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[Corporate Office: Seven Oaks Building, Mallital, Nainital-263001]
CIN No. U65923UR1922PLC000234, website: www.nainitalbank.co.in
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NOTICE TO THE MEMBERS FOR POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014)

To,

THE MEMBERS OF THE NAINITAL BANK LIMITED,

NOTICE is hereby given that pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Companies Act"), read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard issued by Institute of Company Secretaries (ICSI) of India on General Meetings ("SS-2"), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and Banking Regulation Act, 1949 and other applicable laws and regulations, if any, that it is proposed to seek the consent of the shareholders ("Members") of The Nainital Bank Limited ("The Bank"), for the special business resolutions appended herein below through Postal Ballot ('Postal Ballot') and by way of Remote Electronic Voting ("E-voting").

In terms of said Section of the Companies Act, 2013 and the Rules made thereunder, a company may and in case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by Postal Ballot, shall, get any resolution (other than Ordinary Business and any Business in respect of which Directors or Auditors have right to be heard at any meeting) passed by means of Postal Ballot, instead of transacting the business in General Meeting of the Company. In view of the ongoing pandemic situation caused due to Covid-19 and pursuant to the guidelines and General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 39/2020 dated December 31, 2020 (the "MCA Circulars") issued by the Ministry of Corporate Affairs, Government of India (the "MCA"), and pursuant to Section 110 of the Companies Act, 2013 and the Rules made thereunder, the Bank propose for passing of special business resolutions as per this Postal Ballot Notice.


This Postal Ballot is accordingly being initiated in compliance with the above Companies Act, 2013 and rules made thereunder. In light of the above MCA Circulars, The Bank (Company) will send Postal Ballot Notice by e-mail only to all its Members who have registered their e-mail addresses with the Bank, their Registrars and Transfer Agents or Depository/Depository Participants. For non-registered Members to avail Postal Ballot Notice & procedure for 'Remote E-Voting', concerned document is available on the Bank's website i.e. www.nainitalbank.co.in and on KFintech's e-voting website <https://evoting.kfintech.com>. Further, the communication of assent/dissent of the Members will only take place through the E-voting system.

The Board of Directors vide resolution dated March 05, 2021 has appointed Miss Jaya Yadav, Practicing Company Secretary (M. No. F10822 / CP No. 12070) or failing her Mr. Himanshu Gupta, Practicing Advocate (Membership No. D/3139/2014) as the Scrutinizer ("Scrutinizer") for conducting the Postal Ballot and e-voting process in a fair and transparent manner. The voting rights shall be governed by relevant sections of Banking Regulation Act, 1949 and RBI Master Direction-Ownership in Private Sector Banks, Directions, 2016 and March 05, 2021 being the Cut-Off date for the said purpose.

Pursuant to Section 102 and 110 of the Companies Act, 2013, the Explanatory Statements setting out the material facts and reasons for the proposed resolutions are appended herewith and is being sent to you along with the Postal Ballot Form for your consideration. Members have the option to vote on the agenda through remote e-voting only.

The results of the Postal Ballot will be declared at the Registered Office of the Bank on or before April 09, 2021. The date of approval of amendment of Articles of Associations (AOA) through Postal Ballot will be taken as the last date of the passing of the resolution contained in this notice, if approved by the requisite majority. The result of the Postal Ballot along with Scrutinizer's report will be posted on the Bank's (Company) website www.nainitalbank.co.in and on website of KFintech - <https://evoting.kfintech.com>.

By Order of the Board of Directors


(Dinesh Pant)
Chairman & C.E.O.

Place: Nainital
Date: March 08, 2021

RESOLUTION FOR POSTAL BALLOT
(Pursuant to Section 110 of the Companies Act, 2013)

Special Business

Item 1: Amendments to Articles of Association of the Bank

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, including the Companies (Incorporation) Rules, 2014, the applicable provisions of the Banking Regulation Act, 1949, (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the rules, circulars and guidelines issued by Reserve Bank of India (“RBI”) from time to time, the RBI direction dated July 19, 2019 received by the Bank and subject to such other approvals as may be necessary or required, the alteration to the Articles of Association (AOA) of the Bank in the manner as per the draft circulated herewith, be and is, hereby, approved.”

