



# Business Responsibility Report

## Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** Not Applicable
2. **Name of the Company** Punjab National Bank
3. **Registered address** Punjab National Bank,  
Head Office, 7 Bhikhaiji  
Cama Place, New Delhi-  
110607
4. **Website** [www.pnbindia.in](http://www.pnbindia.in)
5. **E-mail id** [eicsmead@pnb.co.in](mailto:eicsmead@pnb.co.in),  
[md@pnb.co.in](mailto:md@pnb.co.in)
6. **Financial Year reported** 2015-16
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

SN	Sectors
1	Banking Services
2	Government Business
3	Merchant Banking
4	Credit Cards
5	Agency Business- Insurance, Mutual Funds etc.

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

The Bank's products & services can be largely categorised under the following three heads:

1. **Deposits include** Current Deposits, Savings Deposits and Term Deposits.
2. **Loans and Advances include**
  - a. Retail loans such as Housing Loan, Conveyance loan, personal loan, etc.
  - b. Agriculture Loans: Such as Kisan Credit card, PNB Krishak Sathi Scheme, etc.
  - c. MSME Loans: Pradhan Mantri Mudra Yojana, Trade Finance, Super trade, etc
  - d. Corporate Loans: Working Capital loans, Project/Term loans, etc.



### 3. Other Products

- a. Mutual Fund
- b. Depository Services
- c. Merchant banking
- d. Wealth management services
- e. Online Trading
- f. Credit/Debit Card Business
- g. Insurance Services
- h. Factoring Services
- i. Application Supported by Blocked amount (ASBA)

### 9. Total number of locations where business activity is undertaken by the Company

#### a. Number of International Locations (Provide details of major 5)

During FY'16, the Bank has its overseas presence in 9 countries by way of 4 branches (2 Hong Kong, 1 Dubai, & 1 OBU-Mumbai), 2 Subsidiaries (London & Bhutan) 1 Associate (at Kazakhstan), 1 Joint Venture (at Nepal) and 4 Representative Offices (Sydney-Australia, Shanghai-China, Dhaka-Bangladesh & Dubai-UAE).

The Bank is also exploring possibilities of overseas expansion in Sri Lanka, Canada, Brazil, Australia and China.

#### b. Number of National Locations

PNB has 13 Zonal Managers offices (ZMOs), 76 Circle Offices, 6759 Branches, and 9463 ATMs as on March 31<sup>st</sup> 2016.

### 10. Markets served by the Company – Local/State/National/International

Both National and International markets with large branch network.

### Section B: Financial Details of the Company

1	<b>Paid up Capital (INR)</b>	Rs.393 crore
2	<b>Total Business (INR)</b>	Rs. 965377 crore
3	<b>Net Loss (INR)</b>	Rs 3974 crore

**4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**

During FY'16, the total spending on core CSR activities was Rs 676.76 lac and the Bank had a loss of Rs 3974 cr in FY16.

**5. List of activities in which expenditure in 4 above has been incurred:-**

Core CSR activities include the following:

- a. Medical Camps
- b. Tree Plantation
- c. Blood Donation Camps
- d. Distribution of Artificial Limbs

Other CSR activities are as follows:

- e. Through various Farmers Training Centers and Rural Self Employment Training Institutes (RSETIs), the Bank is making an effort to upgrade the knowledge and skills of farmers and impart vocational training to rural youth.
- f. PNB Hockey Academy.

**Section C: Other Details****1. Does the Company have any Subsidiary Company/ Companies?****A. Subsidiaries****a. Domestic Subsidiaries**

Sr. No.	Name of the Entity	Proportion of ownership %
1	PNB Gilts Ltd.	74.07
2	PNB Housing Finance Ltd.	51.01
3	PNB Investment Services Ltd.	100
4	PNB Insurance Broking Pvt. Ltd.#	81

\* PNB Insurance Broking Pvt. Ltd is non functional. The broking license has been surrendered and steps are being taken for winding up of the company. Liquidator has been appointed in company's Board Meeting dated 14.07.2015

