

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 and LODR Amendments Regulations, 2018 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
- Maximizing 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 2019, there were nine other directors on the Board who are eminent professionals representing Technology, Accountancy, Finance, Economics and Academics. The composition of the Central Board, as on 31st March 2019, was as under:

- Chairman appointed by the Central Government in consultation with the RBI u/s 19(a)
- four Managing Directors, appointed by the Central Government in consultation with the RBI u/s 19(b)
- 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) 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 2018-19, fifteen 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 2018-19

No. of Meetings held	: 15	
Dates of the Meetings	: 25.04.2018, 22.05.2018, 28.06.2018, 03.07.2018, 25.07.2018, 10.08.2018, 19.09.2018, 22.10.2018, 05.11.2018, 14.11.2018, 26.12.2018, 22.01.2019, 01.02.2019, 06.03.2019, 22.03.2019	
Name of the Director	No. of Meetings held after nomination/ election /during incumbency	No. of Meetings attended
Shri Rajnish Kumar, Chairman	15	15
Shri B. Sriram, MD - C&GB (upto 29.06.2018)	03	03
Shri P. K. Gupta, MD - R&DB	15	15
Shri Dinesh Kumar Khara, MD - GB&S	15	14
Shri Arijit Basu, MD - CCG&IT (w.e.f. 25.06.2018)	13	12
Smt Anshula Kant - MD - SARC (w.e.f. 07.09.2018)	09	09
Shri Sanjiv Malhotra	15	11
Shri Bhaskar Pramanik	15	13
Shri Basant Seth	15	14
Shri B. Venugopal (w.e.f. 07.06.2018)	13	05
Dr. Girish K. Ahuja	15	06
Dr. Pushpendra Rai	15	13
Dr. Purnima Gupta	15	12
Shri Rajiv Kumar	15	01
Shri Chandan Sinha	15	14

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 2018-19 are as under:

ATTENDANCE OF DIRECTORS AT ECCB MEETINGS DURING 2018-19

No. of Meetings held	: 52		
S. No.	Directors	No. of Meetings held after nomination/ election/ during incumbency	No. of Meetings attended
1	Shri Rajnish Kumar, Chairman	52	52
2	Shri B. Sriram, MD - C&GB (upto 29.06.2018)	13	09
3	Shri P. K. Gupta, MD - R&DB	52	48
4	Shri Dinesh Kumar Khara, MD - GB&S	52	49
5	Shri Arijit Basu, MD - CCG&IT (w.e.f. 25.06.2018)	40	38
6	Smt Anshula Kant - MD - SARC (w.e.f. 07.09.2018)	29	26
7	Shri Sanjiv Malhotra	52	35
8	Shri B. Venugopal (w.e.f. 07.06.2018)	42	22
9	Shri Chandan Sinha	52	29
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:			
10	Shri Bhaskar Pramanik	36	36
11	Shri Basant Seth	20	20
12	Dr. Pushpendra Rai	24	24
13	Dr. Purnima Gupta	23	23

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 27th July 1994 and last re-constituted on the 19th September 2018. The ACB functions as per RBI guidelines and complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and LODR Amendment Regulation 2018 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 18th December 2014.

COMPOSITION & ATTENDANCE DURING 2018-19

The ACB has eight members of the Board of Directors as on 31.03.2019, 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, 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 2018-19

No. of Meetings held	: 11	
Dates of the Meetings	: 18.04.2018, 21.05.2018, 06.06.2018, 11.07.2018, 09.08.2018, 12.09.2018, 17.10.2018, 05.11.2018, 12.12.2018, 31.01.2019, 07.03.2019	
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	11	08
Shri B. Sriram, MD - C&GB (upto 29.06.2018)	03	03
Shri P. K. Gupta, MD - R&DB (w.e.f. 25.07.2018)	08	08
Shri Dinesh Kumar Khara, MD - GB&S (upto 18.09.2018)	06	06
Smt Anshula Kant - MD - SARC (w.e.f. 19.09.2018)	05	05
Shri Bhaskar Pramanik	11	08
Shri Basant Seth	11	10
Shri B. Venugopal (w.e.f. 25.07.2018)	07	04
Shri Rajiv Kumar	11	00
Shri Chandan Sinha	11	10

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 19th September 2018 and has, seven 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 2018-19, six meetings of the RMCB were held.

DATES OF MEETINGS OF RMCB HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held	: 6	
Dates of the Meetings	: 14.06.2018, 26.09.2018, 10.10.2018, 19.12.2018, 04.01.2019, 22.03.2019	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Sanjiv Malhotra - Chairman of the Committee	06	06
Shri B. Sriram, MD-C&GB, Member (upto 29.06.2018)	01	01
Shri P. K. Gupta, MD - R&DB (w.e.f. 25.07.2018)	05	05
Shri Dinesh Kumar Khara, MD - GB&S (upto 18.09.2018)	01	01
Smt Anshula Kant - MD - SARC (w.e.f. 19.09.2018)	05	05
Dr. Pushpendra Rai	06	06
Shri Bhaskar Pramanik	06	04
Shri Basant Seth	06	04
Shri B. Venugopal (w.e.f. 25.07.2018)	05	01

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 19th September 2018 and has, seven 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 2018-19 and reviewed the position of complaints.

