

# 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 SBI 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 31<sup>st</sup> March 2018, there were eight other directors on the Board who are eminent professionals representing Technology, Accountancy, Finance, Economics and Academics. The composition of the Central Board, as on 31<sup>st</sup> March 2018, was as under:

- Chairman appointed by the Central Government in consultation with the RBI u/s 19(a)
- three Managing Directors, appointed by the Central Government in consultation with the RBI u/s 19(b)
- three 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) on the recommendations of the RBI.

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 2017-18, thirteen 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 2017-18

<b>No. of Meetings held</b>	: 13	
<b>Dates of the Meetings</b>	: 26.04.2017, 19.05.2017, 27.06.2017, 26.07.2017, 11.08.2017, 27.09.2017, 25.10.2017, 10.11.2017, 27.12.2017, 31.01.2018, 09.02.2018, 28.02.2018 and 21.03.2018	
<b>Name of the Director</b>	<b>No. of Meetings held after nomination/ election /during incumbency</b>	<b>No. of Meetings attended</b>
Smt. Arundhati Bhattacharya, Chairman (upto 06.10.2017)	06	06
Shri Rajnish Kumar, Chairman (w.e.f. 07.10.2017)	07	07
Shri Rajnish Kumar, MD – NBG (upto 06.10.2017)	06	06
Shri B. Sriram, MD – C&GB	13	13
Shri P. K. Gupta, MD – R&DB	13	13
Shri Dinesh Kumar Khara, MD – R,IT&S	13	12
Shri Sanjiv Malhotra	13	10
Shri M. D. Mallya (upto 25.06.2017)	02	02
Shri Deepak I. Amin (upto 25.06.2017)	02	02
Shri Bhaskar Pramanik (w.e.f. 26.06.2017)	11	10
Shri Basant Seth (w.e.f. 26.06.2017)	11	10
Shri Pravin Kutumbe (w.e.f. 26.06.2017 to 08.03.2018)	10	07
Dr. Girish K. Ahuja	13	07
Dr. Pushpendra Rai	13	12
Dr. Purnima Gupta (w.e.f. 01.02.2018)	03	03
Ms. Anjuly Chib Duggal (upto 31.08.2017)	05	01
Shri Rajiv Kumar (w.e.f. 12.09.2017)	08	00
Shri Chandan Sinha	13	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 2017-18 are as under:

## Attendance of Directors at ECCB Meetings during 2017-18

<b>No. of Meetings held</b>	: 52		
<b>S. No.</b>	<b>Directors</b>	<b>No. of Meetings held after nomination/ election/ during incumbency</b>	<b>No. of Meetings attended</b>
1	Smt. Arundhati Bhattacharya, Chairman (upto 06.10.2017)	27	24
2	Shri Rajnish Kumar, Chairman (w.e.f. 07.10.2017)	25	24
3	Shri Rajnish Kumar, MD – NBG (upto 06.10.2017)	27	23
4	Shri B. Sriram, MD – C&GB	52	43
5	Shri P. K. Gupta, MD – R&DB	52	45
6	Shri Dinesh Kumar Khara, MD – R,IT&S	52	51
7	Shri Sanjiv Malhotra	52	38
8	Shri M.D. Mallya (upto 25.06.2017)	12	08
9	Shri Deepak I. Amin (upto 25.06.2017)	12	09
10	Shri Pravin Kutumbe (w.e.f. 26.06.2017 to 08.03.2018)	49	24
11	Shri Chandan Sinha	52	30
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 / participated through Video-conferencing:			
12	Shri Bhaskar Pramanik (w.e.f. 26.06.2017)	32	32
13	Shri Basant Seth (w.e.f. 26.06.2017)	26	26
14	Dr. Girish K. Ahuja	01	01
15	Dr. Pushpendra Rai	28	28
16	Dr. Purnima Gupta (w.e.f. 01.02.2018)	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 other eleven Board Level Committees viz. Audit Committee of the Board, Risk Management Committee of the Board, Stakeholders Relationship Committee, Special Committee of the Board for Monitoring of Large Value Frauds, Customer Service Committee of the Board, IT Strategy Committee, Corporate Social Responsibility Committee, Remuneration Committee of the Board, Board Committee to Monitor Recovery, Committee to Review the Identification of Wilful Defaulters/Non-Co-operative Borrowers and Nomination Committee of the Board. These Committees provide effective professional support in Board Oversight 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, Oversight on Recovery of Loans and Advances, Review of identification of Wilful Defaulters/Non Co-operative Borrowers and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors. While the Remuneration Committee approves payment of incentives to Whole Time Directors, based on Govt. of India guidelines and meets as and when required, the other Committees meet periodically, once in a quarter generally, 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 Nomination Committee is constituted, to carry out

necessary due diligence and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors by shareholders and meets as and when required. 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 27<sup>th</sup> July 1994 and last re-constituted on the 21<sup>st</sup> March 2018. 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

- 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 reviews their performance from time to time.
- ACB reviews the Bank's financial, Risk Management, IS Audit Policies and Accounting Policies/Systems of the Bank to ensure greater transparency.
- 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;

- It obtains and reviews reports from the Compliance Department in the Bank.
- ACB follows up on all the issues raised in RBI's Risk Based Supervision 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' of the Audit Committee has been approved by the Central Board and a calendar of Reviews to be submitted to the Audit Committee is also in place, which is updated periodically, the last revision effected from 18<sup>th</sup> December 2014.

## COMPOSITION & ATTENDANCE DURING 2017-18

The ACB has seven members of the Board of Directors as on 31.03.2018, including two whole time Directors, two official Directors (nominees of GOI and RBI) and three non-official, non-executive Directors. Meetings of the ACB are chaired by a Non-Official, Non-Executive Director (Chartered Accountant). The constitution and quorum requirements, as per RBI guidelines, are complied with meticulously. During the year, thirteen 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 2017-18

No. of Meetings held	: 13	
Dates of the Meetings	: 20.04.2017, 25.04.2017, 18.05.2017, 14.06.2017, 26.07.2017, 10.08.2017, 14.09.2017, 18.10.2017, 09.11.2017, 12.12.2017, 03.01.2018, 09.02.2018 and 14.03.2018	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Dr. Girish K. Ahuja – Chairman of the Committee	13	12
Shri B. Sriram, MD – C&GB	13	11
Shri P. K. Gupta, MD – R&DB (upto 06.10.2017)	07	07
Shri Dinesh Kumar Khara, MD – R,IT&S (w.e.f. 07.10.2017)	06	06
Shri M. D. Mallya (upto 25.06.2017)	04	02
Shri Deepak I. Amin (upto 25.06.2017)	04	04
Shri Bhaskar Pramanik (w.e.f. 26.06.2017)	09	08
Shri Basant Seth (w.e.f. 26.06.2017)	09	08
Shri Pravin Kutumbe (w.e.f. 26.06.2017 to 08.03.2018)	08	04
Ms. Anjuly Chib Duggal (upto 31.08.2017)	06	00
Shri Rajiv Kumar (w.e.f. 12.09.2017)	07	00
Shri Chandan Sinha	13	09

## RISK MANAGEMENT COMMITTEE OF THE BOARD

The Risk Management Committee of the Board (RMCB) was constituted on the

23<sup>rd</sup> 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 21<sup>st</sup> March 2018 and has, six members. The Non-

executive Director is the Chairman of the Committee. RMCB meets a minimum of four times a year, once in each quarter. During 2017-18, four meetings of the RMCB were held.

