
	ii)From Others	487,01,91	500,76,69
	Total	**488,39,73**	**501,41,06**
	II) Savings Bank Deposits	**2935,66,11**	**2950,20,66**
	III) Term Deposits		
	i)From Banks	393,16,13	461,76,54
	ii)From Others	4438,59,91	4354,36,18
	Total	**4831,76,04**	**4816,12,72**
	Total (I, II & III)	**8255,81,88**	**8267,74,44**
B	I)Deposits of Branches in India	8255,81,88	8267,74,44
	II)Deposits of Branches outside India		
	Total (I & II)	**8255,81,88**	**8267,74,44**

SCHEDULE 4 -BORROWINGS

I	**Borrowings in India**		
	i)Reserve Bank Of India	-	-
	ii)Other Banks	-	-
	iii)Other Institutions and Agencies	-	-
		-	
II	Borrowings outside India		
	Total (I & II)	-	-
	Secured Borrowings Included in I above	-	-

SCHEDULE 5 -OTHER LIABILITIES AND PROVISIONS

I	Bills Payable	22,28,26	26,58,72
II	Inter Office Adjustments(Net)		
III	Interest Accrued	16,21,67	10,20,14
IV	Others(Including Provisions)	188,98,76	184,55,48
	Total(I,II ,III & IV)	**227,48,69**	**221,34,34**

(` in Thousands)

SCHEDULE 6 -CASH AND BALANCES WITH RESERVE BANK OF INDIA

		As on 31/03/2025	As on 31/03/2024
I	**Cash in hand(Including foreign currency notes)**	22,70,06	18,26,47
II	**Balances with Reserve Bank of India**		
	i)In Current Accounts	459,00,19	511,71,15
	ii)In Other Accounts		
	Total (I & II)	**481,70,25**	**529,97,62**

SCHEDULE 7- BALANCES WITH BANKS & MONEY AT CALL AND SHORT NOTICE

I	In India		
	i) Balances with Banks		
	In Current Accouts	10,65,85	17,21,76
	In Other Deposit Accounts	1526,51,00	1503,01,00
	Total	**1537,16,85**	**1520,22,76**
	ii)Money at call and short notice		
	With banks	47,00,00	47,00,00
	With other institutions	83,00,00	75,00,00
	Total	**130,00,00**	**122,00,00**
	Total (i & ii)	**1667,16,85**	**1642,22,76**
II	Outside India	NIL	NIL
	Total (I & II)	**1667,16,85**	**1642,22,76**

SCHEDULE 8- INVESTMENTS

I	**Investments in India(Gross)**	1856,88,62	1992,75,47
	Less : Provision for Depreciation	0	3,68,13
	Net Investments in India	**1856,88,62**	**1989,07,34**
	Break up		
	i)Government Securities	1757,59,99	1882,89,78
	ii)Other Approved Securities		
	iii)Shares		
	iv)Debentures and Bonds	99,28,63	106,17,56
	v)Subsidiaries and/or Joint Ventures		
	vi)Others	.	0
	Total	**1856,88,62**	**1989,07,34**
II	**Investments outside India**	**Nil**	**Nil**
	Total (I & II)	**1856,88,62**	**1989,07,34**

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(` in Thousands)

SCHEDULE 9- ADVANCE	As on 31/03/2025	As on 31/03/2024
A i)Bills Purchased and Discounted	1,25,75	4,69,61
ii)Cash Credit ,Overdrafts , Loans repayable on demand	2540,92,98	2528,82,57
iii)Term Loans	2121,74,98	1984,32,26
Total	**4663,93,71**	**4517,84,44**
B i)Secured by Tangible Assets	4550,58,43	4421,40,81
ii)Covered by Bank/Govt. Guarantees	23,08,23	
iii)Unsecured	90,27,05	96,43,63
Total	**4663,93,71**	**4517,84,44**
C I)Advances in India		
i)Priority Sector	1956,67,73	2197,90,03
Net Priority Sector	1956,67,73	2197,90,03
ii)Public Sector		0
iii)Banks		0
iv)Others	2707,25,98	2319,94,41
Net Others	**4663,93,71**	**4517,84,44**
II)Advances outside India		
Total	**4663,93,71**	**4517,84,44**

SCHEDULE 10- FIXED ASSETS		
I **Premises**		
At cost/revalued amount as on 31st March of the preceeding year	28,39,61	22,54,58
Addition during the Period	0	5,85,03
Deduction during the Period	3,12,60	
Depreciation to date(including incremental depreciation due to revaluation)	3,73,81	3,25,18
Closing Block I	**21,53,20**	**25,14,43**
II Other Fixed Assets(including Furniture & Fixtures)		
At cost as on 31st March of the preceeding year	135,17,01	128,84,97
Addition during the period	13,92,76	6,32,43
Deductions during the period	216	39
Depreciation to date	96,05,00	81,25,60
Closing Block II	**53,02,61**	**53,91,41**
Total	**74,55,81**	**79,05,84**

SCHEDULE 11- OTHER ASSETS		
I Inter Office Adjustment (Net)	2,790	27,54
II Interest Accrued	95,02,25	91,03,28
III Tax Paid in advance/tax deducted at source	11,15,53	14,08,09
IV Stationery and Stamps	83	86
V Deferred Tax Asset		
VI Others	509,76,47	443,24,43
Total (I,II,III, IV & V)	**616,22,98**	**548,64,20**

THE NAINITAL BANK LTD
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SCHEDULE 12- CONTINGENT LIABILITIES

(` in Thousands)

	As on 31/03/2025	As on 31/03/2024
I Claims against the Bank not acknowledged as S(Debts	49,78	49,78
II Liability on partly paid Investments		
III Guarantees given on behalf of constituents - IN INDIA	45,50,06	55,63,88
IV Acceptances,Endorsements and Other Obligations	-	0
V Other items for which the bank is contingently liable	53,74,59	50,23,43
Total (I,II,III, IV & V)	**99,74,43**	**106,37,09**

SCHEDULE 13- INTEREST EARNED

I Interest/Discount on Advances/Bills	428,12,92	421,43,31
II Income on Investments	136,23,98	148,81,30
(less Amortisation/add acretion during the year)	7,180	-10,849
III Interest on Balances with Reserve Bank Of India and other Inter Bank Funds	128,01,64	111,19,47
IV Others	17,31,07	11,77,67
Total (I,II,III & IV)	**710,41,42**	**692,13,26**

SCHEDULE 14- OTHER INCOME

I Commission,Exchange & Brokerage	1,16,74	1,46,60
II Profit / Loss on sale of investments		
Less: Loss on sale of investments	79,230	-6020
III. Profit on revaluation of investments	0	25,67,08
Less: Loss on revaluation of investments		
IV Profit on sale of land, buildings and other assets	-5,222	
Less: Loss on sale of land, buildings and other assets		
V Miscellaneous Income	31,06,13	34,02,60
VI Third party commission	1,81,03	2,21,54
Total (I,II,III, IV, V & VI)	**41,43,98**	**62,78,63**

SCHEDULE 15-INTEREST EXPENDED

I Interest on Deposits	399,43,38	372,00,21
II Interest on RBI / Inter Bank Borrowings	15,61	4,37
III Others		
Total (I, II, & III)	**399,58,99**	**372,04,58**

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SCHEDULE 16- OPERATING EXPENSES

(` in Thousands)

		As on 31/03/2025	As on 31/03/2024
SCI	Payments to and Provisions for Employees	165,23,16	183,77,89
II	Rent,Taxes and Lighting	18,53,17	18,03,01
III	Printing and Stationery	1,26,99	1,24,55
IV	Advertisement and Publicity	59,13	58,13
V	Depreciation on Bank's Property Less:Depreciation adjusted from Capital reserve on account of revaluation of premises	15,28,02	14,59,71
VI	Director's Fees Allowances and Expenses	52,91	34,53
VII	Auditor's Fees & Expenses (including Branch Auditor's fee & expenses)	78,25	52,98
VIII	Law Charges	1,81,25	90,07
IX	Postage,Telegrams,Telephones etc	97,33	1,06,76
X	Repairs and Maintenance	97,36	1,45,68
XI	Insurance	9,77,11	9,04,02
XII	Other Expenditure	47,49,13	44,01,64
	Total (I TO XII)	**263,23,81**	**275,58,97**

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

1. BACKGROUND

The Nainital Bank Limited, incorporated in Nainital, Uttarakhand in the year 1922, is a banking company governed by the Banking Regulation Act, 1949, The Companies act, 2013 and other applicable regulations/guidelines issued from time to time by regulator(RBI) and Govt. of India, the Bank is engaged in providing a wide range of banking and financial services including commercial banking and treasury operations.

2. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis and on the accrual/mercantile basis of Accounting, unless otherwise stated and conform to the Generally Accepted Accounting Principles (GAAP) in India which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, notified Accounting Standards (AS) issued under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, to the extent applicable and current practices prevailing in the banking industry in India. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

3. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods unless otherwise stated.

4. INVESTMENTS:

4.1 Investments are categorized into three categories –

(i) Held to Maturity (HTM),

(ii) Fair Value through profit & loss account (FVTPL), (with a sub category as "Held for Trading") (HFT), and

(iii) Available for Sale (AFS)

For the purpose of disclosure in the balance sheet, investments are classified and disclosed in Schedule 8 ('Investments') under six groups with sub-classification under each category viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures & Bonds, (v) Subsidiaries and Joint Ventures and (vi) Others – Units of Mutual Funds, Certificate of Deposits, Commercial Paper, Security Receipts and other investments, in accordance with RBI guidelines.

4.2 Cost of acquisition

Brokerage, commission and securities transaction tax (STT) etc., pertaining to investment, paid at the time of acquisition are charged to the profit and loss account.

4.3 Classification under various categories – broad parameters

The category under which the investments would be classified is decided at the time of acquisition.

I. Investments which the bank intends to hold till maturity i.e., the financial assets are held with an objective to collect the contractual cash flows; and the contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion') on specified dates are classified as "Held to Maturity".

II. Securities that meet the following criteria shall be classified under AFS
   a. The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and
   b. The contractual terms of the security meet the 'SPPI criterion' as given above.

III. Securities that do not qualify for inclusion in HTM or AFS shall be classified under FVTPL. These shall inter-alia include:

The Bank has separate policy for recognition, measurement and operation of investment, in line with RBI circular RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 dated September 12, 2023.

4.4 Valuation of Securities

Any premium/discount on acquisition of securities are amortized over the remaining maturity of the security. Investments classified under the AFS and FVTPL categories are marked-to-market. The market / fair value of quoted investments included in the 'AFS' and 'FVTPL' categories is measured with respect to the Market Price of the Scrip as available from the trades / quotes on the stock exchanges, SGL account transactions, price list of RBI or prices declared by Financial Benchmark India Private Limited (FBIL), periodically. Net depreciation, if any, within each category of investment classification is recognised in AFS reserve. The net appreciation, if any, under each category of Investment is ignored, Except in cases where provision for diminution other than temporary is created, the book value of individual securities is not changed consequent to the periodic valuation of Investments.

The Bank follows settlement date method of accounting for purchase / sale of investments, and weighted average cost method for determining cost **and** accounting of profit on sale of investments. Broken period interest on debt instruments and government securities is treated as a revenue item. Treasury Bills, Commercial Paper and Certificate of Deposits, being discounted instruments, are valued at carrying cost. Units of Mutual Funds are valued at the latest repurchase price / NAV declared by the Mutual Fund.

4.5 Disposal of Investments

Sale / Redemption of Investments Profit or loss on sale / redemption in respect of securities in HFT and AFS category is included in the Profit and Loss account. Profit on sale / redemption of investments in HTM category is included in the Profit and Loss Account and is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve, as per RBI guidelines.

Investments for which such rates / quotes are not available are valued as per norms laid down by Reserve Bank of India.

Based on RBI Master Direction on Financial Statements - Presentation and Disclosures issued on August 30, 2021: Provision for depreciation on performing standard investments earlier classified as part of provisions and contingencies has been reclassified as part of other income.

4.6 Investment fluctuation reserve

To ensure building up of adequate reserves and protect against increase in yields, RBI through circular number RBI/2017-18/147 DBR.No.BP. BC.102/21.04.048/2017- 18 dated April 2, 2018, advised all banks to create an IFR with effect from the FY 2018-19.

Transfer to IFR will be lower of the following (i) net profit on sale of investments during the year or (ii) net profit for the year less mandatory appropriations, until the amount of IFR is at least 2% of the HFT and AFS portfolio, on a continuing basis.

5. ADVANCES AND PROVISIONS THEREON:

Advances are classified as standard and non-performing assets and provisions are made as per the prudential norms prescribed by RBI. Advances stated in the Balance Sheet are net of provisions, interest suspense, claims received from credit guarantee institutions and recoveries pending appropriation and held in sundry account. Interest on non-performing advances is transferred to an unrealized interest account and not recognized in profit and loss account until received. Amounts recovered against debts written off is recognised as income and provisions no longer considered necessary based on the current status of the borrower, is reversed to the profit and loss account. In respect of restructured / rescheduled assets, provision is made in accordance with RBI guidelines, including diminution in the fair value of the assets to be provided on restructuring, as applicable.

Provision for standard assets, is made in accordance with the guidelines and at levels stipulated by RBI from time to time.

Transfer of advances through inter-bank participation is undertaken with and without risk in accordance with RBI guidelines. In case of participation with risk, the aggregate amount of participation sold / purchased by the Bank is reduced from / included in advances. In case of participation without risk, the aggregate amount of participation sold / purchased by the Bank is classified under borrowings / investments.

6. FLOATING PROVISIONS:

The floating provisions are utilized only for contingencies under extraordinary circumstances specified in extent guidelines of RBI and in with prior permission of Reserve Bank of India.

7. FIXED ASSETS:

Premises and other fixed assets are accounted for at historical cost (or revalued amounts, as the case may be), as reduced by depreciation written off. The cost includes cost of purchase and all expenditure such as site preparation, installation cost, expenditure incurred for development of software, and GST (net of ITC). Subsequent expenditure incurred on the assets already in use are capitalised only when it increases the future benefits from such assets or their functioning capacity.

Revaluation of Fixed Assets

Premises are revalued periodically (every 3rd year) by two independent valuers, to reflect current market valuation. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserves. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Other Revenue Reserve. A decrease in the carrying amount of an asset arising on revaluation should be charged to the statement of profit and loss. However, the decrease should be debited directly revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Intangible Assets

- It is an identifiable asset without physical substance form which future economic benefits are expected to generate and meets recognition criteria as prescribed in Accounting Standard 26 issued by ICAI and applicable guidelines of Regulator viz RBI. **Example – Software License fees (CBS, Treasury/Third party applications), Implementation cost.**

8. DEPRECIATION:

8.1 Depreciation on Fixed Assets [other than those referred in Paragraph 7.2] is provided in accordance with Schedule II to the Companies Act, 2013 as per written down value method, as per following table, except in case of revalued assets, in respect of which depreciation is provided on the basis of estimated useful life of these revalued assets

Sr. No.	Description of fixed Assets	Method of charging depreciation/ Amortization	Useful Life (Years)	Depreciation/ amortization rate
1.	Computers (End user device such as laptop, desktop)	Straight Line Method	3 Years	33.33% Per annum
2.	Computer software's, forming an integral part ofhardware	Straight Line Method	3 Years	33.33% Per annum
3.	Servers and networks/Network devices (Data Centers/Data Recovery Centre etc)	Straight Line Method	6 Years	16.67 % Per annum
4.	Intangible Assets	Straight Line Method	6 Years	16.67 % Per annum

5.	General furniture and fittings	Written Down Value method	10 Years	25.89 % Per annum
6	Office Equipment's	Written Down Value method	5 Years	45.07 % Per annum
7	Plant and Machinery	Written Down Value method	15 Years	18.10 % Per annum
8	Vehicles - Motor cycles, Scooters and other 2 wheelers	Written Down Value method	10 Years	25.89 % Per annum
9	Vehicles – Motor Cars and other four wheelers	Written Down Value method	8 Years	31.23 % Per annum
10	Revalued buildings	Written Down Value method	Useful life as per revaluation	As per useful life

8.2 Depreciation on Computers (Laptops/Desktop/Printer) and Software forming an integral part of Computer Hardware, is provided on Straight Line Method at the rate of 33.33% p.a., as per the guidelines of RBI. Depreciation on additions is provided proportionately from the date of purchase/put to use.

9. RESERVES AND SURPLUS

Revenue and other Reserves include, Investment fluctuation reserve, Special reserve created under section 36(1)(viii) of the Income Tax Act, 1961 and AFS reserves.

10. EMPLOYEE BENEFITS

10.1 PROVIDENT FUND

Provident fund is a statutory obligation as per The Nainital Bank Limited PF Rules, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by The Nainital Bank Limited Provident Fund Trust.

10.2 GRATUITY

Gratuity liability is a statutory obligation being higher of gratuity payment as per The Nainital Bank Limited Gratuity Fund Rules and Regulations and Payment of Gratuity Act 1972. This is provided for on the basis of an actuarial valuation.

