

# Business Responsibility Report 2016-17

**The Karur Vysya Bank Limited**  
**Business Responsibility Report 2016-17**

<b>Section A: General Information about the Bank</b>		
1	Corporate Identity Number (CIN) of the company	L65110TN1916PLC001295
2	Name of the Company	The Karur Vysya Bank Limited
3	Registered address	Registered & Central Office, Erode Road, Karur-639 002.
4	Website	www.kvb.co.in
5	Email id	kvbshares@kvbmail.com
6	Financial year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 Code: 64191-Banking and Financial Services and governed by the Banking Regulation Act, 1949.
8	Three key products/services of the Company (as in balance sheet)	Deposits Loans Foreign Exchange, Investment & Treasury
9	(i) Number of international locations	Nil
	(ii) Number of National locations	711 branches as on 31.03.2017
10	Markets served by the Company-Local/State/National/International	National : Pan India

<b>Section B: Financial Details of the Bank</b>		
1	Paid up capital (₹ in Cr)	121.86
2	Total turnover (₹ in Cr)	6404.57
3	Total profit after taxes (₹ in Cr)	605.98
4	CSR spend as percentage of profit after tax (%)	0.29
5	List of CSR activities	<p>The Bank undertakes various CSR activities in accordance with the Policy on Corporate Social Responsibility viz: Promoting Preventive Healthcare, Sanitation, Education &amp; Empowering Women, Social Business projects and Ensuring Environment Sustainability (Including Swachh Bharat).</p> <p>Disclosure of information on CSR activities: Please refer the Annexure IV of the Directors' Report.</p>

Section C: Other details		
1	Company subsidiaries/joint-ventures	NIL
2	Subsidiaries participating in Company's Business Responsibility (BR) initiatives	NA
3	Other entities (e.g. suppliers, distributors etc.) participating in Company's BR initiatives	NIL

Section D (1): Business Responsibility Information		
1.a.	Director responsible for implementation of BR policies, Director Identification Number (DIN)	02443410
	Director responsible for implementation of BR policies (Name)	Shri K VENKATARAMAN
	Director responsible for implementation of BR policies (Designation)	Managing Director & Chief Executive Officer
1.b.	BR Head (DIN, if applicable)	NA
	BR Head (Name)	Shri K Mohan
	BR Head (Designation)	Chief Compliance Officer and Deputy General Manager
	BR Head (Telephone number)	+914324-269327
	BR Head (email id)	kmohan@kvbmail.com

Section D (2): BR Information										
Principle-wise (as per NVGs) BR Policy/Policies (Yes/No)										
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for ...#	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	NA	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ Appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y

Section D (2): BR Information										
Principle-wise (as per NVGs) BR Policy/Policies (Yes/No)										
6	Indicate the link for the policy to be viewed online?	<p>The following policies are available on the Bank's website www.kvb.co.in</p> <ul style="list-style-type: none"> <li>*MSME Policy</li> <li>*Customer Rights Policy</li> <li>*Corporate Social Responsibility Policy</li> <li>*Code of Bank's Commitment to Customers</li> <li>*Grievance Redressal Policy</li> <li>*Rights of Depositors</li> <li>*Citizen's Charter</li> <li>*Policy on Related Party Transactions</li> <li>*Citizen Charter for Forex Transactions</li> <li>*Code of Conduct to Directors and Senior Management</li> </ul> <p>The remaining policies being internal documents are only available to the employees through the Bank's intranet.</p>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies have been communicated to all key internal and external stakeholders of the Bank, on an on-going basis.								
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Head of Departments are responsible for effective implementation of the policies. The policies are annually reviewed by the Board. The Compliance Department monitors the adherence to implementation of policy mandated by RBI.								

Section D (2): BR Information										
Principle-wise (as per NVGs) BR Policy/Policies (Yes/No)										
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Not understood the principles	-	-	-	-	-	-	-	-	-
2	Not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	Does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	Planned to be done within next 6 months	-	-	-	-	-	-	-	-	-

Section D (2): BR Information Principle-wise (as per NVGs) BR Policy/Policies (Yes/No)										
5	Planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Other reasons	-	-	-	-	-	-	\$	-	-

\$ While there is no specific policy outlined for this principle, the Bank through trade bodies and associations put forth suggestions with respect to Economy in general and Banking sector in particular.

