

FREQUENTLY ASKED QUESTIONS

RIGHTS ISSUE OF EQUITY SHARES BY THE NAINITAL BANK LIMITED

Set out below are the frequently asked questions (“FAQs”) to guide investors in gaining familiarity with the application process for subscribing to the rights issue of fully paid equity shares (“Issue” or “Rights Issue”) by THE NAINITAL BANK LIMITED (“Bank”) in terms of the letter of offer (“Letter of Offer”). These FAQs are not exhaustive, nor do they purport to contain a summary of all the disclosures in the Letter of Offer or the entire application process in the Issue or all details relevant to prospective investors (“Investors”). Further, these FAQs should be read in conjunction with, and are qualified in their entirety by, more detailed information appearing in the Letter of Offer. Readers are advised to refer to the Letter of Offer which is available on the website of the Registrar at <https://rights.kfintech.com>), Bank at www.nainitalbank.co.in. Unless otherwise defined herein, all capitalised terms shall have such meaning as ascribed to them in the Letter of Offer.

1) What are the details of the Issue?

Equity Shares being offered by the Bank	Issue of up to 4,00,00,000 Equity Shares of Face Value of ₹10 Each (“Rights Equity Shares”)
Issue Size	Aggregate amount of ₹ 100 Crores *
Rights Entitlements	Ratio of 1 (One) Rights Equity Shares for every 1.94 Fully Paid-up Equity Shares held on the Record Date
Record Date	Tuesday, February 21, 2023
Issue Price	₹ 25 per Rights Equity Share (including a premium of ₹ 15 per Rights Equity Share)

**Assuming full subscription*

2) What is the Issue schedule?

Issue Opening Date	March 01, 2023
Last Date for Split of Application form	March 07, 2023
Issue Closing Date	March 16, 2023

Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date. The above schedule is indicative and does not constitute any obligation on our Bank.

3) What is the Rights Entitlement Ratio?

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of **1 (One)** Rights Equity Shares for every **1.94** Fully Paid-up Equity Shares held on the Record Date.

4) What is the amount to be paid at the time of submitting the Application Form?

Amount payable at the time of Application is ₹ 25 per Rights Equity Share (including a premium of ₹ 15 per Rights Equity Share).

5) What are Rights Entitlements?

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form as on the Record Date, i.e., **Tuesday, February 21, 2023**, are entitled to the number of Rights Entitlements as set out in their respective Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Letter of Offer and the Composite Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Bank, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also 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 and PAN. The link for the same shall also be available on the website of our Bank (i.e., www.nainitalbank.co.in).

6) What happens to Rights Entitlements (REs) which are neither subscribed nor renounced on or before the Issue Closing Date?

Rights Entitlements (REs) which are neither subscribed nor renounced by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

7) How will the Basis of Allotment be decided?

The basis of allotment shall be finalized by the Board of Directors of the Bank or Committee of Directors of the Bank authorized in this behalf by the Board of Directors.

1. The Board of Directors or the Committee of Directors as the case may 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 or the Committee of the Directors of the Bank authorized in this behalf by the Board and the decision of the Board or the Committee 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 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/Committee of Directors may, in its absolute discretion, deem fit.

8) What are fractional entitlements? What will be the entitlement if a shareholder holds less than 1.94 Equity shares?

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Shares for every 1.94 Fully Paid-up Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 1.94 Fully Paid-up Equity Shares or is not in the multiple of 1.94 Fully Paid-up Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 60 (fifty) Equity Shares, such Equity Shareholder will be entitled to 30 (thirty) Rights Equity Shares and will also be given a preferential consideration for the Allotment of 1 (one) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 1.94 Equity Shares shall have ‘zero’ entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

9) What is the process for Renunciation of Rights Entitlements?