10.3 PENSION

Pension liability is a defined benefit obligation under The Nainital Bank Ltd (Employees) Pension Regulations 1995, and is provided for on the basis of actuarial valuation, for the employees who have joined Bank up to 31.03.2010 and opted for pension. The pension liability is funded by The Nainital Bank Limited (Employees) Pension Fund Trust.

New Pension Scheme the Bank contributes 14% of the total basic salary + DA of certain employees enrolled under National Pension Scheme (NPS), a defined contribution plan, which is managed and administered by pension fund management companies. The amounts so contributed/paid by the Bank to the NPS during the year are recognized in the profit and loss account.

10.4 Wage revision- The wage revision of Bank employees takes place after every five years through bilateral talks between Indian Bank Association (IBA), (a representative body of management of Banks) and Employees Unions & Officers' Associations. The last wage revision had become applicable w.e.f. November 01, 2022.

11. <u>REVENUE RECOGNITION</u>

In respect of existing NPAs, where suit is not filed, recoveries effected in the account (including recovery under Public Money Recovery Act.) from time to time shall be appropriated in the following manner:

i. Towards all costs, commission, charges and expenses paid or incurred by the Bank

ii. Towards interest, additional interest, further interest, penal interest due to the Bank.

iii. Towards Principal (Instalment).

Recovery in suit filed/decreed accounts shall be appropriated as per the directives of the Court, in case of absence of directives, as applicable to non-suit filed account.

In case of Resolution/Settlement through NCLT or compromise sanctioned account, recovery should be appropriated as per the terms of compromise sanction/resolution settlement.

The appropriation of recovery in Standard Accounts is effected as per the date of demands raised and the earliest demand is being satisfied in the following order:

- Towards all costs, commission, charges and expenses paid or incurred by the Bank
- Towards interest, additional interest, further interest, penal interest due to the Bank
- Towards payment of the principal money

Commission on bank guarantees / letters of credit, locker rent, banc assurance and third party products, Priority Sector Lending Certificate trading, annual fee on cards are accounted on receipt basis.

Processing / other fees collected on loans approved / disbursed, along with related loan acquisition costs are recognised at inception / renewal of the facility.

In view of uncertainty of collection of income in cases of Non-performing Assets/Investments, such income is accounted for only on realisation in terms of the RBI guidelines.

Income (other than mentioned above)/ expenditure is generally recognised on accrual basis. Dividend income and interest on Income Tax refund is recognised when the right to receive payment is established. Goods & Service Tax input credit is accounted for in the books within the time limit prescribed under CGST Rules, 2017, as amended.

12. IMPAIRMENT OF ASSETS

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognised in accordance with AS 28 (Impairment of Assets) issued by the ICAI and charged off to Profit and Loss Account.

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over remaining useful life.

13. TAXES ON INCOME:

Income Tax expense comprises of current tax provision made after due consideration of the judicial pronouncements and legal opinion (i.e. the amount of tax for the period determined in accordance with the Income Tax Act, 1961, the rules framed there under and considering the material principles set out in Income Computation and Disclosure Standards) and the net change in the deferred tax asset or liability during the year.

Deferred income taxes recognize timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized in the books of account to the extent of their future reversibility. Deferred Tax Liabilities are recognized fully in the year of accrual. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the income statement in the period of enactment of the change.

14. EARNINGS PER SHARE

The bank reports basic and diluted earnings per equity share in accordance with the AS 20 (Earnings per Share) issued by the ICAI. Basic earnings per equity share have been computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As per AS 29 (Provisions, Contingent Liabilities and Contingent Assets) issued by the ICAI, the Bank recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

16. **SEGMENT REPORTING**
The Bank recognizes the Business Segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by ICAI.

17. **CASH AND CASH EQUIVALENTS**
Cash and cash equivalents include cash in hand, balances with the Reserve Bank of India, balances with other banks and money at call and short notice.

18. **Corporate Social Responsibility** Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013 is recognised in the Profit and Loss Account.

19. **OTHERS/MISC.**

Loan are classified as short term in case the maturity is less than 12 months. Loans other than short term are classified as long term.

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THE NAINITAL BANK LIMITED
Regd. Office: G.B. Pant Road, Nainital -263001

SCHEDULE 18: NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

1. Regulatory Capital

a) Composition of Regulatory Capital

(Amount in ₹crore)

Sr. No.	Particulars	31st March 2025	31st March 2024
i)	Common Equity Tier 1 capital (CET 1)	825.70	711.18
ii)	Additional Tier 1 capital	NIL	NIL
iii)	Tier 1 capital (i + ii)	825.70	711.18
iv)	Tier 2 capital	48.15	47.95
v)	Total capital (Tier 1+Tier 2)	873.85	759.13
vi)	Total Risk Weighted Assets (RWAs)	5212.38	4986.48
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	15.84%	14.26%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	15.84%	14.26%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.92%	0.96%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (TotalCapital as a percentage of RWAs)	16.76%	15.22%
xi)	Leverage Ratio	8.56%	7.40%
xii)	Percentage of the shareholding of a) Government of India b) State Government c) Sponsor Bank d) Banks and financial institution	98.57%	98.57%
xiii)	Amount of paid-up equity capital raised during the year	NIL	NIL
xiv)	Amount of non-equity Tier 1 capital raised during the year	NIL	NIL
xv)	Amount of Tier 2 capital raised during the year	NIL	NIL

b) Draw down from reserves

An amount of Rs. 45.40 lacs have been appropriated from revaluation reserve to revenue reserve in compliance of AS-00 (accounting for fixed asset) the same reflects the depreciation on revalued portion of fixed asset.

2. Asset Liability Management

a) Maturity pattern of certain items of assets and liabilities as on 31st March 2025

(Amount in ₹crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 days to 2 months	Over2 Months and to 3 months	Over3 Months and up to 6 Months	Over6 months and up to 1 year	Over 1 yearand up to 3 years	Over 3 years and up to 5 years	Over5 years	Total
Deposits	68.73 (54.14)	299.81 (326.93)	272.78 (269.71)	299.67 (171.54)	341.11 (360.02)	434.33 (380.59)	1004.34 (1091.65)	1717.64 (2254.13)	3786.03 (3310.58)	23.22 (37.04)	8.16 (11.41)	8255.82 (8267.74)
Advances	14.95 (14.28)	86.29 (85.67)	101.32 (100.59)	209.00 (202.14)	127.77 (120.81)	131.13 (222.33)	434.40 (332.14)	217.45 (175.32)	1881.25 (1763.30)	494.81 (431.70)	965.57 (1069.56)	4663.94 (4517.84)
Investments	378.19 (515.54)	0.00 (0.00)	0.00 (0.00)	164.65 (169.09)	56.78 (64.77)	72.18 (64.28)	176.89 (178.07)	308.94 (363.81)	640.33 (571.11)	4.54 (6.78)	54.39 (55.62)	1856.89 (1989.07)
Borrowings	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Foreign Currency assets	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Foreign Currency liabilities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Note: Figures in bracket indicates previous year figures for corresponding period (i.e 31st March 2024)

b) Liquidity Coverage Ratio(LCR)

(Amount in ₹ crore)

		Q1 2024-25		Q2 2024-25		Q3 2024-25		Q4 2024-25	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1.	Total High Quality Liquid Assets (HQLA)	1920.26	1920.26	1902.50	1902.50	1848.61	1848.61	1757.93	1757.93
Cash Outflows									
2.	Retail deposits and deposits from small business customers, of which:	5849.40	432.57	5833.56	432.56	5928.95	440.83	5768.31	429.33
(i)	Stable deposits	3047.41	152.37	3015.84	150.79	3041.30	152.06	2950.03	147.50

(ii)	Less stable deposits	2801.99	280.20	2817.73	281.77	2887.65	288.77	2818.27	281.83
3.	Unsecured wholesale funding, of which:	1678.73	820.76	1671.10	819.61	1680.94	791.77	1595.33	705.50
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	1678.73	820.76	1671.10	819.61	1680.94	791.77	1595.33	705.50
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Secured wholesale funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	Additional requirements, of which	977.84	59.07	933.39	51.91	903.08	50.06	879.00	49.14
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	977.84	59.07	933.39	51.91	903.08	50.06	879.00	49.14
6.	Other contractual funding obligations	169.05	169.05	315.78	315.78	241.02	241.02	196.02	196.02
7.	Other contingent funding obligations	81.86	2.46	78.92	2.37	75.46	2.26	74.64	2.24
8.	**Total Cash Outflows**	8756.88	1483.90	8832.75	1622.24	8829.45	1525.94	8513.29	1382.23
Cash Inflows									

9.	Secured lending (e.g. reverse repos)	0.00	0.000	0.00	0.00	0.00	0.00	0.00	0.00
10.	Inflows from fully performing exposures	336.35	248.65	560.75	434.26	357.38	266.57	529.79	351.98
11.	Other cash inflows	157.49	78.74	201.58	100.79	209.81	104.90	177.44	88.72
12.	**Total Cash Inflows**	493.84	327.40	762.33	535.05	567.18	371.48	707.23	440.70
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA	1920.33	1920.33	1902.50	1902.50	1848.61	1848.61	1757.93	1757.93
14.	Total Cash Outflows less Total Cash Inflows	8263.04	1156.50	8070.42	1087.19	8262.27	1154.47	7806.06	941.53
15.	25% of Total Cash outflows	2189.22	370.97	2208.19	405.56	2207.36	381.49	2128.32	345.56
16.	Total Net Cash Outflows [Higher of 14 or 15]	8263.04	1156.50	8070.42	1087.19	8262.27	1154.47	7806.06	941.53
17.	Liquidity Coverage Ratio (%)(HQLA/Total net Cash Outflows)		**166.04%**		**174.99%**		**160.13%**		**186.71%**

Qualitative-

The Basel Committee for Banking Supervision (BCBS) had proposed the liquidity coverage ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. As per the RBI guidelines the minimum LCR required to be maintained by banks shall be implemented in the phased manner from January 1, 2015 as given below.

Starting from January 1	2015	2016	2017	2018	2019
Minimum LCR	60%	70%	80%	90%	100%

Further due to Covid 19 pandemic RBI has revised the LCR guidelines w.e.f. 17.04.2020, details as given below:

From date of circular to September 30, 2020	80%
Oct 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

The LCR has two components:
(a)The value of the stock of high-quality liquid assets (HQLA) in stressed conditions.
(b) Total net cash outflows: The term "Total net cash outflows" is defined as "Total expected cash outflows" minus "Total expected cash inflows" in the specified stress scenario for the subsequent 30 calendar days (the stressed period).

LCR = Stock of High Quality Liquid Assets/Total Net Cash Outflows over the next 30 calendar days >=100%

Main Drivers of LCR:

High Quality Liquid Assets (HQLA):
Liquid assets comprise of high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. They should be unencumbered i.e. without legal, regulatory or operational impediments. Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value.
Bank's composition of HQLA mainly consists of government securities in excess of minimum Statutory Liquidity Ratio (SLR), the extent allowed under the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for LCR (FALLCR). Additionally, cash, balances in excess of cash reserve requirement with RBI. Level 2 HQLA primarily consisted of AA- and above rated corporate bonds and commercial papers.

Intra-period changes as well as changes over time

LCR on consolidated basis were 180.72%, 199.08% and 227.52% as at the months ended January 2025, February 2025 and March 2025 respectively as against the regulatory requirement of 100%.

Concentration of Funding Sources:

A significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the bank's total liabilities. The significant counterparty Deposit as of 31st March 2025 was from "Baroda UP Gramin Bank" and "USDMA state disaster response fund" i.e 2.25% and 1.15% of our Total Liabilities.

Top 20 depositors of the Bank constitute 10.13% of our total deposit.

Derivative Exposures and potential collateral calls:

As on 31 March 2025, Bank's exposure to Derivative is NIL.

Currency Mismatch in the LCR:

As per the RBI guidelines, the LCR standard is required to be met on one single currency, Bank is maintaining LCR on daily basis in INR. As on 31st March 2025, Bank deals only in INR, hence no currency mismatch.

Description of the degree of centralization of liquidity management and interaction between the group's units:

The liquidity management for the Bank is the responsibility of the Board of Directors. Board of Directors has delegated its responsibilities to a Committee of the Board called as the "Risk Management Committee of Board". The Committee is responsible for overseeing the inter linkages between different types of risk and its impact on liquidity.

Bank has a ALM Policy which provides the broad guidelines under which all the bank operates in terms of liquidity and interest rate risk. The monitoring of liquidity and interest rate risk management of the Bank's operations of the bank is being done by the Bank's ALM Cell of Risk Management Department.

Other inflows and outflows in the LCR calculation:

Bank's Cash Outflow mainly consists of Retail Deposit, Unsecured Wholesale Funding, and Funding from other legal entity customers, Undrawn Committed Credit & Liquidity Facilities, Guarantees Letter Of Credit & Trade Finance, and Other Contractual Outflows.

The cash Inflow mainly consists of amount received from Retail & Small Business Counterparties, amount to be received from Non-Financial Wholesale Counterparties, amount to be received from Financial Institutions & RBI, and from Other Contractual Cash Inflows.

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities as well as to undrawn commitments, partially offset by inflows from assets maturing within 30 days.

The average LCR for the quarter ended March 2025 was 186.71% comfortably above RBI prescribed minimum requirement i.e.100%. Average cash outflows were Rs 1382.23 Crore, Average cash inflows were Rs 440.70 Crores. Average High Quality Liquid Assets were Rs 1757.93 Crores of the quarter ended March 2025.

***c)* NSFR Disclosure Standards**

NSFR Qualitative Disclosure

The RBI guidelines stipulated the implementation of NSFR effective from 1st October 2021 at a consolidated level with disclosure from quarter ended December 2021. Accordingly, the bank is computing the Consolidated NSFR. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding;

NSFR= (Available Stable Funding (ASF)) / (Required Stable Funding (RSF))

Available stable funding (ASF) is measured based on the broad characteristics of relative stability of funding sources, including contractual maturity of its liabilities and the differences in the tendency of different types of funding providers to withdraw their funding. Required Stable Funding (RSF) is a function of the liquidity characteristics and residual maturities of the various assets held by the bank including Off-Balance Sheet (OBS) exposures.

At a consolidated level, the NSFR of the bank comes out to 197.05% as on 31st March 2025 against the requirement of 100% as per RBI guidelines.

To promote the consistency and usability of disclosures related to the NSFR and to enhance market discipline, bank is required to publish its NSFR according to a common template given by RBI. Bank is therefore required to publish this disclosure along with the publication of financial statements (i.e. typically quarterly or semi-annually), irrespective of whether the financial statements are audited. The NSFR information is calculated on a consolidated basis and presented in Indian Rupee.
Data must be presented as quarter-end observations. Both un-weighted and weighted values of the NSFR components are to be disclosed unless otherwise indicated. Weighted values are calculated as the values after applying ASF (Available stable funding) or RSF (Required stable funding) factors.

RBI in its circular dated 05.02.2021 decided that NSFR guidelines will come into effect from October 1,2021.