# Principle-wise policies	
P1	Compliance Policy, Whistleblower Policy, Anti Money Laundering Policy, Vigilance Policy, HRD Policy, Procurement Policy, Policy on Outsourcing of Financials, Code of Bank's Commitment to Customers, Customer Rights Policy, Grievance Redressal Policy, Code of Bank's Commitment to Micro and Small Enterprise, Code of Conduct and Ethics, Code of Conduct and Conflict of Interest Norms in respect of Board of Directors, Code of Conduct for Direct Selling Agents, Policy on Related Party Transactions, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)
P2	Code of Bank's Commitment to Micro and Small Enterprise, Credit Policy (SME Priority Sector exposures), Policy for lending to Micro Small & Medium Enterprises (MSMEs)
P3	Remuneration Policy, Staff Housing Loan Policy, Staff Rules and Guidelines (covering leave policy, insurance benefits, superannuation scheme etc.), Policy on Prevention of Sexual Harassment, Policy on Safety for Women at Workplace, Policy on Human Rights, HRD Policy and Vigilance Policy.
P4	Code of Bank's Commitment to Micro and Small Enterprise, Corporate Social Responsibility Policy, Credit Policy (SME Priority Sector exposures), Policy for lending to Micro Small & Medium Enterprises (MSMEs).
P5	Policy on Human Rights, Code of Conduct and Ethics, HRD Policy, IT Policy, Vigilance Policy.
P6	Financial Inclusion practices, MSME Policy, Corporate Social Responsibility Policy, Business Continuity Plan and Disaster Recovery Policy (BCPDR).
P7	NIL
P8	Code of Bank's Commitment to Customers, Policy on outsourcing of financial services, Information Systems Security Policies, Corporate Social Responsibility Policy.
P9	Code of Bank's Commitment to Customers, Citizen's Charter - A Charter for Customer Service, Customer Rights Policy, Policy on Human Rights.

Section D (3): BR Governance		
3.	a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
	b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Bank publishes the BR Report annually. The hyperlink for viewing the report is <a href="http://www.kvb.co.in/global/annual_report.html">http://www.kvb.co.in/global/annual_report.html</a>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Bank has put in place a Code of Conduct and Ethics which is applicable to all its employees. The Code articulates the ethical principles and acceptable behaviour that the Bank's employees are expected to demonstrate to uphold the Bank's values. The Code covers aspects related but not limited to ethics, accountability, conflict of interest, bribery and corruption. The Bank has put in place a Vigilance policy relating to ethics / bribery / corruption which is applicable to all its employees. The Bank has adopted a "zero tolerance" approach to bribery and corruption and employees who commit such acts are dealt with firmly by imposing deterrent punishments as per the provisions of bi-partite settlement (workmen) and Discipline and Appeal Regulation (Officers). The Bank's HRD policy-vision document highlights building of a strong team with integrity and aligning human resources with business goals.

The Bank has also adopted Code of Conduct and Conflict of Interest Norms in respect of Board of Directors to guide the Board members in ensuring highest ethical standards in managing the affairs of the Bank.

The Bank has adopted 'Model Code of Conduct for Direct Selling Agents' and is applicable to all persons involved in marketing and distribution of any loan or other financial product of the Bank. Similarly the Bank in its procurement policy has stipulated code of business conduct and ethics to act with utmost integrity from employees and suppliers as well. Bank is having executive level Committees to ensure

the accountability viz. Product Development, Standing Committee on Customer Service, Staff Accountability and Outsourcing Committee and the bank has constituted various Board level committees such as Audit Committee, Customer Service Committee, CSR Committee, etc., to periodically review and to take necessary actions to protect behavioural and ethical standards in operation.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

The Bank has established various channels of communication, including grievance redressal mechanisms, for stakeholders to communicate their expectations and concerns.

With respect to employees, the Bank has a mechanism as provided under the Whistle Blower Policy whereby employees can raise their concerns. A report on the concerns received and the manner in which they are dealt with is periodically reported to the Audit Committee.

The Bank have conducting meeting of standing Committee on customer service as per the RBI guidelines to review the customer service aspects prevalent in the Bank and to take necessary corrective action on an ongoing basis. The Bank has examined the various suggestions received from the customers on the feasibility implementation of the same. We have also taken up the matter with the respective departments for the implementation of suggestions in order to improve the level of customer service at the branch level.

The Bank has an Investor Relations Cell (IRC) headed by the Company Secretary and our Registrar and Transfer Agents M/s SKDC Consultants Ltd., Coimbatore are attending to shareholders complaints. The investor grievances which are directly received by the Department are attended by IRC. Time taken to redress the grievance is fixed as one week from the date of receipt of the complaint. The RTA is

also responsible for attending the Investor complaints which are directly made to them. They are submitting a quarterly report to us as to the complaints received, redressed and pending (if any).