A. To renounce the whole entitlement to one person being the existing member of the Bank

- i. 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.
- ii. The person in whose favour renunciation has been made should complete and sign Part C of the CAF. In case of joint renounees, all joint renounees must sign Part C of the CAF. **Renounee(s) shall not be entitled to further renounce their entitlement in favour of any other person.**

B. To renounce in part/or renounce the whole to more than one person(s)

To subscribe rights shares in part and to renounce the balance right shares or to renounce the entire offer in favour of two or more renounees, 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 March 07,2023. 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 renounee(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 Bank / Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Members has 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 Bank or its Registrar to the Issue, such application shall be liable to be rejected.

C. Renounee(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 CAFs on or before the closure of the issue i.e. March 16, 2023. Any CAF received after closure of the Issue will be liable to be rejected and the Bank / Registrar to the Issue will not be responsible for such rejection in any manner.

D. 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 Bank. 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 Renounees 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 Renounee. The Renounee must fill in and sign Part C (All joint Renounees must sign)
3. Accept a part of your Rights Entitlement and renounce the balance to one or more Renounee(s) OR Renounce your Rights Entitlement of all equity shares offered to you to more than one Renounee.	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 Renounee. iii. Each of the Renounee 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 Renounee must fill in and sign Part C.

10) Whether any persons who are not existing shareholders of the issuer Bank as on record date, can apply to the Rights Issue?

No

11) What are the options available to the Eligible Equity Shareholders in the Rights Issue?

The CAF clearly indicates the number of Rights Shares that the member is entitled to apply for in the Rights Issue. With regard to Rights Shares, the member shall 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 members;
- renounce the entitlement of Rights Shares in full to existing members.

12) Can an application in the rights Issue be made using third party bank account?

Investors can make payment only using bank account held in their own name. Please note that **Applications made with payment using third party bank accounts are liable to be rejected.**

13) Can a joint bank account be used to make applications on behalf of shareholders?

Joint bank account can be used by the applicant provided they are joint holders in the Bank account.

14) Can an application be made by cash?

No

15) Can an application be made by visiting the Bank or Registrar office?

Yes, Investor can dispatch the CAF along with Cheque/Demand draft to the Bank address for the given below address

THE NAINITAL BANK LIMITED

Head Office: 7 Oaks Building, Mallital, Nainital-263001

Tel No: 05942-233739, 238237.

16) How can an Investor understand that the Application has been successfully made?

Investors will be provided acknowledgment / confirmation email upon successful completion of Application.

17) How can an Investor understand if the Rights Equity Shares have been allocated?

The Bank and/or the Registrar will send Email Intimation (Allotment/ Refund advice) to all the applicants who have been Allotted Rights Equity Shares.

18) What is the process of updating the email ID, phone number and Indian address?

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or the Bank, Eligible Equity Shareholders should visit <https://rights.kfintech.com>.

Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and the Bank by submitting their respective copies of self-attested proof of address, passport, etc. at <https://rights.kfintech.com>.

19) How can an investor apply in the Issue?

Pursuant to provisions of all Investors including Renounees desiring to make an Application in this Issue are mandatorily required to use either a) the Non ASBA process (i.e. Through Cheque/Demand Draft submit with collection centers of Banker to the issue i.e. The Nainital Bank Limited) or b) the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through Non ASBA or using the R-WAP. Further, R-WAP is only an additional option and not a replacement of the Non ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

i. 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 in this Letter of Offer.

ii. **Mode Of Payment through RWAP**

- 20) 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 **Last date for submission of Application Form**

The last date for receipt of Application Form is March 16, 2023. 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.

- 21) **What is the procedure for making plain paper application and where can the plain paper application be submitted?**

An Eligible Equity Shareholder who is eligible to apply under the Non ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to the Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the Banker to the issue i.e. The Nainital Bank Limited for authorising such collection center to accept the applications along with Cheque/Demand Draft. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with Bank, must reach the office of the Designated collection Branches of the Banker to the issue i.e. The Nainital Bank Limited before the Issue Closing Date.

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.

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares as on the Record Date, see “Annexure A” on page 91 of the Letter of Offer.

