

CORPORATE GOVERNANCE

THE BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

State Bank of India is committed to the best practices in the area of Corporate Governance, in letter and in spirit. The Bank believes that good Corporate Governance is much more than complying with legal and regulatory requirements. Good governance facilitates effective management and control of business, enables the Bank to maintain a high level of business ethics and to optimise the value for all its stakeholders. The objectives can be summarised as:

- To protect and enhance shareholder value.
- To protect the interest of all other stakeholders such as customers, employees and society at large.
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
- To ensure accountability for performance and customer service and to achieve excellence at all levels.
- To provide corporate leadership of highest standard for others to emulate.

The Bank is committed to:

- Ensuring that the Bank's Board of Directors meets regularly, provides effective leadership and insights in business and functional matters and monitors Bank's performance.
- Establishing a framework of strategic control and continuously reviewing its efficacy.
- Establishing clearly documented and transparent management

processes for policy development, implementation and review, decision-making, monitoring, control and reporting.

- Providing free access to the Board to all relevant information, advices and resources as are necessary to enable it to carry out its role effectively.
- Ensuring that the Chairman has the responsibility for all aspects of executive management and is accountable to the Board for the ultimate performance of the Bank and implementation of the policies laid down by the Board. The role of the Chairman and the Board of Directors are also guided by the SBI Act, 1955 with all relevant amendments.
- Ensuring that a senior executive is made responsible in respect of compliance issues with all applicable statutes, regulations and other procedures, policies as laid down by the GOI/RBI and other regulators and the Board, and reports deviations, if any.

The Bank has complied with the provisions of Corporate Governance as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges except where the provisions of these regulations are not in conformity with The State Bank of India Act, 1955 and the directives issued by RBI/GOI. A report on the implementation of these provisions of Corporate Governance in the Bank is furnished below:

Central Board: Role and Composition

State Bank of India was formed in 1955 by an Act of the Parliament, i.e., The State Bank of India Act, 1955 (Act). A Central Board of Directors was constituted according to the Act.

The Bank's Central Board draws its powers from and carries out its functions in compliance with the provisions of SBI Act & Regulations 1955. Its major roles include, among others,

- Overseeing the risk profile of the Bank;
- Monitoring the integrity of its business and control mechanisms;
- Ensuring expert management, and
- Maximising the interests of its stakeholders.

The Central Board is headed by the Chairman, appointed under section 19(a) of SBI Act; four Managing Directors are also appointed members of the Board under section 19(b) of SBI Act. The Chairman and Managing Directors are whole time Directors. As on 31st March, 2016, there were nine other directors on the Board who are eminent professionals representing Technology, Accountancy, Finance, Economics and Academics. Thus, Board has the whole time Directors, comprising Chairman and four Managing Directors in office, the composition of the Central Board, as on 31st March, 2016, was as under:

- four directors, elected by the Shareholders under Section 19(c),
- three directors, nominated by the Central Government under Section 19(d),
- one director (official from the Govt. of India), nominated by the Central Government under Section 19(e), and
- one director (official from the Reserve Bank of India), nominated by the Central Government under Section 19(f).



The composition of the Board complies with provisions laid down in Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There is no inter-se relationship between Directors.

A brief resume of each of the Non-Executive Directors is given in Annexure-I. Particulars of the directorships/memberships held by all the Directors in various Boards/ Committees are given in Annexure-II and the details of their Shareholding in the Bank are mentioned in Annexure-III.

Meetings of the Central Board

The Bank's Central Board has to meet a minimum of six times in a year. During the year 2015-16, twelve Central Board Meetings were held. The dates of the meetings and attendance of the directors are as under:

Dates & Attendance of Directors at Board Meetings during 2015-16

No. of Meetings held : 12

Dates of the Meetings : 22.04.2015, 22.05.2015, 26.06.2015, 22.07.2015, 11.08.2015, 10.09.2015, 19.10.2015, 06.11.2015, 09.12.2015, 11.01.2016, 11.02.2016, 30.03.2016

Smt. Arundhati Bhattacharya, Chairman, Shri B Sriram, MD-CBG & Shri Sunil Mehta, Director attended all the twelve meetings

Name of the Director	No. of Meetings held after nomination/ election/during incumbency	No. of Meetings attended
Shri P. Pradeep Kumar, MD – CBG (upto 31.10.2015)	07	07
Shri V.G. Kannan, MD – A&S	12	11
Shri Rajnish Kumar, MD – C&R (w.e.f. 26.05.2015 to 31.10.2015) & MD –NBG (w.e.f. 01.11.2015)	10	09
Shri P. K. Gupta, MD – C&R (w.e.f. 02.11.2015)	05	05
Shri Sanjiv Malhotra	12	07
Shri M.D. Mallya	12	09
Shri Deepak I. Amin	12	09
Shri S.K. Mukherjee (upto 03.10.2015)	06	05
Dr. Rajiv Kumar (upto 05.08.2015)	04	01
Shri Harichandra Bahadur Singh (upto 23.09.2015)	06	04
Shri Tribhuwan Nath Chaturvedi	12	06
Dr. Hasmukh Adhia (upto 02.09.2015)	05	00
Dr. Girish K. Ahuja (w.e.f. 28.01.2016)	02	02
Dr. Pushpendra Rai (w.e.f. 28.01.2016)	02	02
Ms. Anjuly Chib Duggal (w.e.f. 03.09.2015)	07	02
Dr. Urjit R. Patel	12	07

Executive Committee of the Central Board

The Executive Committee of the Central Board (ECCB) is constituted in terms of Section 30 of the SBI Act, 1955. The State Bank of India General Regulations (46 & 47) provide that, subject to the

general or special directions of the Central Board, ECCB may deal with any matter within the competence of the Central Board. ECCB consists of the Chairman, the Managing Directors, the Director nominated under Section 19(f) of the SBI Act (Reserve Bank of India nominee), and all or any of the other

Directors who are normally residents or may for the time being be present at any place within India where the meeting is held. The ECCB meetings are held once every week. The details of attendance of ECCB Meetings during the year 2015-16 are as under:

CORPORATE GOVERNANCE

Attendance of Directors at ECCB Meetings during 2015-16

No. of Meetings held : 52

S. No.	Directors	No. of Meetings held after nomination/ election/during incumbency	No. of Meetings attended
1	Smt Arundhati Bhattacharya, Chairman	52	51
2	Shri P. Pradeep Kumar, MD – CBG (upto 31.10.2015)	30	29
3	Shri B. Sriram MD – NBG (upto 31.10.2015) and MD-CBG (w.e.f.01.11.2015)	52	45
4	Shri V.G. Kannan MD – A&S	52	45
5	Shri Rajnish Kumar MD – C&R (w.e.f. 26.05.2015 to 31.10.2015) and MD-NBG (w.e.f. 01.11.2015)	45	40
6	Shri P. K. Gupta MD – C&R (w.e.f. 02.11.2015)	22	18
7	Shri Sanjiv Malhotra	52	33
8	Shri M.D. Mallya	52	39
9	Shri Sunil Mehta	52	50
10	Shri Deepak I. Amin	52	44
11	Dr. Urjit R. Patel	52	01
Directors who are normally not residents of the place of Meetings but were present on the day at the place where the Meeting was held:			
12	Shri S.K. Mukherjee (upto 03.10.2015)	04	04
13	Dr. Rajiv Kumar (upto 05.08.2015)	01	01
14	Shri Harichandra Bahadur Singh (upto 23.09.2015)	13	13
15	Shri Tribhuvan Nath Chaturvedi	04	04
16	Dr. Girish K. Ahuja (w.e.f. 28.01.2016)	01	01
17	Dr. Pushpendra Rai (w.e.f. 28.01.2016)	01	01

Other Board Level Committees:

In terms of the provisions of SBI Act and General Regulations, 1955 and Govt./RBI/SEBI guidelines, the Central Board has constituted ten Board Level Committees viz. Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, Special Committee of the Board for Monitoring of Large Value Frauds (₹1 crore and above), Customer Service Committee, IT Strategy Committee, Corporate Social Responsibility Committee, Remuneration Committee, Board Committee to Monitor Recovery and Committee for Identification of Wilful Defaulters / Non-Co-operative Borrowers. These Committees provide effective professional support in the

conduct of Board level business in key areas like Audit & Accounts, Risk Management, resolution of Shareholders'/Investors' grievances, Fraud Review and Control, Review of customer service and redressal of customer grievances, Technology Management, Corporate Social responsibilities, Payment of Incentives to Executive Directors and Oversight on Recovery of Loans and Advances. While the Remuneration Committee approves, once in a year, payment of incentives to wholtime Directors, based on Govt. of India guidelines, the other Committees meet periodically, once in a quarter normally, to deliberate on policy issues and/or review domain performance, as per the Calendar of reviews approved by the Central Board.