The complaints are however attended within the stipulated time. Complaints received from SEBI are put on their website

in a centralized web based complaint redress system known as SCORES. The complaints put on SCORES are attended to by us within a couple of days by electronically uploading our replies through ATRs. Customer Service and Stakeholder Relationship Committee (CS&SRC) of the Board review the investor complaints and customer services on half yearly basis.

The details of the stakeholder complaints are as below:

	Pending as on 31.03.2016	Received during 2016-17	Redressed during 2016-17	Pending as on 31.03.2017
Customer Complaints	13	484	484	13
Investor Complaints	0	34	34	0
Consumer cases	30	10	7	33

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

The Bank believes that it has a significant role to play in furthering the financial inclusion agenda which is crucial to achieve inclusive growth and equitable development. As per Government of India / RBI guidelines, the Bank has started implementing the Financial Inclusion scheme from the year 2010. Similarly we have also implemented the Government of India flagship programme namely the “Pradhan Mantri Jan-Dhan Yojana” from 15.08.2014 which is a National Mission for Financial Inclusion to ensure access to financial services. In order to inculcate the habit of savings and to extend small credit combined with insurance benefits, we are having 3 No-frill accounts for the rural/ weaker section of the society. (a) KVB Grama Jyothi, (b) KVB Jan Dhan Yojana and (c) Kalpatharu SB.

The Bank’s Policy for lending to Micro and Small Enterprises (MSEs) guides the efforts to support MSEs through credit

related services. All these products and services of the Bank have inherent social opportunities that help in achieving inclusive growth and equitable development.

The Bank constantly aims to reduce the impact on the environment by identifying ways to optimise resource consumption in its operations by promoting (A) Energy Efficiency – star rated and energy efficient ACs and Diesel Gensets and replacement with LED lights in the office. (B) Renewable Energy – ATMs with solar powered/Lithium UPS installation in areas of fluctuating power supply. (C) Waste Management – Strong emphasis on recycling of paper, Waste water recycling facility at one of the Hub location. (D) Resource Efficiency – Washrooms installed with proximity sensors.

The Bank has tied-up with leading Solar Pump-set Manufacturers / Suppliers and promoted the Ministry of New & Renewable Energy (MNRE) assisted Solar Pump-set Scheme for farmers. The Bank has been awarded 1st prize for having achieved highest disbursement under Solar Irrigation Pump-set Scheme by MNRE for the FY 2015-16.

In the reporting year 2016-17, KVB has won the following awards towards promoting social concerns:

SL No.	Name of the Award	Given By
1	First Prize for achieving highest disbursement under Solar Irrigation Pumps – Off Grid & Decentralized Solar Applications Programme for FY 2015-16	Ministry of New & Renewable Energy, Govt. of India
2	Second Prize under Branch Wise Performance (for Belgaum Branch) for achieving highest disbursement under Solar Irrigation Pumps – Off Grid & Decentralized Solar Applications Programme for FY 2015-16	Ministry of New & Renewable Energy, Govt. of India

### Conservation of Energy

1. The Bank has undertaken various initiatives for energy conservation at its premises. Bank own 850 KW Wind Turbine Generator at Govindanagaram village, Theni District in Tamil Nadu. Installed in the year 2011, the Bank is utilising the wind power generated for its Registered & Central Office at Karur and also at its Divisional Office, Chennai premises. 10,32,050 units were generated during the fiscal under reports by the wind mill.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
  - (a). Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?
  - (b). Reduction during usage by consumers (energy, water) has been achieved since the previous year?  
Not applicable considering the nature of the business of the Bank.
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
  - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.  
Given that the Banking sector's primary product offering is financial services, the Bank does not have any raw material requirements. The primary resources consumed for its day-to-day operations are paper, grid electricity, water from municipal sources, and diesel for DG sets in location with erratic availability of electricity. Through a centralized procurement process, led by the Central Procurement Unit, the Bank strives to achieve greater transparency, compliance and adoption of environmental and labour best practices.
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
  - (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?  
The nature of banking products is service oriented and not material resource intensive, and the Bank does not procure goods for further processing. The manpower services required for offices and branches are generally hired from local agencies wherever possible. In addition to the Bank's

- procurement done through the Central Procurement Unit, given that the Bank has branches in all states and Union Territories in India, it also procures locally for daily use items and services such as stationery, food and beverages and local transport. It works with most local vendors to align them with the Bank's procurement requirements and standards.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.  
Considering that the Bank is not a manufacturing unit, the waste generated at its offices is managed as per the waste disposal process. The Bank has procedures in place to dispose of e-waste through authorised e-waste vendors. There are sewage treatment plants where waste water is entirely treated & re-utilised for gardening.

### Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.  
Total No. of employees as on 31.03.2017 – 7400
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.  
Contract employees hired between 01.04.2016 to 31.03.2017 – 17
3. Please indicate the Number of permanent women employees.  
No. of permanent woman employees as on 31.03.2017 – 2120 (other than contract)
4. Please indicate the Number of permanent employees with disabilities  
No. of permanent employees with disabilities - 18
5. Do you have an employee association that is recognized by management?  
The Bank has two recognized employee associations- KVB Officers Associations (KVBOA) and KVB Employees Union (KVBEU). The Bank respects the right of 'Freedom of Association'. The Bank ensures that all employee grievances are received and addressed promptly.
6. What percentage of your permanent employees is members of this recognized employee association?



No. of KVBOA members – 41.39%

No. of KVBEU members – 42.85%

Total – 84.24%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
01	Child labour / forced labour / involuntary labour	Nil	Nil
02	Sexual harassment	Nil	Nil
03	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees – 27%
- (b) Permanent Women Employees – 28%
- (c) Casual/Temporary/Contractual Employees - Nil
- (d) Employees with Disabilities - Nil

Employee health and safety is of prime importance and the Bank conducts robust and periodic training like advanced and basic fire safety training, first aid and Cardio Pulmonary Resuscitation (CPR) training and evacuation related training for floor marshals and employees across offices and branches. Periodic fire evacuation drills were conducted at the office locations as well as branches, to sensitise employees about fire safety norms and regulations. The Bank has tie-ups with vendors to educate and demonstrate use of fire-fighting equipment to branch staff.

The Bank continues to focus on skilling employees with the requisite knowledge and skill. The Bank has training centres where various function related training programmes, designed to meet the changing skill requirements of its employees are conducted. These training programmes include orientation sessions for new employees, programmes conducted by various skill-enhancing, role specific functional

academies, leadership mentoring programmes and other management development programmes for mid-level and senior executives. In addition to classroom training, e-learning programmes are also available for employees.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes – The bank engages with myriad stake holders through formal and informal channels of communication

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Bank is guided by Reserve Bank of India (RBI) prescribed guidelines on priority sector lending, lending to small and marginal farmers, lending to weaker section etc., and government-led initiatives to improve access to financial services, to disadvantaged, vulnerable and marginalised stakeholders.

In the reporting year 2016-17, KVB has won the following award towards promoting marginalized stakeholders and Rural Development:

Name of the Award	Given By
Best Private Sector Bank for Priority Sector Lending	Dun & Bradstreet

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.

Under Financial Inclusion, the Bank is rendering services to the disadvantaged, rural / semi-urban section of the society by providing basic banking services at their door step. The Bank is also extending service to the Senior Citizens by distributing the eligible Pension through the Banking Correspondents in their locality. In order to create awareness among rural and semi urban populations about the need for banking and to inculcate savings habits we have conducted 72 Financial Literacy campaign through our branches.

The Bank is taking steps to enable easier access to the Bank's branches and ATMs for the physically challenged through provision of ramps and is also providing facility for

the visually challenged to transact through talking 'Braille' keypad enabled ATMs.

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers/ Contractors/ NGOs/ Others?

The Bank's philosophy / policies ensure non-discrimination among employees in all its dealings with employees and grievance redressal mechanisms are put in place. The Bank is committed to uphold the dignity of every individual engaged or associated with them. The Bank also seeks to ensure that there is no discrimination in selection of suppliers and vendors, and has put in place a grievance redressal mechanism for the same.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer response to the question No. 2 under Principle 1.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

As outlined under Principle 2, the aspects outlined under this Principle are not substantially relevant to the Bank given the nature of its business. The Bank complies with applicable environmental regulations in respect of its premises and operations. Further, the Bank participates in initiatives towards addressing environmental issues.

The CSR policy of the Bank includes Environment Sustainability as one of its focus areas. The Bank has undertaken several CSR initiatives with positive direct environmental impact or towards creating awareness among stakeholders, in areas of health care and sanitation, setting up of homes for women, orphans and senior citizens, coastal cleanup campaign, protection of culture, buildings of national heritage, etc.,

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Bank constantly aims to reduce the impact on the environment by identifying ways to optimise resource consumption in its operations by promoting (A) Multi channel digital delivery of banking products through – Net Banking, Mobile Banking, conversion of statements into E-statements, numerous other initiatives via paperless transactions - <http://www.kvb.co.in/personal/waystobank.html>. (B) IT Initiatives – Automated server and desktop shutdown to reduce consumption of energy, Video conferencing, Video chatting to reduce emissions as a result of air travel, Responsible E-waste disposal methods.