NSFR DISCLOSURE TEMPLATE - AS OF 31.03.2025

NSFR DISCLOSURE TEMPLATE - AS OF 31.03.2025						
(Rs.in Crore)		**Unweighted value by residual maturity**				**Weighted value**
		No maturity	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	
ASF Item						
1	Capital: (2+3)	0.00	0.00	0.00	873.85	873.85

2	Regulatory capital	0.00	0.00	0.00	873.85	873.85
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	2,979.14	1,849.90	1,328.99	0.00	5,693.56
5	Stable deposits	1,798.78	708.70	519.31	0.00	2,875.45
6	Less stable deposits	1,180.36	1,141.20	809.68	0.00	2,818.11
7	Wholesale funding: (8+9)	190.47	243.35	291.64	0.00	362.73
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	190.47	243.35	291.64	0.00	362.73
10	Other liabilities: (11+12)	0.00	744.70	0.00	871.37	881.83
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	0.00	744.70	0.00	871.37	881.83
13	Total ASF (1+4+7+10)					**7,811.97**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					
15	Deposits held at other financial institutions for operational purposes	13.01	0.00	0.00	0.00	6.51
16	Performing loans and securities: (17+18+19+21+23)	0.00	5,659.51	1,004.95	1,015.78	3,142.51
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	0.00	0.00	0.00	0.00
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	2,817.64	131.32	432.32	1,666.80
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	0.00	0.00
21	Performing residential mortgages, of which:	0.00	462.80	12.50	493.57	561.42
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	462.80	12.50	493.57	561.42
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	2,379.07	861.13	89.89	914.29
24	Other assets: (sum of rows 25 to 29)	0.00	1321.65	0.00	0.00	813.30

25	Physical traded commodities, including gold		0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	0.00	0.00
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	0.00	1,321.65	0.00	0.00	813.30
30	Off-balance sheet items		72.85	0.00	0.00	2.19
31	**Total RSF (14+15+16+24+30)**					**3,964.51**
32	**Net Stable Funding Ratio (%)**					**197.05%**

NSFR DATA AS OF 31.03.2025				
	Statement of NSFR	**BLR 7**		
Sl No.	**Items**			
Table 1	**Components of ASF category (liability categories)**	**Associated ASF factors**	**Unweighted Amount (Rs. Crore)**	**Weighted Amount (Rs. Crore)**
1	Total regulatory capital (excluding Tier 2 instruments with residual maturity of less than one year)	100%	873.85	873.85
2	Other capital instruments and liabilities with effective residual maturity of one year or more	100%	0.00	0.00
3	Other liabilities with effective residual maturity of 1 year or more	100%	881.83	881.83
4	Stable non-maturity (demand) deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	95%	3026.79	2875.45
5	Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	90%	3131.24	2818.12
6	Funding with residual maturity of less than one year provided by non-financial corporate customers	50%	111.75	55.88
7	Operational deposits	50%	0.00	0.00

8	Funding with residual maturity of less than one year from sovereigns, PSEs, and multilateral and national development banks	50%	330.17	165.09
9	Other funding with residual maturity between six months and less than one year not included in the above categories, including funding provided by central banks and financial institutions	50%	283.54	141.77
10	All other liabilities and equity not included in the above categories, including liabilities without a stated maturity (with a specific treatment for deferred tax liabilities and minority interests)	0%	734.24	0.00
11	NSFR derivative liabilities net of NSFR derivative assets if NSFR derivative liabilities are greater than NSFR derivative assets	0%	0.00	0.00
12	"Trade date" payables arising from purchases of financial instruments, foreign currencies	0%	0.00	0.00
	Total Available Stable Funding		**9373.41**	**7811.98**
Table 2	**Components of RSF category**	**Associated RSF Factor**	**Un-weighted Amount (Rs. Crore)**	**Weighted Amount (Rs. Crore)**
A	**On Balance Sheet Items**			
1	Coins and banknotes	0%	22.70	0.00
2	Cash Reserve Ratio (CRR) including excess CRR	0%	459.00	0.00
3	All claims on central banks with residual maturities of less than six months	0%	0	0.00
4	"Trade date" receivables arising from sales of financial instruments, foreign currencies and commodities.	0%	0.00	0.00
5	Unencumbered Level 1 assets, excluding coins, banknotes, CRR and SLR Securities	5%	0.00	0.00
6	Unencumbered SLR Securities	5%	1757.6	87.88
7	Unencumbered loans to financial institutions with residual maturities of less than six months, where the loan is secured against Level 1 assets as defined in LCR circular dated June 9, 2014, and where the bank has the ability to freely rehypothecate the received collateral for the life of the loan	10%	0.00	0.00
8	All other 'standard' unencumbered loans to financial institutions with residual maturities of less than six months not included in the above categories	15%	498.75	74.81
9	Unencumbered Level 2A assets	15%	0	0.00
10	Unencumbered Level 2B assets	50%	0.00	0.00

11	HQLA encumbered for a period of six months or more and less than one year	50%	0.00	0.00
12	‘Standard’ Loans to financial institutions and central banks with residual maturities between six months and less than one year	50%	3.64	1.82
13	Deposits held at other financial institutions for operational purposes	50%	13.01	6.51
14	All other assets not included in the above categories with residual maturity of less than one year, including ‘standard’ loans to non-financial corporate clients, to retail and small business customers, and ‘standard’ loans to sovereigns and PSEs	50%	4379.66	2189.83
15	Unencumbered ‘standard’ residential mortgages with a residual maturity of one year or more and assigned the minimum risk weight under the Standardised Approach	65%	493.57	320.82
16	Other unencumbered ‘standard’ loans not included in the above categories, excluding loans to financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 35% under the Standardised Approach	65%	0.00	0.00
17	Cash, securities or other assets posted as initial margin for derivative contracts and cash or other assets provided to contribute to the default fund of a CCP	85%	0.00	0.00
18	Other unencumbered performing loans with risk weights greater than 35% under the Standardised Approach and residual maturities of one year or more, excluding loans to financial institutions	85%	432.32	367.47
19	Unencumbered securities that are not in default and do not qualify as HQLA with a remaining maturity of one year or more and exchange-traded equities	85%	64.89	55.16
20	Physical traded commodities, including gold	85%	0.00	0.00
21	All assets that are encumbered for a period of one year or more	100%	0	0.00
22	NSFR derivative assets net of NSFR derivative liabilities if NSFR derivative assets are greater than NSFR derivative liabilities	100%	0.00	0.00
23	20% of derivative liabilities	100%	0.00	0.00
24	All other assets not included in the above categories, including non-performing loans, loans to financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities	100%	843.3	843.30
25	All restructured ‘standard’ loans which attract higher risk weight and additional provision	100%	14.73	14.73

A	**Required Stable Funding – On Balance Sheet Assets [Sum of 1 to 25]**		**8983.17**	**3962.33**
B	**Off-Balance Sheet Assets**	**Associated RSF Factor**		
26	Currently Undrawn Position of Irrevocable and conditionally revocable credit and liquidity facilities to any client	5% of the currently undrawn portion	0.00	0.00
27	Currently Undrawn Position of Other contingent funding obligations, including products and instruments (a) + (b) + (c)	5% of the currently undrawn portion	72.85	2.19
27 (a)	Currently Undrawn Position of Unconditionally revocable credit and liquidity facilities	5% of the currently undrawn portion	0.00	0.00
27 (b)	Trade finance-related obligations (including guarantees and letters of credit)	3% of the currently undrawn portion	0.00	0.00
27 (c)	Guarantees and letters of credit unrelated to trade finance obligations	3% of the currently undrawn portion	72.85	2.19
28	Non-contractual obligations 28(a) + 28(b) + 28(c)		0.00	0.00
28 (a)	potential requests for debt repurchases of the bank's own debt or that of related conduits, securities investment vehicles and other such financing facilities	5%	0.00	0.00
28 (b)	structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes (VRDNs)	5%	0.00	0.00
28 (c)	managed funds that are marketed with the objective of maintaining a stable value	5%	0.00	0.00
B	**Required Stable Funding – Off Balance Sheet Items (Sum of 26 to 28)**		**72.85**	**2.19**
	Total Required Stable Funding (A+B)		**9056.02**	**3964.51**
	(Total Available Stable Funding)*100/Total Required Stable Funding (NSFR)			**197.05**

Composition of Investment Portfolio as at 31st March 2025

(Amount in ₹crore)

	Investments in India						**Investments outside India**			
	Govt. Securities	**Other approved Securities**	**Shares**	**Debentures/Bonds**	**Others**	**Total Investment in India**	**Govt. Securities**	**Others**	**Total Investment outside India**	**Total Investments**
Held to Maturity										
Gross	**951.25**	**0**	**0**	**0**	**0**	**951.25**	0	0	0	951.25

Net	951.87	0	0	0	0	951.87	**0**	**0**	**0**	**951.87**
Available for Sale										
Gross	**931.02**	**0**	**0**	**109.86**	**0**	**1040.88**	0	0	0	1040.88
Less: Provision for depreciation and NPI	0	0	0	3.68	0	3.68	0	0	0	3.68
Net	931.02	0	0	106.18	0	1037.2	**0**	**0**	**0**	**1037.2**
Held for Trading										
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Total Investments	**1882.89**	**0**	**0**	**109.86**	**0**	**1992.75**	**0**	**0**	**0**	1992.75
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0	3.68	0	3.68	0	0	0	3.68
Net	**1882.89**	**0**	**0**	**106.18**	**0**	**1989.07**	**0**	**0**	**0**	**1989.07**

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹crore)

		31st March 2025	**31st March 2024**
(i)	**Movement of provisions held towards depreciation on investments**		
(a)	Opening Balance	3.68	29.35
(b)	Add: Provisions made during the year	0.00	0.83
(c)	Less: Write off / write back/Transferred of excess provisions during the year (Other reserves)	3.68	26.5
(d)	Closing Balance	0.00	3.68
(ii)	**Provisions for Security Receipts**		
(a)	Opening Balance	0.00	4.46
(b)	Add: Provisions	0.00	0.00
(c)	Less: Write off / write back of excess provisions during the year	0.00	4.46
(d)	Closing Balance	0.00	0.00
(iii)	**Movement of provisions for NPI**		

Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0
Net	951.25	0	0	0	0	951.25	**0**	**0**	**0**	**951.25**
Available for Sale										
Gross	**806.35**	**0**	**0**	**88.34**	**0**	**894.69**	0	0	0	894.69
Less: Provision for NPI	0	0	0	0	0	**0**	0	0	0	0
Net	806.35	0	0	88.34	0	**894.69**	**0**	**0**	**0**	**894.69**
FVTPL/Held for Trading										
Gross	0	0	0	10.95	0	10.95	0	0	0	10.95
Less: NPI	0	0	0	0	0	0	0	0	0	0
Net	**0**	**0**	**0**	**10.95**	**0**	**10.95**	**0**	**0**	**0**	**10.95**
Total Investments	**1757.60**	**0**	**0**	**99.29**	**0**	**1856.89**	**0**	**0**	**0**	**1856.89**
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation	0	0	0	0	0	0	0	0	0	0
Net	**1757.6**	**0**	**0**	**99.29**	**0**	**1856.89**	**0**	**0**	**0**	**1856.89**

Composition of Investment Portfolio as at 31st March 2024:

	Investments in India						**Investments outside India**			
	Govt. Securities	**Other approved Securities**	**Shares**	**Debentures/ Bonds**	**Others**	**Total Investment in India**	**Govt. Securities**	**Others**	**Total Investment outside India**	**Total Investments**
Held to Maturity										
Gross	**951.87**	**0**	**0**	**0**	**0**	**951.87**	0	0	0	951.87
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0

Net	951.87	0	0	0	0	951.87	**0**	**0**	**0**	**951.87**
Available for Sale										
Gross	**931.02**	**0**	**0**	**109.86**	**0**	**1040.88**	0	0	0	1040.88
Less: Provision for depreciation and NPI	0	0	0	3.68	0	3.68	0	0	0	3.68
Net	931.02	0	0	106.18	0	1037.2	**0**	**0**	**0**	**1037.2**
Held for Trading										
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Total Investments	**1882.89**	**0**	**0**	**109.86**	**0**	**1992.75**	**0**	**0**	**0**	1992.75
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0	3.68	0	3.68	0	0	0	3.68
Net	**1882.89**	**0**	**0**	**106.18**	**0**	**1989.07**	**0**	**0**	**0**	**1989.07**

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹crore)

		31st March 2025	**31st March 2024**
(i)	**Movement of provisions held towards depreciation on investments**		
(a)	Opening Balance	3.68	29.35
(b)	Add: Provisions made during the year	0.00	0.83
(c)	Less: Write off / write back/Transferred of excess provisions during the year (Other reserves)	3.68	26.5
(d)	Closing Balance	0.00	3.68
(ii)	**Provisions for Security Receipts**		
(a)	Opening Balance	0.00	4.46
(b)	Add: Provisions	0.00	0.00
(c)	Less: Write off / write back of excess provisions during the year	0.00	4.46
(d)	Closing Balance	0.00	0.00
(iii)	**Movement of provisions for NPI**		

(a)	Opening Balance	0.00	0.54
(b)	Add: Provisions made during the quarter	0.00	0.00
(c)	Less: Recovery during the quarter	0.00	0.54
(d)	Closing Balance	0.00	0.00

*As per Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), JUN, Rs.3.68 Crore has been transferred to Other reserve on account of reversal of provision for depreciation as of 01-04-2024.

(Amount in ₹crore)

Movement in Investment Fluctuation Reserve (IFR)	**31st March 2025**	**31st March 2024**
Opening Balance for FY	21.25	21.25
Add: Amount transferred during year	0.00	3.46
Less: Drawdown	0.00	3.46
Closing balance	21.25	21.25
Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category*	2.35%	2.04%
Closing balance of investments in AFS and HFT/Current category*	**905.63**	**1040.88**

(Amount in ₹crore)

	31st March 2025	**31st March 2024**
Movement in Investment Reserve Account (IRA)		
Opening Balance for FY	18.83	4.43
Less: Drawdown/ Transferred	18.83	0.47
Add: Amount transferred	0	14.87
Closing balance	0	18.83

*As per Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023, Rs.18.83 Crore has been transferred to Other reserve as of 01-04-2024.

(Amount in ₹crore)

Movement in AFS Reserve	**31st March 2025**
Opening Balance for FY (As of 01-04-2024)	0.00
Decrease during the period	-5.62
Increase during the period	9.23
Closing balance	3.61

*As per Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023, new AFS reserve created.

c) ***Sale and transfers to/from HTM category***

Details of Transfer of Securities to/from HTM portfolio to AFS in excess of 5%: NIL.

d) **The details of shifting of securities from AFS to HTM and vice versa**.

e) Non-SLR investment portfolio

i) Non-performing non-SLR investments

(Amount in ₹crore)

Sr. No.	**Particulars**	**31st March 2025**	**31st March 2024**
a)	Opening balance	0.00	0.54

b)	Additions during the year since 1st April	0.00	0.00
c)	Reductions during the above period	0.00	0.54
d)	Closing balance	0.00	0.00
e)	Total provisions held	0.00	0.00

ii) Issuer composition of non-SLR investments

(Amount in ₹crore)

Sr. No.	**Issuer**	**Amount**		**Extent of Private Placement**		**Extent of 'Below Investment Grade' Securities**		**Public Issue**		**Extent of 'Unrated' Securities**		**Extent of 'Unlisted' Securities**	
	1	2		3		4		5		6		7	
		31st March 2025	**31st March 2024**	**31st March 2025**	**31st March 2024**	**31st March 2025**	**31st March 2024**	**31st March 2025**	**31st March 2024**	**31st March 2025**	**31st March 2024**	**31st March 2025**	**31st March 2024**
a)	PSUs	39.45	40	39.45	40	0	0	0	0	0	0	0	0
b)	FIs	0	0	0	0	0	0	0	0	0	0	0	0
c)	Banks	49.94	49.82	49.94	49.82	0	0	0	0	0	0	0	0
d)	Private Corporates	0	0	0	0	0	0	0	0	0	0	0	0
e)	Subsidiaries/ Joint Ventures	0	0	0	0	0	0	0	0	0	0	0.00	0.00
f)	Others	9.90	20.04	9.90	20.04	0	0	0	0	0	0	0	0
g)	Provision held towards depreciation	0	3.68	0	3.68	0	0	0	0	**0**	**0**	**0**	**0**
	Total	**99.29**	**106.18**	**99.29**	**106.18**	**0**	**0**	**0**	**0**	0	0	0	0

f) Repo transactions (in face value terms) - The Bank had not entered into any Repo or reverse repo transactions during the current year and last year.

g) Investment in SRs (Security Receipts):

(Amount in ₹crore)

	Particulars	**SRs issued within past 5 years**	**SRs issued more than 5 years ago but within past 8 years**	**SRs issued more than 8 years ago**
(i)	Book value of SRs backed by NPAs sold by the bank as underlying	0.00	0.00	0.00
	Provision held against (i)	0.00	0.00	0.00
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	0.00	0.00	0.00
	Provision held against (ii)	0.00	0.00	0.00
	Total (i) + (ii)	**0.00**	**0.00**	**0.00**

Note : Under the NCLT proposal for IL&FS Transportation Networks Limited (NPA account) was executed and the bank received 400000 InvIT units, each with a face value of INR 100.00, totaling Rs. 4.00 crore. We have recorded the same as NPI Investment of the bank at the nominal value of Rs.1.00 only for all the 400,000.00 InvIT units

4. Asset quality

a) **(i) Classification of advances and provisions held as on March 31st 2025*:***

	Standard	Non-Performing				Total
	Total Standard Advances	**Sub-standard**	**Doubtful**	**Loss**	**Total Non-Performing Advances**	
Gross Standard Advances and NPAs						
Opening Balance	4413.12	62.99	312.30	23.38	398.67@	4811.79
Add: Additions during the year	[redacted]				65.01	[redacted]
Less: Reductions during the year	[redacted]				77.48	[redacted]
Closing balance	4575.17	55.84	250.87	79.49	386.20!	4961.37
*Reductions in Gross NPAs due to:	[redacted]					
i) Upgradation	[redacted]				42.78	
ii) Recoveries (excluding recoveries from upgraded accounts)	[redacted]				31.17	
iii) Technical/ Prudential Write-offs	[redacted]				0.00	
iv) Write-offs other than those under (iii) above	[redacted]				3.53	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	24.76	9.58	259.93	23.35	292.86	317.62
Add: Fresh provisions made during the year	[redacted]				38.33	
Less: Excess provision reversed/ Write-off loans	[redacted]				36.14	
Closing balance of provisions held	28.47	8.67	207.52	78.86	295.05	323.52
Net NPAs						
Opening Balance	[redacted]				41.88	[redacted]
Add: Fresh additions during the year	[redacted]				0.00	[redacted]
Less: Reductions during the year	[redacted]				15.96	[redacted]
Closing Balance	[redacted]				25.92	

@Excludes Interest suspense of Rs.7.33 Cr.
! Excluding interest suspense of Rs.8.49 Cr.