The Committees also call external specialists, besides drawing upon the services of top executives from the Bank, as and when needed. The minutes and proceedings containing brief reports on the discussions held at the meetings of the Committees are placed before the Central Board.

Audit Committee of the Board

The Audit Committee of the Board (ACB) was constituted on 27th July, 1994 and last re-constituted on the 30th March, 2016. The ACB functions as per RBI guidelines and complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to the extent that they do not violate the directives/guidelines issued by RBI.



Functions of ACB

(a) ACB provides direction as also oversees the operation of the total audit function in the Bank. Total audit function implies the organisation, operationalisation and quality control of internal audit and inspection within the Bank and follow-up on the statutory/ external audit, compliance of RBI inspection. It also appoints Statutory Auditors of the Bank and review their performance from time to time.

(b) ACB reviews the Bank's financial, Risk Management, IS Audit Policies and Accounting Policies/Systems of the Bank to ensure greater transparency.

(c) ACB reviews the internal inspection/audit plan and functions in the Bank – the system, its quality and effectiveness in terms of follow-up. It also, especially, focuses on the follow up of :

- KYC-AML guidelines;
- Major areas of housekeeping;
- Compliance of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- Status of implementation of Ghosh Committee recommendations.

(d) It obtains and reviews reports from the Compliance Department in the Bank.

(e) ACB follows up on all the issues raised in RBI's Annual Financial Inspection Reports under Section 35 of Banking Regulation Act, 1949 and Long Form Audit Reports of the Statutory Auditors and other Internal Audit Reports. It interacts with the external auditors before the finalisation of the annual/quarterly financial accounts and reports. A formal 'Audit Charter' or 'Terms of Reference' laid down by the

Central Board, is in place and updated periodically, the last revision effected from 18th December, 2014.

Composition & Attendance during 2015-16

The ACB has eight members of the Board of Directors, including two whole time Directors, two non-executive Directors (nominees of GOI and RBI) and four non-official, non-executive Directors. Meetings of the ACB are chaired by a Non-Executive Director (Chartered Accountant). The constitution and quorum requirements, as per RBI guidelines, are complied with meticulously. During the year, eleven meetings of ACB were held to review the various matters connected with the internal control, systems and procedures and other aspects as required in terms of RBI guidelines.

Dates of Meetings of ACB held & Attendance of Directors during 2015-16

No. of Meetings held : 11

Dates of the Meetings : 08.04.2015, 21.05.2015, 30.06.2015, 29.07.2015, 10.08.2015, 05.10.2015, 05.11.2015, 14.12.2015, 18.01.2016, 10.02.2016, 22.03.2016

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Sanjiv Malhotra, Chairman of the Committee (upto 21.04.2015)	01	01
Shri Sunil Mehta, Chairman of the Committee - w.e.f. 22.04.2015 & Member of the Committee (upto 21.04.2015)	11	11
Shri P. Pradeep Kumar, MD – CBG (upto 31.10.2015)	06	05
Shri B. Sriram, MD – NBG (upto 31.10.2015) & MD – CBG (w.e.f. 01.11.2015)	11	09
Shri V.G. Kannan, MD – A&S (Alternate Member)	-	03
Shri Rajnish Kumar, MD – C&R (w.e.f. 26.05.2015) & MD-NBG (w.e.f.01.11.2015)	01	01
Shri P. K. Gupta, MD – C&R (w.e.f. 06.11.2015)	04	04
Shri M.D. Mallya	11	09
Shri Deepak I. Amin (w.e.f. 26.06.2015)	09	07
Dr. Rajiv Kumar (upto 05.08.2015)	04	00
Dr. Hasmukh Adhia (upto 02.09.2015)	05	00
Ms. Anjuly Chib Duggal (w.e.f. 03.09.2015)	06	00
Dr. Urjit R. Patel	11	06

CORPORATE GOVERNANCE

Risk Management Committee of the Board

The Risk Management Committee of the Board (RMCB) was constituted on the 23rd March, 2004, to oversee

the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk. The Committee was last reconstituted on the 30th March, 2016 and has,

eight members. The Senior Managing Director is the Chairman of the Committee. RMCB meets a minimum of four times a year, once in each quarter. During 2015-16, four meetings of the RMCB were held.

Dates of Meetings of RMCB held & Attendance of Directors during 2015-16

No. of Meetings held : 4

Dates of the Meetings : 30.06.2015, 23.09.2015, 19.11.2015, 24.02.2016

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri P. Pradeep Kumar, MD – CBG (upto 31.10.2015)	02	01
Shri B. Sriram, MD-NBG (upto 31.10.2015 as Alternate Member) & MD – CBG (w.e.f. 01.11.2015)	04	03
Shri V.G.Kannan, MD A&S (Alternate member)	-	02
Shri Rajnish Kumar, MD – C&R (w.e.f. 26.06.2015 to 31.10.2015)	01	01
Shri P.K.Gupta, MD-C&R (w.e.f. 06.11.2015)	02	01
Shri Sanjiv Malhotra	04	02
Shri M.D. Mallya	04	02
Shri Sunil Mehta	04	03
Shri Deepak I. Amin	04	04
Shri Tribhuvan Nath Chaturvedi	04	02
Dr. Rajiv Kumar (upto 05.08.2015)	01	00

Stakeholders Relationship Committee

In pursuance of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Stakeholders Relationship Committee (SRC) [earlier known as Shareholders'/ Investors' Grievance Committee of the

Board (SIGCB), formed on the 30th January, 2001] was formed to look into the redressal of security holders complaints regarding transfer of shares, non-receipt of annual report, non-receipt of interest on bonds/declared dividends, etc. The Committee was last reconstituted on 30th March, 2016

and has, five members and is chaired by a Non-Executive Director. The composition of the Committee and its role complies with the SEBI guidelines. The Committee met four times during 2015-16 and reviewed the position of complaints.



Dates of Meetings of SRC held & Attendance of Directors during 2015-16

No. of Meetings held : 4

Dates of the Meetings : 17.04.2015, 16.07.2015, 15.10.2015, 28.01.2016

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri M.D.Mallya – Chairman of the Committee	04	03
Shri B. Sriram, MD – NBG (upto 25.06.2015)	01	01
Shri V.G. Kannan, MD – A&S	04	04
Shri Rajnish Kumar, MD – C&R (w.e.f. 26.06.2015 to 31.10.2015) & MD –NBG (w.e.f.01.11.2015)	03	03
Shri Sunil Mehta	04	04
Shri Deepak I. Amin	04	04
Shri Sanjiv Malhotra (upto 22.04.2015 and w.e.f. 06.11.2015 to 29.03.2016)	02	01
Dr. Rajiv Kumar (upto 05.08.2015)	02	00
Shri Harichandra Bahadur Singh (upto 23.09.2015)	02	01

Number of shareholders' complaints received so far (during the year): 1085

Number of complaints not solved to the satisfaction of shareholders: Nil

Number of Pending Complaints: Nil

Name and designation of Compliance officer: Shri Anil Kumar Gupta, General Manager (Compliance) & Compliance Officer.

