

Annexure – 5

The Karur Vysya Bank Limited
Business Responsibility Report 2017-18

Section A: General Information about the Bank		
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	e-Mail ID	kvbshares@kvbmail.com
6	Financial Year reported	2017-18
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 Code: 64191 – Banking & Financial Services governed by the Banking Regulations Act, 1949.
8	Three key products / services of the Company (as in balance sheet)	<ul style="list-style-type: none"> • Deposits • Loans • Foreign Exchange, Investment & Treasury
9	(i) Number of international locations	Nil
	(ii) Number of National locations	790 branches as on 31.03.2018
10	Markets served by the Company-Local / State / National / International.	National : Pan India

Section B: Financial Details of the Bank		
1	Paid-up capital (₹ in Cr)	145.33
2	Total turnover (₹ in Cr)	6599.56
3	Total profit after Taxes (₹ in Cr)	345.67
4	CSR spend as percentage of profit after tax (%)	1.07 %
5	List of CSR activities	The Bank undertakes various CSR activities in accordance with the “Corporate Social Responsibility Policy” viz., Promoting Preventive Health Care (including Swachh Bharat), Sanitation, Education & empowering Women, Social Business Projects, Art & Culture, Ensuring Environment Sustainability, Promoting sports and Rural Development. Disclosure of information on CSR activities is made in the Annual Report 2017-18 as per the provisions of the Companies Act, 2013.

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.	Details of Director responsible for implementation of BR policies	
	Director Identification Number (DIN)	DIN: 07820690
	Name	Shri P R Seshadri
	Designation	Managing Director & Chief Executive Officer
1.b.	Details of BR Head	
	Director Identification Number (DIN)- (if applicable)	NA
	Name	Shri M Murali Kumar
	Designation	Chief Compliance Officer & Deputy General Manager
	BR Head (Telephone number)	+914324-269103
	BR Head (e-Mail ID)	muralikumarm@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 policy / policies for ...#	Y	Y	Y	Y	Y	Y	NA	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
		Policies of the Bank are in line with the requirements of RBI guidelines, listing agreement with stock exchange, the Companies Act, 2013 and rules made thereunder or the Bank's internal requirements and best practices.								
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
		Policies of the Bank are recommended by respective Committee of the Board and approved by the Board.								
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
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		http://www.kvb.co.in/customer_support/banking_codes_policies.html The remaining policies other than that are available in the Bank website are being internal documents and are only available to the employees through the Bank's intranet.								

Section D (2): BR Information – Principle-wise (as per NVGs) BR Policy / Policies (Yes / No)										
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		Policies that are related to external stake holders are hosted in the Banks' website and other Policies related to internal stake holders are available in the Bank's intranet.								
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?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		The policies are annually reviewed by the Board. Compliance Department monitors adherence to implementation of policy mandated by RBI.								

Section D (2): BR Information - Principle-wise (as per NVGs) BR Policy / Policies (Yes / No) – Not Applicable										
	The Bank has	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	-	-	-	-	-	-	-	-	-
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 associates put forth suggestions with respect to Economy in general and Banking sector in particular.

# Principle-wise policies	
P1	Compliance Policy, Whistle Blower 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), Policy on criteria for determining Materiality of events.
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), e-Waste Management Policy.
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.

Principle-wise policies

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 Customer, Citizen's Charter – A Charter for Customer Service, Customer Rights Policy

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
3.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 annually publishes its BR Report as part of its Annual Report. The hyperlink for viewing the report is http://www.kvb.co.in/global/annual_report.html

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. The Bank is having executive level Committees viz., Product Development Committee, Standing Committee on Customer Service, Staff Accountability Committee and Outsourcing Committee to ensure these principles. Further various Board level committees such as Audit Committee, Customer Service Committee, CSR Committee, etc., To review periodically and take necessary actions to protect behavioural and ethical standards in operations.