### Dates of Meetings of RMCB held & Attendance of Directors during 2017-18

<b>No. of Meetings held</b>	: 4	
<b>Dates of the Meetings</b>	: 21.06.2017, 18.09.2017, 20.12.2017 and 31.03.2018	
<b>Name of the Director</b>	<b>No. of Meetings held after nomination / election / during tenure</b>	<b>No. of Meetings attended</b>
Shri Sanjiv Malhotra - Chairman of the Committee (w.e.f. 21.03.2018)	01	01
Shri Sanjiv Malhotra, Member (upto 20.03.2018)	03	02
Shri B. Sriram, MD-C&GB, Chairman (upto 20.03. 2018)	03	02
Shri B. Sriram, MD-C&GB, Member (w.e.f. 21.03. 2018)	01	01
Shri P. K. Gupta, MD – R&DB (upto 06.10.2017)	02	02
Shri Dinesh Kumar Khara, MD – R, IT&S (w.e.f. 07.10.2017)	02	02
Shri M.D. Mallya (upto 25.06.2017)	01	00
Shri Deepak I. Amin (upto 25.06.2017)	01	01
Dr. Pushpendra Rai	04	04
Shri Bhaskar Pramanik (w.e.f. 26.06.2017)	03	02
Shri Basant Seth (w.e.f. 26.06.2017)	03	03
Shri Pravin Kutumbe (w.e.f. 26.06.2017 to 08.03.2018)	02	02

## 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 Shareholders' and Investors' 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 21<sup>st</sup> March 2018 and has,

six members and is chaired by a Non-Executive Director. The composition of the Committee and its role complies with the SEBI Regulations. The Committee met four times during 2017-18 and reviewed the position of complaints.

### Dates of Meetings of SRC held & Attendance of Directors during 2017-18

<b>No. of Meetings held</b>	: 4	
<b>Dates of the Meetings</b>	: 13.04.2017, 10.07.2017, 11.10.2017 and 17.01.2018	
<b>Name of the Director</b>	<b>No. of Meetings held after nomination / election / during tenure</b>	<b>No. of Meetings attended</b>
Shri M. D. Mallya – Chairman of the Committee (upto 25.06.2017)	01	01
Shri Pravin Kutumbe – Chairman of the Committee (w.e.f. 26.06.2017 and upto 20.03.2018)	03	03
Dr. Pushpendra Rai, Chairman of the Committee (w.e.f. 21.03.2018)	00	00
Dr. Pushpendra Rai, Member (upto 20.03.2018)	04	04
Shri Rajnish Kumar, MD – NBG (upto 06.10.2017)	02	02
Shri P. K. Gupta, MD – R&DB (w.e.f. 07.10.2017)	02	02
Shri Dinesh Kumar Khara, MD – R,IT&S	04	04
Shri Sanjiv Malhotra	04	03
Shri Deepak I. Amin (upto 25.06.2017)	01	01
Dr. Girish K. Ahuja	04	01
Dr. Purmina Gupta (w.e.f. 21.03.018)	00	00

Number of shareholders' complaints received so far (during the year): 603

Number not solved to the satisfaction of shareholders: (To be furnished by Shares & Bonds): Nil

Number of Pending Complaints: (Complaints which are sub-judice): Nil

Name and designation of Compliance officer: Shri Sanjay Abhyankar, Vice President Compliance (Company Secretary)

## SPECIAL COMMITTEE OF THE BOARD FOR MONITORING OF LARGE VALUE FRAUDS

The Special Committee of the Board for monitoring of Large Value Frauds (SCBMF) was constituted on the 29<sup>th</sup> 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 21<sup>st</sup> March 2018 and has, eight members and is chaired by a Non-Executive Director. The Committee met four times during 2017-18:

### Dates of Meetings of (SCBMF) held & Attendance of Directors during 2017-18

<b>No. of Meetings held</b>	: 4	
<b>Dates of the Meetings</b>	: 30.05.2017, 18.08.2017, 16.11.2017 and 28.02.2018	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Rajnish Kumar, MD-NBG, Chairman of the Committee (upto 06.10.2017)	02	02
Shri P. K. Gupta, MD – R&DB , Chairman of the Committee (w.e.f. 07.10.2017 to 20.03.2018)	02	02
Shri P. K. Gupta, MD – R&DB , Member (upto 06.10.2017)	02	01
Shri Basant Seth, Chairman of the Committee (w.e.f. 21.03.2018)	00	00
Shri Basant Seth, Member (w.e.f. 27.06.2017 to 20.03.2018)	03	03
Shri Dinesh Kumar Khara, MD – R,IT&S (w.e.f. 25.10.2017)	02	01
Shri Dinesh Kumar Khara, MD – R,IT&S (Alternate Member)	01	01
Shri B. Sriram, MD - C&GB (Alternate Member)	01	01
Shri Sanjiv Malhotra	04	04
Shri M.D. Mallya (upto 25.06.2017)	01	00
Shri Deepak I. Amin (upto 25.06.2017)	01	00
Shri Bhaskar Pramanik (w.e.f. 27.06.2017)	03	03
Shri Pravin Kutumbe (w.e.f. 27.06.2017 to 08.03.2018)	03	01
Dr. Girish K. Ahuja	04	04
Dr. Pushpendra Rai	04	03

## CUSTOMER SERVICE COMMITTEE OF THE BOARD

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

26<sup>th</sup> 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 the 21<sup>st</sup> March 2018 and

has, eight members and is chaired by a Non-Executive Director. During the year 2017-18, four meetings of the Committee were held.

