

CC/S&B/SA/126  
09.07.2020

BSE Limited  
The Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai- 400001

The National Stock Exchange of India  
The Listing Department,  
Exchange Plaza,  
Bandra Kurla Complex,  
Mumbai- 400051

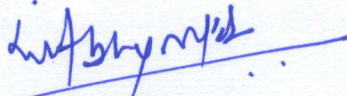
Dear Sir/Madam,

**Subject: Secretarial Compliance Report of the Bank for the year ended March 31, 2020**

We refer to our letter no. CC/S&B/NJ/95 dated 20.06.2020 through which we have submitted Secretarial Audit Report for the FY ended March 31,2020. Further, pursuant to Regulation 24A of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, we hereby submit Secretarial Compliance Report of the Bank issued by M/s Bhandari & Associates for the year ended March 31, 2020 in the format as specified by SEBI for your information and record.

Thanking you,

Yours faithfully  
For State Bank of India



Sanjay M Abhyankar  
Vice President Compliance –(Company Secretary)



# **BHANDARI & ASSOCIATES**

## **Company Secretaries**

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J. B. Nagar, Andheri East. Mumbai- 400 059  
Tel: +91 22 4221 5300 Fax: +91 22 4221 5303  
Email: mumbai@anilashok.com

### **Secretarial Compliance Report of State Bank of India for the year ended March 31, 2020**

*[Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with SEBI Circular  
CIR/CFD/CMD1/27/2019 dated February 08, 2019]*

We, Bhandari & Associates, Company Secretaries, have examined:

- a) all the documents and records made available to us and explanation provided by **State Bank of India** ("the Listed Entity"),
- b) the filings/ submissions made by the Listed Entity to the stock exchanges,
- c) website of the Listed Entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification.

for the year ended **March 31, 2020** ("Review Period") in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014#;
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013#;
- h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) 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#;
- j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#;
- k) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
- l) The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013;
- m) The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992;
- n) The Securities and Exchange Board of India (Underwriters) Regulations, 1993;
- o) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
- p) The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;
- q) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;
- r) The Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996; and

- s) The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

and circulars/ guidelines issued thereunder including the provisions of SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019, in terms of Para 6(A) and 6(B) of the said circular and has suitably modified the terms of appointment of its statutory auditors.

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

and based on the above examination, we hereby report that, during the Review Period:

- a) The Listed Entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 17(1)(b) of the Listing Regulations: where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.	The Central Board of the Bank comprises of fourteen (14) Directors, constituting of five (05) Executive Directors (including the Chairman & Managing Director); six (06) Independent Directors and three (03) Non - executive & Non - Independent Directors. The Chairman of the Bank being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors, whereas the Central Board of the Bank comprises of only six (06) Independent Directors.	In accordance with regulation 15 of the Listing Regulations provides that, the provisions of regulation 17 of the Listing Regulations, with respect to the constitution of the Central Board in terms of section 19 of the State Bank of India Act, 1955 and General Rules & Regulations made thereunder, shall be applicable to the Bank to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.
2.	Regulation 18(1) of the Listing Regulations: (1) Every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference, subject to the following: (a) The audit committee shall have minimum three directors as members. (b) Two-thirds of the members of audit committee shall be independent directors.	The Bank did not have requisite number of Independent Directors in its Audit Committee during the review period.	The Audit Committee of the Bank comprises of nine (09) Directors, constituting seven (07) Non-Executive Directors including four (04) Independent Directors and two (02) Executive Directors as on March 31, 2020.  The Bank was required to have at least six (06) Independent Directors in its Audit Committee during the period under review.

3.	Regulation 19(3A) of the Listing Regulations: The nomination and remuneration committee shall meet at least once in a year.	There was no meeting of the Nomination and Remuneration Committee held during the review period.	The Nomination and Remuneration Committee ("NRC") of the Bank is duly constituted and has complied with the guidelines issued by the Reserve Bank of India (RBI).  The NRC of the Bank has approved the framework/criteria for performance evaluation of the Board, Board Committees and Directors for financial year 2019-20 through circular resolution dated January 23, 2020.
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- b) The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- c) The following are the details of actions taken against the Listed Entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
-----There were no such instances-----				

- d) The Listed Entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (The years are to be mentioned)	Actions taken by the Listed Entity, if any	Comments of the Practicing Company Secretary on the actions taken by the Listed Entity
1.	In accordance to Regulation 17(1)(b) of Listing Regulations, if the Listed Entity does not have a regular non-executive chairperson, thus at least half of the board of directors shall comprise of Independent Directors.  The Listed Entity being	March 31, 2019	During the period under review there was no change in the SBI Act. The Bank is considering Directors appointed under Section 19(d) as Non-executive Independent Directors and Director appointed under Section 19(f) as Nominee Director.  Further in terms of Regulation 15 of SEBI (LODR) Regulations, 2015, other listed entities like SBI	The explanation is self-explanatory.