“RESOLVED FURTHER THAT Board of Directors (hereinafter referred to as “Board” and the expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolution, including the delegation of all or any of its powers herein conferred to any Director(s), the Company Secretary or any other officer(s) of the Bank.”

Proposed amendment/s in the Articles of Association of the Bank (forming part of the Resolution No. 1

Existing text to the Article - Clause 83 & 83A	Proposed text to the Article – Clause 83
<p>83-A-(i) The Board of Directors in compliance with Section 10B of the Banking Regulation Act shall from time to time (subject to the previous approval of the Reserve Bank of India) appoint a Chairman of the Board of Directors, who shall be in the whole time employment of the Company and shall hold office for such period not exceeding 5 years, as the Board of Directors may fix but shall, subject to the provisions of Sections 18 B of the Banking Regulation Act, be eligible for re-election or re-appointment, provided nothing in this articles contained shall be construed (i) as prohibiting a Chairman, with the permission of the Board of Directors, from begin a Directors of a subsidiary of the Company or a Director of a Company registered under Section 25 of the Companies Act, 1956 or such other Company as may be permitted by any law or by the Reserve Bank of India he shall not be accountable for any benefits as Director or shareholder of such Company or (ii) as prejudicing the power of the Board of Directors to remove a Chairman of the Board of Directors.</p> <p>That the Board of Directors shall power to remove, suspend or terminate the service or employment or appointment of the Chairman or the Acting Chairman of the Board of Director with the approval of the Reserve Bank of India as required by clause b) of Section 35 of the Banking Laws (Amendment) Act 1968 (Act No.58 of 1968)</p> <p>The remuneration of a Chairman of the Board of Directors shall be subject to the approval by ordinary resolution of the Company in General Meeting.</p> <p>A Chairman of the Board of Directors shall not while be hold such office, be liable, to retire by rotation,</p> <p>The Board of Directors shall entrust the Chairman of the Board of Directors with the management of the whole of the affairs of the Company, provided that the Chairman of</p>	<p>(a) The Board of Directors, in compliance with Section 10B of the Banking Regulation Act, shall from time to time (subject to the previous approval of the Reserve Bank of India), may appoint one of its Directors as Chairman of the Board on Whole-Time or Part-Time basis. Where a Chairman is appointed on Part-Time basis the Board of Directors shall appoint one of its Director as the Managing Director & Chief Executive Officer (MD & C.E.O.) on Whole-Time basis.</p> <p>i. In respect of the Chairman of the Board to be appointed on part-time basis, the Board shall appoint one of its Directors as the Chairman of the Board who shall chair the meetings of the Board and be entrusted with managing the Board and Board Governance to enable the Board to exercise suitable superintendence and control over the affairs of the Company and provide the necessary direction and guidance to the Company on strategic aspects as well as for effective functioning of the company, as may be required from time to time, and shall exercise his powers under the overall control of the Board.</p> <p>ii. In respect of the MD & CEO who is appointed on whole-time basis, he/she shall be entrusted with the management of the whole of the affairs and day to day running of the Company and he/she shall exercise his powers subject to the superintendence, control and direction of the Board.</p> <p>(b) The Board of Directors may from time to time, also entrust to and confer upon the Chairman of the Board of Directors such of the power exercisable under these articles by the Directors, as they may think fit, except such as are required by the Act to be</p>

the Board of Directors shall exercise his powers subject to the superintendence, control and direction of the Board of Directors.

The Board of Directors may from time to time, also entrust to and confer upon the Chairman of the Board of Directors such of the power exercisable under these articles by the Directors, as they may think fit, except such as are required by the Act to be exercised by the Board, any may confer such powers for such time, and to be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with, or in substitution for all or any powers of the Directors in that behalf and may from collaterally with or in substitution for all or any powers of the Directors in that behalf: and may from time to time revoke, withdraw, alter or vary all or any such powers.

The Board of Directors shall be entitled with the approval of the Reserve Bank of India, to make suitable arrangements for carrying out the duties of the Chairman for a total period not exceeding 4 months where the Chairman of the Board of Directors dies, or resigns or by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his office.