DATES OF MEETINGS OF SRC HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held	: 4	
Dates of the Meetings	: 13.04.2018, 18.07.2018, 10.10.2018, 11.01.2019	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Dr. Pushpendra Rai, Chairman of the Committee	04	04
Shri P. K. Gupta, MD - R&DB	04	03
Shri Dinesh Kumar Khara, MD - GB&S (upto 18.09.2018)	02	02
Shri Dinesh Kumar Khara, MD - GB&S (Alternate Member)	01	01
Smt Anshula Kant - MD - SARC (w.e.f. 19.09.2018)	02	02
Shri Sanjiv Malhotra	04	03
Dr. Girish K. Ahuja	04	01
Dr. Purmina Gupta	04	04
Shri B. Venugopal (w.e.f. 25.07.2018)	02	01

Number of shareholders' complaints received so far (during the year): 445

Number not solved to the satisfaction of shareholders: 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 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 19th September 2018 and has, eight members and is chaired by a Non-Executive Director. The Committee met four times during 2018-19:

DATES OF MEETINGS OF (SCBMF) HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held	: 4	
Dates of the Meetings	: 16.05.2018, 16.08.2018, 31.10.2018, 23.01.2019	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Basant Seth, Chairman of the Committee	04	04
Shri P. K. Gupta, MD - R&DB	04	04
Shri Dinesh Kumar Khara, MD - GB&S (upto 18.09.2018)	02	02
Smt Anshula Kant - MD - SARC (w.e.f. 19.09.2018)	02	02
Shri Sanjiv Malhotra	04	03
Shri Bhaskar Pramanik	04	03
Shri B. Venugopal (w.e.f. 25.07.2018)	03	01
Dr. Girish K. Ahuja	04	00
Dr. Pushpendra Rai	04	04

CUSTOMER SERVICE COMMITTEE OF THE BOARD

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

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 the 19th September 2018

and has, eight members and is chaired by a Non-Executive Director. During the year 2018-19, four meetings of the Committee were held.

DATES OF MEETINGS OF CSCB HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held	: 4	
Dates of the Meetings	: 10.05.2018, 29.08.2018, 28.11.2018, 13.02.2019	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of meetings Attended
Dr. Pushpendra Rai, Chairman of the Committee	04	04
Shri. P. K. Gupta, MD - R&DB	04	03
Shri B. Sriram, MD - C&GB (upto 29.06.2018)	01	00
Shri Dinesh Kumar Khara, MD - GB&S (Alternate Member)	01	01
Shri Arijit Basu - CCG&IT (w.e.f. 25.07.2018)	03	03
Shri Sanjiv Malhotra	04	02
Shri Bhaskar Pramanik	04	04
Shri Basant Seth	04	04
Dr. Girish K Ahuja	04	01
Dr. Purnima Gupta	04	03

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 19th September 2018 with seven members and is chaired by a Non-Executive Director. The Committee met five times during 2018-19.

DATES OF MEETINGS OF ITSC HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held	: 5	
Dates of the Meetings	: 30.05.2018, 23.08.2018, 20.11.2018, 20.02.2019, 27.03.2019	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of Meetings attended
Shri Bhaskar Pramanik, Chairman of the Committee	05	05
Shri B. Sriram , MD - C&GB (upto 29.06.2018)	01	01
Shri Dinesh Kumar Khara MD - GB&S (upto 18.09.2018)	02	02
Shri Dinesh Kumar Khara, MD - GB&S (Alternate Member)	01	01
Shri Arijit Basu - MD - CCG&IT (w.e.f. 25.07.2018)	04	04
Smt Anshula Kant - MD - SARC (w.e.f. 19.09.2018)	03	02
Shri Sanjiv Malhotra	05	01
Shri B. Venugopal (w.e.f. 25.07.2018)	04	01
Dr. Pushpendra Rai	05	05
Dr. Purnima Gupta	05	03

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 19th September 2018 and has, seven members. The Senior Managing Director

on the Committee is the Chairman. During the year 2018-19, four meetings of the Committee were held.

DATES OF MEETINGS OF CSRC HELD & ATTENDANCE OF DIRECTORS DURING 2018-19

No. of Meetings held	: 4	
Dates of the Meetings	: 13.04.2018, 18.07.2018, 10.10.2018, 11.01.2019	
Name of the Director	No. of Meetings held after nomination / election / during tenure	No. of meetings Attended
Shri P. K. Gupta, MD - R&DB, Chairman of the Committee	04	03
Shri Dinesh Kumar Khara, MD - GB&S	04	04
Shri Arijit Basu - MD - CCG&IT (Alternate Member)	01	01
Shri Sanjiv Malhotra	04	03
Shri Bhaskar Pramanik	04	03
Shri Basant Seth	04	02
Shri B. Venugopal (w.e.f. 25.07.2018)	02	01
Dr. Pushpendra Rai	04	04
Dr. Purnima Gupta	04	04

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 19th September 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 20th December 2012 for oversight on Recovery of Loans and Advances. The Committee was last reconstituted on 19th September 2018, 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 - SARC 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 seven times during the year 2018-19

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 Nomination Committee at its meeting held on 06-06-2018 has nominated Shri B.Venugopal as Shareholder Director of the Bank. The Committee was last reconstituted on 19.09.2018.