### Dates of Meetings of CSCB held & Attendance of Directors during 2017-18

<b>No. of Meetings held</b>	: 4	
<b>Dates of the Meetings</b>	: 11.05.2017, 03.08.2017, 01.11.2017 and 14.02.2018	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of meetings Attended
Shri B. Sriram, MD - C&GB, Chairman of the Committee (upto 20.03.2018)	04	04
Dr. Pushpendra Rai, Chairman of the Committee (w.e.f. 21.03.2018)	00	00
Shri Rajnish Kumar, MD-NBG (upto 06.10.2017)	02	02
Shri. P. K. Gupta, MD - R&DB (w.e.f. 25.10.2017)	02	01
Shri Dinesh Kumar Khara, MD - R,IT&S (Alternate Member)	01	01
Shri Sanjiv Malhotra	04	03
Shri M.D. Mallya (upto 25.06.2017)	01	00
Shri Deepak I. Amin (upto 25.06.2017)	01	01
Shri Bhaskar Pramanik (w.e.f. 27.06.2017)	03	02
Shri Basant Seth (w.e.f. 27.06.2017)	03	03
Dr. Girish K Ahuja (w.e.f. 27.06.2017)	03	02
Dr. Pushpendra Rai	04	04
Dr. Purnima Gupta (w.e.f. 21.03.2018)	00	00

## 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 26<sup>th</sup> August 2004. The Technology Committee has been renamed as IT Strategy Committee of the Board w.e.f. 24<sup>th</sup> 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 21<sup>st</sup> March 2018 with six members and is chaired by a Non-Executive Director. The Committee met six times during 2017-18.

## Dates of Meetings of ITSC held & Attendance of Directors during 2017-18

<b>No. of Meetings held</b>	: 6	
<b>Dates of the Meetings</b>	: 03.05.2017, 24.08.2017, 04.10.2017, 22.11.2017, 22.02.2018 and 22.03.2018	
<b>Name of the Director</b>	<b>No. of Meetings held after nomination / election / during tenure</b>	<b>No. of Meetings attended</b>
Shri Deepak I. Amin, Chairman of the Committee (upto 25.06.2017)	01	01
Shri Bhaskar Pramanik, Chairman of the Committee (w.e.f. 27.06.2017)	05	05
Shri B. Sriram, MD - C&GB	06	04
Shri P. K. Gupta MD – R&DB (upto 24.10.2017)	03	01
Shri P. K. Gupta MD – R&DB, Alternate Member	01	01
Shri Dinesh Kumar Khara MD-R, IT&S (w.e.f. 25.10.2017)	03	03
Shri Dinesh Kumar Khara, MD-R, IT&S Alternate Member	01	01
Shri Sanjiv Malhotra	06	01
Shri M.D. Mallya (upto 25.06.2017)	01	00
Shri Pravin Kutumbe (w.e.f. 27.06.2017 to 08.03.2018)	04	03
Dr. Pushpendra Rai	06	05
Dr. Purnima Gupta (w.e.f. 21.03.2018)	00	00

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (CSRC) was constituted on

the 24<sup>th</sup> 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 21<sup>st</sup> March 2018 and has, seven members. The Senior Managing Director

on the Committee is the Chairman. During the year 2017-18, four meetings of the Committee were held.

## Dates of Meetings of CSRC held & Attendance of Directors during 2017-18

<b>No. of Meetings held</b>	: 4	
<b>Dates of the Meetings</b>	: 13.04.2017, 26.07.2017, 11.10.2017 and 17.01.2018	
<b>Name of the Director</b>	<b>No. of Meetings held after nomination / election / during tenure</b>	<b>No. of meetings Attended</b>
Shri Rajnish Kumar, MD-NBG, Chairman of the Committee (upto 06.10.2017)	02	02
Shri P. K. Gupta, MD - R&DB, Chairman of the Committee (w.e.f. 25.10.2017)	01	01
Shri P. K. Gupta, MD - R&DB, Alternate Member	01	01
Shri Dinesh Kumar Khara, MD - R,IT&S	04	04
Shri Sanjiv Malhotra	04	04
Shri M.D. Mallya (upto 25.06.2017)	01	00
Shri Deepak I. Amin (upto 25.06.2017)	01	01
Shri Bhaskar Pramanik (w.e.f. 27.06.2017)	03	03
Shri Basant Seth (w.e.f. 27.06.2017)	03	02
Shri Pravin Kutumbe (w.e.f. 27.06.2017 to 08.03.2018)	03	03
Dr. Pushpendra Rai	04	03
Dr. Purnima Gupta (w.e.f. 21.03.2018)	00	00

## REMUNERATION COMMITTEE OF THE BOARD

The Remuneration Committee was constituted on 22<sup>nd</sup> 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 21<sup>st</sup> March 2018. The Committee has four members consisting of (i) the Government Nominee Director, (ii) the RBI Nominee Director and (iii) two non-executive Directors - Shri Basant Seth and Dr. Girish K. Ahuja. The Committee scrutinizes and recommends payment of incentives to Whole Time Directors.

## 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 20<sup>th</sup> December 2012 for oversight on Recovery of Loans and Advances. The Committee was last reconstituted on 21<sup>st</sup> March 2018 has six members consisting of Chairman, four Managing Directors and the Govt. Nominee Director. The Committee met five 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 - C&GB is the Chairman of this Committee and any two independent Directors as 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.

The Committee met four times during the year 2017-18

## NOMINATION COMMITTEE OF THE BOARD:

In terms of RBI guidelines, the Bank constitutes 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.

The Committee was last reconstituted on 25.04.2018.

## 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 31<sup>st</sup> March 2018, Local Boards at three LHOs and Committees of the Local Boards at the remaining thirteen 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/- is paid for attending the Meetings of the Central Board and ₹ 10,000/- for attending the meetings of Other Board level Committees. Details of Sitting fees paid during the year 2017-18 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 2017-18. 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

1. The Bank has successfully completed the election of Directors for appointment of four Shareholder Directors u/s 19(c) of the SBI Act in June 2017. On-Boarding programmes for newly elected Directors were arranged during this year. It included, inter alia, the organization structures, Overview of various business groups and Associates & Subsidiaries of the Bank, IT Developments, IT Security, HR and Training Etc.
2. **Performance Evaluation of the Board:** With an objective to continuously improve Board's governance, your Bank had engaged a reputed external consulting organization, which assisted in laying down parameters for performance evaluation of Directors, Chairman, Board Level Committees and Central Board as a whole and also assisted in facilitating the overall evaluation process. The parameters of evaluation and the overall process was aligned to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and new SEBI Guidance Note on Board Evaluation, 2017. The performances of the Non-Executive Directors of the Central Board, Chairman and Central Board as a whole were evaluated at the separate meeting of the Independent Directors of the Central Board held on March 21, 2018. The Performance Evaluation of Independent Directors and Board Level Committees were also carried out by the Central Board.  
  
