

**Addendum to
Preliminary Information Memorandum
Inviting Expression of Interest for**

**Bringing in Strategic Partner in
the Nainital Bank Limited a
Subsidiary of Bank of Baroda**

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Disclaimer Notice

Bank of Baroda (“BOB”) has invited Expression of Interest for Bringing in Strategic Partner in the Nainital Bank Limited (“NBL” or “Bank”), a subsidiary of Bank of Baroda on December 14, 2022.

The sole purpose of this Addendum to the Preliminary Information Memorandum (“PIM”) (“Addendum”) and Invitation for Expression of Interest is to assist the interested parties (“IPs”) in evaluating the potential opportunity, and accordingly submit an Expression of Interest (“EoI”) in accordance with this Addendum. This document does not comprise an offer of shares to public or an invitation to public to subscribe for shares or any investment advice. In all cases, IPs should carry out their own evaluation and analysis of NBL and all data set forth in this Addendum, and their own investigation in relation to the business of NBL.

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The details on the economy and industry do not purport to be a complete review of the industry in which NBL carries on or proposes to carry on its business. The information set out in this Addendum, including any other information made available has been extracted from published sources of information as available in terms of industry publications. No independent verification of such sources has been carried out by the TA. The information contained herein generally reflects the latest available data, the same may not always relate to the most recent years and is therefore not wholly up to date. This Addendum should therefore be read with caution.

The Addendum has been prepared and issued strictly in order to provide details of NBL for the limited purpose of submitting the EoI. The TA has relied upon publicly available information provided by NBL and BOB. The information has been reviewed on a selective basis from readily available secondary data sources as mentioned in the Addendum. The TA has by no means carried out any audit or due diligence exercise to verify either the past or current financial data pertaining to the businesses including the balance sheet or profit and loss account as provided to the TA. This Addendum is the property of BOB and issued on a strictly private and confidential basis and must not be circulated or reproduced or redistributed to any other person in whole or in part.

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This Addendum is divided into chapters & sub-sections only for the convenience of the readers. Any partial reading of this Addendum may lead to inferences, which may be at divergence with the conclusions and opinions based on the entirety of this Addendum. Further, by accepting a copy of this Addendum, the recipient accepts the terms of this Disclaimer Notice, which forms an integral part of this Addendum.

Information provided in this Addendum is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory and regulatory requirements and should not be regarded as a complete, conclusive, or authoritative statement of law or extant regulations.

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Each IP contemplating participating in the Transaction shall make, and shall be deemed to have made, its own independent investigation and assessment of the financial conditions and affairs and its own appraisal of NBL and its own independent assessment of the terms and conditions of the Transaction. BOB along with TA and LA reserves the right to change the procedures for pursuing the Transaction.

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1. Introduction

This Addendum is issued in pursuant to Paragraph 4.19 to the PIM/ Invitation for EoI dated December 14, 2022. This Addendum shall form part of and be read in conjunction with the PIM/Invitation for EoI.

2. Consortium Requirements

An IP may submit its EoI as a sole bidder or as a part of the Consortium. In case of Consortium, there should be 1 (one) Lead Member and the Consortium must satisfy the following conditions:

- (a) The maximum number of members, including the Lead Member, in a Consortium should be 7 (seven).
- (b) Sole Bidder, at the EoI stage, would be eligible to form a consortium within a period of 60 (sixty) days from the EoI Due Date, or such other extended period as may be permitted at the exclusive discretion of BOB.

The Consortium should appoint one of its members as its lead member (the “**Lead Member**”). The Lead Member of Consortium should have a minimum shareholding percentage/participating interest, in the Consortium, of 26% (twenty six percent) or up to the maximum shareholding permitted for such IP, per applicable RBI regulations, basis the constitution of such IP. No member of Consortium, who is not a Lead Member, should have a contribution less than 10% (ten percent) shareholding percentage/participating interest.

A member of Consortium and its Associate Companies, other than the Lead Member, should not have a shareholding, in the aggregate, equal to or greater than the Lead Member.

- (c) In the event induction of an additional consortium member is required as a result of RBI approval/ permission, a consequent change in the constitution of the consortium would be permitted, subject to approval from BOB/ RBI.
- (d) In case a Consortium is shortlisted in EoI process and subsequently selected as the Successful Bidder, it may, unless required by RBI to incorporate a NOFHC, incorporate an Investment Vehicle at its discretion. It is clarified that the Investment Vehicle/NOFHC, so incorporated by the Successful Bidder, would be subject to the assessment of RBI and/or BOB on its ‘Fit & Proper’ assessment.

The shareholding of the members of Consortium in the Investment Vehicle shall be same as the shareholding percentage/participating interest of all the members in the Consortium. The Lead Member shall be the largest

shareholder of such Investment Vehicle with a minimum 26% (twenty six percent) shareholding percentage/participating interest or up to the maximum shareholding permitted for such IP, per applicable RBI regulations, basis the constitution of such IP.

It is clarified that in case any member of Consortium has other group entities, such consortium on being adjudged as the Successful Bidder will, if required by extant RBI directions/guidelines/regulations/notifications, establish a NOFHC in accordance with the '*Guidelines for licensing of New Banks in the Private Sector*' dated February 22, 2013 and '*Guidelines for 'on tap' licensing of Universal Banks in the Private Sector*' on August 1, 2016 (each as amended from time to time), towards consummation of the Transaction.