Special Committee of the Board for Monitoring of Large Value Frauds (₹1 crore and above)

The Special Committee of the Board for monitoring of Large Value Frauds (₹1 crore and above) (SCBMF) was constituted on 29th March, 2004. The major functions of the Committee are to monitor and review all large value frauds with a view to identifying systemic lacunae, if any, reasons

for delay in detection and reporting, if any, monitoring progress of CBI/ Police investigation, recovery position, ensuring that staff accountability exercise is completed quickly, reviewing the efficacy of remedial action taken to prevent recurrence of frauds and putting in place suitable preventive measures. The Committee was last reconstituted on the 30th March, 2016 and has, eight members. The Senior Managing Director on the Committee is the Chairman. The Committee met four times during 2015-16:

CORPORATE GOVERNANCE

Dates of Meetings of SCBMF held & Attendance of Directors during 2015-16

No. of Meetings held : 4

Dates of the Meetings : 29.05.2015, 26.08.2015, 16.12.2015, 16.03.2016

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri P. Pradeep Kumar, MD – CBG (upto 31.10.2015)	02	01
Shri B. Sriram, MD-NBG (upto 31.10.2015) & MD – CBG (w.e.f. 01.11.2015 - Alternate Member)	02	02
Shri Rajnish Kumar, MD-NBG (w.e.f . 06.11.2015)	02	01
Shri P. K. Gupta, MD – C&R (w.e.f. 06.11.2015)	02	01
Shri Sanjiv Malhotra	04	02
Shri M.D. Mallya	04	03
Shri Sunil Mehta	04	04
Shri Deepak I. Amin	04	03
Shri Tribhuvan Nath Chaturvedi	04	04
Shri Harichandra Bahadur Singh (upto 23.09.2015)	02	02

Customer Service Committee of the Board

The Customer Service Committee of the Board (CSCB) was constituted on 26th

August 2004, to bring about ongoing improvements on a continuous basis in the quality of customer service provided by the Bank. The Committee was last reconstituted on 30th March, 2016

and has, seven members. The Senior Managing Director on the Committee is the Chairman. During the year 2015-16, four meetings of the Committee were held.

Dates of Meetings of CSCB held & Attendance of Directors during 2015-16

No. of Meetings held : 4

Dates of the Meetings : 30.04.2015, 05.08.2015, 27.10.2015, 04.02.2016

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri P. Pradeep Kumar, MD – CBG (upto 31.10.2015 as Alternate Member)	03	03
Shri B. Sriram, MD – NBG (upto 31.10.2015) & MD-CBG (w.e.f. 01.11.2015)	04	03
Shri V.G. Kannan, MD – A&S (upto 05.11.2015)	03	01
Shri Rajnish Kumar, MD-NBG (w.e.f. 06.11.2015)	01	01
Shri Sanjiv Malhotra (w.e.f. 06.11.2015 and upto 29.03.2016)	01	00
Shri M.D. Mallya	04	01
Shri Sunil Mehta	04	04
Shri Deepak I. Amin	04	03
Shri Harichandra Bahadur Singh (upto 23.09.2015)	02	02
Shri S.K. Mukherjee (upto 03.10.2015)	02	01

IT Strategy Committee of the Board

With a view to tracking the progress of the Bank's IT initiatives, the Bank's Central Board constituted a Technology Committee of the Board on 26th August, 2004. The Technology

Committee has been renamed as IT Strategy Committee of the Board w.e.f. 24th October, 2011. The Committee has played a strategic role in the Bank's technology domain. The Committee is entrusted with the following roles and responsibilities:

- (i) approving IT strategy and policy documents, ensuring that the management has put an effective strategic planning process in place;
- (ii) ensuring that the IT Organisational structure complements the business model and its direction ;



(iii) ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

(iv) evaluating effectiveness of management's monitoring of IT risks and overseeing the aggregate funding of IT at the Bank level; and

(v) reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value).

The Committee was last reconstituted on the 30th March, 2016 with six members and is chaired by a Non-Executive Director. The Committee met five times during 2015-16.

Dates of Meetings of ITSC held & Attendance of Directors during 2015-16

No. of Meetings held : 5

Dates of the Meetings : 18.06.2015, 09.09.2015, 10.11.2015, 17.02.2016, 01.03.2016

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Deepak I. Amin, Chairman of the Committee	05	05
Shri P.Pradeep Kumar, MD-CBG (upto 31.10.2015)	02	02
Shri B. Sriram , MB – NBG (upto 31.10.2015) & MD-CBG (w.e.f. 01.11.2015)	05	05
Shri V.G.Kannan, MD-A&S (Alternate Member)	-	01
Shri P. K. Gupta MD – C&R (w.e.f. 06.11.2015)	03	02
Shri Sanjiv Malhotra	05	03
Shri M.D. Mallya	05	04
Shri Sunil Mehta	05	05

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSRC) was constituted on the 24th September, 2014 as a measure

of good corporate governance to review the activities undertaken by Bank under Corporate Social Responsibility Policy. The Committee was last reconstituted on the 30th March, 2016 and has,

six members. The Senior Managing Director on the Committee is the Chairman. During the year 2015-16, four meetings of the Committee were held.

Dates of Meetings of CSRC held & Attendance of Directors during 2015-16

No. of Meetings held : 4

Dates of the Meetings : 22.04.2015, 19.08.2015, 15.10.2015, 28.01.2016

Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri B. Sriram MD – NBG (upto 05.11.2015)	03	02
Shri V.G. Kannan MD – A&S	04	04
Shri Rajnish Kumar MD-NBG (w.e.f. 06.11.2015)	01	01
Shri Sanjiv Malhotra	04	03
Shri M.D. Mallya	04	03
Shri Sunil Mehta	04	04
Shri Deepak I. Amin	04	02
Shri Harichandra Bahadur Singh (upto 23.09.2015)	02	00
Shri Tribhuvan Nath Chaturvedi (w.e.f. 06.11.2015 to 29.03.2016)	01	00

CORPORATE GOVERNANCE

Remuneration Committee of the Board

The Remuneration Committee was constituted on 22nd March, 2007, for evaluating the performance of Whole Time Directors of the Bank in connection with the payment of incentives, as per the scheme advised by Government of India in March, 2007. The Committee was last reconstituted on 30th March, 2016. The Committee has four members consisting of (i) the Government Nominee Director, (ii) the RBI Nominee Director and (iii) two non-executive Directors – Shri M.D. Mallya and Shri Deepak I. Amin. The Committee scrutinised and recommended payment of incentives to whole time Directors for the year ended 31.3.2015.

Board Committee to Monitor Recovery

In terms of Govt. of India advices, a Board Committee to Monitor Recovery was constituted by the Central Board at its meeting held on 20th December, 2012 for oversight on Recovery of Loans and Advances. The Committee was last reconstituted on 30th March, 2016 and has six members consisting of Chairman, four Managing Directors and the Govt. Nominee Director. The Committee met four times during the year and reviewed the NPA management and large NPA accounts of the Bank.

Review Committee for Identification of Wilful Defaulters / Non-Co-operative Borrowers

The Committee was constituted by the Central Board in terms of RBI instructions. The Managing Director-CBG is the Chairman of this Committee

and any two independent Directors are members.

The role of this Committee is to review the Order of the “Committee for Identification of Wilful Defaulters/ Non-Co-operative Borrowers” (a Committee comprising Dy. Managing Director and Senior Executives of the Bank to examine the facts and record the fact of the Borrower being a Wilful Defaulter/Non-Co-operative Borrower) and confirm the same for the Order to be considered final.

Nomination Committee of the Board:

In terms of RBI guidelines, the Bank constitute a Nomination Committee comprising of three independent Directors, as and when required, to carry out necessary due diligence and arrive at the ‘fit and proper’ status of candidates filing nominations for election as Directors by shareholders.

