



# 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** [eicmasd@pnb.co.in](mailto:eicmasd@pnb.co.in),  
[cmd@pnb.co.in](mailto:cmd@pnb.co.in)
6. **Financial Year reported** 2012-13

### 7. Sector(s) that the Company is engaged in (industrial activity code-wise)

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

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

The Bank offers wide range of products and services to its customers serving various needs and aspirations. Some of the key products offered are:

#### Deposits

- Current Accounts



- Savings Fund Account
- Term Deposit Account

**Advances**

- Cash Credit
- Term loans
- Bills Discounting
- Letters of Credit

**Ancillary Services**

- Lockers
- Depository Services
- Life and Non life Insurance Business
- Mutual Funds

**9. Total number of locations where business activity is undertaken by the Company****a. Number of International Locations (Provide details of major 5)**

Type of office	SN	Destination
Branches	1	Offshore Banking Unit, Mumbai
	2	Kabul, Afghanistan
	3	Hong Kong Main
	4	Kowloon Hong Kong
	5	DIFC, Dubai
Subsidiary	1	PNBIL, UK (7 branches)
	2	DRUK PNB Ltd., Bhutan (5 Branches)
	3	JSC SB PNB, Kazakhstan (4 Branches)
Joint Venture	1	Everest Bank Limited, Kathmandu, Nepal (48 Branches)
Rep. Offices	1	Almaty, Kazakhstan
	2	Shanghai, China
	3	Dubai, UAE
	4	Oslo, Norway
	5	Sydney, Australia

**b. Number of National Locations**

PNB has 10 FGMOs, 68 circle offices, 5874 Branch offices including extension counters and 6313 ATMs as on 31<sup>st</sup> March 2013.

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

National and International markets with large branch network.



## Section B: Financial Details of the Company

- 1 **Paid up Capital (INR)** Rs 353.47 Crore
- 2 **Total Business (INR)** Rs 700285 Crore
- 3 **Total profit after taxes (INR)** Rs 4747.52 Crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**  
During FY'13 the total spending on CSR activities was Rs 324.43 lakhs on 1624 activities. This constituted .07% of Profit after Tax.
5. **List of activities in which expenditure in 4 above has been incurred:-**
  - a. Medical Camps
  - b. Health Camps for Farm animals
  - c. Farmers Training including visits of farmers to Agriculture Universities.
  - d. Tree Plantation
  - e. Blood Donation Camps
  - f. Distribution of Artificial Limbs
  - g. Adoption of New Born Care and Malnutrition ward at Government Hospital, Sikar, Rajasthan.

## Section C: Other Details

### 1. Does the Company have any Subsidiary Company/ Companies?

Yes the company has five domestic subsidiaries viz:

- a. PNB Gilts Ltd.
- b. PNB Housing Finance Ltd.
- c. PNB Investment Services Ltd.
- d. PNB Insurance Broking Pvt. Ltd.\*
- e. PNB Life Insurance Company Ltd.#

\* 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.

# The Company is under liquidation

The three international subsidiaries of the Bank are:

- a. Punjab National Bank (International) Ltd, UK.



- b. Druk PNB Bank Ltd
- c. JSC SB PNB Kazakhstan

**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.	02784580
2	Name	Ms Usha Ananthasubramanian
3	Designation	Executive Director

**b) Details of the BR Head**

Sr No.	Particulars	Details
1	DIN Number	Not Applicable
2	Name	Shri Joginder Bajaj
3	Designation	General Manager, Management Advisory Services Division
4	Telephone number	011- 26196230
5	e-mail id	jbajaj@pnb.co.in

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

S.No	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement &	Human Rights	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									
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.**

This being the first year, there was one meeting of the Board of Directors at which the policy was considered and approved.

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

The Bank publishes the BR report 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 considers Corporate Governance as an integral part of good management. The Bank has an accountability policy which covers ethics, bribery, corruption and related issues.
- This being the first year the policy is presently applicable to the Bank. However it will be gradually extended to cover subsidiaries.

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.**

- 55433 complaints were received from stakeholders during the current year. Out of these 54956 complaints have been resolved.

### 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.**

- Being a service organization, the Bank does not deal with products which are hazardous in



nature. However there are certain financial products which have relevance for the marginalized sections of society:

1. Biometric Smart Cards: They enable an illiterate to withdraw money from his Bank account. The system identifies the individuals on the basis of fingerprints.
2. PNB Kalyani Cards: They are given to women in rural areas for their general needs and upliftment.
3. PNB Krishak Sathi: It is a loan scheme for farmers to liberate them from indebtedness at the hands of the moneylenders.
4. Internet banking: It allows customers to access their Bank accounts from across the world. It is paperless and as such an eco-friendly channel of delivery.