(Amount in ₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	**Sub-standard**	**Doubtful**	**Loss**	**Total Non-Performing Advances**	
Floating Provisions						62.85
Opening Balance						0
Add: Additional provisions made during the year						0
Less: Amount drawn down during the year						62.85
Closing balance of floating provisions						
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						181.49
Add: Technical/ Prudential write-offs during the year						0.00
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						1.81
Closing balance						179.68

(ii) Classification of advances and provisions held as on March 31st 2024:

(Amount in ₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	**Sub-standard**	**Doubtful**	**Loss**	**Total Non-Performing Advances**	
Gross Standard Advances and NPAs						
Opening Balance	4175.86	59.21	361.46	22.59	443.26@	4619.12
Add: Additions during the year					97.25	
Less: Reductions during the year*					141.84	
Closing balance	4413.12	62.99	312.30	23.38	398.67**	4811.79
*Reductions in Gross NPAs due to:						
i) Upgradation					48.38	
ii) Recoveries (excluding recoveries from upgraded accounts)					44.46	

iii) Technical/ Prudential Write-offs					44.93	
iv) Write-offs other than those under (iii) above					4.07	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	24.87	8.93	269.44	22.59	300.96	325.83
Add: Fresh provisions made during the year					64.74	
Less: Excess provision reversed/ Write-off loans					72.84	
Closing balance of provisions held	24.76	9.58	259.93	23.35	292.86	317.62
Net NPAs**						
Opening Balance					78.33	
Add: Fresh additions during the year					0.00	
Less: Reductions during the year					36.45	
Closing Balance					41.88	

@Excluding interest suspense of Rs.4.47 Crore
****Excluding interest suspense of Rs.7.33 Crore**

(Amoun₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Floating Provisions						
Opening Balance						62.85
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						62.85
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						140.55
Add: Technical/ Prudential write-offs during the year						44.93
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						3.99
Closing balance						181.49

Ratios (in per cent)	31st March 2025	31st March 2024
Gross NPA to Gross Advances	7.78%	8.29%
Net NPA to Net Advances	0.56%	0.94%
Provision coverage ratio	92.67%	89.22%

(ii) Sector-wise Advances and Gross NPAs

(Amounts in ₹ crore)

Sr. No.	Sector	31st March 2025			31st March 2024		
		Outstandin gTotal Advances @	**Gross NPAs @**	**Percentage of Gross NPAs to Total Advances in that sector**	**Outstanding Total Advances #**	**Gross NPAs #**	**Percentage of Gross NPAs to Total Advances in that sector**
i)	**Priority Sector**						
a)	Agriculture and allied activities	824.52	125.06	15.17	901.76	123.05	13.65
b)	Advances to industries sector eligible as priority sector lending	339.93	119.81	35.25	384.03	131.97	34.36
c)	Services	607.32	57.39	9.45	728.83	59.71	8.19
d)	Personal Loan	434.57	11.29	2.60	443.90	13.42	3.02
	Subtotal (i)	**2206.34**	**313.55**	**14.21**	**2458.52**	**328.15**	**13.35**
ii)	**Non-priority Sector**						
a)	Agriculture and allied activities	8.52	6.31	74.06	3.46	1.18	34.10
b)	Industry	215.71	13.31	6.17	310.31	14.31	4.61
c)	Services	165.64	9.61	5.80	209.43	17.59	8.40
d)	Personal Loan	2365.16	43.42	1.84	1830.07	37.44	2.05
	Sub-total (ii)	**2755.03**	**72.65**	**2.64**	**2353.27**	**70.52**	**3.00**
	Total (I + ii)						
		4961.37	**386.20**	**7.78**	**4811.79**	**398.67**	**8.29**

#Excludes interest suspense of Rs.8.49 Crore

##Excludes Interest suspense of Rs.7.33 Crore

a) Particulars of resolution plan and restructuring

i) Particulars of resolution plan implemented vide circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 - NIL

ii) Details of accounts subjected to restructuring

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small andMedium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year

Standard	Number of borrowers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Gross Amount (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Provision held (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-standard	Number of borrowers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Gross Amount (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Provision held (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Doubtful	Number of borrowers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Gross Amount (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Provision held (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	Number of borrowers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Gross Amount (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Provision held (₹ crore)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(iii) In accordance with RBI Circular No. DBR.No.BP.BC.18/21.04.048/2018-19 dated **01.01.2019**, RBI circular No DOR. No. BP. BC. 34/21.04.048/2019-20 dated **11.02.2020** & RBI circular No DOR. No. BP. BC/4/21.04.048/2020-21 **dated 06.08.2020 on 'Restructuring of Advances - Micro, Small and Medium Enterprises (MSME) Sector' (One Time Restructuring),** the details of MSME restructured borrowers as on 31.03.2025 is as under:

(Amounts in ₹ crore)

No of Accounts	Amount as on 31.03.2025
0	0.00

(iv) In accordance with RBI circular No DOR.STR.REC.12/21.04.048/2021-22 dated **05.05.2021** & RBI circular No DOR.STR.REC.21/21.04.048/2021-22 dated **04.06.2021** on Resolution Framework 2.0 – Resolution of Covid-19 related stress of **Micro, Small and Medium Enterprises (MSMEs)**, the details of accounts restructured is as under.

(Amounts in ₹ crore)

No of Accounts	Funded O/s as on 31.03.2025	Provision Held
54	5.31	0.56

(v) In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated **05.05.2021** on "Resolution Framework – 2.0: Resolution of COVID – 19 **related stress of Individuals[1] and Small Business[2]",** the number of borrower accounts where modification were sanctioned and implemented and the aggregate exposure to such borrowers are as under:-

(Amounts in ₹ crore)

No of Borrowers	Aggregate Exposure as on 31.12.2024	Provision
85	9.70	1.04

1. Individual covers only Personal Loan segment as per RBI circular No DOR. No. BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and now covered in to para 5(a) of RBI circular No DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021.
2. Small Business (including retail trade and wholesale trade) extended to individual which were covered under MSME as per RBI circular No DOR. No. BP.BC/4/21.04.048/2020-21 dated August 6, 2020 and now covered in to para 5(b) of RBI circular No DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021.)

vi) Disclosure as per the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 on "Resolution Framework – 2.0: Resolution of COVID – 19 related stress of Individuals and Small Business" as on 31.03.2025, is as under: -

Sl. No	Description	Individual Borrowers		Small businesses	Total
		Personal Loans	Business Loans		
(A)	Number of requests received for invoking resolution process under Part A	80	2	3	85
(B)	Number of accounts where resolution plan has been implemented under this window	80	2	3	85
(C)	Exposure to accounts mentioned at (B) before implementation of the plan (Rs. in crores)	7.65	0.38	1.68	9.71
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan (Rs. in crores)	0.83	0.04	0.17	1.04

(vii) Details of Loan Assets subjected to restructuring during financial year 2020-21, status as on 31.03.2025:

(Amounts in ₹ crore)

	Borrower	Restructured amount	Date of restructure	Provision
		NIL		

C) Divergence in asset classification and provisioning

As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.
In view of said circular of RBI, the disclosure is NIL.

D) **Disclosure of transfer of loan exposures** – The Bank have not transferred and acquired to / from other entities any loan exposure relating to the loans not in default / stressed loans in current and previous financial year.
E) **Government Security Lending (GSL) transactions (in market value terms)** - The Bank did not undertake any such transactions during current and last financial year
F) **Disclosure of Letters of Comfort (LoCs) issued by banks –** The Bank has not issued any letter of comfort during the current financial year or last financial year
G) **Portfolio-level information on the use of funds raised from green deposits** - NIL

H) Fraud accounts

Particulars	31st March 2025	31st March 2024
Number of frauds reported during the year	111	111
Amounts Involved in Fraud (in ₹ Cr)	23.76	3.24
Amount of Provisions made for such frauds (in ₹ Cr)	22.14	1.89
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (in ₹ Cr)	0	0

Note: Fraud reported during FY 2024-25 Fraud (Advances) 7 incidents of amount Rs. 7.48 crore, Fraud (Operations) 2 incidents of amount Rs 2.38 lakh,101 digital payment fraud incidents amount Rs 24.03 lakh cyber-attack in bank's RTGS channel amount of Rs 16.02 crores. In FY 2023-24 fraud reported accounts were Fraud(Advances) 8 incidents of Rs 2.94 crore and 103 digital payment fraud incidents of amount Rs 30.79 lakh.

I) During investigation, serious irregularities were observed in one of the branch, for which bank has made provision of 3.62 Cr for potential loss.

J) Disclosure under Resolution Framework for COVID-19-relatedStress

Details of Resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06.August 2020 as of March 31, 2025. .

(Amount in ₹crore)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of Resolution Plan – Position as at the end of the Previous year i.e 31.03.2024 (A)	Of (A), Aggregate debt that slipped into NPA during the nine month period ended 31 March, 2025	Of (A), amount written off during nine month period ended 31 March, 2025	Of (A), amount paid by the borrowers during the nine month period ended 31 March, 2025	Exposure to accounts classified as standard consequent to implementation of Resolution Plan – Position as at period ended 31 March, 2025 (A)
Personal Loans					
Corporate persons*		NIL			
Of which, MSMEs					
Others					
Total					

5. Exposures

***a)* Exposure to real estate sector**

Lending to Sensitive Sector

(Amount in ₹crore)

Category	31.03.2025	31.03.2024
a) Direct exposure		
(i) Residential Mortgages –		
Lending fully securMD by mortgages on residential property that is or will be occupied by the borrower or that is rented; (*Individual housing loans classified as Priority Sector as per RBI guidelines may be shown separately)	1300.17 (395.35)	1074.34 (379.76)
(ii) Commercial Real Estate –		
**Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	156.13	169.32
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a. Residential, b. Commercial Real Estate. *b) Indirect Exposure* Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00

Total Exposure to Real Estate Sector	**1456.30**	**1243.66**

****Exposure to Commercial Real Estate includes**

Funded Exposure	156.13	169.32
Non Funded Exposure	0	0.00
Total Exposure	156.13	169.32

***include staff housing loans.**

b) **Exposure to capital market - NIL**

c) **Risk category-wise country exposure – Not Applicable**

d) **Unsecured advances**

Particulars	**31st March 2025**	**31st March 2024**
Total unsecured advances of the bank (Amounts in ₹ crore)	90.27	96.44
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	---	---
Estimated value of such intangible securities	---	---
Note: Out *of exposure towards IBPC is (Amount in Rs. Crores)*	0.00	0.00

e) **Factoring exposures – NIL**

f) ***Intra Group Exposures:*** ***(Amounts in ₹ crore)***

Particulars	**31st March 2025**			**31st March 2024**		
	Fund Based	**Investment Based**	**Total**	**Fund Based**	**Investment Based**	**Total**
Total Amount of Intra Group Exposures	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*
Total amount of Top 20 Intra Group Exposures	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*
Details of breach of limits on intra-group exposures and regulatory action thereon, if any	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*

Related party Disclosure – (Accounting Standard - 18):

(Amounts in ₹ crore)

Nature of Transaction	**Parent (as per ownership or control)**	**Parent's Subsidiaries**	**Associates/ Joint ventures**	**Key Management Personnel**	**Relatives of Key Management Personnel**	**Total**
Interest Earned	0.68					0.68

Commission Income		0.37				0.37
Dividend Paid	0.00					0.00
Commission Paid	0.00					0.00
Remuneration				0.41		0.41
Rendering of services						
Deposits (CASA)						
- Placements	9.82					9.82
- Received		3.77				3.77
Deposits (Term)			266.00			266.00
Non-funded commitments At the year end	0.25					0.25

The maximum balances payable to/receivable from the related parties of the Bank during the period ended 31st March, 2025 are given below:

(Amounts in ₹ crore)

Items/ Related Party	**Parent (as per Ownership or control)**	**Parent' s Subsidiaries**	**Associates/ Joint ventures #**	**Key Management Personnel**	**Relatives of Key Management Personnel**	**Total**
Deposit Received		3.77	266.00			269.77
Placement of deposits	9.82					9.82
Advances *						
Investments						
Non-funded commitments						
Call Lending						
Swap/Forwards Contract						
Investment of related party in Hybrid Capital/ Bonds of the Bank						
Payable under management contracts						
Other receivables (net)		0.14				0.14
Other payables (net)						
Non Funded (BG)	0.25					0.25

Names of the related parties and their relationship with the Bank:

(i)	Parent	:	**Bank of Baroda (Major Shareholder with 98.57% equity)**
(ii)	Key Management Personnel	(I) (II) (III)	Shri Nikhil Mohan (Managing Director & CEO) (Repatriated to BOB on 5th April,2025) Sushil Kumar Lal (Managing Director & CEO) (Resumed office on 5th April,2025) Shri Kuldeep Singh (Executive Director)
(iii)	Parent's Subsidiary		**Domestic Subsidiaries**
		(I)	BOB Capital Markets Limited.
		(II)	BOB Cards Limited (Formerly known as BOB Financial Solutions Limited)
		(III)	India First Life Insurance Company Limited
		(IV)	Baroda Global Shared Services Limited
		(V)	Baroda Sun Technologies Ltd.
		(VI)	Baroda BNP Paribas Asset Management India Private Limited (formerly known as BNP Paribas Asset Management India Private Limited)
		(VII)	Baroda BNP Paribas Trustee India Private Limited (formerly known as Baroda Trustee India Private Limited)
			Overseas Subsidiaries
		(I)	Bank of Baroda (Botswana) Ltd.
		(II)	Bank of Baroda (Kenya) Ltd.
		(III)	Bank of Baroda (Uganda) Ltd., Baroda Capital Market (Uganda) Limited
		(IV)	Bank of Baroda (Guyana) Ltd.
		(V)	Bank of Baroda (New Zealand) Ltd.
		(VI)	Bank of Baroda (Tanzania) Ltd.
		(VII)	Bank of Baroda (UK) Ltd.
iv)	Parents' Associates	(I)	Baroda Uttar Pradesh Gramin Bank
		(II)	Baroda Rajasthan Kshetriya Gramin Bank
		(III)	Baroda Gujrat Gramin Bank
		(IV)	Indo Zambia Bank Limited
v)	Parents' Joint Ventures	(I)	India Infradebt Limited
		(II)	India International Bank (Malaysia) Berhad

***g)* Unhedged foreign currency exposure - NIL**

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ crore)

Particulars	**31st March 2025**	**31st March 2024**
Total deposits of the twenty largest depositors	890.00	881.83

Percentage of deposits of twenty largest depositors to total deposits of the bank	10.78%	10.67%

b) (i) Concentration of advances

(Amount in ₹ crore)

Particulars	31st March 2025	31st March 2024
Total advances to the twenty largest borrowers	327.39	504.13
Percentage of advances to twenty largest borrowers to totaladvances of the bank	6.53%	10.34%

(ii) Provision on Standard Advances

(Amount in ₹ crore)

Item	31st March 2025	31st March 2024
Provisions towards Standard Assets	26.86*	22.15
Provision for Covid Relief Accounts	-	-
Provision for Restructured Accounts	1.61	2.61
Total Provision for Standard Accounts	28.47	24.76

C) Concentration of exposures

(Amount in ₹ crore)

Particulars	31st March 2025	31st March 2024
Total exposure to the twenty largest borrowers/customers (Amount in ₹ crore)	397.55	567.21
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/Customers	7.06%	10.28%

d) Concentration of NPAs **(Amount in ₹ crore)**

	31st March 2025	31st March 2024
Total Exposure to the top twenty NPA accounts	156.48	172.71
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	40.52	43.32

7) **Derivatives** – The Bank did not enter into the derivative transactions during the current year and previous year.

8) **Disclosures relating to securitization – We don't have any exposure.**

9) **Off Balance Sheet SPV sponsored -NIL**

10) **Transfers to Depositor Education and Awareness Fund (DEA Fund)**

(Amount in ₹ crore)

Sr. No.	Particulars	31st March 2025	31st March 2024
i)	Opening balance of amounts transferred to DEA Fund	35.33	30.77
ii)	Add: Amounts transferred to DEA Fund during the year	7.19	5.58
iii)	Less: Amounts reimbursed by DEA Fund towards claims	0.82	1.02

iv)	Closing balance of amounts transferred to DEA Fund	41.7	35.33

11) Disclosure of complaints

Particulars	31st March 2025	31st March 2024
Complaints received by the Bank from its customers		
No. of complaints pending at the beginning of the year	21	40
Add: No. of complaints received during the period	2004*	2899
Less: No. of complaints disposed during the period	1991	2918
Of which, number of complaints rejected by the bank	58	1
No. of complaints pending at the end of the period	34	21

*includes all internal CMS portal complaints, CPGRAM/PG Portal, all RBI BO complaints and including Ecom/ATM/UPI/POS etc.

ATM transaction disputes:

Particulars	31st March 2025	31st March 2024
No. of complaints pending at the beginning of the year	1	17
Add: No. of complaints received during the period	268*	1876
Less: No. of complaints redressed during the period	263	1892
No. of complaints pending at the end of the period	6	1

* -268- ATM transaction disputes are exclusive of BO received ATM transaction disputes.

Summary information on Maintainable complaints received by the bank from the OBOs FY 2024-25

Particulars	31st March 2025	31st March 2024
Maintainable complaints received by the Bank from Office of ombudsman		
No. of complaints received by the bank from OBOs	42**	84*
No. of complaints resolved in favour of the bank by BOs	32	78
No. of complaints resolved through conciliation/mediation/advisories issued by BOs	10	4
No. of complaints resolved after passing of Awards By BOs against the Bank.	0	0
Number of awards unimplemented within the stipulated time(other than those appealed)	0	0
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2021 and covered within the ambit of the Scheme.		