The evaluation process validated the Board of Directors' confidence in the governance values of the Bank, the synergy that exists amongst the Board of Directors and the collaboration between the Chairman, the Board and the Management.
3. Looking to the varied demands being increasingly placed on the Boards of Banks in terms of governance and key role played by our Bank in the economy, a Strategy Workshop (7<sup>th</sup> January to 9<sup>th</sup> January 2018) "Rann Neeti" was organised at Jaipur to keep the Board members and the Senior Management of the Bank abreast with the latest trend in

the industry and to decide on the way forward. A blend of brain storming sessions on various topics viz. HR Challenges for building an effective organisations, Building of a robust Corporate asset book, optimizing Balance Sheet allocation with focus on Return on Assets & Profitability, IT Security, Strategy for Growth of International Banking Footprint, Value Creation by Subsidiaries and Customer centricity as key to sustainable growth were presented in the Workshop. The Board during the workshop laid down certain strategies 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. The detailed Action Plan with specific timelines and the progress report thereafter giving the status of implementation of the various strategic initiatives shall be put up to the Central Board.

4. In an effort to keep the Directors abreast with better understanding in the areas of Corporate Governance, Risk Management, Information Security, Insolvency & Bankruptcy Code 2016, etc., the Bank took the following initiatives during the year :
  - (i) Four Non-Executive Directors participated at Programme for Non Executive Directors on the Boards of Commercial Banks and Financial Institutions from 23<sup>rd</sup> to 24<sup>th</sup> October 2017, organised by Centre for Advances Financial Research and Learning (CAFRAL) at Mumbai. The programme objective was to bring in awareness and understanding among Non-executive Directors about recent Regulatory Developments, Capital Requirements, Risk Management, Compliance, Business Strategy, Governance issues etc.
  - (ii) As a part of Bank's continuing efforts to strengthen Corporate Governance practices, an interactions of Shri Ajay Tyagi, Chairman SEBI with the Central Board was arranged during

the Meeting of the Central Board on 27.12.2017.

- (iii) A presentation on Risk Culture Assessment Framework was made before the Board of Directors by M/s. Ernst & Young at Central Board Meeting on 31.01.2018. The presentation covered various areas viz. objective and benefits of having a risk culture assessment in the Bank, four dimensions of risk culture, etc.
- (iv) With a view to keeping the Directors abreast on various developments taken place in Insolvency & Bankruptcy Code 2016, a presentation was made to the Central Board by M/s. Shardul Amarchand Mangaldas & Co. on 28.02.2018.
- (v) A presentation on the Information Security related Awareness was arranged for the Board of Directors through an industry expert in Digital Forensics in Central Board Meeting dated 21.03.2018.

### Salary and Allowances paid to the Chairman and Managing Directors in 2017-18

NAME	BASIC	DA	ARREAR	Others	Total
<b>Chairman:</b>					
Smt. Arundhati Bhattacharya (upto 06.10.2017)	1393548.39	76427.42	0.00	0.00	1469975.81
Shri Rajnish Kumar (w.e.f. 07.10.2017)	1348625.81	73968.29	0.00	3000.00	1425594.10
<b>Managing Directors</b>					
Shri B. Sriram	2614800.00	137277.00	0.00	22000.00	2774077.00
Shri Rajnish Kumar (upto 06.10.2017)	1307400.00	65370.00	0.00	5000.00	1377770.00
Shri P. K. Gupta	2464800.00	129402.00	0.00	14000.00	2608202.00
Shri Dinesh Kumar Khara	2464800.00	129402.00	0.00	2000.00	2596202.00

### ATTENDANCE AT THE ANNUAL GENERAL MEETING

The last Annual General Meeting (AGM) for the year 2016-17, held on 27<sup>th</sup> June, 2017, was attended by 8 Directors, viz, Smt. Arundhati Bhattacharya, Shri B. Sriram, Shri Rajnish Kumar, Shri P. K. Gupta, Shri Dinesh Kumar Khara, Dr. Pushpendra Rai, Shri Basant Seth and Shri Pravin Hari Kutumbe. AGM (2015-16) was held on 30<sup>th</sup> June, 2016 and AGM (2014-15) was held on 2<sup>nd</sup> July, 2015.

### Disclosure

1. 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.

2. 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.
3. 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 practice 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.

4. Policy on materiality of related party transactions and policy for determining 'material' subsidiaries are available on the bank's website-[www.sbi.co.in](http://www.sbi.co.in) under link corporate governance-policies.
5. 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 2017-18 were published in the

leading newspapers of the country. The results were also displayed on the Bank's website [www.sbi.co.in](http://www.sbi.co.in). 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 /

half-yearly / quarterly 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: 28.06.2018, Time 03.00 p.m. Venue: Y. B. Chavan Centre, Mumbai
Financial Calendar	: 01.04.2017 to 31.03.2018
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 Agent (Existing)	: M/s Datamatics Business Solutions -Limited (up to 30.06.2018)
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	: <a href="mailto:sbi_dbsl@datamaticsbpm.com">sbi_dbsl@datamaticsbpm.com</a>
Fax	: (022) 6671 2204
Registrar and Transfer Agent (New)	M/s Alankit Assignments Ltd. (w.e.f. 01.07.2018)
Unit Address with effect from 01 July, 2018	R. R. House Ideal Industrial Estate, Opp. New Empire Mills, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013. India
Phone Numbers	(022) 4348 1300 / 4348 1221 <a href="http://www.alankit.com">www.alankit.com</a>
E-mail address	<a href="mailto:sbi.igr@alankit.com">sbi.igr@alankit.com</a>
Address for Correspondence	: SBI, Shares & Bonds Department, Corporate Centre, 14th Floor, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai 400 021.
Telephone Numbers	: (022) 2274 0841 to 2274 0848
Fax	: (022) 2285 5348
E-mail Address	: <a href="mailto:gm.snb@sbi.co.in">gm.snb@sbi.co.in</a> / <a href="mailto:investor.complaints@sbi.co.in">investor.complaints@sbi.co.in</a>
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. 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 FY2018

a) During the previous financial year, the Bank received application money of ₹14,999,99,99,859.00 (Rupees Fourteen thousand nine hundred ninety nine crore ninety nine lacs ninety nine thousand eight hundred and fifty nine only) including share premium of ₹14,947,78,06,648.75 (Fourteen thousand nine hundred forty seven crore seventy eight lacs six thousand six hundred forty eight and seventy five paise only) by way of Qualified Institutional Placement (QIP) against issue of 52,21,93,211 equity shares of Re.1 each. The equity shares were allotted on 12.06.2017.