- 22) **When is the last date for Split of Composite Application Form?**

March 07,2023 is the last date for Split of the application form and need to submit with collection centers of Banker to the issue i.e. The Nainital Bank Limited should be submitted on or before closing date i.e. March 16,2023

- 23) **Is there any restriction on total investment amount / Equity Shares?**

Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the investment limits or maximum number of Equity Shares that can be held by them prescribed under the applicable law. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in accordance with the legal requirements applicable in such person's jurisdiction and India, without requirement for the Bank or its affiliates or their respective affiliates to make any filing or registration (other than in India).

24) Whether Overseas Investors can participate in rights Issue?

The Rights Entitlements and the Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any United States state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America, its territories or possessions, any state of the United States and the District of Columbia (the “**United States**” or “**U.S.**”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Rights Entitlements and Equity Shares referred to in the Letter of Offer are being offered and sold in “offshore transactions” as defined in, and in compliance with, Regulation S under the U.S. Securities Act (“**Regulation S**”) to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares is permitted under applicable laws of such jurisdictions. The Offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States or as a solicitation therein of an offer to buy or transfer any of the said securities. Accordingly, you should not forward or transmit the Letter of Offer in or into the United States at any time.

25) When will the allotted Equity Shares be credited to the demat account?

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 issue

FREQUENTLY ASKED QUESTIONS IN RELATION TO REGISTRAR'S WEB BASED APPLICATION PLATFORM (“R-WAP”)

26) Who can apply through R-WAP?

Only resident Investors can apply through R-WAP. Non-resident Investors cannot use R-WAP.

27) What is the process of making an application through R-WAP platform by resident Investors holding Equity Shares in demat form?

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. The Company and the Registrar shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date (i.e., from 9.00 am (IST) from **March 01, 2023**

Set out below is the procedure followed using the R-WAP:

- a. 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 (only for resident Eligible Equity Shareholders), PAN details and all other details sought for while submitting the online Application Form.
- b. Non-resident Investors are not eligible to apply in this Issue through R-WAP.
- c. Only resident Investors are eligible to apply in this Issue through R-WAP.
- d. 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 number of Rights Equity Shares applied for.
- e. The Investors who are Renounees should select the category of 'Renounee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renounees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.
- f. 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.
- g. 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.
- h. 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.**
- i. 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.
- j. The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Banker to the issue.

28) Whether Non-resident investor can apply in the Issue through R-WAP?

No.

29) When I will get refund, if any?

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 issue

30) Is R-WAP platform an alternative for Non ASBA mechanism?

It is an additional optional non-cash mechanism for application in the Issue along with the Non-ASBA mechanism.

31) Is any interest payable to shareholders who are applying through R-WAP?

No.

32) Can I use the bank details of my family / friends for making payment?

No. The bank details to be used for making payment through this platform must have your name as one of the joint holders along with the family / friends otherwise it will be treated as third party payments and will be rejected.

33) Can I use a credit card for making payment?

No. Option to use credit card for making payment is not available on this platform.

34) What is the maximum amount I can pay through this platform?

In case of Net Banking, there is no restriction on amount on R-WAP. However, maximum amount will be as per the limit set by applicants' respective banks. In case of UPI, the payment can be made only up to Rs. 2 lakhs

35) My payment has failed, whom do I approach?

Please check if you have provided the correct details. You can write to Registrar at: <https://rights.kfintech.com>; or call us at (+91 40 6716 2222).

36) Payment confirmation is not received however amount debited, whom do I approach?

Please write to us at <https://rights.kfintech.com>; or call the Registrar at (+91 40 6716 2222) and the Registrar shall provide the status.

37) In case of wrong information being submitted, do I have the option to revoke or rectify?

No. Once the application is submitted, it is final. However, application can be withdrawn/ rectified by sending an email with withdrawal/ rectification request to <https://rights.kfintech.com>; during the issue period. **Kindly note Application, whether applying through Non ASBA Process facility, cannot be withdrawn after the Issue Closing Date.**