In this clause ' Chairman of the Board of Directors" shall not include an Acting Chairman of the Board of Directors.

83-The Directors may delegate any of their powers to committees consisting of such members of their body as they fit, any committee so formed shall in the exercise of, powers so delegated, conform to any regulations that may be imposed on them by the Directors.

exercised by the Board, and may confer such powers for such time, and to be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with, or in substitution for all or any powers of the Directors in that behalf and may from collaterally with or in substitution for all or any powers of the Directors in that behalf: and may from time to time revoke, withdraw, alter or vary all or any such powers.

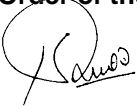
- (c) The Chairman or the Managing Director & CEO appointed under clause (a), as the case may be, shall have knowledge and experience as required under section 10B(4) of the Banking Regulation Act, 1949.
- (d) The Chairman of the Board, who is appointed on part-time basis, shall not be, while holding such office be liable to retire by rotation and may be appointed for such period not exceeding five years at a time as the Board may deem fit. He/ She shall, subject to the provisions of Section 10B of the Banking Regulation Act, be eligible for re-appointment subject to approval from Reserve Bank of India.
- (e) The Managing Director & CEO, appointed on whole-time basis, who is entrusted with the management of the whole of the affairs of the company, as the case may be, shall be in whole-time employment of the company and may be appointed by the Board for such period not exceeding five years at a time as the Board may deem fit. He/She shall not be subject to retire by rotation and shall be eligible for re-appointment subject to approval from Reserve Bank of India. Provided that nothing in this sub-section shall be construed as prohibiting a Chairman on part time basis or an MD & CEO on whole-time basis from being a Director of a subsidiary of this Company or a Director of a Company registered under Section 8 of the Companies Act 2013 or such other Company as may be permitted by any Law or by the Reserve Bank of India.
- (f) Subject to the provisions of all applicable Act/s, the Board may, from time to time, fix the remuneration payable to and other terms and conditions of service, of the Chairman and/or of the MD & CEO on Whole Time basis or as the case may be, and shall be subject to approval by ordinary resolution of the Company in General Meeting.
- (g) That the Board of Directors shall have power to remove, suspend or terminate the service or employment or appointment of the Chairman or the Acting Chairman of the Board of Directors and Managing Director & CEO or Acting MD & CEO, with the prior approval of the Reserve Bank of India as required in clause Section 35B of the Banking Regulation Act, 1949.
- (h) The Board of Directors shall be entitled, with the approval of the Reserve Bank of India, to make

suitable/interim arrangements for carrying out the duties of the Chairman or that of the Managing Director & CEO for a total period not exceeding 4 months where the Chairman or the Managing Director & CEO dies or resigns or by infirmity or otherwise rendered incapable of carrying out his duties or is absent on level or otherwise in circumstances not involving the vacation of his office.

In this clause ' Chairman of the Board of Directors" or the "MD & CEO" shall not include an Acting Chairman or an Acting MD & CEO, as the case may be, of the Board of Directors.

- (i) The Board may delegate their powers to Committees consisting of such members as applicable and as they deem fit. Committees so formed shall act in accordance to the applicable regulations and powers so delegated by the Board from time to time.
- (j) Questions arising at any Board/Committee Meetings shall be decided by a majority of votes and in case of an equality of votes, the Chairman of the Board or Committee shall have second or casting vote.

By Order of the Board of Directors



(Dinesh Pant)
Chairman & C.E.O.

Place: Nainital

Dated: March 08, 2021

ANNEXURE TO NOTICE

Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out all material facts:

Item No. 1 - Amendments to Articles of Association of the Bank

Reserve Bank of India in April 2002 issued 'Report of the Consultative Group of Directors of Banks/Financial Institutions - Dr. Ganguly Group' inter alia providing that 'It would be desirable to separate the office of Chairman and Managing Director in respect of large sized banks. Keeping in view the balance sheet size, sophistication of business transactions and complexity of the bank, the office of Chairman and Managing Director could be bifurcated into two: the Chairman who is the Chairman of the Board and the Managing Director who could function as the Chief Executive responsible for day-to-day management of the Bank. The Group is of the view that this functional separation will bring about more focus and vision as also the needed thrust in the functioning of the top management of the Bank.'