b) During the previous financial year, the Bank received application money of ₹5,40,600.00 (Rupees Five lacs forty thousand six hundred only) including share premium of ₹ 5,37,200 (Five lacs thirty seven thousand two hundred only) by way of issue of 3400 shares of Re.1 each kept in abeyance. The equity shares were allotted on 01.11.2017.

c) During the previous financial year, the Bank received application money of ₹8799,99,99,938.00 (Rupees Eight thousand seven hundred ninety nine crore ninety nine lacs ninety nine thousand nine hundred thirty eight only) including share premium amount of ₹8770,74,66,227.00

(Rupees Eight thousand seven hundred seventy crore seventy four lacs sixty six thousand two hundred twenty seven only) from Government of India against Preferential Issue of 29,25,33,741 equity shares of Re.1 each to Gol. The equity shares were allotted during the last financial year on 27.03.2018.

### 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 1,26,24,898 GDRs as on 31<sup>st</sup> March 2018 representing 12,62,48,980 shares.

### Unclaimed Shares

Category of shareholder	No. of Shareholders	Outstanding Shares
No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	1006	242270
Add- No. of e-SBBJ shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	144	17122
Total	1150	259392
No. of Shareholders, who approached the issuer for transfer of shares from the unclaimed suspense account during the year	8	1450
No. of Shareholders, whom shares were transferred from the unclaimed suspense account during the year	8	1450
Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year	1142	257942

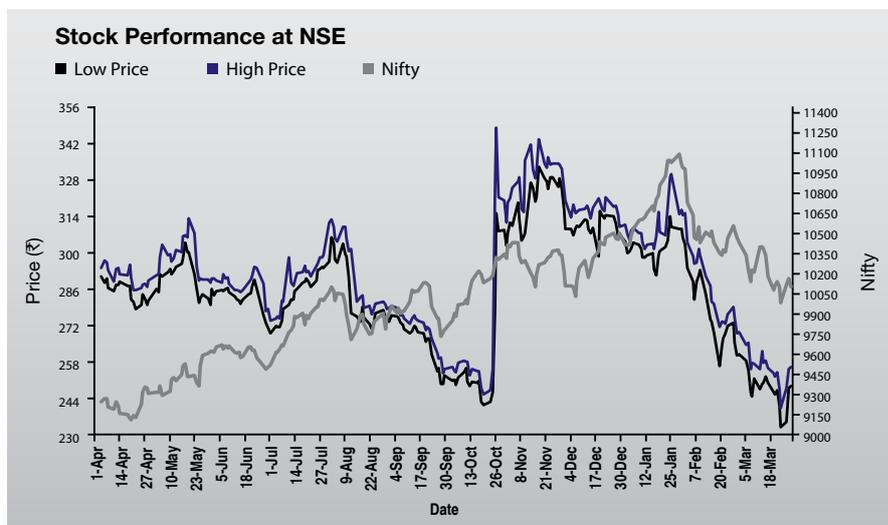
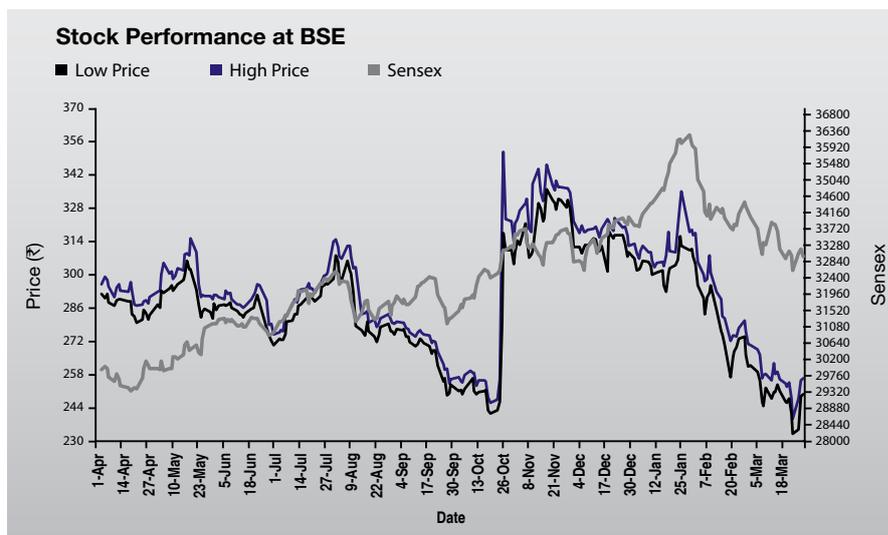
The voting rights on such unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

### Dividend History/Dividend Distribution Policy

The Dividend Distribution Policy is in place. The same is available on the Bank's website [www.sbi.co.in](http://www.sbi.co.in) under link Corporate Governance>>>>>>Policies.

### 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 3.74% in BSE Sensex and 2.38% in NSE Nifty as on 31<sup>st</sup> March 2018.



**Table: Market Price Data (Closing Price)**

Months	BSE (INR)		NSE (INR)		LSE (GDR) US\$	
	High	Low	High	Low	High	Low
Apr-17	296.70	281.95	297.35	282.05	46.35	43.50
May-17	308.15	283.15	308.00	283.15	48.35	44.25
Jun-17	294.55	272.55	294.50	272.45	45.20	42.20
Jul-17	312.55	273.00	312.50	273.00	48.40	42.00
Aug-17	311.10	274.10	311.20	273.90	48.35	42.30
Sep-17	277.80	250.45	277.85	250.40	43.30	38.25
Oct-17	324.70	242.50	324.90	242.75	49.20	37.35
Nov-17	337.40	309.75	337.50	309.55	51.80	47.70
Dec-17	319.85	308.30	319.85	308.40	49.60	48.10
Jan-18	329.50	296.15	329.90	296.15	51.60	46.30
Feb-18	305.55	267.65	306.05	267.60	47.75	40.65
Mar-18	263.80	234.60	263.50	234.80	40.65	36.35

Book value per share ₹199.00

### Shareholding Pattern as on 31<sup>st</sup> March 2018

Sr.No.	Description	% to Total
1	President of India	58.03
2	Non-residents (FIIs/OCBs/NRIs/GDRs)	12.63
3	Mutual Funds & UTI	10.82
4	Private Corporate Bodies	1.42
5	Banks/ FIs/ Insurance Cos., etc.	11.01
6	Others (including Resident Individuals)	6.09
<b>Total</b>		<b>100.00</b>