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 31st March 2019, 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 18th January 2019, Sitting Fees of ₹40,000/- is paid for attending the Meetings of the Central Board. Sitting Fees of ₹20,000/- for attending the meetings of Other Board level Committees and additional ₹5,000/- for chairing the meetings of other Board level Committees are paid. Details of Sitting fees paid during the year 2018-19 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 2018-19. 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 one Shareholder Directors u/s 19(c) of the SBI Act in June 2018. 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 24, 2019.

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 Knowledge Session and Strategy Workshop was organized on 25th and 26th February 2019, at Mumbai 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. Platform and Purpose - A Leadership Question, Insolvency & Bankruptcy Code- A Paradigm Shift- Issues & Challenges, Cyber Security- Evolving Dimensions & Strategies to Stay Ahead of the Curve, Data Driven Organisation – Sustaining the Competitive edge through Analytics and way forward for Business Growth were presented. The Board members deliberated on various issues of importance to the Bank.

In an effort to keep the Directors abreast with better understanding in the areas of Corporate Governance, Credit delivery, Information Security, etc., the Bank took the following initiatives during the year :

- i) Two Non-Executive Directors participated in the training Programme on Credit Committees of the Bank, organised by Centre for Advances Financial Research and Learning (CAFRAL) at Mumbai on 18th June 2018. The programme

objective was to sensitize the Directors about issues relating to credit appraisals, financial ratios and indicators, risk assessments in project & infrastructure financing, retail lending etc.

- ii) Similarly, a programme on IT and Cyber Security by IDRBT was conducted which was attended by non-executive Directors. The objective of the programme was to enable the management to contribute effectively in planning and execution of the cyber security strategy of the Bank.
- iii) As a part of Bank's continuing efforts to strengthen Corporate Governance practices, a workshop on Corporate Governance and Media Management was organized at SBIL Kolkata on 3rd December 2018. which was attended by two non-executive Directors.

Consistent with the practice of interacting with eminent domain experts on key challenges which

emerge from time to time, a presentation on the impact on Mutual Fund Industry in the background of IL&FS stress and the redemption pressure on the funds, was made before the Board of Directors by Chief Investment Officer of SBI Funds Management Private Ltd at ECCB meeting dated 17th October 2018.

With objective to ensure inputs on critical topics related to Banking Sector, a presentation on "Evolving Landscape & Key Imperatives – NBFC" was made before Risk Management Committee of the Board on 4th January 2019 by CRISIL.

An interaction with leading firms, conducting Forensic Audit was arranged on 29th August 2018, which was attended by M/s Deloitte Touche, M/s Grant Thornton, M/s Ernst and Young LLP, M/s KPMG and M/s Chokshi & Chokshi LLP with an objective of better utilisation of these firms in the detection of frauds and resolution of stressed assets.

SALARY AND ALLOWANCES PAID TO THE CHAIRMAN AND MANAGING DIRECTORS IN FY2018-19 (₹)

NAME	PF Index	BASIC	DA	ARREAR		Others	Total
				2016-17	2017-18		
Chairman							
Shri. Rajnish Kumar	7619901	27,00,000.00	2,49,750.00	0.00	0.00	4,000.00	29,53,750.00
Managing Directors							
Shri. B Sriram (upto 29.06.2018)	7614144	6,73,200.00	47,374.00	0.00	74,639.00	0.00	7,95,213.00
Shri. Parveen Kumar Gupta	7619715	26,14,800.00	2,41,869.00	19,344.00	1,10,853.00	0.00	29,86,866.00
Shri. Dinesh Kumar Khara	8702764	25,39,200.00	2,34,876.00	0.00	32,226.00	0.00	28,06,302.00
Shri. Arijit Basu (w.e.f. 25.06.2018)	7847890	18,89,680.00	1,87,735.60	0.00	0.00	0.00	20,77,415.60
Smt. Anshula Kant (w.e.f. 07.09.2018)	7848420	13,96,720.00	1,44,190.80	0.00	0.00	0.00	15,40,910.80

ATTENDANCE AT THE ANNUAL GENERAL MEETING

The last Annual General Meeting (AGM) for the year 2017-18, held on 28th June, 2018, was attended by 8 Directors, viz, Shri Rajnish Kumar, Shri B. Shriram, Shri P. K. Gupta, Shri Dinesh Kumar Khara, Shri Arijit Basu, Shri Basant Seth, Dr. Pushpendra Rai, and Dr. Purnima Gupta. AGM (2016-17) was held on 27th June, 2017 and AGM (2015-16) was held on 30th June, 2016. SBI Act and SBI General Regulations 1955 do not provide the postal ballot facility.

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 or bank.sbi 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 2018-19 were published in the leading newspapers of the country. The results were also

displayed on the Bank's website www.sbi.co.in or <https://bank.sbi>. Soft copies of full Annual Report is sent to all those shareholders who have registered their e-mail address(es) either with the Bank or with depositories and physical copy of Annual Report is sent to other shareholders. 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 / Investors are invited. Details of the Bank's performance are discussed with the analysts / Investors in the meeting. After declaring quarterly results, press notifications are issued.