** There are -3- additional open RBI BO complaints (received in quarter 4 FY 24-25) whose final status Maintainable/Non Maintainable is still not ascertained as on 31.03. 2025.Consequently above -42- complaints does not include the still open -3- RBI BO complaints.

*2 maintainable complaints out of total 16 maintainable complaints received in quarter 4 FY-2023-24 from OBO were pending on 31.03.2024 as per the information available on RBI BO portal as on 31-03-2024. One complaint was subsequently declared as Maintainable.

Top five grounds of complaints received by the bank from customers

S.no	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending	Number of complaints received	% increase/ decrease in the number of complaints	Number of complaints pending	Of 5, number of complaints

		at the beginning of the year	during the period	received over the previous year	at the end of the period	pending beyond 30 days
1	2		3	4	5	6
	Year ending March 2025					
Ground - 1	ATM/Debit Cards	2	273*	-85.51%	6	1
Ground - 2	Loans and advances	2	98	-3.92%	3	2
Ground - 3	Internet/Mobile/Electronic Banking	1	1061	124.31%	12	3
Ground - 4	Account opening/difficulty in operation of accounts	1	35	-45.31%	0	0
Ground - 5	Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.	0	0	0	0	0
	Others	15	537	42.82%	13	1
Total		21	2004	-30.87%	34	7

* includes -2- RBI BO ATM related complaints from Q1 & Q2 each and -1- RBI BO ATM Complaint from Q3 in addition to above-mentioned - ATM complaints.

	Year ending March 2024					
Ground - 1	ATM/Debit Cards	17	1884**	-60.01%	2	1
Ground - 2	Loans and advances	1	102	20.00%	2	0
Ground - 3	Internet/Mobile/Electronic Banking	8	473	176.60%	1	0
Ground - 4	Account opening/difficulty in operation of accounts	3	64	1.58%	1	0
Ground - 5	Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.	0	0	-100.00%	0	0
	Others	11	376	62.06%	15	12
Total		40	2899	-45.16%	21	13

**includes -8- complaints received under RBI BO during the year 2023-24 related to ATM.

12) Disclosure of penalties imposed by the Reserve Bank of India

a) Disclosure of penalties imposed by RBI / Overseas Regulators

(Amounts in ₹ crore)

Particulars	Nature of Breach	For the year ended March 31, 2025		For the year ended March 31, 2024	
		No of Cases	Amount	No of Cases	Amount
Penalties Imposed by RBI	Regulatory & Operational	2*	0.63	1**	0.004
Penalties Imposed on Overseas territories by their respective regulators		0	0	0	0

*2 Cases are as follows:

Authority	Amount (In Lacs)	Reason
RBI Kanpur	1.02	Shortage detected, mutilated and soiled currency notes found in remittance to RBI Chest Kanpur.
RBI	61.40	Bank failed to link MSME advance accounts to External benchmark and charged minimum balance charges in proportion to the shortfall in minimum balance

**1 case is as follows:

Authority	Amount (In Lacs)	Reason
RBI Kanpur	0.40	For Deficiencies observed during the inspection of currency chest and non-compliance to regulatory guidelines in providing customer service to the general public for bank branches including currency chests

b) Disclosure of penalties imposed by other Regulators/ authorities *(Amounts in ₹ crore)*

Authority	For the year ended March 31, 2025		For the year ended March 31, 2024	
	No of Cases	Amount	No of Cases	Amount
Banking Ombudsman	1*	0.0025	3**	0.0045
Consumer Court	1*	0.006	0	0

***Details of penalties during 2024-25**

Authority	Amount (In Lacs)	Reason
Banking Ombudsman	0.25	Delay in release of mortgaged Security Documents
Consumer Court	0.60	Based on appeal by bank's customer M/s Saviour Biotech at Consumer Court alleging unfair trade practice.

****Details of penalties during 2023-24**

Authority	Amount (In Lacs)	Reason
Banking Ombudsman	0.10	Delay in release of mortgaged Security Documents
Banking Ombudsman	0.10	Delay in updating CIBIL of the complainant
Banking Ombudsman	0.25	Delay in updating CIBIL of the complainant

c) Disclosure on imposition of penalty for bouncing of SGL forms

Period	Date of bouncing SGL form	Amount	Remarks
For the year ended March 31, 2025	-	-	-
For the year ended March 31, 2024	-	-	-

d) Disclosure of penalty imposed by RBI in a reverse repo transaction (Applicable for Defaulting participant). NIL

e) Details of any other penalty imposed by RBI under the various provisions of : NIL

1) Banking Regulation Act, 1949, -
2) Payment and Settlement Act, 2007,-
3) Government Securities Act, 2006. –

13) Disclosures on Remuneration

(Applicable to Banking Companies, including Foreign Banks operating in India)

Banks are required to make disclosure on remuneration of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers on an annual basis at the minimum, in their Annual Financial Statements. Banks shall make the disclosures in table or chart format and make disclosures for previous as well as the current reporting year. Further, private sector banks and foreign banks (to the extent applicable), shall disclose the following information:

Type of disclosure		Information	
Qualitative	(a)	Information relating to the composition and mandate of the Nomination and Remuneration Committee.	Present composition of NRC Committee Members - 1. Manoj Sharma - Chairman 2. N.K. Chari - Member 3. Binita Shah- Member 4. Neelam Damodharan- member 5. Gopal Singh Gusain- Member
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	The Bank has formulated and adopted the Remuneration Policy for Non-Executive Chairperson and Non-Executive Directors of the Bank in terms of the relevant provisions of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, rules relating to Corporate Governance and the Guidelines issued by the RBI, in this regard.
	(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	Nomination and remuneration committee undertakes risk evaluation based on industry standards and risk profile of the Bank.
	(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	The Nomination & Remuneration and Human Resource Committee (NRHR) considers, the skill set, knowledge, regional and industry experience, track record, expertise and other relevant information and adherence to the fit and proper norms by each Director, before making appropriate recommendations to the Board with regard to their appointment/re-appointment, which is designed to provide the Board with Members who have diverse knowledge, practical experience and requisite set of

			skills to serve the business interests of the Bank and enhance the overall effectiveness of the Board. In terms of the Policy for Board of Directors, the NRHR assesses the 'Fit and Proper' status of the Director, before considering his candidature for appointment/re-appointment as a Director of the Bank and annually i.e. as at 31st March every year
Type of disclosure		Information	
	(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	Bank has a compensation policy with due incorporation of all such covenants
	(f)	Description of the different forms of variable remuneration (i.e., cash and types of share-linked instruments) that the bank utilizes and the rationale for using these different forms.	Bank has a compensation policy with due incorporation of all such covenants

			Current Year	Previous Year
Quantitative disclosures (The quantitative disclosures should only cover Whole Time Directors/ Chief Executive Officer/ Material Risk Takers)	(g)	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	7	9
	(h)	(i) Number of employees having received a variable remuneration award during the financial year. (ii) Number and total amount of sign-on/joining bonus made during the financial year. (iii) Details of severance pay, in addition to accrued benefits, if any.	NA	NA
	(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms. (ii) Total amount of deferred remuneration paid out in the financial year.	NA	NA

	(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	NA	NA
	(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	NA	NA
			Current Year	Previous Year
		(ii) Total amount of reductions during the financial year due to ex post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	NA	NA
	(l)	Number of MRTs identified.	NA	NA
	(m)	(i) Number of cases where malus has been exercised. (ii) Number of cases where Claw back has been exercised. (iii) Number of cases where both malus and claw back have been exercised.	NA	NA
General Quantitative Disclosure	(n)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	NA	NA

The remuneration paid to non-executive director/chairman during current financial year is Rs. 949354.84, to the MD & CEO is Rs. 38,08,624.00 and to the ED is Rs.2,66,776.00

14) Other Disclosures

***a)* Business ratios**

Item	As on 31st March, 2025	As on 31st March, 2024
i. Interest Income as a percentage to Working Funds (%)	7.55%	7.62%
ii. Non-interest income as a percentage to Working Funds(%)	0.44%	0.69%
iii. Operating Profit as a percentage to Working Funds(%)	0.95%	1.18%
iv. Return on Assets(%)	0.61%	0.52%
v. Business (Deposits plus Advances excluding Bank deposits) per employee (Rs. in crore)	10.81	10.79
vi. Net Profit per employee (Rs. in crore)	0.04	0.04
VII Net Interest Margin	3.30%	3.53%
VIII Cost of Deposits	5.04%	4.85%
IX Yield on Advances	8.94%	9.05%

b) Banc assurance business

The total income of the bank in respect of bank assurance business was **Rs. 1.79 Crore** during the period ended 31.03.2025 with details as under:

(Rs in Crore)

Sr. No.	Insurance Company	Amount	
		As on 31st March, 2025	**As on 31st March, 2024**
1.	HDFC Life Insurance Company Ltd.	0.189	0.754
2.	India First Life Insurance Co. Ltd	0.507	0.295
3.	Reliance Nippon Life Insurance Ltd	0.678	0.687
4.	Future Generali Insurance Ltd.	0.234	0.272
5.	National Insurance Company Ltd	0.023	0.039
6.	Care Health Insurance Ltd.	0.153	0.148
7.	Niva Bupa Health Insurance Ltd.	0.006	0
	Total	**1.790**	**2.195**

The total income of the bank in respect of other products was **0.054 Crore** during the period ended 31.03.2025, with details as under.

(Rs . in Crore)

Sr. No.	Company	Amount	
		As on 31st March, 2025	**As on 31st March, 2024**
1.	PFRDA	0.046	0.048
2.	Baroda BNP Paribas Mutual Fund	0.002	0
3.	LIC (PMJJBY)	0.006	0.0005*
4.	Bob Financial Solution Limited	0	0.017
	Total	**0.054**	**0.065**

*Rs.5938/- Commission Received from LIC during the FY 2023-24.

c) Marketing and distribution- Nil

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs) – NIL

e) Reserves and Surplus

Statutory Reserve pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000, the Balance in statutory reserve account as on 31st March, 2025 is Rs. 210.42 Crore.

Capital Reserve - Capital Reserve includes appreciation arising on revaluation of immovable properties,

Investment Fluctuation Reserve - In accordance with RBI guidelines, banks are required to create an Investment Fluctuation Reserve (IFR) equivalent to 2% of their HFT and AFS investment portfolios, within a period of three years starting fiscal 2019, subject to profit availability after statutory appropriation. The balance as at the Year ended , 31st March, 2025 is Rs. 21.25 Crores to the said reserve.

Accounting Standard -19 - "Lease" Premises taken on operating lease are given below

The operating leases primarily comprise office premises, which are renewable at the option of the Bank.

i) The following table sets forth, for the period indicated, the details of future rental payments on Premises taken on Non-Cancellable operating leases:

(Amount in Crores)

Particulars -Lease Rent Obligations	31st March 2025	31st March 2024
Not later than one year	11.25	10.63
Later than one year and not later than five years	34.92	20.62
Later than five years	17.20	11.27
Total	**63.37**	**42.53**

f) **Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies (Accounting Standard -5)**

(i) Prior Period Items: During the year, there were no material prior period income / expenditure items.

(ii) Accounting policy: During the year the Bank has refined the accounting policy relating to depreciation on high end servers/networks (viz data centres) and CBS application (FINACLE 10), having estimated life of 6 years as per Companies Act, 2013 and shall be depreciated as per Straight Line Method over a period of 6 years

g) **Provisions and contingencies:**

(Amount in ₹ crore)

Provision debited to Profit and Loss Account	**31ST March 2025**	**31ST March 2024**
Provisions for NPI / Security Receipt	NIL	(5.00)
Provision towards NPA	5.73	40.90
Provision made towards Income tax	12.69	27.02
Other Provisions and Contingencies		
- Standard Advance	3.71	(0.11)
- Miscellaneous Provisions	(0.67)	1.06
-Provision for claims against the bank not acknowledge as debt		
- Provision for fraud	15.48	0.00
- Provision for Deferred Tax	1.47	(3.68)
Grand Total	**38.41**	60.19

h) Breakup of others in Balance Sheet and Profit and Loss Account which is in excess of 1% of total assets/liabilities and total income respectively:

(Amount in ₹ crore)

Breakup of "Others" under SCHEDULE 11- OTHER ASSETS		
Account Head	**31st March 2025**	**31st March 2024**
Rural Infrastructure Development Fund (RIDF) deposits (deposits in lieu of shortfall in priority sector lending)	443.58	408.27
Sundry Debtor	15.73	0.49
Grand Total	**459.31**	**408.76**

Breakup of "Others" under SCHEDULE 13- INTEREST EARNED, exceeding one per cent of total income		
Account Head	**31st March 2025**	**31st March 2024**
Interest on RIDF deposits	17.31	11.77
Grand Total	**17.31**	**11.77**

Breakup of "Others" under SCHEDULE 14- OTHER INCOME		
Account Head	**31st March 2025**	**31st March 2024**
Incidental charges/service charges and other non-interest income	12.08	10.18
Service Charges	6.50	11.81
Grand Total	**18.58**	**21.99**

Breakup of "Others" under SCHEDULE 16- OTHER EXPENDITURE		
Account Head	**31st March 2025**	**31st March 2024**
CBS charges	15.44	13.79
Grand Total	**15.44**	**13.79**

i) Implementation of IFRS converged Indian Accounting Standards (IndAS)

The Ministry of Corporate Affairs (MCA), in 2015, had notified the Companies (Indian Accounting Standards (IND AS) Rules 2015, which stipulated the adoption and applicability of IND AS in a phased manner beginning from the Accounting period 2016-17, as per said notification banks were required to comply with these standards from 01st April 2018 onwards i.e. during Phase-III of IND-AS implementation, however, RBI vide notification no. "**DBR.BP.BC.No.29/21.07.001/2018-19"** dated March 22nd, 2019, has deferred the applicability of these standards till further notice.

Further RBI from time to time have been instructing Banks to be in preparedness for implementation of Indian Accounting Standards (Ind AS), and submit Proforma Ind AS Financial Statements from the half year ended September 30th, 2016 onwards. These Proforma Statements are for the regulatory analysis purpose and may not be necessarily be completely IND AS compliant or indicative of the trial format to be specified in the third schedule to the Banking Regulation Act 1949.

Our Bank is regularly submitting half yearly proforma IND AS to RBI within stipulated time.

j) Disclosure of facilities granted to directors and their relatives

The Bank has not granted any facility whether fund based or non-fund based (guarantees, letters of credit, etc.) to the directors, their relatives, companies or firms in which they are interested.

k) Payment of DICGC Insurance Premium

(Amount in ₹ crore)

Sr. No.	Particulars	March 2025	March 2024
i)	Payment of DICGC Insurance Premium	10.83	10.42
ii)	Arrears in payment of DICGC premium	NIL	NIL

l) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

The Bank had estimated the additional liability on account of revision in family pension for employees covered as per IBA Joint Note/Bipartite settlement dated November 11, 2020, amounting to Rs. 8.39 Crores which was paid in the last years.

RBI vide their Circular no. "RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22" dated 4th October 2021, has permitted Banks to amortize the said additional liability over a period of not exceeding 5 (five) years, beginning with financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being expensed every year. Bank did not opt the said option and charged the entire amount to the Profit & Loss account in the last FY ended 31st March 2024

m) Defined Benefit Plans (Funded Obligation - Pension, Leave Encashment and Gratuity)

a) Change in present value of Defined Benefit Obligation

(Amount in ₹ crore)

Particulars	Pension		Leave Encashment		Gratuity	
	31st March 202	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024

	5					
Opening Defined Benefit Obligation	431.58	383.01	26.34	20.89	29.16	29.36
Opening Adjusted						
Add- Acquisition Adjustment						
Add: Interest Cost	30.86	28.42	1.88	1.55	2.08	2.18
Add : Past Service Cost						
Add: Current Service Cost	4.60	4.29	3.28	2.59	2.61	2.33
Less: Benefits Paid	(3.09)	(4.26)	(2.50)	(2.99)	(4.55)	(6.31)
Add: Actuarial Gain/ (loss) on obligation	(10.19)	20.12	2.78	4.30	2.67	1.6
Closing Defined Benefit Obligation	453.76	431.58	31.78	26.34	31.97	29.16

b) Change in Fair value of Plan Assets

(Amount in ₹ crore)

Particulars	Pension		Leave Encashment		Gratuity	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024
Opening Fair Value of plan assets	122.45	121.76	23.47	18.46	29.42	29.79
Opening Adjusted						
Add- Expected Return on Plan Assets	7.96	7.91	1.53	1.20	1.91	1.94
Add- Expected Return on Plan Assets						
Add- Contributions	17.15	31.51	5.75	6.55	4.35	2.60
Less- Benefits Paid	(27.99)	(46.63)	(2.5)	(2.99)	(4.55)	(6.31)
Add- Actuarial gain/(-)loss						
Closing Fair Value of Plan Assets	119.57	114.55	28.25	23.22	31.13	28.02

c) Amount recognized in the Balance Sheet

(Amount in ₹ crore)

Particulars	Pension		Leave Encashment		Gratuity	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024
a) Closing Defined Benefit Obligation	453.76	431.58	31.78	26.34	31.97	29.16
b) Closing Fair Value of Plan Assets	119.57	114.55	28.25	23.22	31.13	28.02
c) Difference	334.19	317.02	3.53	3.12	0.84	(1.14)
d) Unrecognized transitional liability						
e) Liability Recognized in the BS	334.19	317.02	3.53	3.12	0.84	(1.14)

d) Amount recognized in the Profit & Loss Account

(Amount in ₹ crore)

Particulars	Pension		Leave Encashment		Gratuity	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024
a) Current Service Cost	4.60	4.29	3.28	2.59	2.61	2.33
b) Past Service Cost						
c) Interest Cost	30.86	28.42	1.88	1.55	2.08	2.18
d) Expected Return on Plan Assets	(7.96)	(7.91)	(1.53)	(1.20)	(1.91)	(1.94)
e) Net Actuarial (Loss)/gain(-)	(10.19)	20.12	2.78	4.30	2.67	1.60
f) Expenses Recognized in P&L	17.31	44.91	6.42	7.24	5.45	4.17

e) Principal Actuarial Assumptions

Particulars	Pension		Leave Encashment		Gratuity	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024
Discount rate	7.14%	7.15%	7.14%	7.15%	7.14%	7.15%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expected Rate of Return on plan Assets	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%

Accounting for Taxes on Income (Accounting Standard 22)

n) **A) Current Tax**

In view of the newly introduced section 115BAA in the Income Tax Act 1961 ("Act") vide the Taxation Laws (Amendment) Ordinance 2019 dated September 20, 2019, the bank had opted for new tax regime from Financial year 2019-20 i.e. Assessment year 2020-21, and decided to continue with the same in current financial year, accordingly effective tax rate is 25.168%.