### Top Ten Shareholders as on 31<sup>st</sup> March 2018

Sr. No.	Name	% of Shares in Total Equity
1	President of India	58.03
2	Life Insurance Corporation of India - (financial institutions)	9.84
3	HDFC Trustee Company Limited (Mutual Fund)	3.19
4	ICICI Prudential Balanced Fund (Mutual Fund)	2.21
5	Reliance Capital Trustee Co. Limited (Mutual Fund)	1.44
6	The Bank of New York Mellon (As Depository To Our GDR)	1.42
7	SBI Magnum Balanced Fund (Mutual Fund)	1.30
8	Euro Pacific Growth Fund	1.10
9	Franklin Templeton Mutual Fund (Mutual Fund)	0.64
10	Government Pension Fund Global (FII)	0.63

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

As on 31<sup>st</sup> March 2018, 882,72,05,476 shares representing 98.91% of total equity capital were held in electronic form.

Description	No. Share Holders	No. Shares	Shares %
NSDL	877745	3477425729	38.97
CDSL	511991	5349779747	59.94
Physical	229120	97382058	1.09
<b>Total</b>	<b>1618856</b>	<b>8924587534</b>	<b>100.00</b>

**Distribution Schedule As on 31<sup>st</sup> March, 2018 (Face value of ₹ 1 each)**

Range No. of Shares	Total Holders	% to Total Holders	Total Holdings in ₹	% to Total Capital
1-5000	1611369	99.538	430,847,070	4.828
5001-10000	3888	0.240	27,600,696	0.309
10001-20000	1515	0.094	21,133,498	0.237
20001-30000	452	0.028	11,156,968	0.125
30001-40000	228	0.014	7,985,670	0.089
40001-50000	141	0.009	6,428,058	0.072
50001-100000	305	0.019	22,293,291	0.250
100001-ABOVE	958	0.058	8,397,142,283	94.090
<b>TOTAL</b>	<b>1,618,856</b>	<b>100.00</b>	<b>8,924,587,534</b>	<b>100.000</b>

**Commodity price risk or foreign exchange risk and hedging activities**

The Bank currently deals in over-the-counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and exchange traded currency derivatives. Interest rate derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps, forward rate agreements, cap, floor and collars. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivative contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items. The bank also runs option position in US\$/INR, which is managed through various types of loss limits and Greek limits.

Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in

interest rates/exchange rates 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 (Greek limits, Loss limits, 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 honor obligations and the Bank enters into ISDA agreement with each counterparty.

Derivative deals are entered into with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals are entered into with only those corporates for whom credit exposure limits are

sanctioned. Collateral requirements are part of credit sanction process.

The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.

The accounting policy for derivatives has been drawn up in accordance with the RBI guidelines, the details of which are presented under Schedule 17: Principal Accounting Policies (PAP) for the FY2018.

## ANNEXURE I

### Brief Resumes of the Non-Executive Directors on the Board as on 31<sup>st</sup> March 2018

#### Shri Sanjiv Malhotra

(Date of Birth: 1<sup>st</sup> October 1951)

Shri Malhotra is a Director re-elected by the Shareholders u/s 19 (c) of the SBI Act w.e.f. 26<sup>th</sup> June 2017 for a period of 3 years. He is a Chartered Accountant and has more than 40 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 Bhaskar Pramanik

(Date of Birth: 20<sup>th</sup> March 1951)

Shri Pramanik is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 26<sup>th</sup> June 2017 for a period of 3 years. He is an engineering graduate from IIT Kanpur. Shri Pramanik has more than 45 years of experience in the Indian IT industry. Before joining the Board of the Bank, he served as Chairman for Microsoft in India. He was also working with Oracle and Sun Microsystems as Managing Director.

#### Shri Basant Seth

(Date of Birth: 16<sup>th</sup> February 1952)

Shri Seth is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 26<sup>th</sup> June 2017 for a period of 3 years. He is a Chartered Accountant and has more than 40 years of experience in Banking and Finance including financing of Micro, Small and Medium Enterprises, Corporate Governance and Administrative matters. He was a Central Information Commissioner before joining the Board of the Bank. He was Chairman & Managing Director of Syndicate Bank. He has also served in senior positions in SIDBI and Bank of India.

#### Dr. Girish Kumar Ahuja

(Date of Birth : 29<sup>th</sup> 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. 28<sup>th</sup> January 2016, for a period of three years. Dr. Ahuja is a Chartered Accountant and academician having 46 yrs of consultancy experience in international and domestic taxation, joint ventures, etc. He has expert knowledge in Direct Taxes with Doctorate in Financial Sector Reforms - Capital Market Efficiency and Portfolio Investment.

#### Dr. Pushendra Rai

(Date of Birth : 02<sup>nd</sup> June 1953 )

Dr. Pushendra Rai is a Director nominated by the Central Government u/s 19(d) of the SBI Act, w.e.f. 28<sup>th</sup> January 2016, for a period of three years. He has about 38 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/World Intellectual Property Organisation (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.

#### Dr. Purnima Gupta

(Date of Birth: 20<sup>th</sup> November 1949)

Dr. Purnima Gupta is a Director nominated by Central Government u/s 19(d) of the SBI Act w.e.f. 1<sup>st</sup> February 2018 for a period of 3 years. She is a professor of Mathematics from Delhi University. She has done her Ph.D in Mathematics from University of Delhi and is a Gold Medalist in both B.Sc. (Mathematics) and M.A. (Mathematics). Her main contribution have been in the theory of Domination in Graph and hyper graphs, Graphoidal Covers and Partition Graphs.

#### Shri Rajiv Kumar

(Date of Birth: 19<sup>th</sup> February 1960)

Shri Rajiv Kumar is a Director, nominated by the Central Government, u/s 19(e) of SBI Act w.e.f. 12<sup>th</sup> September 2017. Shri Rajiv Kumar is Secretary, Financial Services, Ministry of Finance, Govt. of India.

#### Shri Chandan Sinha

(Date of Birth: 15<sup>th</sup> August 1957)

Shri Chandan Sinha is a Director, nominated by the Central Government, u/s 19(f) of SBI Act w.e.f. 28<sup>th</sup> September 2016. Shri Chandan Sinha is an additional Director, in CAFRAL, Mumbai.