GENERAL SHAREHOLDER INFORMATION

The Annual General Meeting of the Shareholders	: Date: 20.06.2019, Time 03.00 p.m. Venue: State Bank Auditorium, State Bank Bhavan, Madame Cama Road, Mumbai 400 021.
Financial Calendar	: 01.04.2018 to 31.03.2019
Listing of securities on Stock Exchanges	: BSE Limited Mumbai and National Stock Exchange of India Limited, Mumbai. GDRs listed on London Stock Exchange (LSE), Singapore Exchange Limited (Bonds). 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 Alankit Assignments Ltd.
Unit Address with effect from 01 July, 2018	: Alankit Heights, 205-208, Anarkali Complex, E/7, Jhandelwala Extension, New Delhi - 110055
Phone Numbers	: 011-42541234, 7290071335
E-mail address	: sbi.igr@alankit.com
Address for Correspondence	: SBI, Shares & Bonds Department, Corporate Centre, 14 th 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	: 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 Contact No. 91-22-4080 7006 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.

In terms of Regulation 44(5) of SEBI (LODR) Regulations, the Bank provides one way live webcast of the proceedings of the AGM. The webcast facility will be available from 3.00 p.m. onwards on 20.06.2019 and the shareholders can have access at <https://www.evoting.nsdl.com> or <https://bank.sbi>

CAPITAL AUGMENTATION DURING FY2019

During the previous financial year, the Bank received application money of ₹38,16,000.00 (Rupees Thirty eight lakh sixteen thousand only) including share premium of ₹37,92,000.00 (Thirty seven lakh ninety two thousand only) by way of the issue of 24000 equity shares of Re.1 each kept in abeyance due to various title disputes or third party claims out of the Rights Issue closed on 18.03.2008. The equity shares were allotted on 31.01.2019.

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 1,21,07,135 GDRs as on 31st March 2019 representing 12,10,71,350 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	998	2,40,820
Add- No. of e-SBBJ shareholders and the outstanding shares lying in the Unclaimed Suspense account at the beginning of the year	144	17,122
Total	1142	2,57,942
No. of Shareholders, who approached the issuer for transfer of shares from the unclaimed suspense account during the year	11	3,228
No. of Shareholders, whom shares were transferred from the unclaimed suspense account during the year	11	3,228
Aggregate No. of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year	1131	2,54,714

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 under link Corporate Governance > Policies.

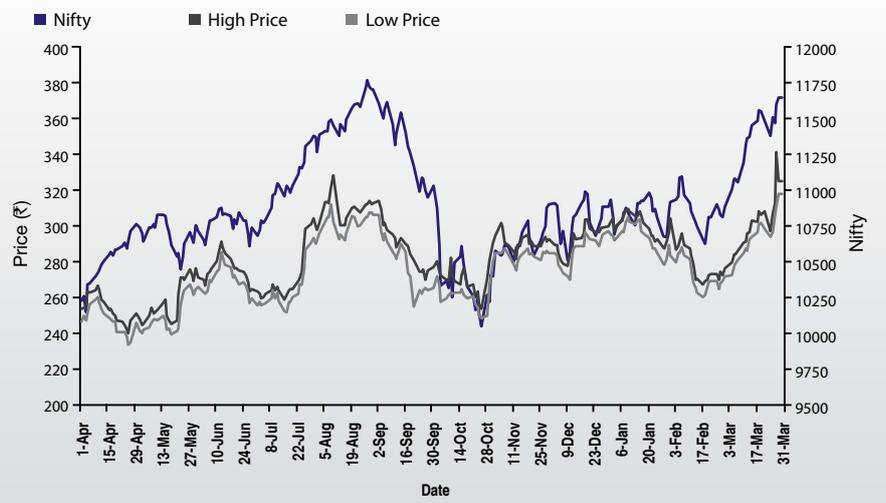
SHARE PRICE MOVEMENT

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 2.04% in BSE Sensex and 2.57% in NSE Nifty as on 31st March 2019.

Stock Performance at BSE (FY2018-19)



Stock Performance at NSE (FY2018-19)



MARKET PRICE DATA

Months	BSE (₹)		NSE (₹)		LSE (GDR) US\$	
	High	Low	High	Low	High	Low
Apr-18	263.25	233.35	263.30	233.20	40.65	35.05
May-18	272.25	239.20	272.05	238.85	39.20	34.70
Jun-18	287.65	256.85	287.70	257.00	42.20	36.75
Jul-18	297.35	251.75	297.40	251.60	43.00	36.60
Aug-18	316.45	292.70	317.40	292.70	45.65	41.50
Sep-18	306.40	264.00	306.35	263.85	41.35	36.60
Oct-18	280.50	248.10	281.40	248.10	37.85	34.80
Nov-18	295.30	277.75	294.95	277.95	41.50	37.75
Dec-18	300.40	273.40	300.70	274.20	42.60	37.30
Jan-19	305.10	280.75	305.55	280.60	43.60	39.40
Feb-19	288.20	259.75	289.05	259.95	41.05	37.05
Mar-19	320.80	272.95	320.75	272.95	46.25	38.00

Book value per share ₹200.07

SHAREHOLDING PATTERN AS ON 31st MARCH 2019

Sr.No.	Description	% of Total Shares
1	President of India	57.13
2	Non-residents (FIIs/OCBs/NRIs/GDRs)	11.31
3	Mutual Funds & UTI	13.97
4	Private Corporate Bodies	2.25
5	Banks/ FIs/ Insurance Cos., etc.	10.23
6	Others (including Resident Individuals)	5.11
Total		100.00

TOP TEN SHAREHOLDERS AS ON 31st MARCH 2019

Sr. No.	Name	% of Shares in Total Equity
1	President of India	57.13
2	Life Insurance Corporation of India - (financial institutions)	9.21
3	HDFC Trustee Company Limited (Mutual Fund)	3.25
4	ICICI Prudential Balanced Fund (Mutual Fund)	2.43
5	Reliance Capital Trustee Co. Limited (Mutual Fund)	2.06
6	SBI-ETF NIFT Bank	1.87
7	Bank of New York Mellon	1.36
8	Birla SunLife Trustee Co. Pvt. Ltd	0.96
9	Government Pension Fund Global (FII)	0.64
10	Kotak Mutual Fund	0.64

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

As on 31st March 2019, 883,87,56,535 shares representing 99.04% of total equity capital were held in electronic form.