Local Boards

In terms of the provisions of SBI Act and General Regulations 1955, at every centre where the Bank has a Local Head Office (LHO), Local Boards/Committees of Local Boards are functional. The Local Boards exercise such powers and perform such other functions and duties delegated to them by the Central Board. As on 31st March, 2016, Local Boards at Eight LHOs and Committees of the Local Boards at the remaining Six LHOs were functional. The Minutes and Proceedings of the meetings of Local Boards/Committees of Local Boards are placed before the Central Board.

Sitting Fees

The remuneration of the whole-time Directors and the Sitting Fees paid to the Non-Executive Directors for attending the meetings of the Board/Committees of the Board are as prescribed by GOI from time to time. No remuneration, other than the Sitting Fees for attending Board and/or its Committee meetings, is paid to Non-Executive Directors. With effect from 20th July, 2015, Sitting Fees of ₹ 20,000/- (earlier ₹10,000/-) is paid for attending the Meetings of the Central Board and ₹ 10,000/- (earlier ₹5,000/-) for attending the meetings of Other Board level Committees. Sitting fees are, however, not paid to the Chairman and Managing Directors of the Bank and GOI Nominee/RBI Nominee Directors. Details of Sitting fees paid during the year 2015-16 are placed in Annexure-IV.

Compliance with Bank’s Code of Conduct

The Directors on the Bank’s Central Board and Senior Management have affirmed compliance with the Bank’s Code of Conduct for the financial year 2015-16. Declaration to this effect signed by the Chairman is placed in Annexure-V. The Code of Conduct is posted on the Bank’s website.

Developments during the year

The Bank has introduced a ‘Performance Evaluation Process’ for evaluation of the performance of the Directors, Chairman, Board and its Committees and the same was taken on record by the Central Board.

In an effort to keep the Directors abreast with better understanding of Corporate Governance, the Bank took the following initiatives during the year:



1. Looking to the multiple and varied demands being currently placed on the Boards of banks and concerns regarding governance, a two days Strategy Meet (8th and 9th May, 2015) on a short term 'Vision 2018' road map was organised for the Board in Bangalore to enable it to appreciate the recent changes and determine critical areas and actionables for Board Governance. A blend of brain storming sessions on various current issues in banking environment especially focusing on effective, incisive and transparent governance with insight in International trends, thinking and best practices followed by Boards of premier institutions, was presented by eminent professionals with domain expertise in areas like Governance, Risk, HR, Technology etc. The Board during the meet laid down its

aspirations and set goals for Business Growth and Key financial parameters and each individual Business Group had to come up with monitorable action plans with specific targets and milestones. The detailed Action Plan with specific timelines and ownership and the progress report thereafter giving the status of implementation of the various strategic initiatives was put up to Central Board.

2. (i) Two Directors participated at programme on Corporate Governance and Director Excellence conducted by Dr. Colin Coulson-Thomas, a renowned Corporate Governance Expert, from 9th to 11th March, 2016 at Malaysia, organised by Quest on the FRONTIER PTE LTD.

(ii) Two Non Executive Directors participated at Programme for Non Executive Directors on the Boards of Public Sector Banks with an aim to bring about an awareness and understand various Regulatory, supervisory and governance issues relating to Banks from 17th to 19th March, 2016, organised by Centre for Advances Financial Research and Learning (CAFRAL) at Delhi.

(iii) A presentation in regard to Roadmap for implementation of IND-AS in Banks was arranged through M/s Kalyaniwalla & Mistry, a leading Chartered Accountant firm.

The familiarisation programme of directors are available on our website – www.sbi.co.in /www.statebankofindia.com under link Corporate Governance.

Salary and Allowances paid to the Chairman and Managing Directors in 2015-16

Name	Basic	DA	Incentives	Others Arrears	Total Remuneration
Chairman Smt. Arundhati Bhattacharya (01.04.2015 to 31.03.2016)	960000.00	1142400.00	700000.00	307918.49	3110318.49
Managing Directors					
Shri P.Pradeep Kumar (01.04.2015 to 31.10.2015)	553295.00	658421.05	600000.00	481990.81	2293706.86
Shri B. Sriram (01.04.2015 to 31.03.2016)	926385.00	1102398.15	425000.00	949335.36	3403118.51
Shri V. G. Kannan (01.04.2015 to 31.03.2016)	926385.00	1102398.15	425000.00	630271.33	3084054.48
Rajnish Kumar (26.05.2015 to 31.03.2016)	789997.90	934690.73	62500.00	1080142.42	2867331.05
Parveen Kumar Gupta (02.11.2015 to 31.03.2016)	374983.34	446230.17	195833.00	65063.11	1082109.62

Attendance at the Annual General Meeting

The last Annual General Meeting (AGM) for the year 2014-15, held on 2nd July, 2015, was attended by 8 Directors, viz., Smt. Arundhati Bhattacharya, Shri P. Pradeep Kumar, Shri B. Sriram, Shri V.G. Kanan, Shri Rajnish Kumar, Shri Harichandra Bahdur Singh, Shri S.K. Mukherjee, Shri M. D. Mallya and Shri Sunil Mehta. AGM (2013-14) was held on 3rd July, 2014 and AGM (2012-13) was held on 21st June, 2013. All

three AGMs were held in Y. B. Chavan Centre, Mumbai at 3.00 p.m. and no Special Resolutions were passed in the previous three AGMs. No resolution was required to be passed through Postal Ballot during the last year and no resolution is proposed to be conducted through Postal Ballot.

Disclosure

■ The Bank has not entered into any materially significant related party transactions with its Promoters,

Directors or Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Bank at large.

■ The Bank has complied with applicable rules and regulations prescribed by stock exchanges, SEBI, RBI or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Bank.

CORPORATE GOVERNANCE

■ The Whistle Blower Policy of the Bank is based on the norms of Government of India resolution on Public Interest Disclosure & Protection of Informer (PIDPI). The Policy is an internal reporting mechanism available to all staff of the Bank to act as a 'Whistle Blower' to expose any unethical, corrupt practices of their co-workers, seniors/superiors in the Bank. However, PIDPI complaint as applicable to customers are dealt with in line with Government of India guidelines 2004, which designated Central Vigilance Commission for dealing with complaints.

■ Policy on materiality of related party transactions and policy for determining 'material' subsidiaries are available on the bank's website-www.sbi.co.in/ www.statebankofindia.com under link corporate-governance-policies.

■ The Bank has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the extent that the requirements of the Clause do not violate the provisions of State Bank of India act 1955, the rules and regulations made there under and guidelines or directives issued by the Reserve Bank of India.

Means of Communication

The Bank strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives. Annual, half-yearly and quarterly results of the Bank for the year 2015-16 were published in the leading newspapers of the country. The results were also

displayed on the Bank's website (www.sbi.co.in and www.statebankofindia.com). The Annual Report is sent to all shareholders of the Bank. The Bank's website displays, inter alia, official news releases of the Bank, the Bank's Annual Reports, Half-yearly and quarterly results and details of various product offerings. Every year, after the annual and half-yearly results are declared, a Press-meet is held on the same day, in which the Chairman makes a presentation and answers the queries of the media. This is followed by another meeting to which a number of investment analysts are invited. Details of the Bank's performance are discussed with the analysts in the meeting. After declaring quarterly results, press notifications are issued.