In the reporting year 2016-17, KVB has won the following awards towards promoting environmental concerns:

SL No.	Name of the Award	Given By
1	Best Bank among Small Banks for Digital Banking, 2015-16	IDRBT
2	Best Bank among Small Banks for Managing IT Ecosystems, 2015-16	IDRBT

3. Does the company identify and assess potential environmental risks? Y/N

The Bank is aware of the potential environmental risks and participates in initiatives as mentioned above to address the environmental concerns. The Bank complies with applicable environmental regulations in respect of its premises and operations. The Bank also requires the borrowers of project loans to comply with the various national environmental standards.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

The above question is not applicable to the Bank as it is not a manufacturing company. However, the Bank assists projects that promote bio-diversity and environmental sustainability and projects that reduce greenhouse gas emissions.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

As outlined above in point no. 2, <http://www.kvb.co.in/personal/waystobank.html> the Bank participates in several initiatives in the area of environment sustainability.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Bank complies with applicable environmental regulations in respect of its premises and operations.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There were no outstanding notices at March 31, 2017.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:

Indian Banks Association (IBA)

Fixed Income Money Market and Derivatives Association (FIMMDA)

Foreign Exchange Dealers Association of India (FEDAI)

Federation of Indian Chambers of Commerce and Industry (FICCI)

Confederation of Indian Industry (CII)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Bank, through trade bodies and associations, puts forth a number of suggestions with respect to the economy in general and the banking sector in particular.

**Principle 8: Businesses should support inclusive growth and equitable developments**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Bank has put in place 'Policy on Corporate Social Responsibility' to guide its efforts on CSR initiatives that contribute to inclusive growth and equitable development. The Bank's primary CSR philosophy rests on purpose driven approach to create a meaningful and measurable positive impact on the lives of economically, physically and socially challenged communities of the country by

supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The Bank has undertaken several CSR initiatives with positive direct environmental impact or towards creating awareness among stakeholders, in areas of health care and sanitation, setting up of homes for women, orphans and senior citizens, coastal cleanup campaign, protection of culture, building of national heritage, etc.,

In order to improve the livelihood of small / marginal / tenant farmers, share croppers and also entrepreneurs engaged in various non-farm activities, the Bank has rolled out a special credit scheme called "Joint Liability Group". Under the scheme, required credit at concessional rate, training and marketing arrangements are provided to the people jointly with local NGOs acting as Business Facilitators.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Bank undertakes CSR programmes/projects directly and with the assistance of implementation through any other trust or agencies as required.

3. Have you done any impact assessment of your initiative?

Periodic reviews are undertaken on various projects. The Bank's initiatives in the area of rural development, particularly with regard to progress made in providing access to banking and financial services to underprivileged customers are reviewed regularly.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Bank has spent Rs. 1.60 Cr in fiscal 2016-17 on corporate social responsibility related activities. The expenditure has been undertaken primarily on skill development and sustainable livelihoods, education and primary healthcare and sanitation, financial literacy and setting up of homes for women, orphans and senior citizens and Swachh Bharat.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community.

The Community development initiatives are driven by its five-pronged approach towards CSR-promote, Invest,

Engage, Collaborate and Monitor. The Bank's CSR Policy guides the Bank in ensuring that its initiatives are mapped to the focus areas and are relevant, effective and replicable.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The customer Complaints/consumer cases pending as on 31.03.2017 is 8.05%.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

This aspect is not applicable as the Bank is not a manufacturing company. The Bank complies with disclosure requirements relating to its product and services through its website (<http://www.kvb.co.in>) which has detailed information on product features, service charges and fees applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible

advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof.

In the ordinary course of banking business, some customers and borrowers have disputes with the Bank which could result in their filing a civil suit or a consumer complaint alleging deficiency of services. The Bank always strives to have a cordial relationship with its customers/ borrowers and attempts to have an amicable settlement of the dispute.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Bank on a continuous basis measures the satisfaction levels of customers transacting across various sectors. As part of this exercise, the customer's feedback and satisfaction levels with the transaction experience are measured. This feedback is then analysed and the insights from the same are implemented to improve products and processes and enhance the service quality of the Bank. A standing committee on customer service, chaired by Managing Director & CEO/President & COO besides 3 Senior Executives of the Bank evaluate feedback on quality customer service on a quarterly intervals and place a review note to the customer service committee of the Board.