Description	No. Share Holders	No. Shares	Shares %
NSDL	8,14,737	3,58,56,02,470	40.18
CDSL	4,83,915	5,25,31,54,065	58.86
Physical	2,05,721	8,58,54,999	0.96
Total	15,04,373	8,92,46,11,534	100.00

DISTRIBUTION SCHEDULE AS ON 31st MARCH, 2019 (FACE VALUE OF ₹1 EACH)

Range No. of Shares	Total Holders	% to Total Holders	Total Holdings in ₹	% to Total Capital
1-5000	1497347	99.532	395301156	4.429
5001-10000	3544	0.236	25080721	0.281
10001-20000	1432	0.095	20006332	0.224
20001-30000	432	0.028	10643550	0.119
30001-40000	216	0.014	7616050	0.085
40001-50000	111	0.007	5118317	0.001
50001-100000	299	0.020	21672376	0.243
100001-ABOVE	992	0.066	8439173032	94.561
TOTAL	1504373	100.00	8924611534	100.00

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 exchange traded currency derivatives and Interest Rate Futures. Interest rate derivatives dealt by the Bank are Rupee interest rate swaps (OIS), Foreign Currency interest rate swaps (IRS), Foreign Currency to Rupee interest rate swap (MIFOR), Forward Rate Agreements (FRA), Caps, Floors and Collars. Currency derivatives dealt by the Bank are Cross Currency Swaps (CCS), USD/INR options and Cross-Currency options. The products are offered to Bank's customers to hedge their exposures. The contra positions may be kept in Option or MIFOR book or covered back to back in the interbank. Derivatives are used by the Bank both for trading as well as for hedging balance sheet purposes.

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 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, sanctioned limits and CAS rating as per Customer Appropriateness & Suitability policy) for entering into derivative transactions. Risk on interbank counterparties are monitored through limits set for the purpose. These counterparties are required to execute ISDA with us.

The Bank has various committees / departments in place to monitor various types of risks. The Asset Liability Management Committee (ALCO) oversees efficient management of liquidity risks. The Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions. MRMD also 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 FY2019.

DISCLOSURES AS REQUIRED UNDER SEBI (LODR) (AMENDMENT) REGULATIONS 2018 (LISTING REGULATIONS)

1. The Central Board of the Bank at its meeting held on 06.03.2019, reviewed and approved the terms of reference/role of various Board level committees viz Audit, Stakeholders Relationship, Risk Management, Nomination and Remuneration Committee in terms of amendment in SEBI (LODR) Regulations.
2. In terms of Regulation 24A of Listing Regulations a secretarial audit report for financial year ended 31.03.2019 is annexed to the Annual Report.

3. There is no revision in credit rating obtained for all debt instruments.
4. During FY 2018-19 the Bank has not raised capital through Preferential Allotment or Qualified Institutional Placement. Therefore, the certificate for utilization of funds was not obtained as required.
5. The Bank has obtained certificate under Regulation 34 and schedule V of Listing Regulations and none of the directors of the Bank have been debarred or disqualified from being appointed by any statutory authority. (Copy of Certificate attached)
6. Details of familiarization programs imparted for independent directors are disclosed on the website of the Bank under the web link: <https://sbi.co.in/portal/web/corporate-governance/regulatory-disclosures>.
7. Total fees paid to existing Statutory Central Auditors (SCAs) during FY 2018-19 as per the Schedule V Para C, Clause 10 (k) of Listing Regulations, is ₹6,11,17,156 only.

ANNEXURE I

BRIEF RESUMES OF THE NON-EXECUTIVE DIRECTORS ON THE BOARD AS ON 31st MARCH 2019

Shri Sanjiv Malhotra

(Date of Birth: 1st October 1951)

Shri Malhotra is a Director re-elected by the Shareholders u/s 19 (c) of the SBI Act w.e.f. 26th June 2017 for a period of 3 years. He is a Chartered Accountant and has experience of more than 40 years in Global Banking and Finance in senior positions in Risk Management, Corporate and Investment Banking, Consumer Finance and Micro Enterprise lending, Private Equity.

Shri Bhaskar Pramanik

(Date of Birth: 20th March 1951)

Shri Pramanik is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 26th June 2017 for a period of 3 years. He is an engineering graduate from IIT Kanpur. Shri Pramanik has experience of more than 45 years 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: 16th February 1952)

Shri Seth is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 26th 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.

Shri B Venugopal

(Date of Birth : 18th May 1959)

Shri Venugopal is a Director elected by the Shareholders u/s 19(c) of the SBI Act w.e.f. 7th June 2018 till 25th June 2020. He has graduated in Commerce & Cost Accountancy from the University of Kerala. He is presently working as Managing Director in Life Insurance Corporation of India. He has more than 30 years of experience in Insurance, Finance & IT.