1. **PNB Gilts Ltd.:** PNB Gilts Ltd. is engaged in the business of trading in Government securities, Treasury Bills and Non SLR Investments. It is also engaged in dealing in Money Market Instruments (Call/Notice/Term Money, Repo /Reverse Repo, Inter-corporate Deposits, Commercial Paper, Certificate of Deposit) and Mutual Funds Distribution.
2. **PNB Housing Finance Ltd:** PNB Housing Finance Ltd. is engaged in providing housing loans for purchase, construction and up gradation of a dwelling unit.
3. **PNB Investment Services Ltd.:** PNB Investment Services Ltd, a wholly owned subsidiary, has been set up by the Bank for carrying out Merchant Banking Business. It provides services for Project Appraisal, Loan Syndication, Debt Placement and to **execute IPOs/FPO/QIPs.**



4. **PNB Insurance Broking Pvt. Ltd:** The Bank is holding majority stake in above company, jointly with Vijaya Bank, minor shareholder.

**b. International Subsidiaries**

S N	Name of the Entity	Country of incorporation	Proportion of ownership %
1	Punjab National Bank (International) Ltd.	United Kingdom	100
2	Druk PNB Bank Ltd	Bhutan	51

**B. Associates: (Bank having 20% or more stake)**

**a. Domestic Subsidiaries:**

S.N	Name of Regional Rural Banks / Other Associates	Proportion of Ownership (%)
1	Madhya Bihar Gramin Bank, Patna	35
2	Sarva Haryana Gramin Bank, Rohtak	35
3	Himachal Gramin Bank, Mandi	35
4	Punjab Gramin Bank, Kapurthala	35
5	Sarva UP Gramin Bank, Meerut	35
6	Principal PNB Asset Management Co. Pvt. Ltd.	21.38
7	Principal Trustee Co. Pvt. Ltd.	30
8	PNB MetLife India Insurance Company Ltd	30

**b. Outside India:**

SN	Name of Entity/Associates	Country of incorporation	Proportion of Ownership (%)
1	Everest Bank Ltd.	Nepal	20
2	JSC SB PNB Kazakhstan	Kazakhstan	49

**PNB Sponsored RRBs**

At present, **five RRBs** are sponsored by our Bank which are operating in five States, namely, Bihar, Haryana, Himachal Pradesh, Punjab and Uttar Pradesh covering **74 districts** with a network of **2301 branches**.

- Himachal Pradesh Gramin Bank
- Madhya Bihar Gramin Bank
- Punjab Gramin Bank
- Sarva Haryana Gramin Bank
- Sarva UP Gramin Bank

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

No.



3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No

#### Section D: BR Information

##### 1. Details of Director/Directors responsible for BR

###### a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Sr No.	Particulars	Details
1	DIN No.	06861202
2	Name	Shri K.V. Brahmaji Rao
3	Designation	Executive Director

###### b) Details of the BR Head

Sr No.	Particulars	Details
1	DIN Number	Not Applicable
2	Name	Shri D.K Jain
3	Designation	General Manager, Strategic Management and Economic Advisory Division
4	Telephone number	011-26196852
5	e-mail id	dkjain@pnb.co.in



**2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

S. No	Questions	Business	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?(50 words)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	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	Y	Y	Y
6	Indicate the link for the policy to be viewed online?									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	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	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

\* The policy is in conformity with the National Voluntary Guidelines brought out by the Ministry of Corporate Affairs.



2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	<b>NOT APPLICABLE</b>								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- 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.

The Board of Directors meets annually to assess the BR performance of the company.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this?

The Bank publishes the BR report on annual basis. It is placed on the website of the Bank and the hyperlink for viewing this is [www.pnbindia.in](http://www.pnbindia.in).

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 is committed to the best practices in the area of corporate governance. The Bank has laid down its code for the Directors on the Board and its core management.

Code of Conduct attempts to set forth the guiding principles on which the Bank shall operate and conduct its daily business with its multitudinous stakeholders, Government and regulatory agencies, media and anyone else with whom it is connected.



The Bank has effective mechanism in place to check corruption, malpractices, embezzlements and misappropriation of funds.

The Bank follows the guidelines strictly as per the Vigilance Manual issued by the Central Vigilance Commission. The Management Audit has been identified as a separate function in the bank and an independent Management Audit & Review Division (MARD) is in operation since 08.07.2004. The Bank has in place a Risk Based Management Audit (RBMA) system for conducting audit of its administrative offices.

The Bank also has Compliance policy and is committed to the policy of zero tolerance for non-compliance of regulatory guidelines. Regulatory concerns identified by regulators/auditors are addressed on priority basis. Further, compliance functions are also identified for all HO Divisions/Circles/Branches and reporting mechanism has been established at various levels for compliance in accordance with the guidelines of the Regulator.