General Shareholder Information

The Annual General Meeting of the Shareholders : Date: 30.06.2016, Time 03.00 p.m Venue: Y. B. Chavan Centre, Mumbai

Financial Calendar	: 01.04.2015 to 31.03.2016
Period of Book Closure	: 07.06.2016 to 11.06.2016
Dividend	: ₹2.60 per share
Payment Date	: 22.06.2016
Listing of securities on Stock Exchanges	: BSE Limited Mumbai and National Stock Exchange, Mumbai. GDRs listed on London Stock Exchange (LSE). Listing fees have been paid upto date to all Stock exchanges, including LSE.
Stock Code/CUSIP	: Stock Code 500112 (BSE) SBIN (NSE) CUSIP US 856552203 (LSE)
Share Transfer System	: Share transfers in Physical form are processed and returned to the shareholders within stipulated time. Quarterly Share transfer audit and reconciliation of Share Capital audit are regularly carried out by an independent Company Secretary.
Registrar and Transfer	: M/s Datamatics Financial Services Limited
Agent and their Unit Address	: Plot B-5, MIDC Part B, Cross Lane, Marol, Andheri (E), Mumbai 400 093.
Board Phone Numbers	: 022-6671 2001 to 10 (between 10 a.m. to 1.00 p.m. and 2 p.m. to 6.00 p.m.)
Direct Numbers	: 022-6671 2198 / 6671 2199



E-mail address	: sbi_eq@dfssl.com
Fax	: (022) 6671 2204
Address for Correspondence	: State Bank of India, Shares & Bonds Department, Corporate Centre, 14th Floor, State Bank Bhavan, Madam Cama Road, Nariman Point, Mumbai 400 021.
Telephone Numbers	: (022) 2274 0841 to 2274 0848
Fax	: (022) 2285 5348
E-mail Address	: gm.snb@sbi.co.in, / investor.complaints@sbi.co.in
Name of the debenture trustees with full contact details (Capital Instruments issued in INR)	: IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai-400 001 Fax Number: 91-22-6631 1776

e-Initiative: In accordance with SEBI Regulation, we are issuing annual report in electronic form to those shareholders whose e-mail addresses are available.

Investors' Care

To meet various requirements of the investors regarding their holdings, the Bank has a full-fledged Department - Shares & Bonds Department - at Mumbai and Shares & Bonds Cells at the 14 Local Head Offices. The investors' grievances, whether received at the Bank's offices or at the office of the registrar and transfer agents, are redressed expeditiously and monitored at the Top Management level.

Capital Augmentation during FY 2015-16

Pursuant to the approvals from the Reserve Bank of India and the Government of India under Section 5(2) of the SBI Act, 1955, the Bank raised the undernoted equity capital:

■ During the previous financial year, the Bank received application money of ₹ 2969,99,99,977.08 (Rupees two

thousand nine hundred sixty nine crore ninety nine lacs ninety nine thousand nine hundred seventy seven and paise eight only) including share premium amount of ₹ 2959,95,22,965.08 (Rupees two thousand nine hundred fifty nine crore ninety five lakh twenty two thousand nine hundred sixty five and paise eight only) from Government of India against Preferential Issue of 10,04,77,012 equity shares of ₹1 each to Gol. The equity shares were allotted on 01.04.2015.

■ The Bank also received application money of ₹ 5392,99,99,834.30 (Rupees five thousand three hundred ninety two crore ninety nine lakh ninety nine thousand eight hundred thirty four and paise thirty only) including share premium amount of ₹ 5373,34,40,444.30 (Rupees five thousand three hundred seventy three crore thirty four lakh forty thousand four hundred forty four and paise thirty only) from Government of India against Preferential Issue of 19,65,59,390 equity shares of ₹1 each to Gol, on 29.09.2015.

We may also add that, the Bank has issued and allotted Basel III compliant

Tier 2 bonds of INR 10,500 crore, issued for 120 months (10 year bullet) by way of private placement in four tranches. The Instrument has been rated as "CARE AAA" by CARE Ratings and "ICRA AAA" by ICRA Limited.

Outstanding Global Depository Receipts (GDR)

At the time of issue of GDRs in 1996, two-way fungibility was not permitted by the Government/RBI, i.e., if the holder of GDR desired to obtain the underlying equity shares of the Indian Company then such GDR was to be converted into shares of the Indian Company, but not vice versa. Later, two-way fungibility of ADRs/GDRs was permitted by the Government of India/RBI. The Bank has permitted two-way fungibility to the Bank's GDR programme.

The Bank had 1,44,59,324 GDRs as on 31.03.2016 representing 14,45,93,240 shares.

CORPORATE GOVERNANCE

Unclaimed Shares

Category of shareholder	No. of Shareholders	Outstanding Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	1,048	2,49,290
Number of shareholders, who approached the Issuer for transfer of shares from the Unclaimed Suspense account during the year	32	5,420
Number of shareholders to whom shares were transferred from the Unclaimed Suspense account during the year	32	5,420
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year	1,016	2,43,870

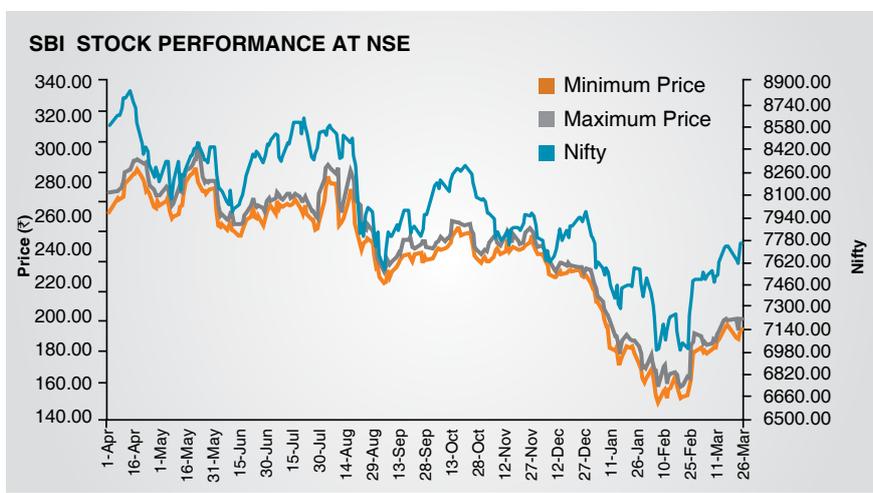
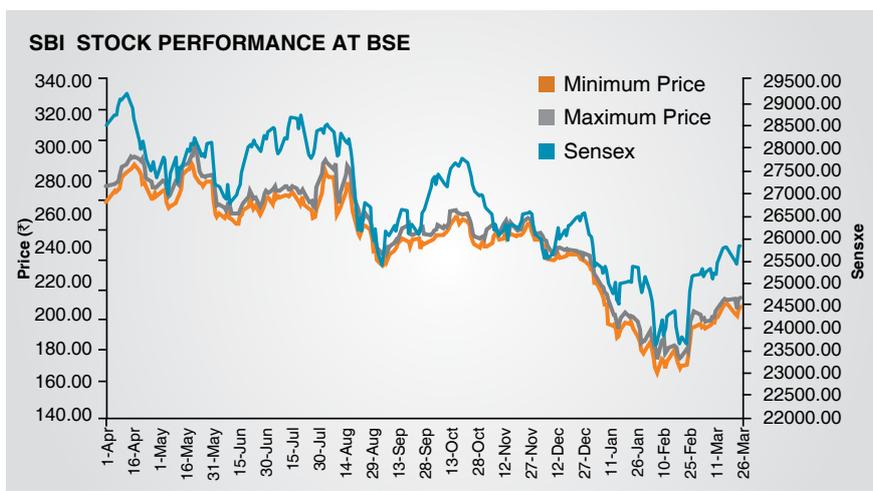
The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

Dividend History

SBI has the distinction of making uninterrupted dividend payment to the shareholders for the last many years.

Share Price Movement

The movement of the share price and the BSE Sensex/ NSE Nifty is presented in the following tables. The market capitalisation of the Bank's shares had a weightage of 2.71% in BSE Sensex and 2.13% in NSE Nifty as on 31.03.2016.