In view of the small size of Nainital Bank, Bank of Baroda (Parent Bank) in the year 2007 took exemption for separation of the office of Chairman and Managing Director in The Nainital Bank Limited. It has now been decided that the aforesaid recommendations of Ganguly Committee with respect to the separation of the office of Chairman and Managing Director would now be applicable to The Nainital Bank Limited.

It is submitted that agenda regarding splitting up of post of existing Chairman & C.E.O. into Part Time Chairman and Managing Director & C.E.O. was placed before the Board on February 11, 2021. Further, Board of Directors has approved the agenda for splitting up of post of existing Chairman & C.E.O. into Part Time Chairman and Managing Director & C.E.O., by effecting changes in the Articles of Association (AOA) for the relevant posts. Further, Board vide agenda dated March 05, 2021 has recommended to the shareholders of the Bank to approve changes/ amendments in the Articles of Association (AOA) for giving effect to the said resolution.

NOTES:

1. An Explanatory Statement pursuant to Section 102 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, setting out the material facts and reasons for the resolutions in respect of the businesses set out above is annexed hereto. A copy of the Postal Ballot Notice is also available on the Bank's website www.nainitalbank.co.in, on Bank's Registrar and Share Transfer Agent ('RTA') viz. KFin Technologies Private Limited ('KFIN'), E-voting website <https://evoting.kfintech.com>.
2. Members who have not registered their e-mail addresses with either the Bank or Bank's RTA or their Depository Participant (DP) are requested to register the same with the RTA in accordance with the process specified, for procuring user id and password and registration of e-mail ids for E-voting for the resolutions set out in this Postal Ballot Notice.
3. The Portal for E-voting will remain open for the Members for exercising their voting from Tuesday, March 09, 2021 at 09:00 a.m. India Standard Time ('IST') till, Wednesday, April 07, 2021 at 05:00 p.m. (IST) both days inclusive. Please note that E-voting module will be disabled for voting by RTA KFin Technologies Private Limited after the said date and time. During this period, the Members of the Bank holding shares either in physical form or dematerialized form, as on Friday, March 05, 2021 ('cut-off date'), may cast their vote electronically. Once vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
4. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on the last date specified by the Bank for E-voting i.e. Wednesday, April 07, 2021. Further, resolutions passed by the Members through E-voting are deemed to have been passed effectively at a General Meeting as per said rules and regulation.
5. The Postal Ballot Notice is being sent by e-mail to all the Members, whose name appears on the Register of Members/List of Beneficial Owners maintained by the Depositories as on cut-off date i.e. Friday, March 05, 2021 and who have registered their e-mail addresses in respect of electronic holdings with the Depositories through the concerned Depository Participants and in respect of physical holdings with the Bank's Registrar and Share Transfer Agent i.e. KFin Technologies Private Limited. Each Member's voting rights shall be in proportion to his/her share of the Paid-Up Equity Share Capital of the Bank and as per relevant sections of Banking Regulation Act, 1949 and RBI Master Direction-Ownership in Private Sector Banks, Directions, 2016 and March 05, 2021 being the cut-off date, which will only be considered for voting.
6. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
7. The Board of Directors vide resolution dated March 05, 2021 has appointed Miss Jaya Yadav, Practicing Company Secretary (M. No. F10822 / CP No. 12070) or failing her Mr. Himanshu Gupta, Practicing Advocate (Membership No. D/3139/2014) as the Scrutinizer ("Scrutinizer") for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

8. The Scrutinizer shall prepare Scrutinizer's Report on the total votes cast in favour or against or abstained, if any. The Scrutinizer will submit his report to the Chairman of the Bank or any person authorized by him, after completion of scrutiny of votes received through E-voting. The results of the Postal Ballot will be announced on or before Friday, April 09, 2021. The results of the Postal Ballot will be posted on the Bank's website www.nainitalbank.co.in and on KFin's E-voting website <https://evoting.kfintech.com>. The Bank will also display the results of the Postal Ballot at its Registered Office and the Corporate Office.
9. All the documents referred to in this Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be posted on the Bank's website www.nainitalbank.co.in to facilitate online inspection of relevant documents until last date of E-voting of this Postal Ballot i.e. Wednesday, April 07, 2021. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars, the details pertaining to this Postal Ballot will be published in one English Newspaper and one Hindi Newspaper (vernacular language) having circulation in Uttarakhand. To support the "Green Initiative" Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the Bank's RTA or the Depository Participants, in respect of shares held in physical/electronic mode respectively