- (e)** The Lead Member of Consortium shall be jointly and severally responsible and liable for the Consortium to fulfill all of its obligations in respect of submission of the EoI and, on being adjudged as the Successful Bidder, to consummate the Transaction. It is clarified that the liability of the non-Lead Members shall be limited to extent of their proportional contribution in the shareholding of the Consortium at the time of the EoI submission or changes, if any, of the bids at RFP stage. It is further clarified that there is no limitation on the liability of the Lead Member.
- (f)** The Lead Member cannot be changed during the course of the bidding process/Transaction.
- (g)** A member of Consortium cannot participate simultaneously as a part of another consortium or as a sole bidder.
- (h)** Any change in the Consortium shall not be permitted during the bidding process; save and except in case of such change in the Consortium being in compliance of the following conditions:
 - (i)** Change may include addition of a new member, removal of a member, or change in shareholding of members in the Consortium (other than the committed shareholding of the Lead Member);
 - (ii)** A one-time change to the Consortium may be permitted up to period of 60 (sixty) days from the EoI Due Date or such other extended period as may be permitted at the exclusive discretion of BOB. This shall include permitting of a change where the Lead Member of a consortium would like to continue as a sole bidder without the other members of the Consortium; and
 - (iii)** Where an IP is a Consortium, the (in)eligibility and (dis)qualification

criteria in this section shall severally apply to all members of the IP. Thus, for the avoidance of the doubt, if any of the members of Consortium is ineligible or disqualified, only that member of the Consortium will stand disqualified and considered ineligible. Accordingly, the shareholding of that ineligible or disqualified member may be allocated to other, eligible / qualified members of the Consortium. Any change to the members of the Consortium and their respective *inter se* allocation shall be subject to the terms specified under Clause 2 of this Addendum and the extant guidelines of the RBI with respect to the shareholding of the members of the Consortium, as may be applicable; and

- (iv) The IPs shall have to apply for such change in the Consortium to the TA. BOB may grant approval to such a change, subject to the new proposed consortium member meeting the Eligibility Criteria and the Disqualification Conditions and the following:
 - (1) The change shall be permitted only once per Consortium;
 - (2) No change in Lead Member shall be allowed;
 - (3) Migration from one Consortium to another shall not be permitted.

3. Additional requirements for Eligibility Criteria

It is hereby clarified that large industrial/corporate houses and individuals (natural persons) shall not be permitted to participate in this bidding process for the Transaction, either on its own or as a part of a Consortium.

For the purposes of the PIM / Invitation for EoI, the expression 'large industrial/corporate houses' shall mean an industrial / corporate group with assets of INR 5,000 crore or more with the non-financial business of the group accounting for 40% (forty per cent) or more in terms of total assets / in terms of gross income, will be treated as a large industrial / corporate house. In taking a view on whether the IP, either as promoters or investors, belong to a large industrial / corporate house or to a company connected to a large industrial / corporate house, the decision of BOB / RBI will be final.

4. Amendments to the PIM / Invitation for EoI

| Clause No. | Description | Remarks |
|-------------|---|----------|
| 10.1 (viii) | As a general policy, Public Sector Enterprises (PSEs) [Central/State/ Joint] / State Governments/ Cooperative Societies controlled by | Deleted. |

| | | |
|------|--|----------|
| | the Governments (i.e. where 51% (fifty one percent) or more ownership is by the Central Government/ State Governments/Jointly by Central and/ or State Governments) are not permitted to participate in the strategic disinvestment/ privatization of other PSUs as bidders unless otherwise specifically approved by the Central Government in public interest. | |
| 10.4 | Where an IP is a Consortium, the (in)eligibility and (dis)qualification criteria in this section applies to all members of the IP. Thus, for the avoidance of doubt, if any of the members of Consortium is ineligible or disqualified, all the members of Consortium and the IP itself will automatically stand disqualified and considered ineligible. | Deleted. |

5. Clarifications

- (a)** The EoI Due Date (as stated in Clause 1.4 of the PIM), for submission of both soft and hard copies of the EoI, is January 13, 2023. It is hereby clarified that if the soft copy of the EoI is submitted by the EoI Due Date, the physical copy of the EoI shall be accepted till 5:00 PM IST, on January 18, 2023.
- (b)** All formats of annexures/ documents required to be submitted by IPs, as provided in the PIM, are draft, indicative formats. Each IP must provide necessary information/ details as may be required.

6. Miscellaneous

This Addendum shall form an integral part of the PIM/ Invitation for EoI and shall be read along with the PIM/ Invitation for EoI. All references in the PIM/ Invitation for EoI shall include a reference to this Addendum, wherever the context so requires. Further, reference to the PIM/ Invitation for EoI in any other document shall be deemed to be reference to the PIM/ Invitation for EoI as amended and modified by this Addendum.

7. Governing Law/ Jurisdiction

The IPs acknowledge that this PIM/Invitation for EoI is not a legally binding document. Any and all disputes relating to, arising out of, or in connection with, the terms of this PIM/Invitation for EoI and/or the Transaction shall be governed by the laws of India. The courts at Mumbai shall have the exclusive jurisdiction.