Dr. Girish Kumar Ahuja

(Date of Birth : 29th May 1946)

Dr. Girish Kumar Ahuja is a Director re-nominated by the Central Government u/s 19(d) of the SBI Act, on 06th February 2019, for a period of one year. 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. Pushpendra Rai

(Date of Birth : 02nd June 1953)

Dr. Pushpendra Rai is a Director re-nominated by the Central Government u/s 19(d) of the SBI Act, on 06th February 2019, for a period of one 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: 20th November 1949)

Dr. Purnima Gupta is a Director nominated by Central Government u/s 19(d) of the SBI Act w.e.f. 1st 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: 19th February 1960)

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

Shri Chandan Sinha

(Date of Birth: 15th August 1957)

Shri Chandan Sinha is a Director, nominated by the Central Government, u/s 19(f) of SBI Act w.e.f. 28th 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 31.03.2019 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 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 : 02
3.	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 : 02
4.	Shri Arijit Basu	Managing Director D-10, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	25.06.2018 / 31.10.2020	Director : 01
5.	Smt Anshula Kant	Managing Director D-08, Kinellan Towers, 100A, Napean Sea Road, Mumbai – 400 006	07.09.2018 / 30.09.2020	Director : 01 Committee Member : 02
6.	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
7.	Shri Bhaskar Pramanik	IT Professional 01-PHE, Skycourt, Laburnum, Sushant Lok, Sector 28, Gurgaon - 122002	26.06.2017 / 25.06.2020	Director : 03 Chairman of Committee:01 Committee Member : 03
8.	Shri Basant Seth	Chartered Accountant Flat No. 304, Kalpana Tower, 3/16, Vishnupuri, Kanpur - 208002	26.06.2017 / 25.06.2020	Director : 03 Committee Member :03
9.	Shri B Venugopal	Managing Director, Life Insurance Corporation 1, Oval View, Maharshi Karve Road Churchgate, Mumbai – 400 002	07.06.2018 / 25.06.2020	Director : 02 Committee Member : 03
10.	Dr. Girish K. Ahuja	Chartered Accountant, M/s.G.K.Ahuja & Co., E-6A, LGF, Kailash Colony, New Delhi 110 048	28.01.2016 / 05.02.2020	Director : 02 Chairman of Committee:02 Committee Member : 01
11.	Dr. Pushpendra Rai	Development Specialist, (former National & International civil servant), 50, Paschimi Marg, Vasant Vihar, New Delhi-110 057	28.01.2016 / 05.02.2020	Director : 01 Chairman of Committee :01
12.	Dr. Purnima Gupta	Academics - Mathematics A-1/2 Panchsheel Enclave New Delhi - 110017	01.02.2018 / 31.01.2021	Director : 01 Committee Member :01
13.	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
14.	Shri Chandan Sinha Reserve Bank of India Nominee	Additional Director CAFRAL, Reserve Bank of India, C-8, 8 th Floor, Bandra- Kurla Complex Bandra (E), Mumbai – 400051.	28.09.2016 / till further order	Director : 01 Committee Member :01

ANNEXURE-II A

Total Number of Memberships/Chairmanships held by the Directors on the Boards / Board-level Committees of the Bank/Other Companies as on 31.03.2019

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	IBA Standing Committee of Legal & Banking Operations – Chairman
11	Khadi & Village Industries Commission	Member	
12	Indian Institute of Banking & Finance	Member/President, Governing Council	
13	Management Development Institute	Member, Board of Governors	
14	ECGC Ltd.	Director, Board of Governors	
15	Ministry of Commerce & Industry, Directorate General of Foreign Trade	Board of Trade - Member	
16	Ministry of Finance, Department of Financial Services	Advisory Board for Financial Inclusion Fund (FIF) - Member	
17	National Investment and Infrastructure Fund	Governing Council - Member	
18	Government of Maharashtra	Hon'ble Chief Minister's Advisory Council of Fintech - Member	

2. 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 Audit Committee of the Board – Member Risk Management Committee of the 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 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
4	National Co-operative Development Corporation	Member	General Council of NCDC – Member
5	Reserve Bank of India	Member	Expert Committee on MSME
6	Government of India, Ministry of Drinking Water & Sanitation	Member	Committee to Study on Credit Finance by Banks/FIs in Water and Sanitation Sector (WASH)

3. 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 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 IT Strategy Committee – Member
3	SBICAP Securities Pvt. Ltd.	Director	-
4	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
5	SBI General Insurance Company Ltd.	Director	Bancassurance 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
6	SBI Global Factors Ltd.	Director	Audit Committee of the Board – Member Nomination & Remuneration Committee - Member
7	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
8	SBI Funds Management Pvt. Ltd.	Director	HR Sub-Committee - Member
9	SBI Pension Funds Pvt. Ltd.	Director	-
10	SBI Cards & Payment Service Pvt. Ltd.	Director	Nomination & Remuneration Committee – Member Executive Committee - Member
11	SBI Foundation	Director	Executive Committee - Member

4. SHRI ARIJIT BASU

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 Board Committee to Monitor Recovery – Member IT Strategy Committee – Member Customer Service Committee of the Board – Member