**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, in about 50 words or so.**

Total complaints received during the financial year 2015-16 were 26 and all were resolved satisfactorily. The complaints pertained to issues like (a) non receipt of dividend warrants (b) Non receipt of Annual Report (c) Non receipt of share certificates (d) Non-receipt of refund in respect of FPO 2005 (e) Transmission of shares etc.

Further, 1559 requests were also received for (a) change of address/bank details/e-credit mandate (b) transfer/transmission of shares (c) revalidation of stale warrants/e-credit of unpaid dividend etc. These requests were attended to within a period of 7 to 15 days.

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

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

The Bank has consistently delivered products and services considering the social and environmental effects. To meet the needs of the customers the Bank has ensured that the products are not only sustainable but also innovative and conducted business in a manner that is sensitive to social and environmental issues.





- **Cashless and Green Banking:** The Bank has introduced several products which promote a cashless society viz. core banking solution, internet banking, mobile banking, ATMs, solar powered biometric ATMs. The Bank has also opened 121 new Offsite E-lobbies at institutional and cantonment areas. The Bank has also launched slew of digital banking solutions aimed at improving customer experience. These include: PNB ATM Assist, PNB MOBI EASE and PNB sleep easy. Further, the Bank has introduced Green PIN facility which enables the customers to obtain duplicate PIN for debit card instantly through SMS request.

The Bank is also encouraging green energy by financing solar, biogas and wind mill projects.

- **Financial Inclusion campaign:** Financial inclusion has been priority area for the Bank as reflected in its mission "Banking for the unbanked". The Bank has been providing various services to villages such as, increasing access to banking services through opening branches, increasing coverage under Business Facilitators, mobilizing no-frill accounts, providing credit under KCCs, credit linking SHGs, providing micro-insurance, Aadhar enrollment, enhancing financial literacy and credit counseling. The Bank has also successfully implemented Pradhan Mantri Jan-Dhan Yojana (PMJDY). The Department of Financial Services, Ministry of Finance, GOI, has declared PNB as first among all banks in deposit mobilized through PMJDY accounts and second in overall implementation of PMJDY.
- **Digital Village:** The Bank has developed a concept of Digital village where the village will be wi-fi enabled along with Off Site E-lobby having ATM, CDM, ECDM, PUM, PC with internet connection and TV display unit. Skill development programmes like computer literacy, carpentry, advanced farming techniques etc. are being conducted with focus on creating job opportunities **and promoting inclusive growth.**

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**
  - i. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**
  - ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Being a service organization this section is not applicable.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Bank procures most of its products from locally based suppliers and also



actively supports the Micro and Small Enterprises (MSE). The Bank has adopted Code of Bank's Commitment to Micro and Small Enterprises (MSE) formulated by Banking Codes and Standards Board of India (BCSB). This is a voluntary code which sets minimum standards of banking practices for banks to follow while dealing with MSEs. It also explains how banks are expected to deal with MSEs for their day-to-day operations and in times of financial difficulty.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Being a financial institution and a service organization, the scope to procure goods and services from local and small producers is limited. The Bank encourages the MSME borrowers to source their inputs from micro enterprises. The Bank provides **loans** at subsidized rate to Self Help Groups and women enterprises.

**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, in about 50 words or so.**

The Bank has an e-waste policy. The Bank purchases recycled office materials to the maximum extent possible. With the help of e-waste dealers, old and obsolete computers, servers, monitors, printers, fax machines, ATMs, UPSs, etc are disposed off. The Bank has also **initiated e-freight and e-stamping** of products during the current year.

The Bank takes up the following practices in the true spirit so that environment friendly practices find place in daily office routine and also lead to savings in costs.

- Making best use of computer equipment by upgrading and reusing old machines for low power work, e.g. as print servers.
- Renovating furniture rather than buying new replacements. This can save up to 50% of the cost of new products.
- Purchasing office materials made from *recycled components*. Paper, stationery products, toilet paper and refuse sacks, glass, cans and plastics are all recyclable. Separate bins are provided for glass, paper, plastic and metal so that the recycling process is made more efficient.



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

#### 1. Please indicate the Total number of employees.

The total number of employees as on 31<sup>st</sup> March 2016 is 70801.