**Table: Market Price Data**

Months	BSE (INR)		NSE (INR)		LSE (GDR) US\$	
	High	Low	High	Low	High	Low
Apr-15	294.50	263.85	294.90	263.15	46.40	41.70
May-15	305.00	259.95	305.00	259.65	46.00	40.70
Jun-15	281.95	249.15	282.00	248.85	43.60	39.15
Jul-15	274.60	252.40	274.65	252.30	42.90	38.60
Aug-15	291.85	240.10	291.80	240.00	45.30	35.85
Sep-15	248.50	220.60	248.45	220.15	37.25	33.50
Oct-15	257.90	234.90	257.15	234.40	39.25	35.75
Nov-15	252.90	232.85	253.00	232.70	37.45	35.35
Dec-15	251.85	224.00	251.90	224.00	37.35	33.50
Jan-16	228.90	171.60	228.90	171.50	32.85	25.75
Feb-16	182.50	148.30	181.95	148.25	25.80	22.25
Mar-16	198.75	159.00	198.75	158.55	30.00	24.30

Book value per share ₹ 176.60, Economic Value Added (EVA) ₹ 3, 875 crore

Shareholding Pattern as on 31.03.2016

Sr. No.	Description	% to Total
1	President of India	60.18
2	Non-residents (FIIs/OCBs/NRIs/GDRs)	11.19
3	Mutual Funds & UTI	5.90
4	Private Corporate Bodies	2.75
5	Banks/ FIs/ Insurance Cos., etc.	12.65
6	Others (including Resident Individuals)	7.33
Total		100.00

Top Ten Shareholders; as on 31.03.2016

Sr. No.	Name	% of Shares in Total Equity
1	President of India	60.18
2	Life Insurance Corporation of India - (financial institutions)	11.27
3	HDFC Trustee Company Limited (Mutual Fund)	2.08
4	The Bank of New York Mellon (As Depository To Our GDR)	1.86
5	Reliance Capital Trustee Co. Limited (Mutual Fund)	1.09
6	Skagen Kon-Tiki Verdip Apirfond (Foreign Institutional Investors)	0.72
7	ICICI Prudential life Insurance Co. Limited (Private Corporate Bodies)	0.56
8	General Insurance Corporation of India (Financial Institution)	0.54
9	Abu Dhabi Investment Authority (Foreign Institutional Investors)	0.53
10	SBI Mutual Fund (Mutual Fund)	0.50

CORPORATE GOVERNANCE

Dematerialization of Shares and Liquidity: Bank's equity shares are compulsorily traded in the electronic form.

As on 31st March 2016, 767,36,51,516 shares representing 98.85% of total equity capital were held in electronic form.

Description	No. Share Holders	No. Shares	Shares %
NSDL	966579	2774084092	35.736
CDSL	514694	4899567424	63.116
Physical	178367	89125526	1.148
TOTAL	1659640	7762777042	100.000

Distribution Schedule As on 31st March, 2016 (Face value of ₹ 1 each)

Range No. of Shares	Total Holders	% to Total Holders	Total Holdings in ₹	% to Total Capital
1-5000	1651800	99.529	48,25,66,593	6.216
5001-10000	4255	0.256	3,01,34,363	0.388
10001-20000	1625	0.098	2,28,30,539	0.294
20001-30000	452	0.027	1,11,67,306	0.144
30001-40000	216	0.013	76,72,804	0.099
40001-50000	141	0.008	64,82,240	0.084
50001-100000	316	0.019	2,29,63,376	0.296
100001-ABOVE	835	0.050	717,89,59,821	92.479
TOTAL	1,659,640	100.000	776,27,77,042	100.000

Commodity price risk or foreign exchange risk and hedging activities

The Bank currently deals in over-the-counter (OTC) currency derivatives and exchange traded currency derivatives. Currency derivatives dealt by the Bank are Forwards, Currency Futures, currency swaps and currency options. Derivatives are used by the Bank, both for trading as well as for hedging of balance sheet items. The hedging products are offered to Bank's customers to hedge their exposures and the Bank also enters into derivative contracts for cover of such exposures. The bank also runs an Option Book in USD/INR, which is managed through various types of loss limits and Greek limits. As on 31st March, 2016, there is no breach in loss limits or greek limits.

Derivative transactions carry the following two risks:

- market risk i.e., the probable loss the Bank may incur as a result of adverse movements in exchange rate and
- credit risk i.e., the probable loss the Bank may incur if the counterparties fail to meet their obligations.

The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (cut-loss triggers, open position limits, duration, modified duration, PV01, etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness & suitability policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering into derivative transactions only with counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account

their ability to honour obligations and the Bank enters into International Swap & Derivative Association (ISDA) agreement with each counterparty.

Bank also gets exposed to foreign exchange risk and commodity risk on account of customer transactions. Bank is only into Gold Banking Business as far as Commodity Risk is concerned. and these are undertaken on behalf of customers only. The Bank has laid down policies and systems & procedure in place to manage the risk within prescribed risk limits. The Bank has a world class Dealing Room manned by well trained and experienced dealers to do the cover operations and hedging.

The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions. The back office operations are handled by GMU, Kolkata.



Annexure I

Brief Resumes of the Non-Executive Directors on the Board as on 31st March, 2016

Shri Sanjiv Malhotra

(Date of Birth: 1st October, 1951)
Shri Malhotra has 41 years of Global Banking and Finance experience in senior positions in Risk Management, Corporate and Investment Banking, Consumer Finance and Micro Enterprise lending, Private Equity.

Shri M.D. Mallya

(Date of Birth: 09th November, 1952)
Shri Mallya was Chairman & Managing Director of Bank of Maharashtra. Shri Mallya worked towards turnaround of the Bank, more particularly by strengthening Technology, HR and Organisational Structure.
Shri Mallya was also Chairman & Managing Director of Bank of Baroda during May, 2008 to November, 2012. His inspiring leadership and innovative strategic steps initiated, resulted in the Bank achieving excellent performance and receiving wide recognition in the form of many laurels and accolades.

Shri Sunil Mehta

(Date of Birth: 22nd August, 1957)
Shri Sunil Mehta has over 33 years of proven leadership experience in Banking, Insurance, Financial Services and Investments with Citibank and AIG. As Country Head of AIG for 13 years, Shri Mehta was responsible for setting up in India and overseeing ten businesses covering Life & Non-Life Insurance, Private Equity, Asset Management, Real Estate, Home & Consumer Finance, Software Development, Mortgage Guaranty and Aircraft

Leasing. Shri Mehta worked at Citibank for 18 years in various senior positions which included Head of the Corporate Bank in India and Senior Credit Officer. He is currently Chairman & MD, SPM Capital Advisers Private Limited and is a Board Member and Senior Adviser to other notable organizations as well. Shri Mehta is also closely associated with several not for profit organizations. He is past Chairman of the American Chamber of Commerce (AMCHAM) India, United Way of India & Mumbai and Action for Ability Development & Inclusion (formerly The Spastics Society of North India). Shri Mehta is on the Board of The Asia Society amongst other not for profit organizations. He is a Fellow Chartered Accountant from the Institute of Chartered Accountants of India and an alumni of the Wharton School of Management, University of Pennsylvania, USA.

Shri Deepak I. Amin

(Date of Birth: 20th April, 1966)
Shri Amin holds a B.Tech. in Computer Science from IIT Bombay and M.S. in Computer Science from University of Rhode Island, USA. Shri Amin was the co-founder and CEO of Covelix, Inc. a Seattle and India based international software consulting (acquired by Emtec Inc.) Prior to this, Shri Amin was the founder and CEO of vJungle, Inc., a web services software infrastructure company, which was acquired by Streamserve, Inc. Shri Amin also worked at Microsoft for many years as a lead engineer in Microsoft Windows Networking teams and was a senior engineer in the original Internet Explorer browser team at Microsoft, USA. Shri Amin is on the Technology Advisory Board of Grameen Foundation of Nobel Laureate Dr. Muhammad

Yunus providing scalable financial and technology solutions for improving financial inclusion of the world's poorest women.