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

KVB established various channels for its stakeholders to communicate their expectations / concerns. The details of the stakeholder complaints during the FY2017-18 are as below:

	Pending as on 31.03.2017	2017-18		% of cases resolved satisfactorily	Pending as on 31.03.2018
		Received	Redressed		
Customer Complaints	13	490	498	99.00	5
Investor Complaints	0	133	133	100.00	0
Consumer cases	33	3	9	25.00	27

Investor's grievances are redressed either directly by Investor Relation Cell of the Bank or through Bank's Registrar and Transfer Agents, M/s SKDC Consultants Ltd, Coimbatore. Complaints received on SCORES (a centralized web based complaint redress system of SEBI) are attended within stipulated time. The Bank conducts meeting of Standing Committee on customer service as per RBI guidelines to review the customer service aspects prevalent in the Bank and to take necessary corrective action on an on-going basis. The Bank always strives to have a cordial relationship with its stakeholders and attempts to have an amicable settlement of the dispute.

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.

Considering the nature of the business of the bank and the products / initiatives, the banking products are not directly related to environmental concerns, risks and opportunities. However, KVB provides sustainable banking products, to cater the needs of different classes of customers, which incorporates social or environmental concerns, risks and opportunities;

- Digital Banking Products - KVB mPAY, KVB e-Book, Green Pin, Green Receipt, KVB FASTag, LOS and etc.,
- Financial Inclusion Products - KVB Grama Jyothi, KVB Kalpatharu, KVB JanDhan Yojna and etc.,
- Loan Products - SOLAR Pump Agri Term Loan, PMJDY Over Drafts, Joint Liability Group (JLG) and other Central and State Governments sponsored schemes and flagship programs.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

Considering the nature of the business of the bank and its products / initiatives, usage of energy, water and raw material are not a significant issue to the banking sector in general. The major resources consumed at the Bank are grid electricity and paper. KVB undertakes various initiatives for energy conservations at its premises. Some of such initiatives are discussed below:

- Alternative and Renewable Energy - (i) KVB owns 850 KW Wind Turbine Generator at Govindapuram village, Theni District in Tamil Nadu. Installed in the year 2011, Bank is utilising the wind power generated for its Registered & Central Office at Karur and also at its Divisional Office, Chennai premises. 17,08,987 units were generated during the fiscal under report by the wind mill. (ii) ATMs with solar powered / Lithium UPS installation in areas of fluctuating power supply.
- Energy Efficiency - Star rated and energy efficient Air Conditioners, Diesel Gensets and replacement with LED lights in the office.
- Resource Efficiency - Washrooms installed with proximity sensors to save water.
- Waste Management - Strong emphasis on recycling of paper and e-Waste of the bank are disposed-off through authorized vendors.

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Considering the nature of the business of the bank and the products / initiatives resource consumption during usage by consumers is not a significant material issue for the banking sector in general.

However, KVB is always forge ahead in swift adoption of technology, digitize operation and offering technology based products, reducing the incidence of paper usage and travel among its customers. Among many initiatives in line with such perception, few are mentioned below:

- 'Green PIN' gives hassle-free setting up of ATM PIN by the customers themselves at their convenience.

- Go Green initiative to save paper utilised for ATM and BNRM transactions and digitized the customer receipts.
 - KVB FASTag - National Electronic Toll Collection (NETC) is a secure and interoperable solution for NHAI toll collection. NETC system will reduce wait time at toll counters, reduce fuel consumption and cash handling considerably.
 - Concept of Digital village implemented by the Bank at two places namely Kathirampatty village (Near Erode, Tamilnadu) and Bandarupalli village (Near Guntur, Andhra Pradesh). The objective is to open accounts for the residents of the village thereby enabling the villagers to do their day-to-day transactions through their account by using the touch-points like Cash Recycler, Automatic Passbook Kiosk, Micro ATM's, Tablets etc. The day-to-day transactions covered under this will range from withdrawal & deposit of Cash, payment of utility bills, subscription to purchase of goods and the users are encouraged to use the internet banking in the Tablets available at the branch.
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
- (a) If yes, what percentage of your inputs was sourced sustainably?
- Considering the nature of the business of the bank and the products, 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. 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 sector is service oriented and not material resource intensive. However, the Bank procures locally the 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%).
- 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.
- Principle 3: Businesses should promote the wellbeing of all employees**
1. Please indicate the Total number of employees.
- Total No. of employees as on 31.03.2018 - 7956.
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.
- Contract employees hired between 01.04.2017 and 31.03.2018 - 77 (including REs).
3. Please indicate the Number of permanent women employees.
- No. of permanent women employees as on 31.03.2018 - 2214 (other than on contract).
4. Please indicate the Number of permanent employees with disabilities.
- No. of permanent employees with disabilities - 17.
5. Do you have an employee association that is recognized by management?
- Yes, KVB Officers Association (KVBOA) and KVB Employees Union (KVBEU) are recognized employee associations. 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 – 68.86%
- No. of KVBEU members – 93.40%