#### 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

The Bank does not hire employees on temporary/contractual/casual basis.

#### 3. Please indicate the Number of permanent women employees.

The number of women employees as on 31<sup>st</sup> March 2016 is 14656.

#### 4. Please indicate the Number of permanent employees with disabilities?

The number of permanent employees with disabilities as on 31st March' 16 is 1391.

#### 5. Do you have an employee association that is recognized by management?

No employee association has been recognized by the Bank. However, the following two majority Unions/Associations represent the workmen/officers staff.

- All India PNB Employee Federation.
- All India PNB Officers Association.

#### 6. What percentages of your permanent employees are members of this recognized employee association?

Nearly 81.92% of PNB's employees are members of the above mentioned unions/associations.

#### 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.

S. No.	Category	No of Complaints filed during FY'16	No of Complaints pending as at end of FY'16
1	Child labour/forced labour /involuntary labour	00	00
2	Sexual harassment	02	00
3	Discriminatory employment	00	00



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

- A. Permanent Employees : 74.5%
- B. Permanent Women Employees: 67.1%
- C. Casual/Temporary/Contractual Employees: Not Applicable
- D. Employees with Disabilities: 69.5%

**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, The Bank has identified its key stakeholders, internal and external, and to enhance **commitment to them, these are further segregated as under:**

- Shareholders are divided into different subsets, viz., Government, Foreign Institutional Investors, Financial Institutions, Insurance Companies, Mutual Funds, Banks and Individuals.
- Customers are segmented into large corporate, mid-corporate, small and medium enterprises and retail customers. Dedicated branches provide service to these segments. Retail customers are further segmented into premier customers and other customers.
- Bank employees.
- Society

Effective engagement with the Stakeholders is embedded in all our areas of operations. The bank communicates with them through a variety of channels such as e-mails, website, and conference call, Press Meets, Advertising, one-on-one meeting, analysts' meet and attendance at Investor Conference. With an objective of brand positioning, listening of customers/visitors on social media, Bank has made its presence on Twitter & LinkedIn. On social media the bank has launched various facilities for customers/visitors viz. regular update on offers, customer care services including grievances **redressal**, etc.

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

The bank has identified the disadvantaged, vulnerable & marginalized stakeholders as per Government of India guidelines and these include small and marginal farmers, artisans, SHGs, and members of the weaker sections.



**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Bank has taken various initiatives to engage and extend its support and benefits to the disadvantaged, vulnerable and marginalized stakeholders. Some of the initiatives taken by the Bank are as under:

**Employees:** The Bank extends certain special benefits/ facilities/ assistance to employees belonging to SC/ST category as per Government guidelines. Further, the wages/salaries, promotions and other benefits extended to employees with disabilities are at par with other employees.

**Customers:** In order to cater to the needs of marginalized segments of the society, the Bank has introduced, among others, kisan credit cards for farmers, loans to self help groups, electronic benefit transfer, biometric ATMs, loans under Differential Interest Rate Scheme, loans to women entrepreneurs and support to micro & small enterprises. Through various Farmers Training Centers and Rural Self Employment Training Institutes (RSETIs) the Bank is making an effort to upgrade the knowledge and skills of farmers and impart vocational training to rural youth.

**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 respects and protects human rights of its employees, including the right to equal opportunities, protection from discrimination and fair working conditions. The Bank does not use child labor or forced labor. The HR related policies cover only the Bank.

- **Prevention of sexual harassment policy:** The Bank is implementing the provisions of “The Sexual Harassment of Women at workplace (prevention, prohibition and redressal) Act, 2013”. Another channel for women employees have been added to report any complaint relating to sexual harassment at workplace. Such employees can directly correspond through email with a designated senior lady executive in Top Executive Grade.
- **Employee Grievance redressal system:** The Bank has introduced ‘PNB SAMADHAAN’ to listen to the genuine work-related and personal problems faced by the staff members which have a bearing on their work, so that the same can be considered for resolution. ‘PNB SAMADHAAN’ purports to provide an open, fair and fast channel for the staff members to bring forth their genuine grievances/issues to the notice of the Management.



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

The total number of complaints received from the shareholders during FY'16 is 26.