**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?
- As the Bank deals in services, 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 believes in protecting the environment.
- The first step in this direction has been taken by setting up a Green Lobby at our branch at Bhikhaiji Cama Place, New Delhi. The Cash Deposit Machine, Passbook Updation Machine and Cheque Deposit Machine installed in the lobby are all powered by solar energy. Bank will be taking further action to increase the use of solar energy for powering its machines.

**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?**

- The Bank provides services at its branches across India and thus serves the various communities that fall within the service area of its branches. Given the nature of its business, there is little scope for sourcing from local vendors. However, the Bank does encourage its MSME borrowers to source the bulk of their inputs from micro 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 disposal policy. E-waste dealers/recyclers have been approved for disposing of old and obsolete computers, servers, monitors, printers, fax machines, ATMs, UPSs, etc. The branches and administrative offices are disposing of their hardware using the services of these dealers.
- Old records that have outlived their utility and are earmarked for destruction are disposed by sales to approved agencies that recycle the paper.

**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 2013 is 63415.

**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 total number of permanent women employees as on 31<sup>st</sup> March 2013 is 11594.

**4. Please indicate the Number of permanent employees with disabilities**

- The Number of permanent employees with disabilities as on 31<sup>st</sup> March 2013 is 919.

**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 percentage of your permanent employees is members of this recognized employee association?**

- Nearly 76% of PNB's employees are members of employee 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 the financial year	No of Complaints pending as on end of the financial year
1	Child labour/forced labour /involuntary labour	Nil	Nil
2	Sexual harassment	2	Action has been taken
3	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 : 95%
- B. Permanent Women Employees: 11.5%
- C. Casual/Temporary/Contractual Employees: NA
- D. Employees with Disabilities: 0.56%

A soft skills training programme, 'I am PNB', has reached out to almost all employees during the year 2012-13.

**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**

- 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.
- The HR division looks after the interests of the Bank employees.
- CSR initiatives reach out to communities in which the Bank operates.

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

- The Bank has identified the disadvantaged, vulnerable and marginalized stakeholders. Some of these are the Small and Marginal Farmers, Tenant Farmers and Oral-Lessee Farmers,



Landless Labourers and rural women, all of whom are provided credit under special credit schemes such as Kisan Credit Card, General Credit Card, PNB Kalyani Card (for the upliftment of rural women), PNB Tatkal scheme (for the small farmer in need of immediate credit) and PNB Krishak Sathi Scheme (with the objective of liberating farmers from the clutches of rural moneylenders).

**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 reaches out to the financially excluded through its Business Correspondents and has developed technology for these segments. The Bank has tied up with technology service providers to capture the Bio-metrics (fingerprints) of these customers enabling them make withdrawals at their doorstep on visit by the BCs.
- The Bank is also continually upgrading its Financial Inclusion capabilities. Recently a Kiosk Banking Solution has been put in place in remote villages to make on-line banking services available at affordable costs to the underprivileged.
- The Bank is taking steps to implement the Swavalamban Scheme of the Government of India, which aims to provide micro pension to the unorganized sector. 5200 branches under 61 circles have already been registered for implementation of the scheme and more than 2000 beneficiaries have been enrolled.
- RSETIs provide vocational training to poor villagers, particularly women.
- Improving Financial Literacy: The Financial Literacy and Credit Counseling Centres (FLCCs) established by the Bank, provide wide range of financial counseling to its customers.

**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 does not have a stated Human Rights Policy. However these aspects are covered under the Human Resource policies and practices of the Bank.

**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 stakeholder complaints received during the year was 55433 out of which the Shareholders complaints were 122, employee complaints were 766 and customer complaints were 54545.
- More than 99% of these complaints were resolved.



**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 a series of small routine actions that can be taken to work in harmony with the environment.

**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 shares the global concern about environmental issues and this is reflected in many of the CSR initiatives it has taken. 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.
- Some of the other initiatives can be found in the Corporate Social Responsibility Report, the Hyperlink for which is <https://www.pnbindia.in/En/ui/SocialBanking.aspx>

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

- Presently this is not being done. However, the Bank is committed to reducing its carbon footprint at its places of operation.

**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?**

- Given the nature of the Bank’s business, the Bank does not have a Clean Development Mechanism project.