10. Remote E-Voting:

- (i) In compliance of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Bank is pleased to provide remote e-voting facility through M/s Karvy Fintech (P) Limited, to enable its Members to cast their votes electronically on all the items as set out in this Notice. Remote e-voting is optional.
- (ii) The Bank has appointed Ms. Jaya Yadav, Practising Company Secretary (Membership No. F10822, COP-12070) or failing her Mr. Himanshu Gupta, Practising Advocate (Membership No. D/3139/2014) as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.
- (iii) The voting rights of the shareholders shall be in proportion of their shareholding to the total issued and paid up equity share capital of the Bank as on the cut-off date viz. March 05, 2021 subject to the provisions of relevant sections of Banking Regulation Act, 1949 and RBI Circular No. 97/16.13.100/2015-16 dated 12th May 2016.
- (iv) A person who is not a Member as on the said cut-off date, will not be entitled to vote and should treat this Notice, for information purpose only.
- (v) The instructions for remote e-voting, are as under:
- In case of Members receiving Notice by e-mail:
 - ✓ Enter the login credentials (i.e., User ID & Password) mentioned in the e-mail, your Folio No. / DP ID & Client ID will be your USER ID. Please note that the password is an initial password.
 - ✓ Use the following URL for remote e-voting: From Karvy website: <https://evoting.kfintech.com/>
 - ✓ Shareholders of the Bank holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
 - ✓ Enter the login credentials. Your Folio No/DP ID & Client ID will be your user ID.
 - ✓ After entering the details appropriately, click on LOGIN.
 - ✓ On the voting page, enter the number of shares as on the said cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially any number in AGAINST but the total number in FOR/AGAINST taken together should not exceed your total shareholding, as on the said cut-off date. You may also choose the option ABSTAIN.
 - ✓ Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
 - ✓ Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Shareholders can login any number of times till they have voted on the Resolution.
 - ✓ Once the vote on the Resolution is cast by the shareholder, he/she shall not be allowed to change it subsequently.
 - ✓ The remote e-voting period shall commence on **March 09, 2021** (09:00 A.M.) and will end on **April 07, 2021** (5:00 P.M.). During this period shareholders' of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date of **March 05, 2021**, may cast their vote electronically. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a Resolution is cast by the Shareholder, he/she shall not be allowed to change it subsequently. Further, the Shareholders who have cast their vote electronically may also attend the Meeting, however they shall not be able to vote again at the Meeting.
 - ✓ Please contact KFin (RTA) or Mr. Hanumantha or Mr. Ramachandra for any clarification regarding e-voting. Initial password is provided, as below, in the e-mail.

EVENT (E-Voting Event Number)	USER ID	PASSWORD/PIN
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Please follow the steps stated above, to cast your vote by electronic means.

- vi. The Results shall be communicated to the shareholders in accordance with Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India and will be uploaded on the Bank's website i.e. www.nainitalbank.co.in. The Results will also be displayed at the Registered and Corporate Offices of the Bank.

11. General Guidelines for shareholders:

- Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jayayadav@whitespan.im with a copy marked to cs@nainitalbank.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://evoting.kfintech.com> to reset the password.
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of <https://evoting.kfintech.com>.

12. Process for those shareholders whose email ids are not registered with the Depositories / Company for procuring user id and password and registration of e mail id for e-voting on the resolution(s) as set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited ('KFIN'), E-voting website <https://evoting.kfintech.com>.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited ('KFIN'), E-voting website <https://evoting.kfintech.com>.

Please Note: All dates and timings are as per Indian Standard Time ("IST").

By Order of the Board of Directors



(Dinesh Pant)
Chairman & C.E.O.

Place: Nainital
Date: March 08, 2021