**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 Bank has a “Green Initiatives” Policy which lists some small routine actions that contribute to a better environment. Bank is encouraging “Green Practices” such as:

1. Green cover in Bank premises must increase substantially. As far as possible green plants should be grown in the planters at suitable space available in the offices/branches. **Staff is** made aware of green practices in daily life through training.
2. Using re-cycled paper, printing on both sides to reduce costs by 50%. Promoting the concept of **using e-documents and** tying-up with organizations like ITC which offer payment for waste paper.
3. Buying energy efficient machines like those that warm up with a faster speed.
4. Prescribing use of only environment friendly light bulbs such as CFLs that last longer and consume less than 1/4<sup>th</sup> the energy of conventional bulbs.
5. Technology to be used to cut down on business travel by relying on video and telephone conferencing, instant exchange of e-mails and sending large documents electronically.

**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.**

1. The Bank's new State of Art building at Dwarka and Gurgaon are certified Green Building having 5 Star GRIHA Rating having maximum design efficiency and most modern amenities. It will also have amenities for the disabled. It will lead to saving in time and fuel besides adding to the general efficiency.
2. The Bank does not extend any finance to environmentally hazardous industries. During credit appraisal, preference is given to the environment friendly green projects such as Wind Mills and Solar Power Projects.
3. For manufacturing units, the Bank insists upon installation of effluent treatment projects for processing of such pollutants before release into the environment and ensures that the borrower also obtains NOC from Central/State Pollution control Board.
4. The Bank also undertakes a series of activities to save environment under CSR initiative. The Van Mahotsav, tree plantation camps, plantation along road sides,



greening of traffic circles in different cities and maintenance of parks in residential areas are some of the initiatives the Bank has taken in this direction.

5. Bank from its various offices, branches and its staff in their residential areas either in Bank's own premises or outside actively participated and promoted cleanliness drive to keep the environment clean under "Swachh Bharat" campaign.
6. Bank is increasing availability of alternative service delivery channels and promoting its use by its customers and staff leading to paper saving.
7. Most of the staff related measures are also taken online through HRMS thus reducing paper consumption.

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

The operations of a financial institution do not generate significant environmental risks. However, as a leading nationalized Bank we serve all sectors of the economy and actively promote finance for clean energy. Bank consciously avoids business that could have negative impacts on ecosystems and society and mitigate environmental and social risks through compliance with environmental and social regulations.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Bank has undertaken various technological initiatives to promote paperless banking. Most of the transactions are carried out online through core banking solution, internet banking, telebanking, mobile banking, ATMs and solar powered biometric. The Bank has also established e-lobbies for paperless transactions.

**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.**

The Bank finances many Solar Power projects, Biomass, Small Hydro and Wind Power projects, all of which are renewable energy projects. The Bank has put in place various methods to achieve sustainable development and these include:

1. Reduction of electrical energy and fuel consumption by installation of energy efficient equipments in some of its office buildings. Electricity audit of all offices has resulted in efficient functioning with cost benefits.
2. Solar ATMs. This is another green initiative, which has the benefit of overcoming the power outage problem. Bank has gone for installation of Solar UPS at selected ATM sites in states of Bihar and U.P, where there is power problem and downtime due to power-cuts is high.
3. Tree Plantations.
4. The Bank has taken steps to reduce wastage of resources and energy. MARD



(HO) conducts risk based management audit of the administrative offices of the Bank on Green Initiatives.

**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 is a service based organization and hence does not emit any toxic hazardous pollutants. However, the Bank stipulates environmental compliances as one of the main conditions for sanction. Besides that DG sets at Head Office and other offices are checked by the Delhi Pollution Control Committee to monitor noise levels and these have been found to be in order.

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

Nil

**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:**

The Bank is a member of:

- a. Indian Banks Association (IBA)
- b. Indian Institute of Banking & Finance (IIBF)
- c. Institute of Banking Personnel Selection (IBPS)
- d. National Institute of Bank Management (NIBM)
- e. Centre for Advanced Financial Research and Learning (CAFRAL)
- f. Federation of Indian Chambers of Commerce and Industry (FICCI)
- g. International Chamber of Commerce (ICC)
- h. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- i. Confederation of Indian Industry (CII)
- j. National Payments Corporation of India (NPCI)
- k. The Clearing Corporation of India Ltd (CCI)

**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 works in close coordination with policy makers and regulators in evolving policies that govern the functioning and regulation of the Banking industry. The Bank gives its inputs to the regulators and policy makers regarding various economic and financial issues impacting the economy and thus enabling policy building in field of economic reforms, inclusive development policies and sustainable business principles. The Top Management of the Bank meets regularly





with Policymakers and Regulators on public policy issues relevant to the financial services.