5. SMT. ANSHULA KANT

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 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 – Member Stakeholders Relationship Committee - Member Board Committee to Monitor Recovery - Member Committee to Review the Identification of Wilful Defaulters/ Non-Co-Operative Borrowers - Chairman

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	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 Nomination Committee - Member
2	Kotak AMC	Director	-
3	Fair First Insurance Ltd. (Sri Lanka)	Director	-

7. 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 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 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

8. 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 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	--
4	Multi Commodity Exchange of India Ltd. (MCX)	Director	Audit Committee - Member Public Interest Directors Committee - Member Risk Management Committee - Member Investment Committee - Member Investor Protection Fund Trust - Member

9. SHRI B. VENUGOPAL

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 Risk Management Committee of the Board - Member IT Strategy Committee – Member Special Committee of the Board for Monitoring of Large Value Frauds - Member Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member
2	LIC of India	Director	Audit Committee – Member Risk Management Committee – Member Investment Committee – Member Executive Committee – Member Policyholders' Protection Committee – Member IT Strategy Committee – Member Shareholders Committee – Member
3	LIC Card Services Ltd.	Director	–
4	LIC Nepal Ltd.	Director	Audit Committee – Member
5	Life Insurance Corporation of Bangladesh Ltd.	Director	Executive Committee – Chairman Audit Committee – Member Risk Management Committee – Member
6	National Commodities & Derivatives Exchange Ltd.	Director	–
7	LIC International BSC (C), Bahrain	Director	Audit Committee – Member

10. 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 Customer Service Committee of the Board – Member Stakeholders Relationship Committee – Member Nomination Committee of the Board – Chairman 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	Devyani Food Industries Ltd.	Director	--
5	R J Corp Limited	Director	--

11. 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	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 - Member

12. 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 of the Board – Member Customer Service Committee of the Board – Member Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Member

13. 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	--
3	NABARD	Director	--

14. 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

(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 31.03.2019**

S. No.	Name of Director	No. of Shares
1	Shri Rajnish Kumar	500
2	Shri P. K. Gupta	4900
3	Shri Dinesh Kumar Khara	3100
4	Shri Arijit Basu	710
5	Smt Anshula Kant	2000
6	Shri Sanjiv Malhotra	18400
7	Shri Bhaskar Pramanik	15000
8	Shri Basant Seth	5000
9	Shri B Venugopal	5000
10	Dr. Girish K. Ahuja	3000
11	Dr. Pushpendra Rai	0
12	Dr. Purnima Gupta	0
13	Shri Rajiv Kumar	0
14	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 2018-19**

S. No.	Name of Director	Meetings of Central Board (₹)	Meetings of Other Board Level Committees (₹)	Total (₹)
1	Shri Sanjiv Malhotra	2,80,000.00	6,55,000.00	9,35,000.00
2	Shri Bhaskar Pramanik	3,20,000.00	7,90,000.00	11,10,000.00
3	Shri Basant Seth	3,60,000.00	6,00,000.00	9,60,000.00
4	Shri B Venugopal	1,20,000.00	4,00,000.00	5,20,000.00
5	Dr. Girish K. Ahuja	1,40,000.00	1,25,000.00	2,65,000.00
6	Dr. Pushpendra Rai	3,20,000.00	6,45,000.00	9,65,000.00
7	Dr. Purnima Gupta	3,00,000.00	4,90,000.00	7,90,000.00
8	Shri Chandan Sinha	3,60,000.00	4,70,000.00	8,30,000.00

ANNEXURE V**AFFIRMATION OF COMPLIANCE WITH THE BANK'S CODE OF CONDUCT (2018-19)**

I declare that all Board Members and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2018-19

RAJNISH KUMAR
CHAIRMAN

DISCRETIONARY REQUIREMENTS**Prevention of Sexual Harassment (POSH) of Women at Workplace – Prevention, Prohibition and Redressal – Position for the year 2018-19**

No. of complaints pending at the beginning of the year	05
No. of complaints received during the year	26
Total No. of cases	31
No. of complaints disposed of during the year	22
No. of cases pending at the end of the year	09

Secretarial Audit Report

For the Financial year ended 31st March, 2019 [Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019 dated 08th February, 2019]

To,
The Members,
State Bank of India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by State Bank of India (hereinafter called "the Bank"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The State Bank of India Act, 1955 ('the Act') and the State Bank of India General Regulations, 1955 ('the Regulations') made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014#;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client#;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;
 - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - j. The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013;
 - k. The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992;
 - l. The Securities and Exchange Board of India (Underwriters) Regulations, 1993;

- m. The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
- n. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;
- o. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;
- p. The Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996; and
- q. The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

The Regulations or Guidelines, as the case may be were not applicable for the period under review.

The list of Acts, Laws and Regulations specifically applicable to the Bank are given below:

- vi. The Banking Regulation Act, 1949, as amended.
- vii. Master Directions, Notifications and Guidelines issued by RBI from time to time.

We have also examined compliance with the applicable clauses of 'the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]'.

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, to the extent applicable except to the following:

- a. The Central Board of Directors of the Bank comprises of fourteen (14) Directors, constituting of one (01) Executive Chairman; four (04) Managing Directors; four (04) Shareholders Directors; three (03) Directors nominated by the Central Government (Promoter) in accordance with Section 19(d) of the Act; one (01) Director nominated

by the Central Government (Promoter) in accordance with Section 19(e) of the Act and one (01) Director nominated by the Central Government (Promoter) on the recommendation of the Reserve Bank of India in accordance with Section 19(f) of the Act. The Bank considers the Directors appointed under Section 19(d) and Section 19(f) of the Act as Independent Directors for the purpose of its composition of Central Board and its committees under the listing Regulation.