## ANNEXURE II

Details of Directorship in the listed entities & Chairmanships/Membership in Audit/Stakeholders Committee(s) held by the Directors of the Bank/Other Listed Companies as on 31.03.2018 in due compliance with Regulation 26(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

S. No.	Name of Director	Occupation & Address	Date of Appointment in the current term / Cessation	Number of listed Companies including in Bank
1.	Shri Rajnish Kumar	Chairman No.5, Dunedin, J.M.Mehta Road, Mumbai – 400 006	07.10.2017 / 06.10.2020	Chairman : 02
2.	Shri B. Sriram	Managing Director M-2, Kinnellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	17.07.2014 / 30.09.2018	Director : 01 Committee Member : 01
3.	Shri P. K. Gupta	Managing Director M-1, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	01.11.2015 / 31.03.2020	Director : 02 Committee Member : 01
4.	Shri Dinesh Kumar Khara	Managing Director D-11, Kinnellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	09.08.2016 / 08.08.2019	Director : 02 Committee Member : 04
5.	Shri Sanjiv Malhotra	Chartered Accountant 6, Motabhoy Mansion, 130, Maharishi Karve Marg, Churchgate, Mumbai – 400 020	26.06.2017 / 25.06.2020	Director : 01 Committee Member : 01
6.	Shri Bhaskar Pramanik	IT Professional 01-PHE, Skycourt, Laburnum, Sushant Lok, Sector 28, Gurgaon - 122002	26.06.2017 / 25.06.2020	Director : 02 Chairman of Committee:01 Committee Member : 02
7.	Shri Basant Seth	Chartered Accountant Flat No. 304, Kalpana Tower, 3/16, Vishnupuri, Kanpur - 208002	26.06.2017 / 25.06.2020	Director : 02 Committee Member :02
8.	Dr. Girish K. Ahuja	Chartered Accountant, M/s.G.K.Ahuja & Co., E-6A, LGF, Kailash Colony, New Delhi 110 048	28.01.2016 / 27.01.2019	Director : 02 Chairman of Committee:02 Committee Member : 03
9.	Dr. Pushpendra Rai	Development Specialist, (former National & International civil servant), 50, Paschimi Marg, Vasant Vihar, New Delhi-110 057	28.01.2016 / 27.01.2019	Director : 01 Committee Member :01
10.	Dr. Purnima Gupta	Academics - Mathematics A-1/2 Panchsheel Enclave New Delhi - 110017	01.02.2018 / 31.01.2021	Director : 01 Committee Member :01
11.	Shri Rajiv Kumar GOI Nominee	Secretary, (Financial Services) Ministry of Finance, Government of India (Banking Division), Jeevan Deep Bldg., Parliament Street, New Delhi - 110 001	12.09.2017 / till further order	Director : 01 Committee Member :01
12.	Shri Chandan Sinha Reserve Bank of India Nominee	Additional Director CAFRAL, Reserve Bank of India, C-8, 8th Floor, Bandra- Kurla Complex Bandra (E), Mumbai – 400051.	28.09.2016 / till further order	Director : 01 Committee Member :01

## ANNEXURE-IIA

Total Number of Memberships/Chairmanships held by the Directors on the Boards / Board-level Committees of the Bank/Other Companies as on 31.03.2018

### 1. Shri Rajnish Kumar

S. No.	Name of the Company/Name of the Concern/Society	Member/Director/ Chairman	Name of the Committee
1	State Bank of India	Chairman	Executive Committee of the Central Board - Chairman Board Committee to Monitor Recovery - Chairman
2	SBI Life Insurance Company Ltd.	Chairman	
3	SBI General Insurance Company Ltd.	Chairman	
4	SBI Foundation	Chairman	
5	SBI Capital Markets Ltd.	Chairman	
6	SBI Cards & Payment Services Pvt. Ltd.	Chairman	
7	Export-Import Bank of India	Director	
8	Institute of Banking Personnel Selection	Member, Governing Board	
9	NIBM, Pune	NIBM Governing Board - Member	NIBM Finance Committee – Chairman NIBM Standing Committee – Member
10	Indian Bank's Association	Deputy Chairman, Managing Committee	
11	Khadi & Village Industries Commission	Member	
12	Indian Institute of Banking & Finance	Member, Governing Council	

### 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	Executive Committee of the Central Board - Member Audit Committee of the Board – Member Risk Management Committee of the Board – Member Board Committee to Monitor Recovery – Member IT Strategy Committee of the Board – Member Customer Service Committee of the Board – Member Committee to Review the Identification of Wilful Defaulters / Non Co-Operative Borrowers - Chairman
2	SBI DFHI Ltd.	Director	
3	SBI Global Factors Ltd.	Director	

### 3. 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	Executive Committee of the Central Board - Member Special Committee of the Board for Monitoring of Large Value Frauds – Member Customer Service Committee of the Board – Member Stakeholders Relationship Committee – Member Board Committee to Monitor Recovery – Member Corporate Social Responsibility Committee – Member
2	SBI Foundation	Director	Executive Committee of SBI Foundation – Member CSR Committee – Member
3	SBI Life Insurance Company Ltd.	Director	-
4	SBI General Insurance Co. Ltd.	Director	Risk Management Committee - Member Policyholders Protection Committee - Member Investment Committee - Member Corporate Social Responsibility Committee - Member Technology Committee - Member Bancassurance Committee - Member
5	National Co-operative Development Corporation	Member	General Council of NCDC – Member

### 4. Shri Dinesh Kumar Khara

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	Executive Committee of the Central Board – Member Stakeholders Relationship Committee – Member Special Committee of the Board for Monitoring of Large Value Frauds – Member Audit Committee of the Board – Member Risk Management Committee of the Board – Member IT Strategy Committee of the Board – Member Board Committee to Monitor Recovery – Member Corporate Social Responsibility Committee – Member
2	SBI Capital Markets Ltd.	Director	Audit Committee of the Board – Member Committee of Directors – Chairman HR Committee – Member Nomination & Remuneration Committee – Member Risk Management Committee – Member Corporate Social Responsibility - Member
3	SBICAP Securities Pvt. Ltd.	Director	Risk Management Committee – Member Corporate Social Responsibility - Member
4	SBICAP Ventures Ltd.	Director	
5	SBICAP (U.K.) Ltd.	Director	
6	SBI Cap Singapore Ltd.	Director	
7	SBI DFHI Limited	Director	Audit Committee of the Board – Member Nomination & Remuneration Committee – Member HR Committee – Member Risk Management Committee – Member Corporate Social Responsibility - Member
8	SBI General Insurance Company Ltd.	Director	Banc assurance Committee – Member Audit Committee – Member Investment Committee – Member Policyholder Protection Committee – Member Risk Management Committee – Member Nomination & Remuneration Committee – Member Technology Committee – Member Corporate Social Responsibility Committee - Member
9	SBI Global Factors Ltd.	Director	Audit Committee of the Board – Member Nomination & Remuneration Committee - Member