**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? If yes details thereof.**

The Bank has taken various initiatives/projects to support inclusive growth and equitable development:

**1. Pradhan Mantri Jan-Dhan Yojana (PMJDY):** As on 31.03.2016, 131.21 lacs accounts have been opened and Rs 1646.32 crore mobilized under PMJDY. The facility of overdraft on the basis of request through Alternate Delivery Channels like SMS, IBS, ATM has been enabled and in 3,11,471 accounts Overdraft was availed.

The following steps were also taken up in the villages:

- a. All the BC locations are being provided with the required infrastructure.
- b. As per the DFS guidelines training and certification of all Bank Mitrs have been completed.
- c. Besides, basic banking services, additional value added services like Intersol, IMPS, Aadhaar seeding, Rupay card activation etc have been implemented at BC locations to make BC model more viable and sustainable.
- d. There is also focus on brand visibility, taking all types of stipulated transactions both intra and inter operable.

**2. Financial Literacy Programme:** The Bank is undertaking Financial Literacy dissemination programme as per guidelines issued by RBI / IBA. The financial literacy campaign is being taken on priority basis as per following key approaches:-

- a. Financial Literacy is being disseminated through a network of BC network and branches through financial literacy material standardized by IBA.
- b. Film of IBA on financial literacy is also being shown.
- c. Students of schools, colleges & Skilling centres are targeted for financial literacy by Business Correspondent Agents (BCAs).
- d. The printing and distribution of financial literacy material in the state of Gujarat (in Gujarati), Maharashtra (in Marathi) & Madhya Pradesh (in Hindi) has been completed. The number of camps /Schools and colleges covered in Gujarat was 67, M.P was 197 and Maharashtra was 172.



### 3. Special Social Security scheme:

- a. **Pradhan Mantri Suraksha Bima Yojana [PMSBY]: for accidental insurance:** As on 31.03.2016 the total number of applications sourced were 52,71,657 and Rs 5.48 crore was debited as premium.
- b. **Pradhan Mantri Jeevan Jyoti Bima Yojana [PMJJBY]: for life insurance cover:** As on 31.03.2016 the total number of applications sourced were 15,77,945 and the premium debited was Rs 36.70 cr.
- c. **Atal Pension Yojana [APY]:** Atal Pension Yojna (APY) is a co-contributory fixed Pension Yojna to address the longevity risks among the workers in unorganized sector and to encourage the workers in unorganized sector to voluntarily save for their retirement. The number of applications sourced were 1,85,593.

### 4. New schemes for MSME sector:

Following new schemes have been formulated during 2015-16 to give specific impetus to the targeted segment/group of Borrowers:

- a. PNB Green Ride (for financing E-rickshaws)
- b. PNB Vanita (for financing Women entrepreneurs)
- c. PNB Nurture (scheme for financing day care centres/crèches)
- d. PNB Franchisee (for financing franchisees of Reputed Manufacturing Companies)
- e. PNB e-smart (For financing E- Tailers)

### 5. Credit to Weaker Sections:

The Bank extends micro credit, credit to SC/ST, women beneficiaries and Minority communities. Bank is promoting welfare in Rural / Semi Urban Areas as a part of Corporate Social Responsibility through its Trust / Centers as under:

- A. PNB Farmer Welfare Trust.
- B. PNB Centenary Rural Development Trust.
- C. Financial Literacy Centre.

### 6. PNB VIKAS- Village Adoption Scheme:

As part of the Corporate Social Responsibility initiatives, the Bank has launched a Welfare Scheme of adoption of villages named as "PNB VIKAS". The objective of the Scheme is to develop the adopted villages in an holistic manner, which includes Human, Economic & other Infrastructure Development, for example sanitation, drinking water supply, education, electricity, health, etc in co-ordination with the other stake holders (villagers, the Govt. authorities, local bodies etc). Under this Scheme, the Bank has adopted 167 villages (78 in lead districts and 89 in non lead districts) in different Circles.