The bank has made a provision for income tax as tabulated below:

(Amount in ₹ crore)

Item	31st March 2025	31st March 2024
Provision for Income Tax	12.69	27.02

B) Deferred Tax

As at the end of 31st March, 2025, the deferred tax Liability stood at Rs 5.91 Crore, (during corresponding period in previous year, deferred tax liability was Rs. 4.44 Crore). Major components of Deferred Tax Liabilities as on 31st March, 2025 are as under:

The major components of Deferred Tax Liabilities are as under:

(Amount in ₹ crore)

Components	Closing balance (Amount in Crores)	DTA @25.168%	DTL @ 25.168%
Provision Related to wage revision	0.35	0.09	
Provision For Ex-Gratia	0.18	0.04	
Provision For LFC	1.74	0.44	
Provision For baggage	0.10	0.03	
Reserves created as per section 36(1)(viii) of Income Tax	28.89		7.27

Act, 1961			
AFS Reserve	3.61		0.91
Difference in WDV's as per Income Tax Act & Books	6.65	1.67	
Total DTA/ DTL (CURRENT YEAR)	**41.52**	**2.27**	**8.18**
Net DTL as on 31st March 2025 **(A)**			5.91
Opening Balance of DTL as on 31st March, 2024 **(B)**			4.44
Amount Debited to PL a/c during the year ended March 2025 **(B-A)**			**1.47**

o) *Technological advancements*

The Bank has upgraded its Core Banking System (CBS) FINCRAFT with industry specific and more robust CBS application **"FINACLE10.X"** and has migrated to new CBS with effect from 11th February 2022. The detailed breakup of cost incurred and depreciation claimed on the project is tabulated below:

(Amount in ₹ crore)

Sr. No.	Particulars	Amount capitalised as per AS-10 and other applicable regulations	Depreciation till March 2025	Book Value as on 31st March 2025
1	Tangible items viz high end servers & neperks.	39.76	17.93	21.83
2.	Licences, implementation, customisation of new CBS/treasury and other ancillary modules.	31.01	12.53	18.48

p) *Segment Reporting (Accounting Standard 17)*

Part A: Business segments

(Amount in ₹ crore)

Business Segments	**Treasury**	**Corporate/ Wholesale Banking**	**Retail Banking**	**Other Banking Operation**	**Total**
Particulars	**31ST March 2025**	**31ST March2025**	**31ST March 2025**	**31ST March 2025**	**31ST March 2025**
Revenue	272.90 (258.32)	45.33 (59.60)	430.44 (434.78)	3.18 (2.22)	751.85 (754.92)
Result	67.89 (73.12)	4.84 (6.15)	85.41 (84.44)	3.18 (2.22)	161.32 (165.93)
Unallocated expenses					98.01 (91.81)
Total profit before tax					63.30 (74.12)
Income taxes					12.69 (27.02)
Extraordinary profit/ loss					0.00 (0.00)
Net profit					50.61 (47.10)
Segment assets	3797.60 (3861.70)	1277.25 (1279.74)	4211.07 (4086.32)	0.00 (0.00)	9285.92 (9227.76)

Unallocated assets					74.56 (79.06)
Total assets					9360.48 (9306.82)
Segment liabilities	3455.44 (3543.28)	1175.59 (1187.66)	3872.66 (3789.69)	0.00 (0.00)	8503.69 (8520.64)
Unallocated liabilities					856.79 (786.19)
Total liabilities					9360.48 (9306.82)

Note: Figures in bracket indicates previous year figures for corresponding period (i.e 31st March 2024)

q) ***Statement of contingent Liability & Provisions (Accounting Standard 29)***

(Amount in ₹ crore)

Item	**Provision As per AS – 29**							
	Amt. for which the Bank is contingently Liable	**Provision as at the beginning of the Year**	**Addition during the year**	**Amount used during the year**	**Unused amount reversed during the year**	**Provision as at the close of the year**	**Major assumption regarding future events**	**Remarks**
Claims against the Bank not acknowledged as debt*	2.14 (1.83)	1.33 (1.33)	0.41 -	- -	- -	1.74 (1.33)		
Guarantees issued on behalf of constituents	45.50 (55.64)	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA
Acceptance Endorsements and other obligations	0.0 (0.00)	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA
Other items, for which the Bank is contingently liable	53.75 (50.23)	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA

Figures in bracket represents the amount outstanding as at **31st March 2024**

*Such liabilities are dependent upon the outcome of court/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, development and raising of demand by concerned parties respectively.

r) ***Earnings per share-***

	Particulars	31st March 2025	31st March 2024
a)	Earnings per share	4.31	4.01
	Basic	4.31	4.01
	Diluted	4.31	4.01
b)	Amount used as numerator (Profit after tax) (Rs. In Crore)	50.61	47.09
c)	Nominal value of shares	Rs 10.00/-per share	Rs 10.00/-per share
d)	Weighted average number of equity shares used as the denominator	117446250 No's	117446250 No's

s) Additional Disclosures

- **Re-grouping & Re-classification:**

- Previous year's figures have been regrouped where necessary to conform to current year classification.
- Some debit / credit entries outstanding in various heads of accounts included in Inter Branch Adjustments/ Clearing adjustments etc. are subject to reconciliation.

Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006:

There have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro & Small Enterprises and hence disclosure for payment of interest on delayed payments to MSME is not applicable.

A R. & Co.
Chartered Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Nainital Bank Limited

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of The Nainital Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information in which are included the Returns for 20 branches audited by us and returns for 65 branches for the year ended on that date audited by the branch auditors of the Bank's branches located at Rajasthan, Haryana, Delhi, Uttarakhand and Uttar Pradesh.

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') in the manner so required for banking Companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March 2025, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

3. We draw attention to:

   a. Note no.4 (H) of Schedule 18 of accompanying statement of audited financial with regard to fraud reported during FY 2024-25. An amount of Rs. 16.02 crore was fraudulently siphoned off through a Cyber-attack on the bank's RTGS channel. Amount of Rs. 0.54 Crore has been recovered and bank has been put to loss of Rs.15.48 Crore for which provisions of Rs.15.48 Crores was made.

   b. Note no.4 (H) of Schedule 18 of accompanying statement of audited financial with regards to serious irregularities were observed in one of the branch, for which bank has made provision of Rs 3.62 Cr for potential loss.

   c. Note no. 14 (S) of Schedule 18 of accompanying statement of audited financial with regard to some debit / credit entries outstanding in various heads of accounts included in Inter Branch Adjustments/ Clearing adjustments etc. which are subject to reconciliation.

d. That the bank needs to ensure the completeness and integrity of the automated Asset Classification (classification of advances/investments as NPA/NPI and their upgradation), Provisioning calculation and Income Recognition processes.

However, our opinion is not modified in respect of above stated matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

4. The Bank's Board of Directors is responsible for the other information. The other information comprises the management report and chairman's statement, if any.
Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws **Responsibilities of**

Management and Those Charged with Governance for the Standalone Financial Statements

5. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone

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financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Bank's Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Bank's Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are

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inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

7. We did not audit the financial statements / information of 65 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total gross advances of Rs. 1,705.68 crores as at 31st March 2025 and total revenue of Rs. 159.84 crores for the year ended on that date, as considered in the standalone financial statements. These branches cover 34.32% of advances, 46.01% of deposits and 29.96% of non-performing assets as at 31st March 2025 and 21.26% of revenue for the year ended 31st March 2025.The financial statements / information of these branches have been audited by the statutory branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.
8. In the conduct of our audit, we have taken note of the unaudited returns in respect of 88 branches certified by the respective branch's management and internal auditors of the bank whose financial statements/ information reflect total gross advances of Rs. 1007.55 crore as at 31st March 2025 and total revenue of Rs 97.28 crore for the year ended on that date. These unaudited branches cover 20.27% of advances, 28.06% of deposits and 14.22% of non-performing assets as on 31st March 2025 and 12.94% of revenue for the year then ended. The

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financial statements / information of these branches has been certified by the respective branch's management and internal auditors of the bank.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013

10. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

(c) the returns received from the offices; and branches of the Bank have been found adequate for the purposes of our audit;

(d) the profit and loss account shows a true balance of profit for the year then ended.

11. Further, as required by section 143(3) of the Act, we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

c) the reports on the accounts of the branch offices of the bank audited under section 143(8) of the Act by branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report;

d) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with in this report are in agreement with the books of account and with the returns received from the branches not visited by us

e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

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f) on the basis of written representations received from the directors as at 31 March 2025 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act;

g) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, Section 197(16) of the Companies Act, 2013 we report that

The remuneration paid by the bank to its directors is in accordance with the provisions of this section.

i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 18, Note 14 q to the financial statements;

ii. the Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;

iv. A. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

B. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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C. Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement.

v. The Bank has not declared any dividend during the year. Hence, the compliance related to section 123 of the Act is not applicable.

vi. Based on our examination, which included test checks, the Bank has used accounting software's for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
Additionally, the audit trail of relevant prior years has been preserved for record retention and recorded in those respective years by the Bank as per the statutory requirements for record retention

For **M/s A.R. & Co.**
Chartered Accountants
Firm's Registration No. 002744C

ANIL GAUR

Digitally signed by ANIL GAUR
Date: 2025.04.29 21:14:33 +05'30'

CA Anil Gaur
Partner
M. No-017546
UDIN No. 25017546BMGYSW7660
Place: Ghaziabad
Date: 29-04-2025

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Annexure A to the independent auditor's report of even date on the standalone financial statements of The Nainital Bank Limited

(Referred to in paragraph 11(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting with reference to standalone financial statements of The Nainital Bank Limited ('the Bank') as at 31 March 2025 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI')." These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

8. **According to the information and explanations given to us and based on our audit, we have following observations in this regard for the year ended March 31, 2025:**

   i. The framework of internal financial control over financial reporting needs improvement by suitably updating Risk Control Matrix
   ii. Review controls are not operating effectively and need to be strengthened to avoid all kinds of irregularities
   iii. some debit / credit entries outstanding in various heads of accounts included in Inter Branch Adjustments/ Clearing adjustments etc. need to be reconciled

Opinion

9. In our opinion and to the best of our information and according to the explanations given to us and read with our observations stated in paragraph 8 above, the bank has, in all the material respects, adequate internal financial controls with reference to the Standalone

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Financial Statements in place and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as of March 31, 2025, based on the internal controls over financial reporting criteria established by the Company considering the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by ICAI.

Other Matters

10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Standalone financial statement of 85 branches, is based on the corresponding reports of the respective Central Statutory Auditors / Statutory Branch Auditors of those branches.

Our opinion is not modified in respect of this matter.

For M/s A.R. & Co.
Chartered Accountants
Firm's Registration No. 002744C

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Date: 2025.04.29 21:14:50 +05'30'

CA Anil Gaur
Partner
M. No-017546
UDIN No. 25017546BMGYSW7660
Place: Ghaziabad
Date: 29-04-2025

SECTION VII – TERMS OF THE PRESENT OFFER

This section applies to all applicants. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described, before making an investment decision in relation to Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and the risks involved. The Bank shall not be liable for any amendments, modifications or changes in applicable laws which may occur after the date of the Letter of Offer.

Fresh Equity Shares are proposed to be issued on rights basis, are subject to the terms and conditions contained in the Letter of Offer, CAF, the provisions of the Memorandum and Articles of Association of our Bank, the provisions of The Companies Act, 2013, FEMA, SEBI Regulations if any applicable, guidelines, notifications and regulations for issue of capital issued by the Government of India and/or any other statutory and/or regulatory authorities from time to time, and the terms and conditions as stipulated in the allotment advice or the security certificate.

On submission of such documents/records confirming the legal and beneficial ownership of the Equity Shares with regard to these cases, to the satisfaction of the Issuer, the Issuer shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares with respect to these Rights Entitlement at the Issue Price per Equity Share as mentioned which shall be in accordance with the provisions of the Companies Act, 2013 and all other applicable laws in force.

The Offer

The Offer comprises of issuance of 4,85,72,000 (Eight Crore) Fresh Equity Shares to all the existing shareholders on Rights Basis. The record date for this issue is June 17, 2025. All rights and obligations of the Eligible Equity Shareholders in relation to applications and refunds pertaining to the Issue shall apply to Renouncee(s) as well.

1. Authority for the Offer

The present Rights Offer of Equity Shares of Rs. 35.00 each for cash and at a premium of Rs. 25.00 each, to the equity shareholders of the bank as on the Record Date June 17, 2025, is made pursuant to the resolution passed by the Board of Directors of the bank at its meeting held on June 17, 2025.

2. Basis of Offer

The Rights Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders, whose names appear on the register of members of our Bank/Registrar & Share Transfer Agent at the close of business hours on the Record Date, i.e. [June 17, 2025].

3. Rights Entitlement

The Eligible Equity Shareholders shall be entitled to apply for 7 equity share for every 17 equity share as held on the Record Date. The entitlement of shares as per the prescribed proportion shall be rounded off to the nearest whole number.

Persons who may acquire Rights Entitlements or come into possession of the Letter of Offer or CAF are advised to consult their own legal advisors as to restrictions applicable to them and to observe such restrictions. The Letter of Offer may not be used for the purpose of an offer or invitation in any circumstances in which such an offer or invitation is not authorized. No action has been or will be taken that would permit the offering of the Equity Shares or Rights Entitlements pursuant to the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Letter of Offer or CAF in any jurisdiction where action for such purpose is required. Accordingly, the

Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, Letter of Offer or CAF may not be distributed or published in or from any jurisdiction except under circumstances that will result in compliance with applicable law and procedures of and in any such jurisdiction. Recipients of the Letter of Offer, Letter of Offer or CAF, including Eligible Equity Shareholders and Renouncees, are advised to consult their legal counsel prior to applying for the Rights Entitlement and additional Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

4. Principal terms and conditions of the rights shares

a. Face Value

Each Rights Equity Share will have the face value of Rs. 10 each.

b. Issue Price

Each Rights Equity Share shall be offered at an Issue Price of Rs. 35.00 for cash (Rs. 10.00 as face value and Rs. 25.00 as premium) per Equity Share. The Issue Price has been arrived at after consultation between our Bank and -1- Independent Registered Valuer FCA Rashmi Shah and -1- Independent Merchant Banker - Systematix Corporate Services Limited

c. Ranking of equity shares

The equity shares to be issued shall be subject to the Memorandum and Articles of Association of the Bank and shall rank **paripassu** with the existing equity shares of the Bank, save and except that they shall rank for dividend, if any, which may be declared, pro-rata for the period from the date the new equity shares are allotted. All the shares being offered through this Offer Document will have similar Rights as in the case of the original shares held by the Member/s, with regard to dividend and all other Rights of Shareholders, from the date of allotment.

d. Persons/Bodies Eligible for Making Applications

- Indian nationals resident in India who are major, in single or joint names (not more than three).
- Hindu Undivided Families in the individual name of the Karta.
- Companies, Corporate bodies and Societies registered under the applicable law in India and authorized to invest in the shares.
- Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks and Regional Rural Banks; Co-operative Banks may also apply as per applicable laws.
- Trusts registered under Societies Registration Act, 1860, or any other Trust law and are authorized under their constitution to hold and invest in shares.

e. Rights of the Eligible Equity Shareholder

The Rights Equity Shares allotted in this Issue shall rank **paripassu** with the existing Equity Shares in all respects including dividends. Subject to applicable laws, the Eligible Equity Shareholders of our Bank shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote/poll in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of Rights Equity Shares; and

- Such other rights as may be available to a shareholder of a public company under the Companies Act, 2013 and Memorandum and Articles of Association.

f. Issue of shares in Dematerialized Mode

The bank has entered into a tripartite agreement with National Securities Depository Limited and KFin Technologies Limited and with Central Depository Services (India) Limited and KFin Technologies Limited for providing Electronic Connectivity and other supportive services.