10	SBI Life Insurance Co. Ltd.	Director	Audit Committee – Member Risk Management Committee – Member Investment Committee – Member Corporate Social Responsibility Committee - Member Policyholder Protection Committee – Member Nomination & Remuneration Committee – Member Board with Profit Committee – Member Stakeholders Relationship Committee – Member
11	SBI Funds Management Pvt. Ltd.	Director	HR Sub-Committee - Member
12	SBI Pension Funds Pvt. Ltd.	Director	Audit Committee of the Board - Member
13	SBI Cards & Payment Service Pvt. Ltd.	Director	Advisory Committee - Member
14	SBI Foundation	Director	Executive Committee - Member
15	SBI Infra Management Pvt. Ltd.	Director	-

## 5. 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	Executive Committee of the Central Board - Member Risk Management Committee of the Board – Chairman IT Strategy Committee of the Board – Member Special Committee of the Board for Monitoring of Large Value Frauds – Member Customer Service Committee of the Board – Member Corporate Social Responsibility Committee – Member Stakeholders Relationship Committee – Member
2.	Kotak AMC	Director	-
3	Fair First Insurance Ltd. (Sri Lanka)	Director	-

## 6. Shri Bhaskar Pramanik

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 Risk Management Committee of the Board – Member IT Strategy Committee of the Board – Chairman Special Committee of the Board for Monitoring of Large Value Frauds – Member Customer Service Committee of the Board – Member Remuneration Committee of the Board – Member Corporate Social Responsibility Committee - Member
2	Sankya Infotech	Director	Audit Committee of the Board - Chairman Nomination & Remuneration Committee – Member Stakeholders Relationship Committee – Member
3	TCNS Clothing Co.	Director	Technology Committee – Chairman Audit Committee – Member CSR Committee - Member

## 7. Shri Basant Seth

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 Risk Management Committee of the Board – Member IT Strategy Committee of the Board – Member Special Committee of the Board for Monitoring of Large Value Frauds – Chairman Customer Service Committee of the Board – Member Remuneration Committee of the Board – Member Corporate Social Responsibility Committee – Member
2	Roto Pumps Ltd	Director	Audit Committee – Member Nomination & Remuneration Committee - Member
3	Accounts Score India Pvt. Ltd	Director	-

## 8. 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 – Chairman Special Committee of the Board for Monitoring of Large Value Frauds – Member Stakeholders Relationship Committee – Member Nomination Committee of the Board – Chairman Customer Service Committee of the Board – Member Remuneration Committee of the Board - Member
2	Flair Publications P. Ltd	Director	-
3	Amber Enterprise India Ltd	Director	Audit Committee – Chairman Nomination & Remuneration Committee - Member
4	PICL (India) Pvt. Ltd.	Director	Audit Committee – Chairman Nomination & Remuneration Committee - Member

## 9. Dr. Pushendra 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	Risk Management Committee of the Board – Member IT Strategy Committee – Member Special Committee of the Board for Monitoring of Large Value Frauds – Member Customer Service Committee of the Board - Chairman Stakeholders Relationship Committee - Chairman Corporate Social Responsibility Committee - Member Nomination Committee of the Board - Member

**10. Dr. Purnima 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	Director	IT Strategy Committee – Member Customer Service Committee of the Board – Member Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee - Member

**11. Shri Rajiv 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	Director	Audit Committee of the Board - Member Board Committee to Monitor Recovery – Member Remuneration Committee of the Board - Member
2	Reserve Bank of India	Director	

**12. Shri Chandan Sinha**

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	Executive Committee of the Central Board - Member Audit Committee of the Board – Member Remuneration Committee of the Board – Member Nomination Committee of the Board - Member

(Note : Executive Committee of the Central Board consists of 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 ECCB meeting is held as per regulation 46 of SBI General Regulations.)

**ANNEXURE – III****Details of shareholding of Directors on the Bank's Central Board as on 31/03/2018**

S. No.	Name of Director	No. of Shares
1.	Shri Rajnish Kumar	0
2.	Shri B. Sriram	500
3.	Shri P. K. Gupta	4900
4.	Shri Dinesh Kumar Khara	3100
5.	Shri Sanjiv Malhotra	8800
6.	Shri Bhaskar Pramanik	15,000
7.	Shri Basant Seth	5000
8.	Dr. Girish K. Ahuja	2000
9.	Dr. Pushpendra Rai	0
10.	Dr. Purnima Gupta	0
11.	Shri Rajiv Kumar	0
12.	Shri Chandan Sinha	500

## ANNEXURE IV

### Details of Sitting Fees paid to Directors for attending Meetings of the Central Board and Board-Level Committees during 2017-18

S. No.	Name of Director	Meetings of Central Board (₹)	Meetings of Other Board Level Committees (₹)	Total (₹)
1	Shri Sanjiv Malhotra	200000	590000	790000
2	Shri M.D. Mallya	40000	110000	150000
3	Shri Deepak I. Amin	40000	190000	230000
4	Shri Bhaskar Pramanik	200000	580000	780000
5	Shri Basant Seth	200000	470000	670000
6	Shri Pravin Kutumbe	140000	400000	540000
7	Dr. Girish K. Ahuja	140000	220000	360000
8	Dr. Pushpendra Rai	240000	550000	790000
9	Dr. Purnima Gupta	60000	20000	80000
10	Shri Chandan Sinha	120000	390000	510000

## ANNEXURE V

### AFFIRMATION OF COMPLIANCE WITH THE BANK'S CODE OF CONDUCT (2017-18)

I declare that all Board Members and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2017-18.

RAJNISH KUMAR  
CHAIRMAN

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

- The Board** - The requirement is in case of Non-Executive Chairman. As the Bank has an Executive Chairman this information is not applicable.
- 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.
- Modified Opinion(s) in audit report** – The disclosure is required in case of Audit Qualification/Modified Opinion. The Audit Reports with unmodified opinion was furnished to the Stock Exchanges at the time of submission of the audited financial results.
- 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.
- 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 31<sup>st</sup> March, 2018, as stipulated in 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 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018.

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 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 : Mumbai,  
Date : 22<sup>nd</sup> May, 2018

**P R PRASANNA VARMA**  
Partner  
Membership No: 025854