**7. Other schemes:**

- a. **PNB Ladli:** Scheme for popularization of education among girls of Rural/Semi urban areas
- b. **PNB Asha Kiran** To accelerate the pace of women empowerment development in rural areas wherein 1000 rural women will be identified and nurtured till their economic empowerment.
- c. **Swachchh Vidyalaya Campaign:** Scheme to provide financial assistance for construction of toilets in government schools of adopted villages of PNB VIKAS
- d. **PNB UJALA:** Scheme launched for providing Solar Street Lights in the adopted villages and a Solar Lantern to each girl student.

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

The Bank has separate division for carrying out financial inclusion initiatives, core CSR activities and Villages adoption. It works through an internal team as well as in partnership with NGOs and Government Institutions.

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

To ensure inclusive growth and equitable development, the Bank imparts training to develop entrepreneurship and financial awareness among the masses through its state-of-the-art training centers. The impact of the training programmes conducted by the Bank is evident in the areas in which they are conducted. The training extended to farmers is of practical use and influences the way they conduct agricultural operations. All the 10 Farming Training Centers (FTCs) of the Bank are located in rural areas and provide free of cost training on agriculture & allied activities, computer courses, cutting, tailoring & embroidery, etc. During FY'16, FTCs trained 1,58,708 persons including 21,187 women with the help of 4443 training programmes. FTCs also organised 87 Human Health Check Up Camps, 137 Animal Health Check Up Camps and also arranged 112 visits to Agriculture Universities/Colleges/Fairs/Govt. Farms etc. during this period.

The Bank has 56 PNB Rural Self Employment Training Institutes (RSETIs) across the country wherein free vocational training are provided. During FY'16, 35,917 persons were trained in these centers out of which 8,336 belonged to BPL families and 19,082 were women.

Bank is operating 108 Financial Literacy Counselling centres wherein structured financial literacy is being spread. These centres are providing the face to face counselling on financial issues related to banking viz. deposits, opening of no frill accounts, preventive and curative credit counselling, etc. During the year 2015-16 upto March' 2016, 239562 enquiries were made in the FLCs and 520358 persons attended the 8008 seminars conducted by FLCs.



The Bank regularly assesses its position and performance under various Government schemes like Pradhan Mantri Jan-Dhan Yojana (PMJDY), Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri JeevanJyoti Bima Yojana and Atal Pension Yojana (APY). About 131.21 lacs accounts have been opened under PMJDY. 52,71,657 applications have been sourced under PMSBY, 15,77,945 under PMJJBY and 1, 85,593 under APY.

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

The Bank's contribution to community development program has been through PNB Vikas, a village adoption scheme.

The basic object of "PNB VIKAS" is to develop the adopted village/s in an integrated manner, which includes Human Development, Economic Development & other Infrastructure Development e.g. sanitation, drinking water supply, education, electricity, health, etc in co-ordination with the other stake holders (the villagers, the Govt. authorities, local bodies etc). As part of the Corporate Social Responsibility initiatives, the Bank has launched a Welfare Scheme for adoption of villages under "PNB VIKAS". Under the scheme, an expenditure of Rs. 4.73 lac was incurred on 19 activities up to 31<sup>st</sup> March 2016.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Under PNB Vikas, the initiatives taken are ongoing, be it the creation of a small library for the villagers or the other activities listed above.

**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.**

Around 0.73% of the complaints, received during the FY'16, remained unresolved. These unresolved complaints stand resolved now.

**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)**

The products and services offered by the Bank carry the information related to them. The details of the products are also displayed on the Bank's website and also on the branch premises. The awareness about the financial products is spread through pamphlets and brochures. Through effective marketing techniques and advertising, the Bank promotes its products in electronic and print media. The



Bank also has its presence on various social media platforms such as Facebook and Twitter which effectively displays the features of the products and service being offered by the Bank. The bank is set to position itself as a clear brand promise with consistent and high standard of efficiency and service that it will deliver at its branches and across channels.

**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 at the end of financial year. If so, provide details thereof, in about 50 words or so**

Nil

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

The Bank continues to accord top priority to providing prompt and efficient service to its customers. With this end in view, the Bank has formulated a Grievance Redressal Policy. Every endeavour is made to redress the grievances of the customers within the framework laid down in the Grievance Redressal Policy.

Systems and procedures being followed by the bank are reviewed at regular intervals to remove systemic deficiency, if any, which help in further improvement of the customer service.

Various steps were taken in the direction of improving customer service. These steps are discussed at length in the Directors' Report (Annual Report) of the Bank.

\*\*\*\*\*