Applicants can seek allotment in dematerialized mode. Application from any applicant without relevant details of his/her depository account are liable to be rejected. Application Form from any applicant without following details of his /her depository account are liable to be rejected:

- An applicant applying for Equity Shares must have a beneficiary account with NSDL/CDSL prior to making application.
- The applicant must necessarily fill in the details (including beneficiary account number and Depository Participant's Identification Number) appearing in the Composite Application Form (CAF).
- Equity shares allotted to the Applicant will be credited in electronic form directly to the beneficiary account (with Depository Participant) of the Applicant.
- Names in the Application form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the Depository account of the Applicant (s)
- If incomplete/incorrect details are given under the heading 'Depository Account Details' in the Application Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his / her demographic details given in the Application form vis-à-vis those with his/her Depository Participant.
- The Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them, pursuant to the issue.

g. Offer Entitlement

As your name appears on the Register of Members of the Company as on Tuesday, June 17, 2025, you are entitled to this Offer on the basis mentioned above. The number of equity shares to which you are entitled as a shareholder of the Company is shown in the Application Form.

h. Acceptance of Offer

You may accept the offer and apply for the equity shares hereby offered to you wholly or in part by filling Part A of the enclosed Composite Application Form (CAF) and submit the same along with the full application money payable to the Banker to the issue at any of the collection centres as mentioned in the end of CAF or by using the R-WAP facility as explained in Point XIV (C) of Annexure A of this letter of offer before the close of the business hours on 1700 hours, July 11, 2025. The members at centres not covered by the branches of collection centres can send their CAFs together with the cheque drawn at par on a local bank at Hyderabad/Demand Draft/Pay Order payable at Hyderabad to the Registrar to the Issue by Registered Post or Speed Post. CAF can be sent to the Banker/Collection Centres of the issue only through Registered Post/Speed Post so as to reach them on or before the closure of the issue. Any application sent to the Banker to the Issue through any other mode or received after the offer closing date shall be liable to be rejected. For further details on the mode of payment, see "Mode of Payment for Resident Equity Shareholders/Investors" and "Mode of Payment for Non-Resident Equity Shareholders/Investors". Please refer to point no. XIV of Annexure A as enclosed in this Letter of Offer.

i. Renunciation

This Offer shall be deemed to include a right exercisable by you to renounce the equity shares offered to you either in full or in part in favour of any other person(s). Such renouncee(s) can only be Indian Nationals (including minor through their natural/legal guardian)/Limited Companies incorporated under/governed by the Companies Act, 2013, Statutory Corporations/Institutions, Trust (Registered under the Indian Trust Act, 1882), Societies (registered under the Societies Registration Act, 1860 or any other applicable laws) and provided that such Trust/Society is authorized under its constitution/rules/byelaws to hold Shares in a Bank and cannot be a Partnership Firm, Foreign Nationals or nominees of any of them (unless approved by RBI or relevant authorities) or any other persons not approved by the Board of Directors.

Any renunciation from Resident Indian Shareholder(s) to Non-Resident Indian(s) or Overseas Body Corporate(s) is subject to the provisions of FEMA and other RBI directives as applicable from time to time. Any request for the allotment of equity shares by the renounce (s) in whose favour renunciation has been exercised shall be subject to the condition that the Board of Directors of the Bank, shall have absolute discretion to reject such a request for allotment, without assigning any reasons thereof.

The members are entitled to renounce all, or any part of their Rights Shares only in the favour of existing member(s) of the Company (hereinafter referred to as "Renouncee"). Members are advised to carefully read the procedure for renouncement as described in detail in Annexure A. The members who neither accept their Rights Shares nor renounce the same in favour of other existing and non-existing members shall be presumed that they are not interested in the offer and have not exercised their rights entitlement.

j. Additional Equity Share

You are also eligible to apply for additional equity shares over and above the number of equity shares offered to you provided you have applied for all the equity shares offered to you without renouncing them in whole or in part in favour of any other person(s).

The application for additional equity shares shall be considered and allotment shall be made at the absolute discretion of the Board of Directors of the Bank having the power to reject any such application for additional equity shares without assigning any reasons and in the event of over subscription, the allotment will be subject to the clause mentioned under 'Basis of Allotment'.

k. How to apply

You may apply for the equity shares offered wholly or in part as may be desired by you, by filling in the enclosed Composite Application Form and submit the same in accordance with the above. The Application Form should be complete in all respects.

You can also apply by using the R-WAP facility as explained in Point XIV (C) of Annexure A of this letter of offer.

The procedure and guidelines for making application, renouncement, payment and refund etc. have been stipulated in detail in Annexure A.

The members are also requested to carefully read the general instructions before filling the CAF as stipulated in Annexure B.

The members are requested to read the Letter of Offer carefully before taking any action. The instructions as contained in the annexures as mentioned above are an integral part of the Letter of Offer and must be carefully followed. CAF should be completed in all respect. Any omission / incomplete CAF shall lead to rejection of the application.

l. Mode of payment and Other Conditions

For details on the mode of payment, see “Mode of Payment for Resident Equity Shareholders/Investors” and “Mode of Payment for Non-Resident Equity Shareholders/Investors”. Please refer point no. XIV of Annexure A as enclosed with this Letter of Offer.

m. Mode of Payment through RWAP

All payments against the Application Forms shall be made by internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through Cheque/Demand Draft or internet banking or UPI facility if applying through RWAP.

n. a) Non receipt of Application Form

In case if original Application Form is not received, or is misplaced by the shareholder, the Registrar to the issue will, on the request of the shareholder, issue a duplicate Application Form. The applicant shareholder should furnish the DP ID, Client ID, his/her full name and address to the Registrar. It may be noted that those who are making the application in duplicate form shall not utilize the original Application Form, even if it is received / found subsequently. In case the original and duplicate Application Form is lodged for subscription, allotment will be made on the basis of the duplicate Application Form and the original Application Form will be ignored.

b) Last date for submission of Application Form

The last date for receipt of Application Form is July 11, 2025. If the relevant Application Form is not received by the aforesaid last date, the offer contained in this Offer Document shall be deemed to have been declined and the Board/ Committee shall be at liberty to dispose of such equity shares on such terms and conditions as it may deem appropriate.

Application for Rights shares/acceptance of offer/renouncement of shares along with the cheques/DDs shall reach or be deposited at the collection centres of the banker to the Issue. List of collection centers is given at the end of CAF.

c) Incomplete application

Application Forms, which are not complete or are not accompanied with the full payment, are liable to be rejected.

o. Basis of Allotment

The basis of the allotment shall be finalized by the Board of Directors of the Bank.

1. The Board of Directors will allot the equity shares, in the following order of priority:

a) Full allotment to the equity Shareholders who have applied for their Rights entitlement either in full or in part and also to the renouncee (s) who have applied for equity shares renounced in their favour either in full or in part (subject to other provisions contained under the paragraph titled “Renunciation”).

b) Allotment to the equity Shareholders who having applied for their full Rights entitlement of equity shares offered to them have applied for additional equity shares provided there is a surplus available after full allotment under (a) above and shall be at the absolute discretion of the Board of the Directors of the Bank and the decision of the Board shall be final and binding.

c) To the renouncee(s) who having applied for all the equity shares renounced in their favour and have also applied for additional equity shares, provided there is surplus available after making full allotment under (a) and (b) above.

2. In the event of over subscription against the Rights Offer, allotment will be considered on an equitable basis with reference to the number of equity shares held on the Record Date, within the overall size of the Rights Offer at the sole discretion of the Board of Directors. No over subscription shall be retained by the Bank, except to the extent required for the purpose of rounding off.

3. After taking into account the full allotment under 1(a) above, if there is any unsubscribed portion, the Offer shall be deemed to be "under subscribed". In that event, allotment shall be made in terms of 1(b) and 1(c) above.

4. After taking into account the allotments made under 1(a), 1(b) and 1(c) above, if there is still any under subscription, the unsubscribed portion shall be disposed off by the Board/Committee of Directors authorized in this behalf by the Board of Directors upon such terms and conditions and to such person/persons and in such manner as the Board of Directors may, in its absolute discretion, deem fit.

p. Disposal of applications and application money

In the event of shares not being allotted in full, the excess amount paid on application will be refunded to the applicant within 15 days of the date of closure of the Offer. The Board of Directors reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason. In case an application is rejected in full, the whole of the application money received will be refunded and where an application is accepted in part the excess money will be refunded after adjusting the amount payable for the shares allotted. All refunds will be made within 15 days of the date of closure of the offer.

Annexure - A

Procedure and Guidelines for making applications, renouncement, payment and refund, etc.

1. Procedure for Application

The CAF along with the Letter of Offer will be issued to all existing members, at their email address registered with the Registrar and whose name appear in the Register of Members of the Company/beneficial owner as per NSDL & CDSL as on the Record Date i.e., Tuesday, June 17, 2025. In case the email ID is not registered, the CAF along with the letter of offer will be issued at their addresses registered with the Registrar. In case the original CAF is not received by any member or is misplaced, the member may request the Registrar to the Issue for issuance of a duplicate CAF as per procedure described in clause (XI).

2. Acceptance of the Rights Shares

Members may accept the offer by applying for the Rights Shares offered in the Rights Issue either full or in part by filling in Part A of the enclosed CAF and submitting the same along with the application money at the collection centres before the closure of the issue. Part A of the CAF shall not be used by any person(s) other than those in whose favor this Offer has been made. Use of CAF by unauthorized person will render the application invalid.

3. Option to Subscribe

The shares will be allotted in demat form only.

4. How to Apply

Applications should be made by filling in the enclosed CAF in the original or by using the online (R-WAP) facility. The enclosed CAF should be duly filled in all respects. Registrar to the issue shall accept the applications sent by Registered Post or Speed Post. No application shall be accepted by the Registrar to the issue sent through any other mode. The CAF consists of four parts:

Part A: FORM OF APPLICATION BY ELIGIBLE MEMBERS
Part B: FORM FOR RENUNCIATION
Part C: FORM OF APPLICATION BY RENOUNCEE(S)
Part D: REQUEST FOR SPLIT APPLICATION FORM (SAF)

5. Option available to Members

The CAF clearly indicates the number of Rights Shares that the member is entitled to apply for in the Rights Issue. Regarding the Rights Shares, the members have the following options:

- apply for his entitlement of Rights Shares in full;
- apply for his entitlement of Rights Shares in part;
- apply for his entitlement of Rights Shares in part and renounce the other part of the Rights Shares to existing and non-existing members;
- renounce the entitlement of Rights Shares in full to existing or non-existing members.

6. Renunciation

Pursuant to the Articles of Association of company and in terms of section 62(1) members shall have the right to renounce their Rights Shares in full or in part in favour of one or more existing members. Shareholders may also renouncee the shares in favour of non-existing member.

7. Any application made by any of the following applicants will be liable to be rejected

- More than three persons including joint holders;
- Minors (unless it is through their legal guardian);
- Any person situated or having jurisdiction where the offering in terms of this Letter of Offer could be illegal or require compliance with securities laws.

8. Renouncees

You are requested to send the CAF with their signatures duly attested from a bank to avoid rejections due to signature mismatch.

9. Procedure for renunciation:

- **To renounce the whole entitlement to one person being the existing or non-existing member of the Company**

  To renounce Rights Share(s) in whole, please complete Part B of the CAF. In case of joint holding, all joint holders must sign Part B of the CAF.

  The person in whose favour renunciation has been made should complete and sign Part C of the CAF. In case of joint renouncees, all joint renouncees must sign Part C of the CAF. Renouncee(s) shall not be entitled to further renounce their entitlement in favour of any other person.

- **To renounce in part/or renounce the whole to more than one person(s)**

  To subscribe to rights shares in part and to renounce the balance right shares or to renounce the entire offer in favour of two or more renouncees, the CAF must be first split into requisite number of forms. In such a case, please indicate requirement of Split Application Forms (SAF) in the space provided for this purpose in Part D of the CAF. The request for split of CAF must reach the Registrar to the issue on or before July 02, 2025. On receipt of the required number of SAF the procedure as mentioned in paragraph 'A' above shall have to be followed. Only the members to whom the Letter of Offer has been addressed to, and not the renouncee(s) shall be entitled to renounce and to apply for SAF. Request by the member(s) for the SAF should reach the Registrar to the Issue on or before closing of business hours of the aforesaid date. SAF(s) will be sent to the applicant(s) by post at the applicant's risk and the Company/ Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
  Members have an option to split the CAF only once.
  In case the signature of the member(s), who has/have renounced the Rights Shares/split application forms, does not match with the Specimen Signature(s) registered with Company or its Registrar to the Issue, such application shall be liable to be rejected.

- **Renouncee(s)**

  The person(s) in whose favour the Rights Shares are renounced should fill in and sign Part C of the CAF, duly signed by the original member in Part–B and submit the same along with the application money to collection centres/ Registrar to the Issue, as mentioned on the reverse of the Caves on or before the closure of the issue i.e., July 11, 2025. Any CAF received after closure of the Issue will be liable to be rejected and the Company/Registrar to the Issue will not be responsible for such rejection in any manner.

- **Change and/or introduction of additional holders**

Members can change and/or introduce additional holders to the right issue. However, such additional holders must be an existing member of the Company. Members can apply for Rights Shares jointly with any other person(s), not more than three, who is/are already members. Even a change in the sequence of the name of joint holders will amount to renunciation and the procedure, as stated above, shall have to be followed.

The summary of options available to the members is presented below. Members may exercise any of the following options with regard to the Rights Shares offered in the Rights Issue, using the enclosed CAF:

Options Available	Action Required
1. Accept whole or part of your Rights Entitlement without renouncing the Balance	Fill in and sign Part A (All joint holders must sign in the same sequence).
2. Renounce your Rights Entitlement in full to one person (Joint Renouncees are considered as one).	Fill in and sign Part B (all joint holders must sign in the same sequence) indicating the number of equity shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint Renouncees must sign).
3. Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement of all equity shares offered to you to more than one Renouncee.	Fill in and sign Part D (all joint holders must sign in the same sequence) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below: **i.** For the equity shares you wish to accept, if any, fill in and sign Part A. **ii.** For the equity shares you wish to renounce, fill in and sign Part B indicating the number of equity shares renounced and hand it over to the Renouncee **iii.** Each of the Renouncee should fill in and sign Part C for the equity shares accepted by them.
4. Introduce a Joint holder (must be an existing member) or change the Sequence of Joint holders.	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

10. Basis for allotment

Subject to the provisions contained in the Letter of Offer and the Articles of Association, the Board of Directors shall proceed with the allotment of equity shares after the closure of Issue within the prescribed time. The unsubscribed part of the Rights Issue, including the applications rejected for any reasons, as ascertained after the Last Date, will be disposed of by the Board of Directors of the Company in a manner as it may deem fit and proper.

11. Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the member, the Registrar to the Issue of the Company will issue a duplicate CAF upon request by the member, the request inter-alia should contain DP ID and Client ID and his / her full name and address. The request for duplicate CAF should be made well in time to ensure that completed duplicate CAF is submitted before the closure of the issue. Those who are making the application in the duplicate CAF shall not use the original CAF for any purpose including renunciation, even if it is received / found subsequently. Upon issuance of duplicate CAF, the original CAF stands cancelled automatically. In the event any member sends multiple applications, the most recent application shall be considered valid.

12. **Plain Paper Application**

An eligible member who has neither received the original CAF nor is not in a position to obtain the duplicate CAF may make an application to subscribe to the Right Issue on plain paper. Such application on plain paper together with the application money shall be sent by Registered Post or Speed Post directly to the Registrar of issue. The application on plain paper, shall be duly signed by the member including joint holders, if any, in the same sequence and as per specimen signature recorded with the Depositories and shall reach the office of the Registrar before the closure of the issue. The plain paper application shall contain the following minimum particulars: 1). Name of the Company, i.e. The Nainital Bank Limited; 2). Name and address of the eligible member including joint holders; 3). DP and Client ID; 4). Number of equity shares held as on the Record Date i.e. June 17, 2025; 5). Number of equity shares entitled to; 6). Number of equity shares applied for; 7). Total amount paid at the rate of Rs. 35.00 per share, including premium of Rs. 25 per share; 8). Particulars of cheque/demand draft 9). Saving/current account number and name and address of the bank, MICR Code, RTGS, IFSC Code of the Bank where the eligible member will be depositing the refund order.

13. **Applications under Power of Attorney**

In case of applications made under a Power of Attorney or by Limited Companies or Bodies Corporate or Registered Societies or Mutual Funds or Trusts, the certified true copy of the relevant Power of Attorney or relevant resolution or authority to make the application, as the case may be, together with a certified copy of the Memorandum and Articles of Association and/or Bye-Laws must be attached with CAF, failing which the applications shall be liable to be rejected.

14. **Modes of Payment for the Issue:**

A. Mode of payment for Resident shareholder or Non-Resident shareholder who are exercising the right issue on Non- Repatriable basis:
- All cheques/demand drafts/pay orders accompanying the CAF should be drawn in favour of **"The Nainital Bank Limited - Rights Issue 2025"**.