**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.**

- Bank promotes renewable energy projects by extending finance to solar and wind energy projects at a concessional rate.
- Bank is exploring scope for rain water harvesting in its existing/new buildings.
- Bank has installed energy efficient equipments in some of its office buildings. Electricity audit of all offices has resulted in efficient functioning with cost benefits.
- Our CMD has signed “Green Initiative” (an initiative of Ministry of New and Renewable Energy) on behalf of the Bank.
- 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 being a financial institution is not required to seek environmental clearance for its operations from the CPCB. However, 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 on 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. Federation of Indian Chambers of Commerce and Industry (FICCI)
  - c. International Chamber of Commerce (ICC)
  - d. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
  - e. 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).**

- In the field of economic reforms, the Bank has advocated policies that would be socially beneficial.

**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 an active role to promote Financial Inclusion. It has covered all the 4588 villages allotted to it by the Government of India under Swabhiman, the financial inclusion



plan. The Bank through its Business Correspondents and Technology Service Providers is bringing banking services to the doorsteps of the underprivileged.

- The Bank has 2232 rural branches with more than 30000 villages in the service area of its villages. The Bank is looking after the banking needs of these villages through its branches and contributing to their development.
- The Bank has opened almost 90 lac 'Basic Savings Bank Deposit Accounts', for excluded sections who did not have access to banking facilities.
- Farmers Training Centres (FTCs): These training centres provide training to farmers and make them aware of latest developments in agriculture and spread the message of improving productivity in harmony with the environment. During FY13, these RSETIs conducted 967 training programmes and trained 30267 trainees. 49% of these trainees were in the BPL category.
- Rural Self Employment Training Institutes (RSETIs): There are 44 RSETIs at present. These training institutes provide vocational training to the rural women and youth and prepare them for taking up gainful employment.
- Financial Literacy Centres: There are presently 100 FLCs which have conducted programmes attended by 264371 individuals during FY-13. They have given advice on deposit and credit products and on debt related issues.
- The Bank has been actively associated with financing of various Govt. sponsored programmes, especially NREGA project, funding of social sectors like education, health, etc.
- PNB Vikas is a village adoption scheme. Under the scheme, 120 villages have been adopted so far.
- Some of the other initiatives undertaken by Bank for improving the lot of the underprivileged include:
  - a) PNB JANMITRA Project: Under this project the Bank provides credit support to rickshaw pullers.
  - b) Weavers' Project, Varanasi: Under this project, Bank is encouraging weavers and helping them to become self reliant.

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

- The Bank's CSR projects are undertaken through an internal team as well as in partnership with NGO's and Government Institutions.
- PNB PRENA is one such initiative in the form of an association of the wives of the Top executives which undertakes CSR activities in association with various Non Governmental Organizations.



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

- 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.
- Bank has carried out an impact assessment of one of its initiatives. A Quick Impact Evaluation Study of three Farmers' Training Centres (FTC's) has been undertaken to assess the difference made by the FTCs to the society in general and individuals and entrepreneurs in particular. The farmers surveyed stated that the training and knowledge dissemination had helped them in adopting new technologies/practices in their fields. Other respondents stated that the training certificates given by the FTCs were useful in securing employment. Most agreed that the training had helped to give them a greater awareness of the facilities offered by banks.

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

- PNB VIKAS is a village adoption scheme which aims at integrated development of the village including development of human resources, economic development and infrastructure development at the village level. The initiative has had an impact on sanitation, drinking water supply, education, electricity and health-care.
- Some of the activities undertaken for improving the overall living conditions are maintenance of Adult Literacy Centres, Libraries, Dispensaries, installation of Hand Pumps, Solar lighting, construction of Toilets, Bus Shelters and development of children's parks. Accessibility to credit has also been improved.

### 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.

- 301 complaints were outstanding at the beginning of FY13. 54545 complaints were received during FY13 and 54610 complaints were disposed off, including those pending from the previous year. Thus 99.50% of the complaints were resolved. 236 complaints were pending at the end of the year.



**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 information about the product is displayed on the Bank website and is also available in pamphlets and brochures at branches. The time norms for different services are also available in the Citizen's Charter.

**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 about 50 words or so**

- No

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

- Customers of the Bank can approach Bank officials including the top most executive to share their experiences. The Bank remains in direct touch with customers through 'Customer Meets' organized at the branches regularly.
- Customer's day is being observed on 15<sup>th</sup> of every month in every branch to share experiences and grievances.
- Customer satisfaction surveys are conducted in-house as well as by engaging outside agencies like National Institute of Bank Management and Management Development Institute, Gurgaon. Such exhaustive surveys generate useful suggestions which keep the Bank on, the right track.
- From time to time, the Bank conducts a customer contact week during which it contacts customers, obtains feedback and takes steps to implement the valuable suggestions. The Bank also has a feedback link on its website. The feedback so obtained is analysed and put up to top management every quarter. Findings are published in the monthly bulletin "Customer Speaks" so that field staff can be sensitized to the feelings of customers.