- b) The Audit Committee of the Bank comprises of eight (08) Directors, constituting of two (02) Executive Directors, one (01) Government Nominee Director and five (05) Independent Directors. As per Regulation 18 of the Listing Regulations, Audit Committee should comprise of at least two-third of the Independent Directors i.e. six (06).
- c) The Bank, being a Public Sector Bank, has adopted Vigil Mechanism / Whistle Blower Policy in accordance to the provisions of Public Interest Disclosure and Protection of Informers' (PIDPI) Resolutions, 2004 and as per Central Vigilance Commission guidelines. The said Policy is made available on the intranet of the Bank as per the said guidelines.
- d) The Bank is governed under the State Bank of India Act, 1955 and the SBI General Regulations as made thereunder which does not provide for the remote e-voting facility to its shareholders, in respect of all shareholders' resolution.
- e) The Enforcement Directorate (ED) had served two show cause notices during the year 2011 to Ashok Nagar Branch of erstwhile State Bank of Travancore (e-SBT) (now merged with the Bank) with respect to alleged irregularities committed in respect of forex remittances made during the period March, 2009 and August, 2010 and the Bank had accordingly made submissions before the Enforcement Directorate with respect to the same. During the period under review, the Adjudicating Authority had imposed a penalty of ₹7,00,00,000/- (Rupees Seven crore Only) on the Bank vide its order dated 31st May, 2018, for alleged irregularity in terms of

Section 13(1) of the FEMA Act, 1999. Further, the Reserve Bank of India had, in exercise of powers conferred under Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949, levied an aggregate penalty of ₹1,00,00,000/- (Rupees One Crore Only) on the Bank for delayed implementation of the daily reconciliation of the SWIFT transaction logs w.e.f. 20th February, 2018 at 226 "low intensity branches" of the Bank and accordingly the said penalties have been duly paid by the Bank.

We further report that -

Subject to foregoing, the Central Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Central Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Central Board Meetings, agenda and detailed notes on agenda were sent in advance for meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank has undertaken following events/actions:

- i) The Executive Committee of the Central Board ('the ECCB') of the Bank had at its meeting held on 13th April, 2018 had approved for the extension in the period for raising capital by issue of Tier 1 ('T1') Bonds of ₹80,00,00,000/- (Rupees Eight Thousand crore) during the Financial Year 2018-19. The Bank had subsequently raised Capital of ₹73,17,30,00,000/- (Rupees Seven Thousand Three Hundred Seventeen crore and Thirty Lacs only) by way of issue of Non-

Convertible, Unsecured, Basel – III compliant, AT1 Bonds in the nature of Debentures of ₹10,00,000/- (Rupees Ten Lacs only) each by way of Private Placement Issue and subsequently the aforementioned bonds were listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

- ii) The Central Board of Directors of the Bank had at its meeting held on 22nd October, 2018, had approved for raising capital of ₹50,00,00,00,000/- (Rupees Five Thousand crore Only) by way of issue of Additional Tier II Bonds. The Bank had raised capital of ₹41,15,90,00,000/- (Rupees Four Thousand One Hundred Fifteen crore and Ninety Lacs Only) on 02nd November, 2018 by way of issue of Non-Convertible, Unsecured, Basel – III compliant, Additional Tier - II Bonds in the nature of Debentures of ₹10,00,000/- (Rupees Ten Lacs only) each by way of Private Placement Issue and subsequently the aforementioned bonds were listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
- iii) The ECCB of the Bank Entity had at its meeting held on 12th December, 2018 had approved for the issue of International Bonds upto US\$1.25 Billion under rule 144A/Reg – S. The Bank issued the Bonds through their London Branch as of 24th January, 2019 and the Bonds are listed on the Singapore Stock Exchange and India International Exchange, Gift City.

For Bhandari & Associates
Company Secretaries

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366

Mumbai: May 10, 2019

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

ANNEXURE 'A'

To,
The Members,
State Bank of India

Our Secretarial Audit Report for the Financial Year ended on March 31, 2019 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For Bhandari & Associates
Company Secretaries

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
Mumbai: May 10, 2019

To,
The Members of State Bank of India

Sub: Certificate under Regulation 34 and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

According to the information and explanations given to us and based on the verification of the relevant records and documents related to the Directors of State Bank of India ("the Bank") as on March 31, 2019 with respect to the regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"], we certify that none of the directors on the Central Board of the Bank have been debarred or disqualified from being appointed or continuing as directors by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority.

For Bhandari & Associates
Company Secretaries

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
Mumbai: May 10, 2019

Auditors' Certificate on Corporate Governance

To
The Members,
State Bank of India

We, J.C.Bhalla & Co., Chartered Accountants (Firm's Registration No.: 001111N), 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, 2019, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') amended from time to time as referred to in Regulation 15(2) of the Listing Regulations for the year April 1, 2018 to March 31, 2019.

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
J.C.Bhalla & Co.
Chartered Accountants
Firm Registration No: 001111N

Place: Mumbai
Date: May 10, 2019

Rajesh Sethi
Partner
Membership No.: 085669