	<p>governed under the SBI Act read with the SBI General Regulations as made thereunder, the Directors are appointed on the Central Board of the Listed Entity by the Central Government except for four (04) Directors, who are elected by the Shareholders of the Listed Entity under Section 19(c) of the SBI Act read with the Regulations.</p> <p>The Listed Entity considers the Directors appointed under Section 19(d) and Section 19(f) of the SBI Act as Independent Directors for the purpose of its composition of Central Board and its committees under the SEBI (LODR) Regulations, 2015.</p>		<p>which are not companies, but body corporate or are subject to regulations under other statutes, the provisions of corporate governance provisions as specified in regulation 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V shall apply to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.</p> <p>In view of the same the Bank has complied with the SBI Act and directives/guidelines issued by GoI or RBI in regards to composition of Board and its Committee.</p>	
2.	<p>In accordance to Regulation 18(1)(b) of Listing Regulations, Two-thirds of the members of audit committee shall be independent directors.</p> <p>The Audit Committee of the Listed Entity comprises of eight (08) Directors of the Central Board. Wherein, two (02) are Managing Directors, one (01) is Government Nominee Director and five (05) are Independent Directors.</p> <p>As per the said regulation, the Audit Committee of the Listed Entity, minimum Six (06) Independent Directors shall form a part of the</p>	March 31, 2019	<p>Audit Committee is constituted in terms of RBI Guidelines/directives. No change in the Guidelines.</p> <p>Further in terms of Regulation 15 of SEBI (LODR) Regulations, 2015, other listed entities like SBI which are not companies, but body corporate or are subject to regulations under other statutes, the provisions of corporate governance provisions as specified in regulation 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V shall apply to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.</p>	<p>The Audit Committee does not comprise of the requisite number of the Independent Directors as required under regulation 18 of the Listing Regulations.</p>

	Audit Committee of the Central Board.			
3.	<p>a) The review of functioning of the Whistle Blower Mechanism is done by the Chief Vigilance Officer at Corporate Centre in accordance with the Whistle Blower Policy of the Listed Entity.</p> <p>b) The Vigil Mechanism of the Listed Entity provides for the reporting to the Designated Officials as per the Whistle Blower Policy of the Listed Entity.</p> <p>The Listed Entity being a Public Sector Bank has formulated its Whistle Blower Policy / Vigil Mechanism Policy in accordance with the provisions of Public Interest Disclosure and Protection of Informers' (PIDPI) Resolutions, 2004 and as per the Central Vigilance Committee guidelines as applicable to all the Public Sector Banks.</p>	March 31, 2019	The existing Whistle Blower Policy has been modified in line with the provisions of Section 177 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and guidelines/directives issued by RBI under Section 35(A) of Banking Regulations Act. The revised Whistle Blower Policy is available on Bank's website www.sbi.co.in. The Board has approved the said revised policy at its meeting held on November 27, 2019.	The explanation is self-explanatory.
4.	In accordance with Regulation 29(1)(d) & (2) and Regulation 50(3) of the Listing Regulations, the Executive Committee of the Central Board of the Listed Entity had at its meeting held on 12 <sup>th</sup> December, 2018; approved for raising the Capital of US\$1.2 Billion by way of issue of Bonds under standalone 144A/Reg S. However, an intimation of the same was given to the Stock Exchanges on December	March 31, 2019	The Bank has sensitized the concerned department and altered them to ensure strict /meticulous compliance of instructions contained in the office order issued by the Chairman from time to time on compliance with SEBI (LODR) Regulations.	Not Applicable.

	10, 2018. The intimation was given only one (01) working day prior instead of the prior intimation of minimum two (02) working days as required under the Listing Regulations.			
5.	In accordance with Regulation 44(1) of the Listing Regulations', The Listed Entity does not provide e-voting facility to its shareholders, in respect of all shareholders' resolutions.	March 31, 2019	We have been continuously following up with the Department of Financial Services, Ministry of Finance, Government of India for amendment in the State Bank of India Act, 1955 and the State Bank of India General Regulations, 1955 to enable the Bank to provide e-voting facility to the shareholders of the Bank. The last reminder letter was sent to DFS vide our letter no. CC/S&B/SA/1378 dated 20/03/2020. In the meanwhile, owing to pandemic situation in the entire country requiring social distancing and avoiding mass gatherings, MCA and SEBI have issued guidelines vide which conduct of GM/AGM is permitted through VC/OAVM. We have also obtained legal opinion for conduct of GM/AGM through VC/OAVM and introducing e-voting facility. In view of the above, Central Board of the Bank at its meeting held on 28.05.2020 has approved conducting GM/AGM through VC/OAVM and provide e-voting facility to the shareholders of the Bank. General Meeting to elect 4 Directors was done through VC/OVAM & e-voting facility was provided on 17/06/2020. We are planning to conduct AGM & GM on 14/07/2020 through VC/OVAM and e-voting facility being used. However, our efforts will continue to get approval of GOI for amendment in SBI Act and SBI General Regulations.	The explanation is self-explanatory.
6.	In accordance with Regulation 46(2) of the	March 31, 2019	The existing Whistle Blower Policy has been modified in line	The Bank has disclosed the

	Listing Regulations', the listed entity has not disclosed the details with respect to the incorporation of the vigil mechanism / whistle blower policy on its website.		with the provisions of Section 177 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and guidelines/directives issued by RBI under Section 35(A) of Banking Regulations Act. The revised Whistle Blower Policy is available on Bank's website www.sbi.co.in	whistle blower mechanism policy on its website.
7.	In accordance with the provisions of regulation 7(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Central Government (Promoter) of the Listed Entity has not provided disclosure for increase in its holding from 57.48% to 58.03% and neither an intimation of the same is provided by the Listed Entity to the Stock Exchange(s).	March 31, 2019	The Bank always advise GoI to submit the requisite disclosure with the Bank or stock exchanges in case any change in their shareholding in the Bank due to subscription or divestment. Every year Bank provides the details of the shareholding of GoI (Promoter) in the Bank to BSE and NSE through email. Further the observation made in respect of disclosure by GoI is for the FY 2017-18 and not for the FY 2018-19. The Bank had allotted equity shares to the Government of India on March 27, 2018 under preferential issue.	The explanation is self-explanatory.

For **Bhandari & Associates**  
Company Secretaries



**S. N. Bhandari**

**Partner**

FCS No: 761; C P No. : 366

Mumbai | July 09, 2020

ICSI UDIN: F000761B000433534