B. Mode of payment for Non-Resident shareholders applying on Repatriable basis:
- As regards the application by non-resident members / Investors, the following conditions shall apply:
- ▪ Individual Non-Resident Indian applicants who are permitted to subscribe for equity shares by applicable local securities laws can also obtain application forms from the following address: KFIN Technologies Limited, Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad; Contact Person: Mr. M. Murali Krishna.
- ▪ Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares are restricted by applicable laws.
- ▪ All non-resident investors should draw the cheques/demand drafts/pay orders in favour of "The Nainital Bank Limited - Rights Issue 2025", crossed "A/c Payee only" for the full application amount be submit along with the CAF at the collection centres or to the Registrar to the Issue.

C. Set out below is the procedure followed using the R-WAP:
- ▪ Resident Investors should visit **R-WAP (accessible at https://rights.kfintech.com)** and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.
- ▪ Non-Resident Investors are not eligible to apply in this Issue through R-WAP.
- ▪ Only resident Investors are eligible to apply in this Issue through R-WAP.

- The Investors should ensure that application process is verified through the email/mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on the number of Rights Equity Shares applied for.
- The Investors who are renouncees should select the category of ‘Renouncee’ at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.
- Investors applying in the Issue through UPI facility should accept the debit/payment request in the relevant mobile application for which the UPI ID details were provided.
- Prior to making an application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI Rights Issue Circulars.
- The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- Verification in respect of Application through Investors’ own bank account, shall be done through the latest beneficial position data of our Company containing Investor’s bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
- The Application Money collected through applications made on the R-WAP will be credited to the account opened by our Bank.

15. Application with repatriation benefits:

- By Indian Rupee drafts purchased from abroad and payable at Hyderabad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate).
- The non-resident investors opting for direct fund transfer/telegraphic transfers should contact the Registrar to the Issue for relevant details.
- By local cheque/demand drafts/pay orders payable at Hyderabad out of funds held in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance.
- FIIs/FPIs must remit funds from a permissible account.
- Non-resident investors applying with repatriation benefits should draw cheques / demand drafts in favour of **"The Nainital Bank Limited - Rights Issue 2025"** and must be crossed ‘account payee only’ for the full application amount which should be submitted along with the CAF to the Bankers to issue or to the Registrar to the issue.
- Investors may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an Account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. Otherwise, the application shall be treated as one on non- repatriation basis.
- In the case of NRI Investors who remit their application money from funds held in FCNR / NRE Accounts, refunds and other disbursements, if any, shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRI Investors who remit their application money through Indian Rupee drafts from abroad, refunds and other disbursements, if any, will be made in U.S. Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. The Company or the Registrar to the Issue or the Banker to the Issue will not be liable for any loss on account of exchange rate fluctuation for converting

the Rupee amount into U.S. Dollar or for collection charges charged by the Investor's bankers

- As far as non-residents holding equity shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Hyderabad. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
- All cheques/demand drafts/pay orders drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of " The Nainital Bank Limited - Rights Issue 2025". Duly completed CAF together with the amount payable on application shall be deposited with the Collecting Bank/Registrar to the issue indicated on the reverse of the CAFs before the closure of the issue. Each CAF must be accompanied by a separate cheque/demand draft/pay order.

16. **Incomplete application:** CAFs which are not complete or not complying with the technical requirements or are not accompanied with the full application money shall be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any.

17. **Bank details of the Applicant/renouncee**: Investors are advised that it is mandatory to provide information as to their savings/current account number and the name of the bank with whom such account is held along with the branch name, MICR No., IFSC Code, in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any. Application not containing such details is liable to be rejected.

18. **CAF Number on the Cheque/Bank Draft:** To avoid any misuse of instruments, the applicants are advised to write the CAF number and name of the sole/first applicant on the reverse of the cheque/demand draft/pay order.

19. **Allotment/Refund**: The Registrar to the issue will issue and dispatch allotment advice and will arrange to credit the shares to their beneficiary account, as the case may be along with refund orders, if any, within a period of 15 days from the closure of the allotment. The refund shall be sent through NEFT/RTGS to members who have provided their relevant bank details and to other members through physical Refund Order by Registered Post/Speed Post to the address registered with the Company. If the relevant bank details provided by the members are different from the details registered with the registrar to the issue, refund shall be made in the relevant bank account mentioned in CAF.

20. **Mode of payment of Refund**: Applicants/renouncee should note that mismatch of account information on CAF and in records could result in delays in credit of refunds to applicants at the applicant's sole risk and the Company/Registrar to the Issue shall not have any responsibility or liability for the same. The payment of refund, if any, would be done through the Demand Drafts/NEFT/NECS/RTGS as the case may be. These demand drafts will be payable at par at the places of their registered address. The same would be marked 'A/c Payee only' and would be drawn in favour of the sole/first applicant. Bank charges, if any, for encashing such cheques or pay orders will be borne by the Applicants/renouncee.

Annexure - B

General Instructions for Applicants/Renouncee

1. Please read the instructions printed on the CAF carefully.

2. Application should be made on the printed CAF provided by the Company and should be complete in all respects. The CAF which are incomplete and/or which are not, in conformity with the terms of the Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of Bank and other charges, if any. The CAF must be filled in English. Name of all the applicants, details of occupations, addresses, father's/husband's name, Bank Details, PAN and email must be filled in block letters. The CAF together with the cheque /demand draft/pay order should be submitted to the collection centre(s). Applications without full application money to be paid for equity shares are liable to be rejected.

3. Except for applications on behalf of the Central and State Government, the officials appointed by the courts, all Investors /Members, and in the case of application in joint names, each of the joint Investors, should mention in the CAF his/her PAN number allotted under the Income Tax Act, 1961, irrespective of the amount of the application. CAFs without copy of PAN will be considered incomplete and will be liable to be rejected.

4. It is mandatory to provide the information of your savings/current account number and the name of the bank with whom such account is held, MICR No., RTGS, IFSC Code in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any. Application not containing such details is liable to be rejected.

5. All payment should be made by cheque/demand draft/pay orders only. For further details on the mode of payment, see "Mode of Payment for Resident Equity Shareholders/Investors" and "Mode of Payment for Non-Resident Equity Shareholders/ Investors" as mentioned in instruction no. XIV of Annexure A as enclosed in this Letter of Offer. In case payment is affected in contravention of this, the application may be deemed invalid and will be liable to be rejected. The application money, after deducting bank charges, if any, will be refunded and no interest will be paid thereon.

6. The members must sign the CAF as per the Specimen Signature recorded with the Company. Signatures should be either in English or Hindi or, in any other language specified in the Eighth Schedule of the Constitution of India. It is recommended to get the signatures duly attested from any bank to avoid rejections due to signature mismatch.

7. In case of applications made under a Power of Attorney or by Limited Companies or Bodies Corporate or Registered Societies or Mutual Funds or Trusts, the certified true copy of the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with a certified copy of the Memorandum and Articles of Association and / or Bye-Laws must be attached with CAF, failing which the applications will be liable to be rejected.

8. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order, as per the specimen signature(s) recorded with the Company/Registrar to the Issue. In case of joint investors who are Renouncees, the number of investors should not exceed three. In case of joint investors, all communication will be addressed to the first Investor including the refund order, if any.

9. All communication in connection with application for the equity shares, including any change in address of the members should be addressed to the Registrar to the Issue prior to the date of Allotment, quoting the name of the first/sole Investor, folio numbers and CAF number.

10. Investors must write their CAF number at the back of the cheque/demand draft/pay order.

11. The investors shall use only one mode of payment per application. The payment shall be made by either cheque or

demand draft or pay orders drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub- member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.

12. Each CAF shall be accompanied by a separate cheque/demand draft/pay-orders. Outstation cheques/demand drafts/pay orders or post-dated cheques and postal money orders will not be accepted and applications accompanied by such outstation cheques/outstation demand drafts/pay-orders/money orders or postal orders will be rejected. Only one instrument per CAF shall be accepted.

13. Acknowledgement receipt will be issued for the applications received in person at the collection centre(s). The collection centre(s) will acknowledge receipt of the applications received in person by stamping and returning the Acknowledgment Slip attached at the bottom of the CAF. No receipt will be issued for the applications received through the Registered Post or Speed Post to Registrar to the issue.

14. Application(s) received from non-resident / NRIs, for allotment of Right Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of application money, allotment of equity shares, interest, export of share certificates etc. In case a non-resident or NRI member has specific approval from the RBI, in connection with his shareholding, such member should enclose a copy of such approval in the CAF.

15. **Grounds for Technical Rejections:** Investors are advised to note that applications are liable to be rejected on technical grounds, including a). Amount paid does not tally with the amount payable; b). Bank account details (for refund) are not given and the same are not available with the Registrar; c). Age of Investor(s) not given (in case of Renouncees); d). Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value; e). In case of the CAF under the Power of Attorney or by Limited Companies or Bodies Corporate or Registered Societies or Mutual Funds or Trusts, relevant documents are not submitted; f). the signature of the member as per the records of the Registrars to Offer / Company does not match with the one given on the CAF; g). CAFs are not submitted by the shareholders within the time prescribed i.e. on or before the closure of offer; h). CAFs not duly signed by the sole/joint shareholders: i). CAFs accompanied by Outstation cheques / post-dated cheques / money order / postal order / outstation demand draft / pay orders; j). CAFs submitted by Renouncees where Part B of the CAF is incomplete or is unsigned; k). In case of joint holding, all joint holders must sign Part 'B' of the CAF; l). Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, including minors; and m). Duplicate/Multiple CAFs, including cases where an shareholder submits CAFs along with a plain paper application; and n). Applications by ineligible non-residents (including on account of restrictions or prohibition under applicable local laws).

Please read the Letter of Offer and the instructions contained therein and in the CAF carefully before filling the CAF. The instructions contained in the CAF are an integral part of the Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

16. In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the member within a period of 15 (fifteen) days from the closure of the issue. For further instructions, please read the CAF carefully.

17. **Allotment Advice along with Share Certificates/Refund Orders:** The Registrar will issue and dispatch Allotment Advice/or Letters of Regret along with refund order, if any, within a period of 15 (fifteen) days from the Issue Closing Date. Members residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service ("NECS")/RTGS/NEFT except where Members have not provided the details required to send electronic refunds. Members to whom refunds are made through electronic transfer of funds will be sent a letter through Ordinary Post / email intimating them about the mode of credit of refund within 15 (fifteen) days of the closure of the issue. The Allotment Advice along with Share certificates / Refund Order would be sent by Registered Post or Speed Post to the sole / first members at the address registered with the Company. Such refund orders would be payable at par. The same would be marked ‘A/c Payee only’ and would be drawn in favour of the sole / first member.

18. **Nomination:** In terms of Section 72 of the Companies Act, 2013, Nomination facility is available in respect of the equity shares. A member can nominate any person by filling in the relevant details in the CAF in the space provided for this purpose. In case of equity shareholders, who are individuals, a sole equity shareholder or the first named equity shareholder, along with other Joint equity shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to ‘the equity shares’. A person, being a nominee, becoming entitled to the equity shares by reason of the death of the Original equity shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the equity shares. Where the nominee is a minor, the equity shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the equity share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the equity shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Fresh nominations can be made only in the prescribed form available on request at our Registered Office/ Registrar to the Issue. The Investor can make the nomination by filling in the relevant portion of the CAF. Only one nomination would be applicable for one folio. Hence, in case the shareholder(s) has already registered the nomination with the Company, no further nomination needs to be made for Equity Shares that may be allotted in the Issue under the same folio. However, if the member has mentioned the details of nomination in the CAF, the nomination mentioned in the CAF shall override the nomination already registered with the Company / registrar to the issue.

19. **Impersonation:** Any person who makes in a fictitious name an application to a Bank / Registrar to the issue for acquiring, or subscribing for, any shares therein, or otherwise induces a Bank / Registrar to the issue to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with the applicable penalties under the relevant statutes.

    As a matter of abundant caution, attention of applicants is specifically drawn to the provisions of Section 38 of the Companies Act, 2013, which is reproduced below.

    “Any person who -

    a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
    b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
    c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.”

20. **Offer to Non-Resident members/Applicants**

    Any allotment of shares to non-resident members of the Company will be subject to any approvals or intimations as may be required under the applicable laws including that of the Foreign Investment Promotion Board (‘FIPB’) and the Reserve Bank of India (‘RBI’).

    This Letter of Offer and CAF will be dispatched to non-resident members at their addresses registered with the Company.

21. **Renunciation**

    Any renunciation by or in favour of Non-Residents is subject to the renouncer(s)/renouncee(s) obtaining the requisite approval of the FIPB, if required and/or necessary permission of the IRDAI approval if required, RBI, if required under FEMA and such permissions should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected. Applicants renouncing the Right Shares in favour of non-resident may seek extension from the Company for the period involved in obtaining necessary approvals from the FIPB or RBI or any other authority. However, such application for extension must reach the Company before the Closing Date.

For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar at https://rights.kfintech.com.

22. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- our Bank at www.nainitalbank.co.in;
- the Registrar at www.kfintech.com ;
- the Registrar's web-based application platform at https://rights.kfintech.com ("R-WAP").

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our bank (i.e., www.nainitalbank.co.in).

23. Other important links and helpline

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/electronic dedicated investor helpdesk for guidance on the application process and resolution of difficulties faced by the Investors: https://rights.kfintech.com.
- Updation of Indian address/e-mail address/mobile number in the records maintained by the Registrar or our Company: https://rights.kfintech.com.
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights.kfintech.com.
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: https://rights.kfintech.com.

24. Don'ts for Investor applying through R-WAP

a. Do not apply from bank account of third parties.
b. Do not apply if you are a non-resident Investor.
c. Do not apply from a non-resident account.
d. Do not apply from corporate account

SECTION VIII - OTHER INFORMATION

Material Documents for Inspection

The following documents which are or may be deemed material shall be available for inspection at the Head Office of the Bank between 10.00 am to 12.00 noon on any working day from the date of the Letter of Offer until the Closure of the issue.

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Bank.

2. Copy of Resolution passed by the Board of directors meeting held for Rights Issue.

3. Regulatory approval for raising capital through Rights Issue and variation in shareholding pattern post issue.

4. Copies of the Annual Reports of the Company for the Financial Year 2019-20, 2020-21, 2021-22, 2022-23, 2023-24.

5. Copy of Financial Statements for Financial Year ended March 31, 2021, March 31, 2022, March 31, 2023, March 31, 2024, and March 31, 2025.

6. Agreement or engagement letter entered between the Bank and the Registrar and Share Transfer Agent (RTA).

7. Agreement entered between the Depositories - Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).

8. Resolution of our Board dated May 15, 2025, in relation to the approval of Rights Issue and other related matters.

9. Resolution of our Board dated June 17, 2025, approving and adopting the Letter of Offer.

10. Resolutions of our Board dated June 17, 2025, in relation to the terms of the Issue including the Record Date, the Issue Price and the Rights Entitlement Ratio.

11. Valuation Report by Independent Valuers - Registered Valuer and Merchant Banker.

12. License bearing reference number KAN8, issued by the RBI under the Banking Regulation Act to carry on banking business in India.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Bank or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

Declaration

No statement in this letter of offer shall contravene any of the provisions of the Companies Act, 2013, Banking Regulation Act, 1949 and any other law applicable for the time being in force.

In the opinion of the Board of Directors of the Bank there have not arisen, since the date of the last financial statement disclosed in this Letter of Offer, any circumstances that materially and adversely affected or is likely to affect the business or the profitability of the company or the value of its assets or its ability to pay its liabilities within the next twelve months.

Declaration by the Directors and Management

We hereby certify that as to the best of our knowledge and belief, no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, guidelines issued by the Reserve Bank of India, SEBI Act or the rules made thereunder or regulations issued thereunder, as the case may be. All the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., have been duly complied with.

We further certify that all disclosures made in this Letter of Offer are true and correct.

Mahesh Goyal **(Chief Financial Officer)**	**Vivek Sah** **(Company Secretary)**

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Signed by the Directors of our Bank

Mr. Gopal Singh Gusain **(Non-Executive Independent Chairman)**	**Mr. Sushil Kumar Lal** **(Managing Director & CEO)**
Mrs. Binita Shah **(Non-Executive Independent Director)**	**Mr. Manoj Sharma** **(Non-Executive Independent Director)**
Mr. Uttam Chand Nahta **(Non-Executive Independent Director)**	**Mr. Neelam Damodharan** **(Non-Executive Independent Director)**
Mr. Rakesh Nema **(Non-Executive Non-Independent Director)**	**Mr. Manas Ranjan Biswal** **(Non-Executive Independent Director)**
Mr. Kuldeep Singh **(Executive Director)**	

Date: June 17, 2025
Place: Nainital

Note:

The Bank accepts no responsibility for statements made otherwise than in the letter of offer or in the advertisement or any other material issued by or at the instance of the company and the Lead manager and that anyone placing any reliance on any other source of information would be doing so at his/her/their own risk.

By Order of the Board of Directors

For The Nainital Bank Limited

(Vivek Sah)
Company Secretary

Date: June 17, 2025
Place: Nainital

Enclosed: Composite Application Form (CAF)