Shri Tribhuwan Nath Chaturvedi

(Date of Birth: 15th January, 1959)
Shri Tribhuwan Nath Chaturvedi is a Director nominated by the Central Government u/s 19(d) of the SBI Act, w.e.f. 29th August, 2013, for a period of three years. Shri Chaturvedi is a Practicing Chartered Accountant and Senior Partner in T N Chaturvedi & Co., Chartered Accountants, New Delhi and has wide experience and expertise in the area of Finance & Accounts, Taxation and Corporate Laws. Shri Chaturvedi earlier served as Shareholder Director on the Board of Punjab National Bank for a period of three years (27th December, 2008 to 26th December, 2011). He was also appointed by Governor of Uttar Pradesh as Director on the Board of New Okhla Industrial Development Authority (NOIDA) for a period of three years from 30.06.2004 to 11.06.2007.

Dr. Girish Kumar Ahuja

(Date of Birth : 29th May, 1946)
Dr. Girish Kumar Ahuja is a Director nominated by the Central Government u/s 19(d) of the SBI Act, w.e.f. 28th January, 2016, for a period of three years. Dr. Ahuja is a Chartered Accountant and academician having 44 yrs of consultancy experience in international and domestic taxation, joint ventures, etc. He has expert knowledge in Direct Taxes and having Doctorate in Financial Sector Reforms - Capital Market Efficiency and Port Folio Investment.

CORPORATE GOVERNANCE

Dr. Pushendra Rai

(Date of Birth : 02nd June, 1953)

Dr. Pushendra Rai is a Director nominated by the Central Government u/s 19(d) of the SBI Act, w.e.f. 28th January, 2016, for a period of three years, has about 37 years of professional experience in national and international institutions.

As a member of the Indian Administrative Service for more than 21 years, he was responsible for formulating policy; preparing the program and budget; determining implementation strategies; monitoring implementation; and evaluating staff performance for a diverse set of institutions like rural and industrial development agencies, power generation and distribution departments, petroleum companies and intellectual property offices. He has also worked as the National

Project Director - UNDP/WIPO; Member, Governing Council, National Institute of Design; Member Secretary, Foreign Investment Promotion Council; Executive Director, National Renewal Fund; National Negotiator at WTO/WIPO and Secretary General, Quality Council of India.

Subsequently, Dr. Rai worked at the World Intellectual Property Organization, Geneva (UN), for 16 years, handling assignments like extending technical cooperation, promoting the economic aspects of IP and asset creation; leading the Development Agenda process and heading the Regional Office for Asia Pacific at Singapore.

Dr. Rai has a Ph.D. from IIT, Delhi; postgraduate degrees from Harvard University and the University of Lucknow and has lectured extensively in various parts of the world.

Ms. Anjuly Chib Duggal

(Date of Birth: 27th August, 1957)

Ms. Anjuly Chib Duggal is a Director, nominated by the Central Government, u/s 19(e) of SBI Act w.e.f. 3rd September, 2015. Ms. Anjuly Chib Duggal is Secretary, Financial Services, Ministry of Finance, Govt. of India.

Dr. Urjit R. Patel

(Date of Birth: 28th October, 1963)

Dr. Urjit R. Patel is a Director, nominated by the Central Government, u/s 19(f) of SBI Act w.e.f. 6th February, 2013. Dr. Urjit R. Patel is Deputy Governor, Reserve Bank of India.



Annexure II

Details of Memberships/Chairmanships held by the Directors on the Boards/

Board-level Committees of the Bank/Other Companies as on 31.03.2016

S. No.	Name of Director	Occupation & Address	Appointed to Board since	Number of Companies including the Bank (Details given in Annexure II A)
1.	Smt. Arundhati Bhattacharya	Chairman No.5, Dunedin, J. M. Mehta Road, Mumbai – 400 006	07.10.2013	Chairman : 15 Director : 01
2.	Shri B. Sriram	Managing Director M-2, Kinnellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	17.07.2014	Director : 01 Committee Member : 01
3.	Shri V. G. Kannan	Managing Director D-11, Kinnellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	17.07.2014	Director : 19 Committee Member : 06
4.	Shri Rajnish Kumar	Managing Director D-10, Kinnellan Towers 100A, Napean Sea Road, Mumbai – 400 006	26.05.2015	Director : 03 Committee Member : 01
5.	Shri P. K. Gupta	Managing Director M-1, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	02.11.2015	Director : 01 Committee Member : 01
6.	Shri Sanjiv Malhotra	Chartered Accountant 6, Motabhoy Mansion 130, Maharishi Karve Marg, Churchgate, Mumbai – 400 020	26.06.2014	Director : 01
7.	Shri M.D. Mallya	Retired Bank Executive C-601 Ashok Towers, Dr. S.S.Rao Marg, Opp. M.G. Hospital, Parel Mumbai - 400 012	26.06.2014	Director : 12 Chairman of Committee: 03 Committee Member : 05
8.	Shri Sunil Mehta	Chairman & MD SPM Capital Advisers P. Limited 203-A Vivarea, Sane Guruji Marg, Mahalaxmi (East), Mumbai – 400 011	26.06.2014	Director : 04 Chairman of Committee: 01 Committee Member : 01
9.	Shri Deepak I. Amin	Advisor 104 Neel Kanth Tirth, 6th Road Chembur, Mumbai – 400 071	26.06.2014	Director : 02 Committee Member : 01
10.	Shri Tribhuwan Nath Chaturvedi	Chartered Accountant, M/s. T.N. Chaturvedi & Co. 406, Chiranjiv Tower, 43, Nehru Place, New Delhi-110 019	29.08.2013	Director : 01
11.	Dr. Girish K. Ahuja	Chartered Accountant, M/s. G.K. Ahuja & Co., E-6A, LGF, Kailash Colony, New Delhi 110 048	28.01.2016	Director : 05 Committee Member : 02
12.	Dr. Pushpendra Rai	Development Specialist, (former National & International civil servant) 50, Paschimi Marg, Vasant Vihar, New Delhi-110 057	28.01.2016	Director : 01
13.	Ms. Anjuly Chib Duggal GOI Nominee	Secretary, (Financial Services) Ministry of Finance, Government of India, (Banking Division), Jeevan Deep Bldg., Parliament Street, New Delhi – 110 001	03.09.2015	Director : 03 Committee Member : 01
14.	Dr. Urjit R. Patel Reserve Bank of India Nominee	Deputy Governor Reserve Bank of India Central Office, Shaheed Bhagat Singh Road, Mumbai-400 001	06.02.2013	Director : 03 Committee Member : 02

CORPORATE GOVERNANCE

Annexure IIA

Total Number of Memberships/Chairmanships held by the Directors on the Boards / Board-level Committees of the Bank@/Other Companies as on 31.03.2016

{@Only Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee are reckoned as per Regulation 26(1) of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015 }

1. Smt. Arundhati Bhattacharya

S. No.	Name of the Company/Name of the Concern/Society	Member/Director/Chairman
1	State Bank of India	Chairman
2	State Bank of Patiala	Chairman
3	State Bank of Bikaner & Jaipur	Chairman
4	State Bank of Hyderabad	Chairman
5	State Bank of Mysore	Chairman
6	State Bank of Travancore	Chairman
7	SBI Global Factors Limited	Chairman
8	SBI Pension Funds Private Limited	Chairman
9	SBI Life Insurance Company Limited	Chairman
10	SBI Funds Management Private Limited	Chairman
11	SBI Cards & Payment Services Private Limited	Chairman
12	SBI General Insurance Company Limited	Chairman
13	SBI DFHI Limited	Chairman
14	SBI Capital Markets Limited	Chairman
15	SBI Foundation	Chairman
16	Export-Import Bank of India	Director

2. Shri B. Sriram

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Managing Director	Audit Committee of the Board-Member