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 FY18	No of complaints pending as on end of the FY18
01	Child labour / forced labour / involuntary labour	Nil	Nil
02	Sexual harassment	1	1*
03	Discriminatory employment	Nil	Nil

*Bank's Internal Complaints Committee has found the complaint as false and Departmental action is in advanced stage / progress.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- Permanent Employees - 85.36%
 - Permanent Women Employees - 83.77%
 - Casual / Temporary / Contractual Employees - Nil
 - Employees with Disabilities - 58.8%. (Most of them belong to physically handicapped category, Polio affected and they were given training along with other employees).

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, Cardio Pulmonary Resuscitation (CPR) training, evacuation related training for floor marshals and employees across offices & 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 all its 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.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

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 doorstep. 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, the Bank has conducted 244 Financial Literacy campaigns through 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?

No complaints have been received from the stakeholders during the past financial years with respect to Human Rights.

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.

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 skill development & sustainable livelihoods, education, primary healthcare & sanitation, Promotion of national heritage, Art & Culture, Promoting sports, Rural Development Projects and financial literacy programs.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Yes / No. 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 (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.

3. Does the company identify and assess potential environmental risks? Yes / No

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.

4. Does the company have any project related to Clean Development Mechanism? 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.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Yes / No. If yes, please give hyperlink for web page etc.

As outlined above in point no. 2, the Bank participates in several initiatives in the area of environment sustainability. Also, please refer response to the question no. 2(a) under Principle 2.

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

Not Applicable.

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.

Not Applicable.

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:

- (a) Indian Banks Association (IBA)
- (b) Fixed Income Money Market and Derivatives Association (FIMMDA)
- (c) Foreign Exchange Dealers Association of India (FEDAI)
- (d) Federation of Indian Chambers of Commerce and Industry (FICCI)

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 development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8.

The Bank has put in place 'Corporate Social Responsibility Policy' 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 clean-up campaign, protection of culture, buildings of national heritage, etc.,

In order to improve the livelihood of small / marginal / tenant farmers, sharecroppers 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 if 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 ₹ 3.70 Cr in fiscal 2017-18 on corporate social responsibility related activities. The expenditure has been undertaken primarily on skill development & sustainable livelihoods, education, primary healthcare & sanitation, Promotion of national heritage, Art & Culture, Promoting sports, Rural Development Projects and financial literacy programs.

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 31.03.2018 is 5.93%.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / Not Applicable / Remarks (additional information).

As the Bank operates in highly customer-focused sector, product-related transparency and communications are of highest priority to it. In line with the guidelines of the Reserve Bank of India and service standards set by the Banking Codes and Standards Board of India (BCSBI), the Bank

provides transparent information on its products through its website (www.kvb.co.in) and at its branches. This includes details on product features, service charges and fees applicable. Interest rates are published and updated on the website as and when change in deposit interest for various deposit schemes. The Bank provides sufficient data to customers to understand their eligibility, applicable interest rates and service charges for consumer loan products. SMS alerts are sent to customers when any charges or fees are triggered or levied to their account. Similarly, customers are made aware of free monthly ATM transactions available through SMS alerts.

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?

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.