3. Shri V. G. Kannan, Managing Director

S. No.	Name of the Company/Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/Member@
1	State Bank of India	Managing Director	Stakeholders Relationship Committee of the Board – Member
2	State Bank of Patiala	Director	-
3	State Bank of Mysore	Director	-
4	State Bank of Travancore	Director	-
5	State Bank of Bikaner & Jaipur	Director	-
6	State Bank of Hyderabad	Director	-
7	SBI Capital Markets Limited	Director	Audit Committee of the Board - Member
8	SBI Cap Securities Limited	Director	-
9	SBI Global Factors Limited	Director	Audit Committee of the Board - Member
10	SBI DFHI Limited	Director	Audit Committee of the Board - Member
11	SBI Cards & Payment Services Private Limited	Director	-
12	SBI Pension Funds Private Limited	Director	Audit Committee of the Board - Member
13	SBI General Insurance Company Limited	Director	Audit Committee – Member
14	SBI Life Insurance Co. Limited	Director	-
15	SBICAP Ventures Limited	Director	-
16	SBICAP (U.K.) Limited	Director	-
17	SBI Cap Singapore Limited	Director	-
18	SBI Funds Management Private Limited	Director	-
19	SBI Foundation	Director	-



4. Shri Rajnish Kumar

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	State Bank of India	Managing Director	Stakeholders Relationship Committee – Member
2	SBI Life Insurance Co. Limited	Director	
3	SBI Foundation	Director	

5. Shri P. K. Gupta

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	State Bank of India	Managing Director	Audit Committee of the Board – Member

6. Shri Sanjiv Malhotra

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	State Bank of India	Director	-

7. Shri M.D. Mallya

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	State Bank of India	Director	Audit Committee of the Board – Member Stakeholders Relationship Committee – Chairman
2	India Infradebt Limited	Director	Audit Committee – Member
3	Nitesh Estates Limited	Director	Audit Committee - Member
4	Emami Limited	Director	-
5	Nitesh Housing Developers (P) Limited	Director	-
6	Nitesh Urban Development (P) Limited	Director	-
7	Nitesh Indiranagar Retail (P) Limited	Director	-
8	IFMR Rural Channel & Services (P) Limited	Director	Audit Committee - Chairman
9	Seven Islands Shipping Limited	Director	Audit Committee – Member
10	Pudhuaaru Financial Services Limited	Director	Audit Committee – Member
11	Interglobe Aviation Limited	Director	Audit Committee - Chairman
12	Coffee Day Enterprises Limited	Director	-

8. Shri Sunil Mehta

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	State Bank of India	Director	Audit Committee of the Board - Chairman Stakeholders Relationship Committee- Member
2	IL&FS AMC Trustee Limited	Director	-
3	Asia Society India Centre (Section 25 Company)	Director	-
4	SPM Capital Advisers P. Limited	Chairman & MD	-

9. Shri Deepak I. Amin

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	State Bank of India	Director	Audit Committee of the Board - Member
2	Radian Advisors P. Limited	Director	-
3	Five Villages Enterprises LLP (Partnership firm)	Partner	-

CORPORATE GOVERNANCE

10. Shri Tribhuwan Nath Chaturvedi

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	State Bank of India	Director	-

11. Dr. Girish Kumar Ahuja

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	State Bank of India	Director	Audit Committee of the Board – Member Stakeholders Relationship Committee - Member
2	Flair Publications P.Limited	Director	-
3	Devyani International Limited	Director	-
4	Varuna Beverages Limited	Director	-
5	Devyani Food Street P.Limited	Director	-

12. Dr.Pushpendra Rai

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	State Bank of India	Director	-

13. Ms.Anjuly Chib Duggal

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	State Bank of India	Director	Audit Committee of the Board-Member
2	Reserve Bank of India	Director	-
3	National Financial Holdings Company Limited	Director	-

14. Dr. Urjit R. Patel

S. No.	Name of the Company/ Name of the Concern/Society	Director	Name(s) of the Committee(s) Chairman/ Member@
1	Reserve Bank of India	Director	-
2	State Bank of India	Director	Audit Committee of the Board -Member
3	National Housing Bank	Director	Audit Committee of the Board - Member



Annexure – III

Details of shareholding of Directors on the Bank's Central Board as on 31/03/2016

S. No.	Name	No. of Shares as on 31.03.2016
1	Smt. A Bhattacharya	2000
2	Shri B. Sriram	500
3	Shri V.G.Kannan	3855
4	Shri Rajnish Kumar	Nil
5	Parveen Kumar Gupta	4900
6	Shri Sanjiv Malhotra	8800
7	Shri M.D.Mallya	5000
8	Shri Sunil Mehta	5000
9	Shri Deepak I.Amin	5000
10	Shri T.N.Chaturvedi	2000
11	Girish K Ahuja	2000
12	Pushpendra Rai	Nil
13	Ms Anjuly Chib Duggal	Nil
14	Dr. Urjit R. Patel	Nil

Annexure IV

Details of Sitting Fees paid to Directors for attending Meetings of the Central Board and Board-Level Committees during 2015-16

S. No.	Name of Director	Meetings of Central Board (₹)	Meetings of Other Board Level Committees (₹)	Total (₹)
1	Shri Sanjiv Malhotra	130000	415000	545000
2	Shri M.D. Mallya	150000	565000	715000
3	Shri Sunil Mehta	210000	735000	945000
4	Shri Deepak I. Amin	150000	630000	780000
5	Dr. Rajiv Kumar	10000	5000	15000
6	Shri Tribhuwan Nath Chatutvedi	100000	90000	190000
7	Shri Harichandra Bahadur Singh	60000	135000	195000
8	Shri S.K. Mukherjee	70000	25000	95000
9	Dr. Girish K. Ahuja	40000	20000	60000
10	Dr.Pushpendra Rai	40000	20000	60000

CORPORATE GOVERNANCE

Annexure V

STATE BANK OF INDIA DECLARATION

AFFIRMATION OF COMPLIANCE WITH THE BANK'S CODE OF CONDUCT (2015-16)

I declare that all Board Members and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2015-16.

ARUNDHATI BHATTACHARYA
CHAIRMAN

Date: 18th April, 2016

DISCRETIONARY REQUIREMENTS (Regulation 27 of SEBI Listing Regulations, 2015)

1. **The Board** - As the Bank has an Executive Chairman, this is not applicable.
2. **Shareholders Rights** - Bank publishes its half yearly financial results in the newspapers having nationwide circulation. The half- yearly financial result and significant events are uploaded on the Bank's website. The Bank, however, does not send the half-yearly results to each household of shareholders.
3. **Modified Opinion(s) in audit report** - There is no audit modification in the financial statements of the Bank for the financial year ended on March 31, 2016.
4. **Separate post of chairperson and chief executive officer** - The appointment of the Chairman and the four Managing Directors is as per the provisions of the SBI Act, 1955.
5. **Reporting of Internal Auditor** - The Internal Auditor (Deputy Managing Director Inspection & Management Audit) reports directly to the Audit Committee of the Board.



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
State Bank of India

We, Varma & Varma, Chartered Accountants (Firm's Registration No.: 004532S), as Statutory Auditors of STATE BANK OF INDIA ("the Bank"), having its Corporate Centre at State Bank Bhavan, Madame Cama Road, Mumbai, Maharashtra 400 021, have examined the compliance of conditions of Corporate Governance by the Bank, for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Bank with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance, issued by the Institute of Chartered Accountants of India, and was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has, in all material aspects complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

For and on behalf of
Varma & Varma
Chartered Accountants
Firm Registration No: 004532S

Place: Kolkata
May 27, 2016

Cherian K. Baby
Partner
Membership No.16043

BUSINESS RESPONSIBILITY REPORT

About the Business Responsibility Report:

Business Responsibility Report of the Bank, is published on an annual basis since FY2012-13 (Present one is 4th).

Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/10/2015 dated 4th November, 2015 mandates the inclusion of Business Responsibility Report (BRR) as part of the Annual Report for Top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) at BSE and NSE. The Bank's Sustainability Report which contains the Business Responsibility Report for the financial year ended 31st March, 2016 has been hosted on the Bank's website www.sbi.co.in/ www.statebankofindia.com under separate link <http://www.sbi.co.in/portal/web/corporate-governance/sr2016>. Any shareholder interested in obtaining a physical copy of the same may write to the Bank (email Id: gm.snb@sbi.co.in and postal address: General Manager, Shares & Bonds Department, State Bank of India, Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai - 400 021)